



# ANNUAL REPORT

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**Vision**  
Re-Engineering Success

**Mission**  
To take the leap that  
transforms latent  
opportunities

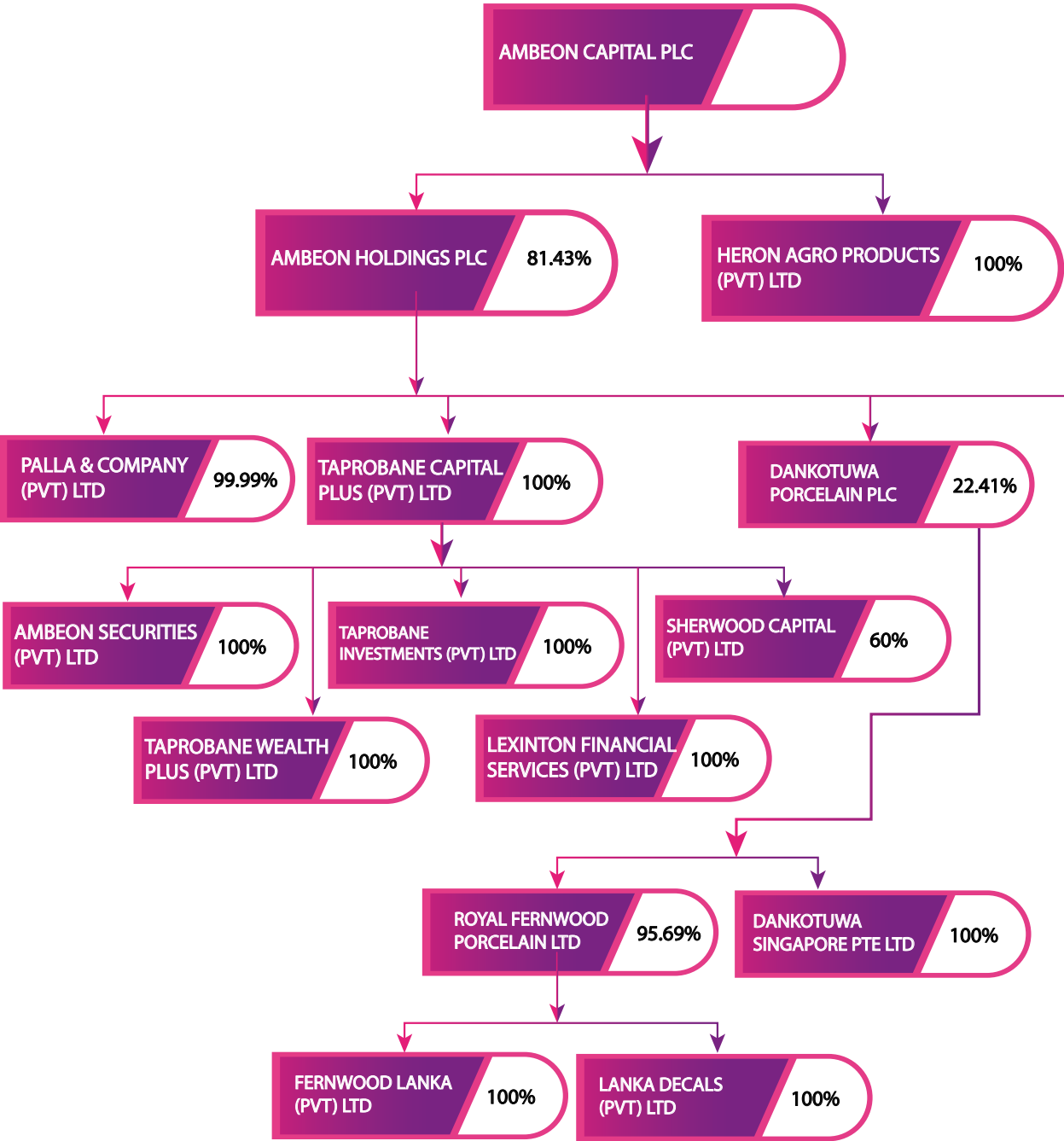
**Values**  
Moving First  
Catalyzing opportunities through readiness  
Channeling Teamwork  
Harnessing the collective strength of our  
diverse minds

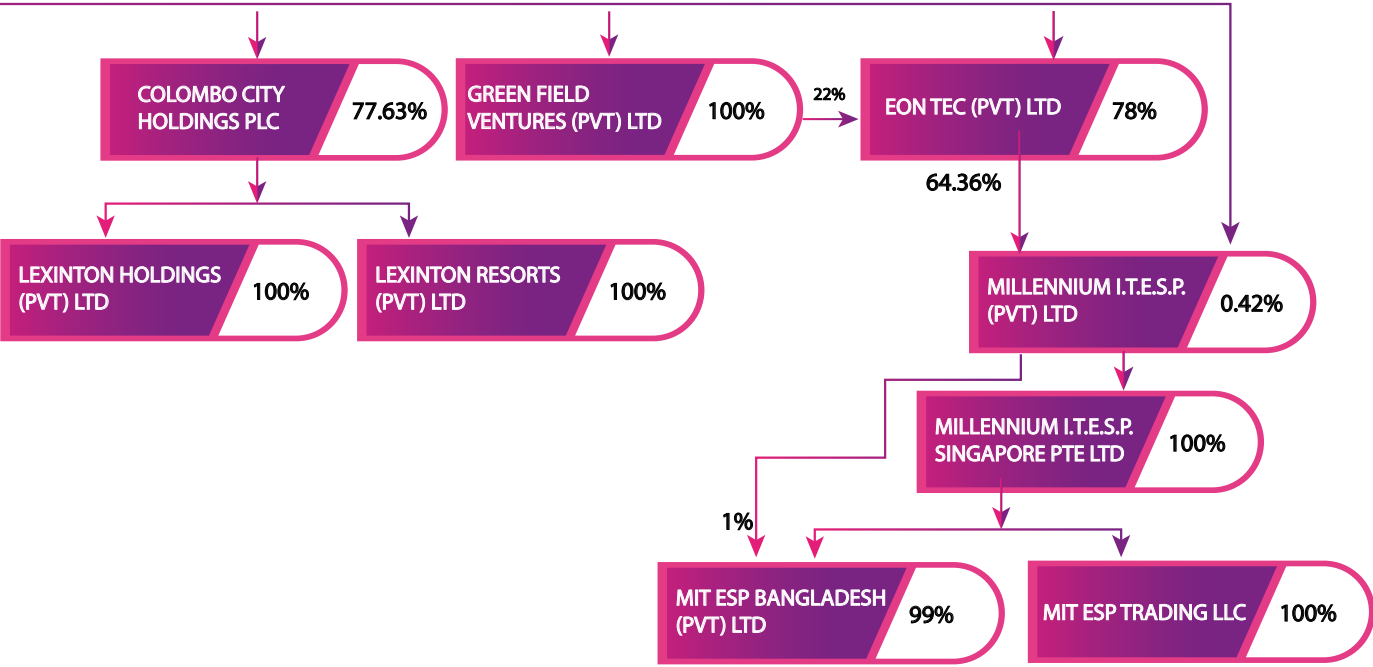
**Actioning Results**  
Mind, body and soul, we are committed to our  
investments

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

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

AMBEON GROUP OF COMPANIES





## ABOUT THIS REPORT

### Welcome to Our Annual Report

Ambeon Capital PLC welcomes you the Annual Report for the financial year 2023/24. 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 2023 to 31st March 2024.

### Reporting Changes

There have been no reporting changes or re-statement of information pertaining to the financial year 2023/24 included in this Annual Report, apart from those clearly stated in the Financial Statements.

### 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 52 and 54 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 this Annual Report or for providing any constructive feedback.

**Haritha C. Perera**  
**Chief Financial Officer**  
 Ambeon Capital PLC  
 16 August 2024

# PERFORMANCE HIGHLIGHTS

## Key Ratios - Ratio Analysis

	Group		Company	
	2023/24	2022/23	2023/24	2022/23
<b>Balance Sheet</b>				
Cash	501,770,288	1,272,859,509	1,076,124	1,655,161
Other Financial Assets	6,936,942,402	4,114,503,381	-	679,229,611
Trade & Other Receivables	8,153,097,473	8,267,869,102	528,162,849	491,513,387
Total current assets	17,025,462,215	16,907,678,690	529,238,973	1,172,398,160
Total long-term assets	4,604,202,238	8,485,357,995	8,324,783,312	7,936,789,570
Total current liabilities	10,968,125,237	14,333,899,431	2,428,808,967	4,255,181,226
Total long-term liabilities	1,278,971,236	3,019,585,475	1,587,561,439	287,499,577
Total shareholders' equity	9,382,567,978	8,039,551,779	4,837,651,880	4,566,506,927
<b>Income Statement</b>				
Revenue	16,969,835,514	20,658,634,036	179,997,672	150,185,473
Gross profit	4,903,717,178	5,726,948,943	179,997,672	150,185,473
EBITDA	4,325,609,807	3,489,729,480	1,007,510,816	439,452,625
Profit / (loss) before taxes	3,064,604,666	1,431,828,783	272,628,768	(513,506,682)
Net Profit / (loss)	2,547,480,785	841,049,839	271,144,953	(509,224,513)
<b>KEY RATIOS</b>				
Profitability Ratios				
Return on equity	27.15%	10.46%	6%	-11%
Return on assets	11.78%	3.31%	3%	-6%
Return on sales	15.01%	4.07%	151%	-339%
Gross profit margin	29%	28%	100%	100%
Asset turnover ratio	78%	81%	2%	2%
Earnings Per Share (EPS)	1.61	0.17	0.27	(0.51)
<b>Leverage and Liquidity Ratios</b>				
Current ratio	1.55	1.18	0.22	0.28
Quick or acid test ratio	1.42	0.95	0.22	0.28
Long-term debt ratio	0.12	0.27	0.25	0.06
Debt to equity ratio	1.31	2.16	0.83	0.99
Net Assets Value Per Share (NAV)	5.31	3.62	4.82	4.55
Interest coverage ratio	4.01	1.95	1.38	0.46

## CHAIRMAN'S REFLECTIONS



### Dear Shareholders,

It is with immense pleasure that I present the Annual Report and Audited Financial Statements of Ambeon Capital PLC for the financial year 2023/24. It was a year of commendable financial stability and growth amidst strategic transformations within our primary subsidiary, Ambeon Holdings PLC; and across the year, we maintained a close watch on macro-economic developments, market changes and opportune trends - focusing on the shareholder wealth maximisation and stakeholder growth.

## Macroeconomic Vitals

I am pleased to report that the macroeconomic headwinds experienced in 2023/24 were less severe than the previous financial year. As the year progressed, we witnessed the economy's gradual recovery, with positive developments in monetary and fiscal policies. Despite a contracted economic growth of 2.3% in 2023, there was an upward growth in the last two quarters of the year. The trend continued towards the first quarter of 2024, which registered a growth of 5.3%. This injects greater optimism for the immediate term, bringing confidence that the nation's economy will reach a 2.2% growth in 2024, as projected by the World Bank.

The dangerously low level of gross official reserves, which resulted in a domino effect of economic woes has improved drastically to over USD 5 Bn by May 2024. Inflation according to the Colombo Consumer Price Index (CCPI) which was at 51.7% in January 2023, reached 0.9% by March 2024. Over the 12-month period, which ended on 28th March 2024, the Sri Lankan rupee appreciated by 7.6% against the US dollar. Moreover, the reduction in market interest rates was determined by several factors; the primary reason is the Central Bank's accommodative monetary policy stance amidst rapid disinflations.

Amidst these developments, it's encouraging to witness the resilience of an entire nation that has emerged from the country's worst economic crises, which provides far greater optimism for the anticipated economic recovery.

## The Business Approach

Effective leadership and management capabilities played a key role in our success during the year. Maintaining our capacity as the Group's investment holding company,

we closely monitored the performance of our main subsidiary, Ambeon Holdings PLC. Additionally, we maintained an objective stance on the operational and strategic decisions made by our sub-subsidiaries and remained confident in Ambeon Holding PLC's role as their immediate parent company. The sectors under Ambeon Holdings proved their resilience on capitalising positive macroeconomic changes while minimising exposures to headwinds; moreover, all subsidiaries recorded healthy financial outcomes with commendable actions to enhance revenue through various business strategies. Subsidiary performance will be presented under the Management Discussion and Analysis in this Annual Report.

Financial prudence has been exercised during the year, as the Group witnessed debt reductions and a bottom line that soared despite the reduction in revenue. While we braced for the immediate dip in revenue subsequent to the divestment of equity in Dankotuwa Porcelain PLC, our well-balanced and strategically aligned portfolio benefitted from timely decisions and prudent financial management from our teams across the board, recording stable and better financial performances.

Under the conditions of interest rate reductions and market rate changes, the opportunity to benefit from financial investments made an appreciable impact on Group profitability. Despite considerations from sudden macroeconomic headwinds, we experienced higher returns from our financial assets, demonstrating a clear and positive connection between group profitability and informed decision-making on investments.

Additionally, the two properties under Ambeon Capital PLC were managed to capitalise on their strategic significance and preserve their importance as two environmentally attractive locations.

## Financial Prudence

Despite seeing a contraction in our revenue as a conglomerate mainly due to the aforesaid divestment, we witnessed a commendable revenue increase as a standalone entity. The Group Profit Before Tax (PBT) surged to LKR 3,065 Mn, a significant increase from the previous year's LKR 1,432 Mn. The Group's Profit After Tax (PAT) was LKR 2,547 Mn while Ambeon Capital as a company recorded a PAT of LKR 271 Mn. .

Several appreciable yardsticks demonstrated robust financial management. The Group's debt decreased compared to the previous year, and the cost of borrowing for both the Group and the company was reduced, aided by the Central Bank of Sri Lanka's (CBSL) reduction of the Standing Lending Facility Rate (SLFR). Prudent financial management and accounting practices played a defining role in creating a leaner balance sheet for the Group during the year. Total assets amounted to LKR 21,630 Mn during the year, while total equity of Ambeon Capital as a Group, stood at LKR 9,383 Mn for the year under review.

I am pleased to declare that due to the improved financial performance, Net Asset Value (NAV) per share and the Earnings per Share (EPS) registered an increase, highlighting our commitment to ensuring the generation of enhanced value on shareholder investments. During the year, we also received a dividend of LKR 494 Mn from Ambeon Holdings underscoring our commitment to enhancing value for shareholders.

## Corporate Governance

At Ambeon Capital PLC, our leadership team goes beyond the focus of strategic and financial growth, ensuring responsible leadership and strong corporate governance. Our leadership team, including the Board of Directors, is committed to upholding

transparency, integrity, and responsibility for our actions and understands that we are accountable to our stakeholders, especially shareholders. We upheld compliance with mandatory governance frameworks as a listed company, maintaining proper Board composition and separation of power and authority while ensuring that our governance framework encompasses all regulatory mandates. By upholding our commitment to prudent governance practices, we not only preserve stakeholder interests but ensure the stability and growth of Ambeon Capital PLC.

## Prudent Foresight

The Group remains committed to maintaining the stability of its investment portfolio, and we are confident in the prudent financial strategies of Ambeon Holdings PLC. As a holding company, Ambeon Holdings PLC will pursue the strategic growth of its business subsidiaries and will continue to capitalise on its financial and treasury operations with the aim of maximising earnings. Collectively, we will maintain effective cashflow with careful budgeting and planning while striking a balance between strategic investments and operational outflows; our focus is to ensure that each vertical remains financially stable to weather any macroeconomic headwinds as they pursue strategic expansions. Furthermore, Ambeon Capital PLC remains committed to deploying comprehensive monitoring and assessments of the external landscape, ensuring agility and responsiveness in adapting to the dynamic economic environment.

## Appreciations

I thank the Board and the executive leadership for decisive decision-making and maintaining independence in strategic decisions. I convey my appreciation to the leadership and corporate management teams across all subsidiary companies for leveraging their expertise and strategic foresight and prudently allocating resources to navigate challenges and ensure business growth.

I also want to express my deep appreciation to all employees of Ambeon Capital and Ambeon Holdings as well as the staff members of all our subsidiaries for prioritizing stakeholder interests amidst operational and macroeconomic considerations. Furthermore, I appreciate the continued support from our service providers who are integral stakeholders of Ambeon Capital PLC. Lastly, I appreciate our valued shareholders, whose financial backing and strategic support have been pivotal for financial resilience and operational effectiveness. Together, we will overcome challenges, capitalise on opportunities, and ensure that we create sustainable value for all stakeholders alike.

I place on record my appreciation to former chairman Mr. Sanjeev Gardiner and directors Mr. Ajith Devasurendra, Mr. Ranil Pathirana, Mr. Priyantha Fernando, Mr. Harsha Amarasekera, Mr. Yudy Kanagasabai, Mr. Dilush Perera, and Mr. Niro Cooke who resigned from the Board during the year; your leadership over the years has been

instrumental in shaping Ambeon Capital PLC into the robust entity it is today. We are profoundly grateful for your invaluable contributions and wish you continued success in your future endeavours.

With that being stated, I warmly welcome all newly appointed Directors, Mr. Savanth Sebastian, Mr. Samresh Kumar, Mr. Jackie Tsoi, Mr. Ruwan Sugathadasa and Mr. Duminda Weerasekare their collective experience and strategic acumen will greatly enrich our Group's decision-making processes and will undoubtedly contribute to Ambeon Capital PLC's continued growth and success as we explore new opportunities.

Sgd

**Sujeewa Mudalige**

Chairman

16 August 2024

## GROUP CEO/EXECUTIVE DIRECTOR'S MESSAGE



### **Dear Stakeholders,**

I am delighted to present the Annual Report and Audited Financial Statements of Ambeon Capital PLC for the financial year 2023/2024. Our strategic initiatives and resilient approach in addition to our commitment to supporting the strategic goals of our subsidiaries to enhance operational efficiency and adopt prudent investment strategies have not only fostered stability, profitability, and growth but have also fortified our financial stability and positioned us for sustained success in the years ahead.

## Macroeconomic Landscape

During the financial year of 2023/2024, the interventions from both the Government and the Central Bank of Sri Lanka which included policy adjustments and structural reforms, restored macroeconomic stability after a turbulent 2022, where economic contraction and inflation were severe. Key results that stemmed from the efforts made included containment of inflation, economic expansion in the latter half of the year after six quarters of contraction, and corrections in the twin deficits. Efforts to rebuild external buffers and strengthen the financial sector's resilience were notable achievements.

In the period under review, Sri Lanka underwent significant changes. Notably, the inflation rate (based on the Colombo Consumer Price Index - CCPI) dropped to 0.9% in March 2024, after a gradual decline in the rate from 51.7% in January 2023 - prompting proactive monetary easing by the Central Bank. The Colombo Stock Exchange (CSE) also experienced growth, reflecting increased investor confidence. Furthermore, the tourism sector saw a resurgence, worker remittances surged, and foreign reserves improved, all contributing to Sri Lanka's economic strength. In 2023, the Sri Lankan rupee saw a significant appreciation against the US dollar, supported by the Central Bank's decision to allow market forces to determine the exchange rate.

## Financial Performance

In the financial year 2023/2024, the Group Profit Before Tax (PBT) surged to LKR 3,065 Mn, a significant increase from the previous year's LKR 1,432 Mn. The Group's Profit After Tax (PAT) was LKR 2,547 Mn while Ambeon Capital PLC as a company recorded a PAT of LKR 271 Mn. Group revenue decreased from LKR 20,658 Mn recorded during the previous year to LKR 16,970 Mn during the year under review, due to the divestment of controlling interest in Dankotuwa Porcelain PLC by our main subsidiary Ambeon Holdings

PLC. Conversely, Ambeon Capital PLC as a standalone entity saw a noteworthy increase in revenue, which reached LKR 180 Mn during the said financial year.

Our actions to reduce debt have made a positive impact on our financial health. By effectively managing our financial obligations, we made a 40% reduction in finance costs across the group and a 23% reduction at the company level. Contrasting the drop in revenue, the group's financial position was further bolstered with an asset base of LKR 21,630 Mn; and effective liability management which reduced our total liabilities from LKR 17,353 Mn to LKR 12,247 Mn that existed during the same period of last year. The Group's Net Asset Value (NAV) per share experienced a significant increase by LKR 1.69 from LKR 3.62 in the preceding year to LKR 5.31 in the current financial year. Similarly, the Earnings per Share (EPS) also saw a substantial increase by LKR 1.44 from the previous year's LKR 0.17 to LKR 1.61 this year.

## Subsidiary Performance

The financial achievement of the main subsidiary Ambeon Holdings PLC demonstrated an improved performance, with increased profitability and a stronger asset base. This was the result of strategic initiatives which encompassed disciplined cost management, prudent investment management, and a sustainable focus on enhancing revenue. The company has optimized its asset portfolio for improved returns, laying a solid foundation for sustained growth and shareholder value creation.

Ambeon Holdings PLC reported a consolidated top line of LKR 17,154 Mn during the financial year, a 17% decline from the previous year primarily due to the sale of a controlling interest in a subsidiary. As a standalone entity, Ambeon Holdings PLC reported a top line of LKR 854 Mn, slightly lower than the previous year's LKR 881 Mn. The Group's PAT increased by 87% to LKR

3,079 Mn, while pre-tax profits rose by 62% to LKR 3,597 Mn.

As a standalone company, Ambeon Holdings saw its profit nearly double to LKR 996 Mn, increasing from LKR 498 Mn in the previous financial year. The company maintained a stable financial position with total assets amounting to LKR 10,745 Mn and total liabilities decreasing to LKR 580 Mn. Equity stood at LKR 10,164 Mn.

During the financial year, Ambeon Holdings PLC declared a dividend of LKR 607 Mn, indicating confidence in the subsidiary's financial health.

## Strategic and operational performance

Leveraging the strong capabilities of our subsidiary Ambeon Holdings PLC and capitalizing on favorable macroeconomic changes, we enhanced our portfolio and focused on our strategy of closely monitoring the performance of subsidiaries while supporting their efforts, guiding them in crucial decision-making to achieve their strategic objectives.

The different entities overseen by Ambeon Holdings PLC enabled us to mitigate exposures and reduce the risks of any one particular industry while providing opportunities in various market segments and diverse industries. This has been visible within the technology cluster, which expanded within Asia, benefiting from the rapidly developing demand for technology within emerging markets.

## Cluster performance

During the financial year under review, the technology cluster demonstrated robust performance amidst a changing economic environment. MillenniumIT ESP (MIT ESP) focused on maintaining growth, particularly through international operations in Singapore and domestic clients engaged in international business activities. MIT ESP maintained a staunch focus on earning foreign currency

and recurring revenue from both established and new clients. The company also expanded into new regions and established partnerships with industry leaders. Additionally, the focus was on employee development and innovation exemplified by the opening of a new head office in Colombo. Overall, the technology cluster is well-positioned for increased revenue and profitability in the upcoming financial year.

The financial services cluster of Ambeon Holdings PLC, comprised of Taprobane Capital Plus (Pvt) Ltd and its subsidiaries Ambeon Securities, Sherwood Capital and Taprobane Investments, demonstrated strong performance during the year under review. The Taprobane Group which specializes in a range of financial services such as stock brokerage, money broking, and trading government securities continued to take advantage of market opportunities to achieve positive momentum. The consolidation of Sherwood Capital under Taprobane Capital Plus and the establishment of a dedicated research division within Ambeon Securities boosted the group's capacity to offer enhanced financial services and insights.

Colombo City Holdings PLC (CCH) as a Group demonstrated remarkable resilience and strategic foresight in the financial year, navigating a challenging economic landscape with futuristic thinking and agility. The Group which invested prudently in government securities and selective equity portfolios achieved favourable yields reinforcing its financial stability and growth.

The porcelain cluster comprised of Dankotuwa Porcelain PLC and its subsidiary Royal Fernwood Ltd. withstood market pressures and leveraged their strategic strengths despite challenges in the macroeconomic landscape. During the past year, Ambeon Holdings PLC reduced its ownership in Dankotuwa Porcelain PLC from 72% to 22.41% hence converting this cluster into an associate company.

## Futuristic Outlook

Given the positive indications for the country's economic trajectory, we remain optimistic that there will be more stable and predictable developments in the coming financial year. It will also be crucial to maintain momentum in reforms and strengthen domestic revenue mobilisation for sustained economic recovery and stability. The country also requires both public and political consensus on the continuation of reforms to mitigate risks and ensure sustained growth.

As a diversified conglomerate, Ambeon Capital PLC is dedicated to keeping its investment portfolio balanced and stable. The company's focus will continue to be to adopt cautious investment strategies, manage costs efficiently, and expand strategically under the guidance of the Board of Directors and the support of the Senior Management Team. The broader focus continues to be on pursuing strategic business opportunities in the markets of our respective sub-subsidiaries, particularly in the technology and financial services sectors.

## Acknowledgments

The success we have achieved this year stands as a testament to the unwavering commitment and exceptional support of all our key stakeholders. It is with profound appreciation that I acknowledge the Board of Directors of Ambeon Capital PLC. Their astute leadership and visionary decisions have been pivotal in navigating our course toward sustained growth.

I am equally grateful to the Boards and Senior Management Teams across our Group. Their steadfast dedication to our collective vision and their ability to make timely, prudent operational and strategic decisions have been instrumental in our achievements. The staff of Ambeon holdings, Ambeon Capital and our subsidiaries deserve special recognition for their unwavering resilience and passion, which have been crucial in

driving the growth and success of the Group.

My heartfelt gratitude is extended to all our business partners, service providers and our financial services partners. The trust and unwavering confidence of our valued shareholders have been equally vital, ensuring the stability and continued growth of Ambeon Capital as an entity and as a Group. It is these collective efforts and steadfast support that have been indispensable when navigating the Group through turbulence and emerging successfully from challenging macroeconomic conditions.

Sgd.

**Sajeeva Narangoda (Dr)**

Group CEO/Executive Director

16 August 2024

## BOARD OF DIRECTORS



### Mr. Sujeewa Mudalige

#### 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, Taprobane Capital Plus (Pvt) Ltd, Lexinton 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 Practicing 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 Arpico Ataraxia 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.



### **Mr. Ching Tak (Jacky) Tsoi**

#### **Independent Non-Executive Director**

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

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

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

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



### **Mr. Ruwan Sugathadasa**

#### **Non-Executive Director**

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

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

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

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## Macro-economic highlights

In 2023, while the global economy stabilized subsequent to COVID-19 disruptions, persistent volatility continued due to interconnected crises. Geopolitical tensions disrupted supply chains and surged inflation, prompting synchronized monetary tightening in key markets. Despite these challenges, major economies demonstrated resilience, resulting in an estimated global growth of 3.1%. In Sri Lanka, economic stabilization was evident, driven by structural and policy reforms under the IMF's Extended Fund Facility (EFF). Key reforms included cost-reflective utility pricing and fiscal consolidation, with successful debt restructuring boosting confidence. From April 2023 to March 2024, Sri Lanka experienced notable macroeconomic changes, presenting challenges and growth opportunities for Ambeon Capital PLC. Inflation significantly declined from 35.3% to 0.9%, prompting the Central Bank of Sri Lanka to commence monetary easing, reducing key policy rates. This led to lower interest rates, benefiting long-term investments and business expansion. Additionally, the Colombo Stock Exchange (CSE) performed strongly, with the All-Share Price Index rising from 8,983.21 to 11,444.38, reflecting investor confidence.

Tourism rebounded robustly, with arrivals reaching 1.5 million and earnings hitting USD 2 Bn. Worker remittances increased by 57.5%, and foreign reserves improved significantly, enhancing import cover. Ambeon Capital PLC effectively navigated these dynamics, leveraging positive trends and policy measures to support its growth and deliver strong performance.

## Group Performance

As a Group, Ambeon Capital PLC experienced a 22% decline in revenue, resulting in total revenue of LKR 16,970 Mn for the financial year 2023/24, compared to LKR 20,658 Mn in the previous year. This decline was primarily due to the divestment of the controlling interest held by the main subsidiary Ambeon Holdings PLC, in Dankotuwa Porcelain PLC. As a standalone company, Ambeon Capital PLC recorded a 20% increase in revenue, amounting to LKR 180 Mn.

The Group Profit before Tax (PBT) surged to LKR 3,065 Mn, a significant increase from the previous year's LKR 1,432 Mn. The Group's Profit after Tax (PAT) was LKR 2,547 Mn, while Ambeon Capital as a company recorded a PAT of LKR 271 Mn.

The Group's debt decreased compared to the previous year, and the cost of borrowing for both the Group and the company was reduced. This was aided by the Central Bank of Sri Lanka's (CBSL) reduction of the Standing Lending Facility Rate (SLFR). As a result, finance costs for the Group decreased by 40%, while the company's finance costs were reduced by 23%; this also reflects the benefits of improved financial management strategies.

The Group maintained a stable financial position with total assets amounting to LKR 21,630 Mn in 2023/2024. Total liabilities decreased to LKR 12,247 Mn compared to LKR 17,353 Mn, which was reported in the previous financial year. The Group's total equity stood at LKR 9,383 Mn.

The Net Asset Value (NAV) per share of the Group increased by LKR 1.69, rising from LKR 3.62 reported in the previous year to LKR 5.31 in the year under review, while the Earnings per Share (EPS) increased by LKR 1.44, from LKR 0.17 reported in the previous year to LKR 1.61 this year- a reflection of the improved financial performance.

During the financial year under review, Ambeon Holdings PLC declared a dividend of LKR 607 Mn, underscoring confidence in the subsidiary's financial health.



## Main Subsidiary Performance

Ambeon Holdings PLC, the main business subsidiary of Ambeon Capital PLC, demonstrated commendable performance during the said financial year. By remaining vigilant of the volatilities of the macroeconomic environment, the Group enhanced its profitability and strengthened its asset base through strategic initiatives and operational efficiency.

During the year under review, Ambeon Holdings PLC reported consolidated revenue of LKR 17,154 Mn. While the Technology and Financial Services clusters were the main revenue contributors, the Group experienced a 17% decrease in revenue from the previous year due to the divestment of its subsidiary Dankotuwa Porcelain PLC. As a standalone entity, Ambeon Holdings PLC recorded revenue of LKR 854 Mn, a slight reduction from LKR 881 Mn achieved last year. The

Group's Profit After Tax (PAT) increased by 87% to LKR 3,079 Mn, while pre-tax profits rose by 62% to LKR 3,597 Mn. At the Company level, Ambeon Holdings PLC saw its profit nearly double during the year to LKR 996 Mn, increasing from LKR 498 Mn in the previous financial year.

Ambeon Holdings PLC maintained a stable financial position with total assets amounting to LKR 10,745 Mn during the financial year of 2023/2024. Total liabilities decreased from LKR 992 Mn to LKR 580 Mn, while Group Equity stood at LKR 10,164 Mn.

The Net Asset Value (NAV) per share increased by LKR 1.38, rising from LKR 27.11 reported in the previous year to LKR 28.48 in the year under review, while the Earnings per Share (EPS) increased by LKR 1.39 from LKR 1.40 reported in the previous year to LKR 2.79 this year – another reflection of the improved financial performance.

## Segmental Review

Ambeon Holdings PLC is an amalgamation of subsidiaries that operate predominantly in Information Technology, Financial Services, diversified investments holding companies and associate companies, which are involved in porcelain tableware manufacturing.

## TECHNOLOGY CLUSTER

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



#### Macroeconomic Landscape

In 2022, Sri Lanka's IT sector encountered several macroeconomic challenges, including the depreciation of the local currency and restrictions on importing IT products due to a shortage of foreign currency. These challenges resulted in higher costs denominated in foreign currencies, reducing profit margins despite increased revenues. However, in 2023, there have been positive developments, including significant local currency appreciation and economic adjustments.

#### Business and Operational Overview

During the financial year 2023/2024, the technology cluster represented by MillenniumIT ESP and its subsidiaries demonstrated resilient performance amidst a dynamic macroeconomic environment. The Company's strategy for the said period entailed a focus on stabilizing existing businesses, sustaining growth, and emphasizing the generation of foreign currency earnings from international operations. As a provider of technological solutions to global customers, MillenniumIT ESP is renowned for its futuristic solutions in core infrastructure, cyber security, managed services, smart buildings, and enterprise

applications. Notably, MillenniumIT ESP has played a pivotal role in advancing Sri Lanka's IT industry by nurturing local talent and creating employment opportunities for IT professionals.

Since its acquisition in 2017 by Ambeon Holdings PLC, MillenniumIT ESP has focused on global expansions and sustainable growth. As such, the Company has extended its operations beyond Sri Lanka to South Asia, Southeast Asia, and the Middle East, meeting the needs of its diverse clientele. During the year, the company's Singapore subsidiary played a pivotal role, contributing significantly to overall revenue, while domestic clients with international activities

also provided substantial foreign earnings. Moreover, a strategic focus on recurrent revenue streams from annual maintenance and managed services contracts with a high renewal rate ensured a substantial recurring revenue base. The strategic expansion into new regions, including Bangladesh and Dubai, and partnerships with industry leaders, such as CISCO, Oracle, and Microsoft, secured business opportunities across all sectors both locally and internationally. As the technology cluster continues to capitalize on regional and global opportunities, it remains well-positioned for sustainable revenue and profitability in the coming financial year.

## Financial Outcome

For the financial year 2023/24, MillenniumIT ESP posted commendable revenue, generated primarily through its overseas earnings and recurrent business portfolio. Total revenue amounted to LKR 13,238 Mn for 2023/24 this comprised LKR 8,263 Mn in earnings from non-recurrent business activities and another LKR 4,975 Mn from recurrent business earnings.

The Profit after Tax (PAT) for the year was LKR 36 Mn, which marked a significant decrease from LKR 491 Mn reported in 2022/23. The gross profit margin declined from 20% to 16% during the financial year. This was mainly due to the impact of exchange rate fluctuations and the deferment of several high-margin projects to the next financial year.

The Company's financial position remained stable with total assets amounting to LKR 9,403 Mn while total liabilities decreased from LKR 8,614 Mn reported in the previous financial year to LKR 7,899 Mn. Group Equity stood at LKR 1,505 Mn as of 31st March 2024.

MillenniumIT ESP also focused on human capital development to support overseas expansions and enhance its delivery

capacity. As a result, they have implemented employee incentive schemes, such as the employee share option scheme (ESOP), to successfully reduce attrition. Continued learning remained a core focus as the Company provided skill development to over 600 employees, with selective overseas training opportunities. Notably, the company unveiled a new head office in Colombo 3, to encourage creativity and teamwork, demonstrating its dedication to high quality and industry leadership.

## Progressing Forward

MillenniumIT ESP is dedicated to focusing on international markets, such as ASEAN, SAARC, and the Middle East. The Company is expanding its well-seasoned channel partner model into multiple overseas markets. Additionally, the Company is exploring Port City as a delivery center to serve overseas markets, expand the global clientele, and increase its foreign currency revenue. The Company's plans for further investments in software development capabilities are underway to improve efficiency and competitiveness. These efforts are expected to drive improved revenue and profitability in the upcoming financial year.

## FINANCIAL SERVICES CLUSTER

### TAPROBANE CAPITAL PLUS (PRIVATE) LIMITED



#### Macroeconomic Landscape

During the financial year under focus, several pivotal factors significantly impacted the financial services sector in Sri Lanka. The Central Bank of Sri Lanka (CBSL) implemented a more accommodative monetary policy, notably lowering policy interest rates. The approval of the IMF Extended Fund Facility, now in its third tranche, has contributed to stabilizing Sri Lanka's economy. Furthermore, the Colombo Stock Exchange (CSE) showed strong performance throughout the period, reflecting increased investor confidence

bolstered by government fiscal measures and positive IMF support.

#### Business and Operational Overview

In 2018, Ambeon Holdings PLC acquired the Taprobane Group of Companies, which now serves as its financial services cluster. The group comprises Taprobane Capital Plus (Pvt) Ltd and its subsidiaries Taprobane Investments, Ambeon Securities, and Sherwood Capital, specializing in a range of financial market activities, such

as stock brokerage, money broking, and trading government securities, respectively. Taprobane Investments (Pvt) Ltd holds a substantial 26% market share among Sri Lanka's authorized money broking firms, Ambeon Securities (Pvt) Ltd is recognized for its two-decade expertise in domestic stock broking, and Sherwood Capital focuses primarily on trading fixed-income instruments issued by the Sri Lankan Government.

In March 2023, Ambeon Capital PLC sold

60% of its stake in Sherwood Capital (Private) Limited to Taprobane Capital Plus, a fully owned subsidiary of Ambeon Holdings PLC, strategically consolidating all financial services subsidiaries under one entity. This acquisition by Taprobane Capital Plus was a strategic move to address challenges and boost revenue by leveraging on synergies of Group companies, identifying macroeconomic trends, and capitalizing business opportunities, thereby ensuring financial stability and sustainability across all subsidiaries.

The consolidation of Sherwood Capital under Taprobane Capital Plus and the establishment of a dedicated research division within Ambeon Securities boosted the group's capacity to offer enhanced financial services and business insights. The cluster's strategic focus on leveraging market opportunities, prudent investment strategies, and innovation resulted in significant profit growth and asset expansion, underscoring its commitment to creating shareholder value and financial stability amidst evolving market conditions.

## Financial Outcome

During the year under review, Taprobane Capital Plus achieved an impressive Profit After Tax (PAT) of LKR 393 Mn for the year, a significant increase from the LKR 72 Mn reported in the previous financial year. This rise in profit was mainly due to the change in the fair value of the investment in the subsidiary, amounting to LKR 508 Mn. Ambeon Securities' PAT for the financial year 2023/24 was LKR 85 Mn and marked a decrease from LKR 105 Mn in the previous year. The company's revenue also decreased to LKR 112 Mn from LKR 263 Mn. Total assets increased to LKR 903 Mn from LKR 710 Mn while total liabilities rose to LKR 405 Mn from LKR 296 Mn. Moreover, total equity underwent a 20% increase, reaching LKR 498 Mn during

the period under review.

Taprobane Investments achieved a record PAT of LKR 57 Mn, the highest in its history, marking a significant improvement from the LKR 4 Mn loss reported in the previous financial year. The company's total revenue for the period under review was LKR 146 Mn, a substantial increase of 547% compared to the previous financial year. The company's total assets stood at LKR 105 Mn, while liabilities and equity were LKR 25 Mn and LKR 80 Mn, respectively.

Sherwood Capital recorded a commendable PAT of LKR 699 Mn, up from LKR 43 Mn in the previous year. The company's revenue reached LKR 1,441 Mn, showing a 495% increase from LKR 242 Mn reported in the previous year. Total assets of the entity stood at LKR 2,899 Mn, while liabilities were at LKR 1,948 Mn. Total equity reached LKR 952 Mn as of 31st March 2024.

## Progressing Forward

The financial services cluster is set for growth by embracing innovation and enhancing client services, with a strong focus on adopting cutting-edge technological solutions. All subsidiaries within the cluster aim to foster resilient client relationships and ensure financial security and growth through prudent investment strategies. Ambeon Securities' newly established research division intends to expand its coverage and provide comprehensive insights to support the Group's strategic initiatives aimed at seizing market opportunities. Additionally, ongoing investments in talent development across all companies will attract, retain, and reward top professionals in the financial services sector, leveraging their skills and experience to drive and achieve superior financial performance.

## COLOMBO CITY HOLDINGS PLC



### Macroeconomic Landscape

During the year, several monetary policy changes in the external business environment became focus points for the Group. In early 2023, T-bill and bond yields significantly increased due to a rise in default risk premiums, hinting at an economic slowdown and a considerable 950 basis point hike in policy interest rates. As the year progressed, yields started to decrease as confidence was restored following the approval of a 48-month Extended Fund Facility by the International Monetary Fund (IMF) in March 2023. However, qualms regarding domestic debt restructuring led to reduced demand in the second quarter. Subsequently, a 250-basis point reduction in the policy rate indicated a shift towards monetary easing.

### Business and Operational Overview

Originally named Colombo Pharmacy, Colombo City Holdings PLC is a well-established Holding Company listed on the Colombo Stock Exchange. With a history spanning over a century, CCH is widely recognized as a diversified investment company, adept at navigating various sectors, with a primary focus on Sri Lanka's real estate industry. The company's present portfolio includes government securities, equity investments, and significant holdings in real estate assets.

In 2019, CCH expanded its portfolio by acquiring Lexinton Holdings (Pvt) Ltd, establishing the Group head office in

Colombo 08, and making a noteworthy investment in a beachfront property in Kosgoda during the 2022/23 financial year.

Colombo City Holdings PLC (CCH) demonstrated remarkable resilience and strategic foresight in the financial year of 2023/2024, navigating a challenging economic landscape with prudence and agility. The company capitalized on favorable yields from government securities, reinforcing its financial growth despite the volatile macroeconomic environment. CCH's commitment to prudent investment strategies was evident as the Group managed to preserve and enhance its real estate portfolio amidst fluctuating interest rates. Moreover, the significant growth in PBT

and PAT underscored the effectiveness of its strategic financial management while the appreciation in the value of investment properties and a substantial increase in total assets highlighted CCH's robust financial position.

## Financial Outcome

During the year under review, CCH successfully leveraged attractive yields from government securities, making significant contributions to the overall financial growth. Additionally, the Group effectively managed its properties in Colombo and Kosgoda, ensuring their retention of value and potential for future development.

CCH's prudent strategies, particularly amidst interest rate fluctuations, provided substantial benefits for the Group's liquid assets. The company's financial performance in the year under review resulted in high profitability, with a significant increase in Profit Before Tax (PBT) to LKR 660 Mn from LKR 222 Mn and a remarkable 387% rise in Profit After Tax (PAT) to LKR 419 Mn. This growth was primarily driven by a LKR 303 Mn change in the fair value of investment property, LKR 119 Mn in financial instrument profits, and LKR 195 Mn in finance income. The Group's finance costs slightly decreased to LKR 15.8 Mn, while income tax expenses rose to LKR 246 Mn. The value of investment properties grew to LKR 1,268 Mn from LKR 965 Mn, reflecting strategic investments and property value appreciation.

CCH maintained a stable financial position with total assets amounting to LKR 2,781 Mn in 2023/24, marking a 20% increase from the LKR 2,324 Bn recorded in the 2022/23 fiscal year. Moreover, CCH's substantial cash reserves indicate a favorable financial standing.

## Progressing Forward

Progressing into the next financial year, the Group is well-positioned to continue making informed decisions guided by a deep understanding of macroeconomic trends and market dynamics. The Group's liquid asset portfolio, which includes high-yield government bonds, is anticipated to generate strong profits as the interest yield curve indicates a downward trend.

Additionally, the company will persist in acquiring equity positions in well-performing blue-chip listed companies and procure real estate properties with anticipated value appreciation to guarantee long-term financial resilience and success. CCH's growth strategy prioritizes prudent expansion and smart investments and encompasses a comprehensive approach to investment and divestment, specifically on acquiring new properties to enrich the portfolio and optimize shareholder value.

CCH is dedicated to maximizing the potential of the 8-acre property in Kosgoda through meticulous strategic planning to ensure favourable outcomes and attract significant interest from local and international stakeholders. In addition, upholding transparency will continue to be a fundamental commitment across the Group, ensuring that stakeholders are thoroughly informed and engaged in all endeavors.

## DANKOTUWA PORCELAIN GROUP



### Macroeconomic Landscape

The Porcelain manufacturing cluster faced a challenging macroeconomic landscape mainly due to volatile exchange rates. Consequently, the appreciation of the Sri Lankan rupee reduced the value of export earnings. Despite seeing a stabilization of double-digit inflation, prices remained elevated compared to pre-2022 levels. Moreover, higher income taxes, increased VAT, and lower deposit interest rates squeezed disposable incomes, affecting the retail sector. Additionally, significant outward migration of skilled labor exacerbated challenges as professionals sought better opportunities overseas. Despite these obstacles, Dankotuwa Group exhibited

resilience, leveraging its skilled workforce, strong management, and steadfast dedication to quality.

### Business and Operational Overview

In the financial year 2023/24, Dankotuwa Porcelain PLC, alongside its subsidiary Royal Fernwood Ltd., demonstrated remarkable resilience and strategic prowess amidst a challenging macroeconomic landscape. During the past year, Ambeon Holdings PLC reduced its ownership in Dankotuwa Porcelain PLC from 72% to 22.41%, converting this cluster into an associate company.

The appreciation of the Sri Lankan rupee and heightened costs of goods and services presented significant challenges. Nevertheless, Dankotuwa Porcelain successfully navigated these hurdles through a steadfast commitment to quality, operational excellence, and a focus on export markets. The group saw commendable growth in export sales, particularly in the Indian market, which helped buffer the impact of cost pressures. Robust performance from the dealer network and a strategic focus on business from retail outlets boosted local sales revenues moderately. The introduction of innovative designs and sustainable production practices, alongside the steps to obtain

the ISO 14001 certification, underscored the company's dedication to environmental stewardship and continuous improvement. As the group looks forward, its emphasis on exploring new business avenues, strengthening channel partnerships, and enhancing sustainability efforts positions it well for sustained growth and value creation for stakeholders.

It is committed to promoting eco-friendly manufacturing practices and responsible business conduct to support environmental stewardship. In essence, Dankotuwa Group aims to strengthen its position in the market, encourage long-term sustainable growth, and create value for its stakeholders by focusing on innovation, quality, and sustainability.

## Financial Outcome

During the year under review, the Group experienced a 6% growth in revenue, amounting to LKR 6,249 Mn compared to LKR 5,913 Mn in the prior year. This upward trend can be attributed to increased domestic and international sales, with export sales exhibiting resilience with the strengthening of the local currency. Export sales constituted 57% of total revenue, emphasizing the Group's effective global market strategy. Despite a 3% decline, national sales contributed 43% of the overall revenue. Dealer-oriented sales increased by 6%, while retail showroom sales displayed a significant growth of 16%. The net consolidated profit after tax decreased to LKR 356 Mn from LKR 679 Mn in the preceding fiscal year.

The Group's total assets surged to LKR 7,909 Mn, total liabilities increased to LKR 4,213 Mn, and shareholders' funds rose to LKR 3,696 Mn.

## Progressing Forward

As the Group traverses into the next tier of growth, its emphasis will be on exploring new business avenues, strengthening channel partnerships, and enhancing sustainability efforts. In addition, the Dankotuwa Group will actively seek new business opportunities and establish strategic partnerships in key markets such as India, the Middle East, the USA, and Scandinavia. At the same time, the Group is also focused on expanding its presence in the local market.

## STRATEGIC INVESTMENTS

### Key Properties

Ambeon Capital PLC currently possess two properties in Sigiriya and Embilipitiya. These properties hold significant potential for future developments and other strategic investment purposes.

### Sigiriya Property

Spanning seven acres, three roods, and 37 perches (3.2299 hectares), the property is characterized by its agricultural and recreational potential. A 10-minute drive to the iconic Sigiriya rock fortress and nestled within a scenic scrub jungle and its natural beauty, the land fronts a concrete road, ensuring accessibility. The presence of electricity and water supply nearby enhances its appeal for future developments.

### Embilipitiya Property

The Embilipitiya property, known as the Mahaweli Property, is leased to Heron Agro Products (Pvt) Ltd, a subsidiary of Ambeon Capital PLC. Located in Agunakolapelessa, this expansive agricultural land spans 73 acres, three roods, and eight perches (29.880 hectares) and is notable for its Teak and Lunumidella plantations. Initially leased for purposes in the year 1993,.

### Progressing Forward

As we foresee the future, Ambeon Capital PLC is committed to sustaining the equilibrium and stability of its investment portfolio. We believe that Ambeon Holdings PLC, our principal investment, will exercise prudent investment and stringent cost management strategies while pursuing necessary strategic expansions under the insightful direction of its Board of Directors and Executive Leadership.

The respective subsidiaries of Ambeon Holdings and its diverse business verticals are poised to prioritize revenue enhancement while prudently managing expenditures. We foresee that each business unit within our portfolio particularly the technology and financial services sectors will diligently seek out new market opportunities and strengthen their value propositions.

Drawing on the insights gained over the past year, Ambeon Capital PLC will persist in implementing robust monitoring systems and thorough evaluations of the external landscape, staying attuned to evolving policy frameworks and external market developments. This vigilant approach will ensure that we remain agile and responsive to the dynamic economic environment, fostering sustained growth and ensuring positive returns to all our valuable stakeholders.

# 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, during the financial year the group complied 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, except for the rules on minimum public float. 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

As at 31st March 2024, the Board comprised of eight (08) Directors of which seven Directors were Non-Executives. 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 included a qualified Chartered Accountant and three Management Accountants who provided 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, legal, economics and marketing, providing the Company with extensive expertise to develop strategies and interpret market trends. The Board considers that the composition and expertise of the Board was 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.

Board composition and Directors' Independence as at 31 March 2024 were as follows:

Mr. Sanjeev Gardiner	Chairman/Non-Independent/ Non- Executive Director
Mr. Ajith Devasurendra	Deputy Chairman/Non-Independent/Non-Executive Director
Mr. Ranil Pathirana	Non-Independent/Non-Executive Director
Mr. Harsha Amarasekera	Non-Independent/Non-Executive Director
Mr. Yudhishtan Kanagasabai	Independent/Non-Executive Director
Dr. Sajeeva Narangoda	Group CEO/Executive Director
Mr. Dilush Perera	Independent/Non-Executive Director
Mr. Nirmal Cooke	Independent/Non-Executive Director

## 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. Yudhishtan Kanagasabai, Mr. Dilush Perera and Mr. Nirmal Cooke were considered independent.

The Board considers the other four non-executive directors, namely Mr. Sanjeev Gardiner, Mr. Ajith Devasurendra, Mr. Harsha Amarasekera and Mr. Ranil Pathirana as non-independent, as they are nominees of Ambeon Consolidated (Pvt) Ltd and ARRC Capital (Pvt) Ltd, the major shareholders of the Company.

## 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	Attendance
Mr. Sanjeev Gardiner – Chairman	4/4
Mr. Ajith Devasurendra – Deputy Chairman	4/4
Mr. Harsha Amarasekera – Director	4/4
Mr. Ranil Pathirana – Director	4/4
Mr. Yudhishtan Kanagasabai – Director	4/4
Dr. Sajeeva Narangoda – Group CEO/Executive Director	2/2
Mr. Dilush Perera – Director (appointed w.e.f. 8th December 2023)	1/1
Mr. Nirmal Cooke – Director (appointed w.e.f. 8th December 2023)	1/1

## 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, 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
- Group Investment Committee
- Group Nominations Committee
- Group Oversight Committee

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 ensured that the Company and the Group complied with applicable accounting standards, laws and regulations. The Committee aimed 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.

## 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.

## 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.

## Group Investment Committee

The Group 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.

## Group Nominations Committee

The Group Nominations Committee operates across the group and serve as the Group Nomination Committees for all boards in the subsidiary companies. The Committee assists the Boards in exercising their responsibilities, particularly in fulfilling its fiduciary duties to appoint the best-qualified candidates for the Board, CEO positions and Key Management Personnel (KMP).

## Group Oversight Committee

The Group Oversight Committee (GOC) operates across the group and served as the GOC for all boards.

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>
Group Investment Committee	<ul style="list-style-type: none"> <li>■ Develop the Group's investment objectives and corporate policies on investing.</li> </ul>
Group Nominations 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> </ul>
Group Oversight Committee	<ul style="list-style-type: none"> <li>■ The Group Oversight Committee operates across the group and serve as the GOC for all boards.</li> </ul>

## Retirement of Directors by rotation and Re-election

In line with the Company's Articles of Association, Directors who were appointed during the year submit themselves to the shareholders for re-election at the first AGM following their 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.

## 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.

## 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 meets with the internal auditors without any of the management being present.

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.

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	Status of compliance	Section reference in the Annual Report
7.6 Contents of the Annual Report		
a) Names of persons who during the financial year were Directors of the Entity		Annual Report of the Board of Directors on page 48
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 48
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 139
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 139
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 48 Share information on page 139
f) Information pertaining to material foreseeable risk factors of the Entity.		Risk Management Report on page 44
g) Details of material issues pertaining to employees and industrial relations of the Entity.		Annual Report of the Board of Directors on page 48
h) Extent, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.		Page 143 to the financial statements
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 139
k) Financial ratios and market price information		Share information on page 139 and Page 05
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 Pages 89 to 92
m) Details of funds raised through a public issue, rights issue and a private placement during the year.	Not applicable	During the year under review, there were no public issues, rights issues or private placements.
n) Information in respect of Employees Share Ownership or Stock Option Scheme	Not applicable	The Company does not have any Employee Share Option or Share Purchase Schemes at present.
o) Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules		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.	Not applicable	There were no related party transactions which exceeded 10% of the Equity or 5% of the total assets, during the year ended review.

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

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.1	Corporate Governance Rules		
9.1.1	Extent of compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	✓
9.1.2			
9.1.3			
9.2	Policies	Policy on matters relating to the Board of Directors	To be complied w.e.f. 1st October 2024.
9.2.1.	Availability of policies	<p>Policy on Corporate Governance, Nominations and re-election</p> <p>Policy on Shareholder and Investor Communications</p> <p>Policy on Remuneration</p> <p>Policy on Board Subcommittees</p> <p>Policy on Corporate Disclosures</p> <p>Policy on Anti-bribery and Corruption</p> <p>Policy on Internal Code of Conduct</p> <p>Policy on ESG</p> <p>Policy on control and management of company assets and shareholder investments</p> <p>Policy on whistle blowing</p> <p>Policy on risk management and internal controls</p>	
9.2.2	Waivers and exemptions from compliance with the Code of Business Conduct and Ethics	At present there are no waivers and exemptions granted.	✓
9.2.3	Disclosures in the Annual Report on policies	All policies will be implemented and the availability of the same will be disclosed on the website.	To be complied w.e.f. 1st October 2024
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.	To be complied w.e.f. 1st October 2024
9.3	Board Committees		
9.3.1	Establishment of Board Committees	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
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 sub committees , except audit committee.	✓
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of General Meetings with Shareholders	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings. This year, the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	✓
9.4.1	Record maintenance on resolutions		
9.4.2 a - c	Communication and relations with shareholders and investors	All policies will be implemented and the availability of the same will be disclosed on the website.	To be complied w.e.f. 1st October 2024
9.4.2 d	Holding virtual/hybrid General Meetings	The Company will adhere to the guidelines issued by CSE on conducting virtual/hybrid shareholder meetings. The AGMs which were held virtually adhered to the guidelines.	✓
9.5	Policy on matters relating to the Board of Directors	All policies will be implemented and the availability of the same will be disclosed on the website.	To be complied w.e.f. 1st October 2024
9.5.1	Formal governing policy on matters relating to the Board of Directors		
9.5.2	Disclosures in the Annual Report relating to 9.5.1		To be complied w.e.f. 1st October 2024
9.6	Chairperson and CEO		
9.6.1	Position of Chairperson and CEO	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO are held by two individuals.	✓
9.6.2	Disclosure of non-compliance	Not applicable	
9.6.3 a-e and 9.6.4	The requirement for a SID	The need to appoint a SID has not arisen.	✓
9.7	Fitness of Directors and CEO		
9.7.1	Appointment of fit and proper persons as Directors and CEO	The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and CEO meet the fitness and propriety criteria under the Listing Rules.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
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.	✓
9.8	Board Composition		
9.8.1	Board at minimum to consist of five (5) Directors.	The Company has complied with the requirement as at the reporting date. The Board as at the reporting date comprised of seven (7) Directors.	✓
9.8.2	Minimum number of Independent Directors (Min: 2 or 1/3 of total number, whichever is higher)	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of five (5) 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 Independent 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	✓
9.9	Alternate Directors	The Board does not have any alternative Directors.	Not Applicable
9.9 a-e	Appointment of alternate director		
9.10	Disclosures relating to Directors	All policies will be implemented and the availability of the same will be disclosed on the website.	To be complied w.e.f 1st October 2024.
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	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.11	Nominations and Governance Committee		✓
9.11.1	Availability of Nominations and Governance Committee	The Board Nominations and Governance Committee was formed on 1st July 2024	✓
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	Not applicable.	To be complied w.e.f. 1st October 2024
9.12	Remuneration Committee		
9.12.2	Availability of a Remuneration Committee	A Board Remuneration Committee is in place	✓
9.12.3 and 9.12.4	Remuneration Policy – Executive Directors/Non-Executive Directors	The Committee was established with the purpose of providing assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for the employees including the CEO.	✓
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which defines the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.12.6 (1) – (3)	Composition – Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Please refer the Board Remuneration Committee Report on page 45 for details on composition.	✓
	Remuneration Committee of the subsidiary	The Board Remuneration Committee does not function as the remuneration committee of the subsidiaries.	
9.12.7	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Remuneration Committee Report on page 45	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.12.8	Disclosures in the Annual Report	Please refer Remuneration Committee Report on page 45	✓
9.13	Audit Committee		
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 43	✓
9.13.3	Composition	Please refer Audit Committee Report on page 43 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 43	✓
9.13.5	Disclosure in the Annual Report	Please refer Audit Committee Report on page 43	✓
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of the Related Party Transactions Review Committee	Related Party Transactions Review Committee is in place.	✓
9.14.2	Composition	Please refer Related Party Transactions Review Committee Report on page 46	
		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 46	✓
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.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
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	<p>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,</p> <p>Be present while the matter is being considered at the meeting and;</p> <p>Vote on the matter</p>	✓
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	<p>Please refer Related Party Transactions Review Committee Report on page 46 and the Annual Report of the Board of Directors on the affairs of the Company on page 48 for disclosures.</p> <p>There was no non-recurrent related party transaction which exceeded 10% of the Equity and 5% of the total assets during the financial year under review. There were no recurrent related party transactions which exceeded 10% of the consolidated net revenue or income, during the financial year under review.</p>	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.16	Additional disclosures	9.16 (i) & (iii) Please refer Page 50. 9.16 (ii) Please refer Page 40. 9.16 (iv) Not Applicable.	✓

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

Section Reference	Requirement	Annual Report Reference
168 (1)(a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Please refer Page 62
168 (1)(b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Please refer Page 57
168 (1)(c)	Auditors' Report on Financial Statements of the Group and the Company	Please refer Page 52
168 (1)(d)	Accounting Policies and any changes made during the accounting period	Please refer Page 62 to 138
168 (1)(e)	Particulars of the entries made in the Interest Register during the accounting period	Please refer Page 48
168 (1)(f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Please refer Note No. 09 on Page 85.
168 (1)(g)	Corporate donations made by the Company during the accounting period	Please refer Page 50
168 (1)(h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Please refer Page 49
168 (1)(i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Please refer Note No.09 on Page 85
168 (1)(j)	Auditors' relationship or any interest with the Company and its subsidiaries	Please refer Page 49
168 (1)(k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	Please refer Page 50

# RISK MANAGEMENT

Throughout the year, the dynamic landscape of risks revealed new complexities, highlighting the far-reaching economic, political, social, and human consequences. Ambeon Capital (referred to as "The Group") adopted a proactive approach to monitoring emerging risks that could potentially affect its financial performance, stability and business continuity in the long term.

Risk management is deeply embedded in all the Group's processes and is regarded as the responsibility of every individual within the organization, recognizing its critical role in long-term growth and sustainability. Understanding that risk-taking is an inherent part of any business venture, the Group strives to operate in a socially responsible manner, balancing its objectives with the risks it is prepared to undertake.

In response to the challenging external market conditions and the resulting impacts on our operating environment, the Group has intensified its focus on risk identification and mitigation. This proactive approach has led to the development of a comprehensive risk management framework that permeates the entire organization, ensuring a robust defense against potential threats.

## Risk Responsibility

The Board of Directors holds ultimate responsibility for ensuring that the Group's risks are effectively identified and mitigated. The Board is supported by the Audit Committee, which reviews the effectiveness of the Group and its subsidiaries' risk profiles and internal control systems on a quarterly basis. The Audit Committee also oversees the risk management framework by ensuring the implementation of robust internal control systems and policies to mitigate the risks faced by the Group. Additionally, the Audit Committee is the leading authority in disseminating risk and internal control strategies across the Group, while simultaneously fostering awareness among employees.

## Risk Management Philosophy

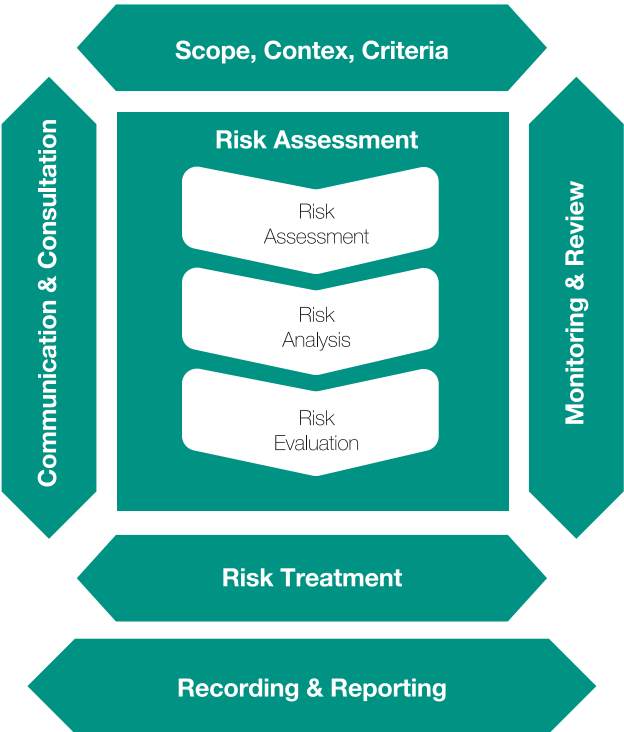
The Group recognizes that risk management is a shared responsibility among all its members. Consequently, risk management is seamlessly integrated into every aspect of the Group, including strategy formulation, business development, business planning, capital allocation, investment decisions, internal control, and daily operations.

## Risk Management Tools

A fundamental component integrated into the entire structure is the Group's Enterprise Risk Management (ERM) approach. The Group manages risks through regular updates to the risk register, adhering to the COSO Enterprise Risk Management Framework and aligning

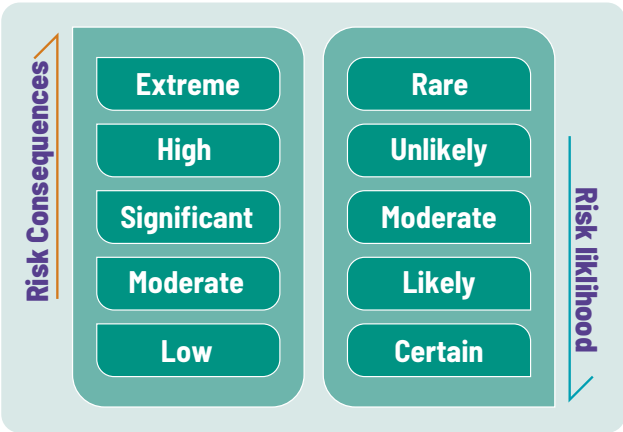
with ISO 31000 International Risk Management Standards to ensure compliance.

The Group adopts an efficient and methodical approach to risk management by categorizing risks as operational, strategic, and project related. This classification enables management to develop precautionary mitigation plans for all risks, which are then implemented across all subsidiaries. Furthermore, the Group follows a comprehensive risk management framework to establish a robust risk management mechanism.



### Risk Assessment

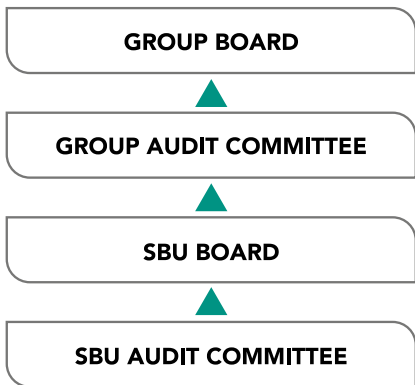
The Group divides the process of assessing risks into three components: initial risk assessment, current risk assessment, and future risk assessment. Utilizing a risk assessment platform, the Group is able to prioritize potential risk exposure and evaluate the impact of risks. By conducting risk assessments, the Group gains insights into significant aspects and identifies indicators that signal potential risks.



### Risk Governance

The Board holds the ultimate responsibility for developing the risk management strategy and approving the necessary policies and processes. The Audit Committees play crucial roles in overseeing and implementing these risk management practices. At the Group level, a dedicated team focuses on risk and compliance to ensure effective supervision.

The Board employs a bottom-up approach, providing comprehensive oversight of the entire risk management process. Nonetheless, the ultimate responsibility for risk management rests with the Board itself. The Audit Committees of each Strategic Business Unit (SBU) are tasked with escalating pertinent matters to their respective Boards. Subsequently, key risk factors are addressed at the Group level.



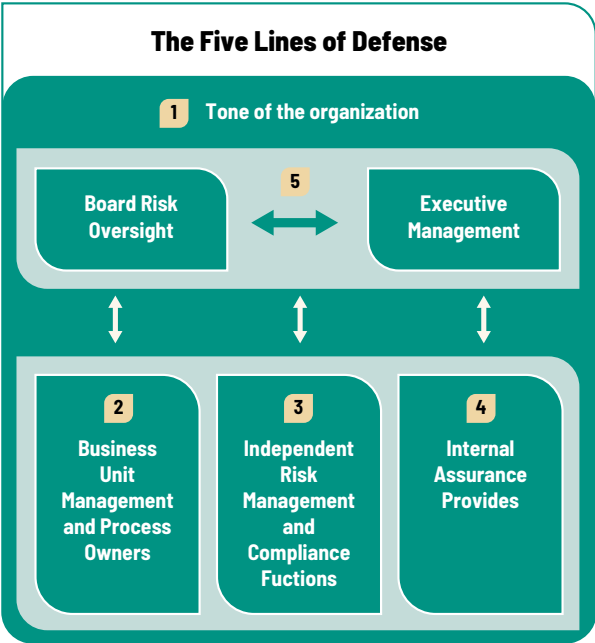
### Internal and Statutory Audits

The Group reaffirms its commitment to robust risk management by engaging reputable audit firms for both internal and external audits. Internal audits adhere to Board guidelines, ensuring a thorough examination of the effectiveness of the internal control systems. The Audit Committee diligently evaluates findings from these audits, providing comprehensive oversight.

In response to internal audit recommendations, the Group has proactively implemented measures to address identified areas for improvement. This ongoing follow-up underscores our dedication to enhancing internal controls and operational efficiency. Our reliance on established policies and procedures further strengthens our risk management framework, ensuring continued resilience in the face of evolving challenges.

### Risk Management Approach

The Group upholds the five-lines of defense model, a cornerstone framework for allocating responsibilities and segregating risk functions. This model remains pivotal in ensuring comprehensive risk mitigation across the Group and its subsidiaries, addressing all facets of risk management.



Our approach to risk mitigation is multifaceted, incorporating strategies of risk mitigation, acceptance, and transfer. We maintain a proactive stance through regular assessments and internal audits, validating the effectiveness and appropriateness of our risk mitigation plans. Each business unit within the Group is accountable for identifying and addressing risks relevant to their

The Group's risk management framework has identified and established strategies in mitigating the below risks.

Description of risk	Mitigation strategies
Economic and business risk	<ul style="list-style-type: none"> <li>■ Review impact to group's performance and strategic business plans due to volatility in macroeconomic variables.</li> <li>■ Conduct sensitivity analysis to ascertain the impact to Group and SBU's budget.</li> <li>■ Maintains strong relationships with suppliers and banking partners to negotiate on payment terms, credit, and funding to minimize disruptions to operations.</li> <li>■ Evaluate long term vision of the government and develop long-term value creation to rationalize investment portfolio of the Group.</li> </ul>
Investment Risk	<ul style="list-style-type: none"> <li>■ Group generally carries out extensive appraisals before going ahead with any investment projects</li> <li>■ Continuous evaluation of market and identifying product development/ market expansion opportunities.</li> <li>■ Conduct due diligence study to ensure that hurdle rate expectations are met by each capital investment.</li> </ul>
Liquidity Risk	<ul style="list-style-type: none"> <li>■ Centralized treasury management function to monitor Group liquidity as well as the maturity mismatch between asset and liability on an ongoing basis.</li> <li>■ Continuous reviewing of business models and working capital management.</li> <li>■ Strong relationships with banks to negotiate backup funding lines</li> <li>■ Benchmark current and quick asset ratio.</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>■ Remuneration levels are benchmarked to remain competitive along with industry standards along with incentives.</li> <li>■ Continuously train and upskill employees in new technologies, tools and global practices.</li> <li>■ Promoting a high-performance driven culture to retain employees through better career prospects.</li> <li>■ Implementation of an enhanced talent review process with updated guiding principles and succession planning for identified talent pools.</li> </ul>
Health and Safety Risk	<ul style="list-style-type: none"> <li>■ Operations and plants are designed considering employee health and safety.</li> <li>■ Health and Safety related policies and procedures have been implemented across the Group.</li> </ul>
Cyber security risk	<ul style="list-style-type: none"> <li>■ Safeguard critical IT and operational assets through the implementation of strict IT protocols, firewalls, and business continuity plan.</li> <li>■ Foster a positive culture of cyber-security by raising awareness among employees regarding the importance of detection, response and recovery from cyber incidents and attacks.</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 2024 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 three (3) Independent Non-Executive Directors. The members of the Committee during the year and as at date are as follows:

**Mr. Sujeewa Mudalige** – Chairman / 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)

**\*Mr. P.D.J. Fernando** – Independent Non-Executive Director (ceased to be a director/ Committee member on 20.09.2023).

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 12 to 15 of this Report.

The Company Secretary serves as the Secretary to the Committee.

### MEETINGS

The Board Audit Committee met five times during the period under review.

Name of Director	Attendance at meetings
Mr. Yudy Kanagasabai	5/5
Mr. Ranil Pathirana	5/5
Mr. P.D.J. Fernando	-/3
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 2025, 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.

**Sujeewa Mudalige**

Chairman

Audit Committee

16 August 2024

# 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)

**Mr. Nirmal Cooke** - Independent Non  
- Executive Director ( resigned w.e.f  
09.04.2024 )

**Mr. P. D. J. Fernando** - Independent Non -  
Executive Director (ceased to be a member  
on 20.09.2023)

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 129 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**

16 August 2024

# 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. 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. N. H. D. R. Perera**  
Chairman/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).

**Mr. P. D. J Fernando** - Independent Non-Executive Director (ceased to be a Director / Committee member on 20.09.2023).

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 12 to 15 of the Annual Report.

The Company Secretary serves as the Secretary to the Committee.

## Meetings

The Committee met four times during the financial year.

Name of Director	Attendance at meetings
Mr. Y. Kanagasabai	4/4
Mr. P.D.J. Fernando	-/2
Mr. Ranil Pathirana	4/4
Mr. N.H. D.R. Perera	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.

## 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 128 to 130 of this Annual Report.

Sgd

**Savanth Sebastian**

Chairman

16 August 2024

# 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 2024.

## 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 10, Gothami Road, Colombo 08.

## 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 06 to 08 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 55 to 138 Summarized Financial Results.

## GROUP & COMPANY

Y/E 31 March	Group (Rs'000)		Company (Rs'000)	
	2024	2023	2024	2023
Revenue	16,969,836	20,658,634	179,998	150,185
Profit/ (Loss) before tax for the year	3,064,605	1,431,829	272,629	(513,507)

## AUDITORS' REPORT

The Independent Auditors' Report on the financial statements is given on Page 52.

## ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of financial statements are given on Pages from 62 to 138 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 2024, are given below:

Name of the Director	Directorship Status
Mr. S E Gardiner	Chairman/Non -Independent, Non - Executive Director
Mr. A L Devasurendra	Deputy Chairman/ Non -Independent, Non - Executive Director
Mr. S.H. Amarasekera	Non -Independent , Non - Executive Director
Mr. R P Pathirana	Non -Independent , Non - Executive Director
Mr. Y. Kanagasabai	Independent Non-Executive Director
Dr. K S Narangoda	Executive Director
Mr. N H D R Perera	Independent Non-Executive Director
Mr. N De Soysa Cooke	Independent Non-Executive Director

## b. New Appointments and Resignations

The information on new appointments and resignations to and from the Board of Directors of the Company subsequent to the last Annual General Meeting is given below.

Name of Director	Directorship Status	Appointments	Resignation/ *Ceased
Mr. P D J Fernando	Independent Non-Executive Director		*20.09.2023
Dr. K S Narangoda	Executive Director	14.09.2024	
Mr. R T Devasurendra	Alternate Director to Mr. A. L. Devasurendra		*22.12.2023
Mr. N H D R Perera	Independent Non-Executive Director	08.12.2023	29.05.2024
Mr. N De Soysa Cooke	Independent Non-Executive Director	08.12.2023	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. D T S H Mudalige	Chairman /Independent,Non-Executive Director	08.04.2024	
Mr. S L Sebastian	Independent Non-Executive Director	08.04.2024	
Mr. S Kumar	Independent Non-Executive Director	28.05.2024	
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. C T Tsoi	Independent Non-Executive Director	04.06.2024	
Mr. R P Sugathadasa	Non-Independent, Non-Executive Director	07.06.2024	
Mr. D M Weerasekare	Independent Non-Executive Director	30.07.2024	

The present Directors of the Company and their profiles are shown on pages 12 to 15 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.

The audit fee payable to the auditors for the year under review is Rs. 618,000. (Group – Rs. 7,326,250)

## STATED CAPITAL

The Stated Capital of the Company as at 31st March 2024 was Rs.1,053,643,405/- (1,002,724,815 Shares).

## DIRECTORS' REMUNERATION

The Director's remuneration is disclosed in Note 9 to the financial statements on Page 85.

## THE AUDITORS

The financial statements for the year ended 31st March 2024 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.

## DIRECTORS' SHAREHOLDING

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

As at	31.03.2024	31.03.2023
Mr. S.E. Gardiner	Nil	Nil
Mr. A.L. Devasurendra	138	138
Mr. S.H. Amarasekera	Nil	Nil
Mr. R. P. Pathirana	Nil	Nil
Mr. Y. Kanagasabai	Nil	Nil
Dr. K.S. Narangoda	Nil	-
Mr. N. H. D. R. Perera	Nil	-
Mr. N. De Soysa Cooke	Nil	-

## 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 139 under Investor Information.

## PUBLIC HOLDING

The percentage of public shareholding as at the 31st March 2024 was 5.25%. 4th April 2024 - was 20.61% (as disclosed to CSE on 22.04.2024)

## CAPITAL COMMITMENTS

There were no material capital expenditure commitments as at 31st March 2024 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 130 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 39 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 as well as Nominations & Governance 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. Sujeewa Mudalige (Chairman)  
Mr. Savanth Sebastian  
Mr. Samresh Kumar

### REMUNERATION COMMITTEE

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

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Savanth Sebastian (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.

## ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held by way of electronic means on 13th September 2024 at 11.30 a.m .The Notice of the Annual General meeting appears on page 144.

By Order of the Board Ambeon Capital PLC

Sgd.  
**D T S H Mudalige**  
Chairman

Sgd.  
**Dr. K.S. Narangoda.**  
Executive Director

Sgd.  
**Managers & Secretaries (Pvt) Ltd -**  
Secretaries  
16 August 2024  
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 2024/2025, 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

16 August 2024

# 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 2024 and the 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 Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These

matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of fair valuation of Land and buildings</b></p> <p>Property, Plant and Equipment and 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:</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 7% 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 Notes 12 and 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 Notes 12 and 15 to the financial statements</p>

**Key audit matter****How our audit addressed the key audit matter****Annual Impairment assessment of intangible assets with infinite useful life**

The Group's Statement of Financial Position includes an amount of LKR 1.16 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).

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

Impairment testing of Goodwill was a key audit matter due to:

- the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations.

Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 13.1.1 to the financial statements.

Our audit procedures included the following:

- We gained an understanding of how Management has forecasted its discounted future cash flows.
- We assessed the reasonableness of significant assumptions including long term growth rates and discount rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations.

We assessed the adequacy of the disclosures made in Note 13 in the financial statements.

**Divestment of subsidiaries and accounting for the gain/ (loss) on disposal**

During the year, the Group divested its equity stake in two subsidiaries which resulted in a gain of LKR853 Mn and a loss of LKR 180Mn, as disclosed in note 04 to the financial statements.

This was a key audit matter due to the significance of the transaction and related amounts reported in the Group's financial statements, which represented 28% of profits after tax of the Group.

Our audit procedures included the following:

- Understood the key terms and conditions that are relevant to accounting for the divestment;
- Tested the sales consideration arising on the transaction to relevant supporting documents;
- Assessed the reasonableness of the fair value of the remaining stake retained in the subsidiary;
- Tested the mathematical accuracy of the recognized gain/ (loss) agreeing the carrying value of assets and liabilities of the investee to the underlying records;

We also assessed the adequacy of the disclosures made in note 04 to the financial statements.

**Other information included in the 2024 Annual Report**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

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

**Responsibilities of management and those charged with governance in the financial statements**

Management is responsible for the

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

on the effectiveness of the internal controls of the Company and the Group.

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

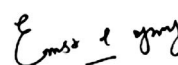
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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



16 August 2024

Colombo

# INCOME STATEMENT

		Group		Company	
Year ended 31 March		2024	2023	2024	2023
Continuing Operations	Notes	LKR	LKR	LKR	LKR
Revenue	5	16,969,835,514	20,658,634,036	179,997,672	150,185,473
Cost of Sales	6	(12,066,118,336)	(14,931,685,093)	-	-
<b>Gross Profit</b>		<b>4,903,717,178</b>	<b>5,726,948,943</b>	<b>179,997,672</b>	<b>150,185,473</b>
Investment and Other Income	7	402,381,304	500,288,871	510,966,631	908,493,563
Selling and Distribution Expenses		(507,999,792)	(1,165,074,579)	-	-
Administrative Expenses		(2,252,003,464)	(1,941,080,358)	(75,503,658)	(40,310,747)
Change in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss		335,120,174	(59,550,013)	-	(38,893,567)
Change in Fair Value of Investment Property	15	327,500,000	153,052,388	5,000,000	2,500,000
Change in Fair Value of Investment in Subsidiary	16	-	-	384,741,767	(529,441,482)
Finance Cost	8	(1,079,379,893)	(1,788,701,844)	(732,573,644)	(950,898,405)
Share of Results of Equity Accounted Investee	29.1	82,100,724	5,945,375	-	-
Gain on Disposal of Subsidiary	4	853,168,435	-	-	(15,141,518)
<b>Profit/(Loss) Before Income Tax from Continuing Operations</b>	<b>9</b>	<b>3,064,604,666</b>	<b>1,431,828,783</b>	<b>272,628,768</b>	<b>(513,506,683)</b>
Income Tax Reversal ( Expense)	10	(517,123,881)	(590,778,944)	(1,483,815)	4,282,170
<b>Profit/(Loss) for the Year from Continuing Operations</b>		<b>2,547,480,785</b>	<b>841,049,839</b>	<b>271,144,953</b>	<b>(509,224,513)</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>2,366,964,108</b>	<b>841,049,839</b>	<b>271,144,953</b>	<b>(509,224,513)</b>
<b>Profit / (Loss) Attributable to:</b>					
Equity Holders of the Company		1,614,878,907	170,739,818		
Non - Controlling Interests		752,085,200	670,310,021		
		<b>2,366,964,108</b>	<b>841,049,839</b>		
Basic Earnings / (Loss) Per Share	11	1.61	0.17	0.27	(0.51)
Basic Earnings / (Loss) Per Share from Continuing Operations	11	1.79	0.17	0.27	(0.51)

The Notes from pages 62 to 138 form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

# STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Notes	Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2023 LKR
Profit/(Loss) for the Year		2,366,964,108	841,049,839	271,144,953	(509,224,513)
<b>Other Comprehensive Income</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Actuarial Loss on Defined Benefit Plans	23	(6,296,125)	(50,382,844)	-	-
Tax on Actuarial loss on Defined Benefit Plans	25	610,713	11,033,755	-	-
Change in Fair Value of FVOCI Financial Assets		85,796,621	42,020,590	-	-
Revaluation Gain on Land and Building		(325,000)	279,569,299	-	-
Tax on Revaluation Gain - Impact due to the change in Temporary Differences	25	-	(38,281,769)	-	-
Tax on Revaluation Gain - Impact due to the Tax rate change		-	(347,921,472)	-	-
Share of Other Comprehensive Income of Equity Accounted Investees	29	16,654,584	-	-	-
		<b>96,440,792</b>	<b>(103,962,441)</b>	<b>-</b>	<b>-</b>
<b>Items that are or may be reclassified to profit or loss</b>					
Functional/Foreign Currency translation Reserve		(10,478,253)	(24,883,714)	-	-
		<b>(10,478,253)</b>	<b>(24,883,714)</b>	<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income</b>		<b>85,962,539</b>	<b>(128,846,155)</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>2,452,926,646</b>	<b>712,203,684</b>	<b>271,144,953</b>	<b>(509,224,513)</b>
<b>Total Comprehensive Income Attributable to:</b>					
Equity Holders of the Company		1,690,767,294	115,161,445		
Non - Controlling Interests		762,159,352	597,042,239		
		<b>2,452,926,646</b>	<b>712,203,684</b>		

The Notes from pages 62 to 138 form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

# STATEMENT OF FINANCIAL POSITION

		Group		Company	
AS at 31 March		2024	2023	2024	2023
ASSETS	Notes	LKR	LKR	LKR	LKR
<b>Non-Current Assets</b>					
Property, Plant & Equipment	12	664,749,913	2,948,293,610	39,881	79,254
Intangible Assets	13	1,196,894,065	1,214,142,426	-	-
Biological Assets	14	83,524,950	79,127,950	-	-
Investment Property	15	1,076,350,000	2,815,795,600	40,500,000	35,500,000
Investment in Subsidiaries	16	-	-	8,282,442,767	7,897,701,000
Investment in Equity Accounted Investee	29	1,124,039,068	41,874,323	-	-
Other Financial Assets	17	8,805,961	646,486,080	-	-
Right-of-Use Assets	28	381,354,582	467,420,457	1,800,664	3,509,316
Deferred Tax Asset	25	68,483,698	272,217,548	-	-
		<b>4,604,202,237</b>	<b>8,485,357,994</b>	<b>8,324,783,312</b>	<b>7,936,789,570</b>
<b>Current Assets</b>					
Inventories	18	1,415,692,945	3,222,232,732	-	-
Trade & Other Receivables	19	8,153,097,473	8,267,869,102	528,162,849	491,513,388
Other Financial Assets	17	6,936,942,402	4,114,503,381	-	679,229,611
Income Tax Recoverable		17,959,108	30,213,967	-	-
Cash & Cash Equivalents	20	501,770,288	1,272,859,509	1,076,124	1,655,161
		<b>17,025,462,216</b>	<b>16,907,678,691</b>	<b>529,238,973</b>	<b>1,172,398,160</b>
<b>Total Assets</b>		<b>21,629,664,453</b>	<b>25,393,036,685</b>	<b>8,854,022,285</b>	<b>9,109,187,730</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	190,477,776	998,506,477	258,920,263	258,920,263
Retained Earnings		4,081,391,937	1,582,595,942	3,525,088,212	3,253,943,259
<b>Equity Attributable to Equity Holders of the Company</b>		<b>5,325,513,118</b>	<b>3,634,745,824</b>	<b>4,837,651,880</b>	<b>4,566,506,927</b>
Non Controlling Interests		4,057,054,860	4,404,805,955	-	-
<b>Total Equity</b>		<b>9,382,567,978</b>	<b>8,039,551,779</b>	<b>4,837,651,880</b>	<b>4,566,506,927</b>
<b>Non-Current Liabilities</b>					
Other Financial Liabilities	27	347,936	968,906	-	-
Interest Bearing Loans & Borrowings	22	597,518,610	1,284,090,252	1,583,499,142	284,921,095
Retirement Benefit Obligation	23	377,662,755	493,234,810	-	-
Deferred Tax Liability	25	303,441,934	1,241,291,507	4,062,297	2,578,482
		<b>1,278,971,235</b>	<b>3,019,585,475</b>	<b>1,587,561,439</b>	<b>287,499,577</b>
<b>Current Liabilities</b>					
Trade and Other Payables	26	3,677,668,165	4,556,294,319	987,252	975,880
Income Tax Payable		363,345,459	476,349,722	-	-
Contract Liability	24	1,681,266,541	2,703,967,229	-	-
Interest Bearing Loans & Borrowings	22	5,245,845,075	6,597,288,162	2,427,821,713	4,254,205,346
		<b>10,968,125,240</b>	<b>14,333,899,432</b>	<b>2,428,808,965</b>	<b>4,255,181,226</b>
<b>Total Equity and Liabilities</b>		<b>21,629,664,453</b>	<b>25,393,036,685</b>	<b>8,854,022,285</b>	<b>9,109,187,730</b>
Net Assets Per Share (Rs.)	11	5.31	3.62	4.82	4.55

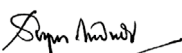
I certify that the Financial Statements have been prepared in compliance with the requirements of Companies Act No. 07 of 2007.



**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



**Sajeewa Narangoda (Dr.)**

Group CEO/Executive Director

The Notes from pages 62 to 138 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

16 August 2024

Colombo

# STATEMENT OF CHANGES IN EQUITY – GROUP

Year ended 31 March 2024

GROUP	Notes	Attributable to Equity Holders of the Group							Non Controlling Interests	Total Equity
		Stated Capital	Fair Value through OCI Reserve	Currency/ Exchange Hedge Reserve	Revaluation Reserve	Foreign/ Functional currency translation Reserve	Retained Earnings	Total		
		LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 01 April 2022		1,053,643,405	(174,224,173)	-	1,146,190,465	10,152,921	1,779,038,138	3,814,800,756	3,413,548,521	7,228,349,277
Profit for the year		-	-	-	-	-	170,739,818	170,739,818	670,310,021	841,049,839
Other Comprehensive Income		-	34,217,366	-	(13,780,625)	(12,377,338)	(63,637,777)	(55,578,373)	(73,267,783)	(128,846,155)
Transactions with Non controlling Interest		-	-	-	-	-	(1,171,758)	(1,171,758)	322,610,862	321,439,104
<b>Total Comprehensive Income for the year</b>		-	<b>34,217,366</b>	-	<b>(13,780,625)</b>	<b>(12,377,338)</b>	<b>105,930,283</b>	<b>113,989,688</b>	<b>919,653,101</b>	<b>1,033,642,788</b>
Transfer from FVTOCI to Retained Earnings		-	8,327,861	-	-	-	(8,327,861)	-	-	-
NCI Allocation from Lexinton Resorts		-	-	-	-	-	(211,279,194)	(211,279,194)	211,279,194	-
Equity share issue at the subsidiary level		-	-	-	-	-	(82,765,425)	(82,765,425)	87,684,535	4,919,110
Subsidiary Dividend to Minority Shareholders	36.1	-	-	-	-	-	-	-	(227,359,396)	(227,359,396)
<b>Balance as at 31 March 2023</b>		<b>1,053,643,405</b>	<b>(131,678,946)</b>	-	<b>1,132,409,840</b>	<b>(2,224,417)</b>	<b>1,582,595,942</b>	<b>3,634,745,824</b>	<b>4,404,805,955</b>	<b>8,039,551,779</b>
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		-	-	-	(955,388,470)	-	955,388,470	-	-	-
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>

The Notes from pages 62 to 138 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

# STATEMENT OF CHANGES IN EQUITY - COMPANY

Year ended 31 March 2024

	Notes	Stated Capital	Amalgamation Reserve	Retained Earnings	Total Equity
		LKR	LKR	LKR	LKR
<b>Balance as at 01 April 2022</b>		1,053,643,405	258,920,263	3,763,167,772	5,075,731,439
Loss for the year		-	-	(509,224,513)	(509,224,513)
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income for the year</b>		-	-	<b>(509,224,513)</b>	<b>(509,224,513)</b>
<b>Balance as at 31 March 2023</b>		<b>1,053,643,405</b>	<b>258,920,263</b>	<b>3,253,943,259</b>	<b>4,566,506,927</b>
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>4,837,651,879</b>

The Notes from pages 62 to 138 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

# STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Notes	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
<b>Cash Flows From Operating Activities</b>					
Profit/(Loss) before Tax from Continuing Operations		3,064,604,666	1,431,828,783	272,628,768	(513,506,683)
Loss before tax from Discontinuing Operations	4	(180,516,677)	-	-	-
<b>Adjustment for</b>					
Depreciation of Property, Plant & Equipment	12	119,096,642	175,957,946	39,373	55,579
Amortization of Right of Use Assets	28	59,386,510	82,440,053	2,269,031	2,005,323
Amortization of Intangible Assets	13	3,142,096	11,759,183	-	-
Change in Fair Value of Financial Assets		(335,120,174)	59,550,013	-	38,893,567
(Gain)/Loss on Disposal of Subsidiary	4.2	(672,651,758)	-	-	15,141,518
Provision for Retirement Benefit Obligation	23	106,611,363	111,077,323	-	-
Change in Fair Value of Investment Property	15	(327,500,000)	(153,052,388)	(5,000,000)	(2,500,000)
Profit from Disposal of Current Investment		-	(55,314,360)	-	-
Change in Fair Value of Investment in Subsidiary	16	-	-	(384,741,767)	529,441,482
Impairment / (Reversal) of Trade and Other Receivables	19.2	(95,962,828)	199,676,403	24,482,907	-
Changes in fair value of Biological Assets	14	(4,397,000)	(23,745,030)	-	-
Reversal of provision for Inventories	18	(4,696,996)	(170,429,165)	-	-
(Profit)/Loss from Disposal of Property Plant & Equipment		(785,599)	669,498	-	-
Interest Expense	8	1,079,379,893	1,788,701,844	732,573,644	950,898,405
Share of Results of Equity Accounted Investee	29	(82,100,724)	(5,945,375)	-	-
<b>Operating Profit before Working Capital Changes</b>		<b>2,728,489,414</b>	<b>3,453,174,729</b>	<b>642,251,956</b>	<b>1,020,429,192</b>
(Increase)/Decrease in Inventories		386,819,783	(147,419,060)	-	-
Increase in Trade & Other Receivables		(881,761,368)	(1,653,309,443)	(61,132,369)	(94,017,130)
Increase/(Decrease) in Contract Liability		(1,022,700,688)	624,963,971	-	-
Increase/(Decrease) in Trade & Other Payable		(129,765,072)	(235,982,145)	11,372	(6,749,321)
<b>Cash Generated from Operations</b>		<b>1,081,082,069</b>	<b>2,041,428,052</b>	<b>581,130,959</b>	<b>919,662,741</b>
Retirement Gratuity Paid/Transfers	23	(45,344,361)	(51,455,470)	-	-
Interest Paid		(498,230,359)	(1,645,712,210)	(337,791,044)	(605,691,312)
Income Tax Paid		(350,429,535)	(298,549,145)	-	-
<b>Net Cash Flow Generated from / (used in) Operating Activities</b>		<b>187,077,814</b>	<b>45,711,227</b>	<b>243,339,915</b>	<b>313,971,429</b>

	Notes	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
<b>Cash Flow from Investing Activities</b>					
Acquisition of Property, Plant & Equipment		(176,048,399)	(310,591,992)	-	(700)
Proceeds on disposal of Property, Plant & Equipment		961,329	-	-	-
Net cash inflow from disposal of subsidiary		2,813,823,721	-	-	-
Investment in Subsidiaries		-	-	-	(180,000,000)
Acquisition of Intangible Assets	13	(8,635,873)	-	-	-
Acquisition of Other Financial Assets		(2,401,522,227)	(3,563,199,676)	-	-
Net cash inflow from Non controlling Interest		-	164,031,862	-	765,000,000
Net payments of Loans to Parent and Subsidiaries		-	8,378,385	-	-
Proceeds / (Investment) in Other Financial Assets		392,994,444	900,514,555	679,229,611	(434,792,174)
<b>Net Cash Flow Generated from / (Used) in Investing Activities</b>		<b>621,572,996</b>	<b>(2,800,866,866)</b>	<b>679,229,611</b>	<b>150,207,126</b>
<b>Cash Flow from Financing Activities</b>					
Loan Received		209,848,321,556	26,487,657,625	-	-
Dividend Paid to Non-Controlling Interest	36.1	(148,662,894)	(227,359,396)	-	-
Lease Payments	22.1	(83,602,126)	(97,266,198)	(2,561,621)	(2,895,835)
Repayment of Loans		(210,862,578,960)	(24,122,359,992)	(744,793,635)	(395,456,576)
<b>Net Cash Flow Generated from / (Used) in Financing Activities</b>		<b>(1,246,522,426)</b>	<b>2,040,672,039</b>	<b>(747,355,256)</b>	<b>(398,352,411)</b>
<b>Net foreign Exchange Difference</b>		<b>(10,478,253)</b>	<b>(24,883,714)</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents</b>					
Net movement during the year		(448,349,866)	(739,367,313)	175,214,267	65,826,144
At the beginning of the year		668,665,334	1,408,032,647	(176,573,876)	(242,400,020)
<b>At the end of the year (Note A)</b>	<b>20</b>	<b>220,315,468</b>	<b>668,665,334</b>	<b>(1,359,609)</b>	<b>(176,573,876)</b>
<b>Note A-Cash and Equivalents are as follows</b>					
Cash in Hand & Bank		501,770,288	1,272,859,509	1,076,124	1,655,161
Bank Overdraft		(281,454,820)	(604,194,175)	(2,435,733)	(178,229,037)
		<b>220,315,468</b>	<b>668,665,334</b>	<b>(1,359,609)</b>	<b>(176,573,876)</b>

The Notes from pages 62 to 138 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

# NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

## 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 10, Gothami Road, Colombo 08.

### 1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2024 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 (CHC Investment (Pvt) Ltd changed the name as Ambeon Consolidated (Pvt) Ltd on 17 January 2024), 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 2024 were authorized for issue in accordance with a resolution by the board of directors on 16 August 2024.

### 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.

#### Subsidiary –Heron Agro Products (Pvt) Ltd

During the period, the principal activity of the company was involved in 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 – Ceylon Leather Products Limited

During the period, the principal activity of the Company was selling of Leather Footwear and Leather Goods.

The company's equity stake was disposed on 14.06.2023.

#### 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- 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

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

from core infrastructure, information security, business collaboration, near-field communications, business productivity, managed solutions and customer relationship management located at Bangladesh.

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

MIT ESP Trading L.L.C is a systems integration business 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**

Ambeon Holdings PLC has disposed 50.1% of equity stake in Dankotuwa Porcelain PLC on 13 July 2023. During the period, the principal activity of the company was to manufacture porcelain tableware to export and domestic market. (Refer Note 4.1)

### **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.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

## 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

### 2.6 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2024. 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

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

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 require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

### ■ 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 2024.

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 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

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

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

The 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	2023/24	2022/23
Land Development Cost	10 Years	10 Years
Buildings	10-50 Years	10-50 Years
Plant & Machinery	10-15 Years	10-15 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
Waste-water Purification Project	15 Years	15 Years
Kilns & Kiln Furniture	3-15 Years	3-15 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

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

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 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

## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 March 2024

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.

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

## NOTES TO THE FINANCIAL STATEMENTS

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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.

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

## NOTES TO THE FINANCIAL STATEMENTS

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'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).

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

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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 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

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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 Asset held for sale and discontinued operations

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

completed sale within one year from the date of classification.

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

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

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

2.10.17Inventories

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

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

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

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

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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 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

## NOTES TO THE FINANCIAL STATEMENTS

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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

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deduction for transaction costs.

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 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% and 8% respectively of the employee's month gross salary (excluding overtime) to the provident fund.

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

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

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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.

### 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:

Manufacturing Porcelain	Dankotuwa Porcelain PLC and Royal Fernwood Porcelain Ltd and its Subsidiaries (disposed on 13 July 2023)
Property	Colombo City Holdings PLC, Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, Heron Agro Products (Pvt) Ltd.
IT and related Services	Millennium I.T.E.S.P (Pvt) Limited, Eon Tec (Pvt) Ltd
Investments	Ambeon Holdings PLC and Olancom (Pvt) Ltd, Ambeon Capital PLC
Financial Services	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.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of financial statements are disclosed below.

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### Classification of Liabilities as Current or Non-current – Amendment to LKAS 1

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

#### Disclosures: Supplier Finance Arrangements – Amendments to LKAS 7 and SLFRS 7

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

#### Lease Liability in a Sale and Leaseback – Amendment to SLFRS 16

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

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### 4. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

#### 4.1 Disposal of Equity Stake in Ceylon Leather Products Ltd Group by Ambeon Holdings PLC

On 14th June 2023 Ambeon Holdings PLC ( the main subsidiary) disposed its equity stake amounting to 99.80% of the issued share capital of Ceylon Leather Products Ltd for a total consideration of LKR. 650,000,000/-. This has been classified as a discontinued operation.

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

<b>Non-Current Assets</b>	<b>LKR</b>
Investment Property	1,297,000,000
<b>Total Non-Current Assets</b>	<b>1,297,000,000</b>
<b>Current Assets</b>	
Trade & Other Receivables	1,101,501
Cash & Bank	529,898
<b>Total Current Assets</b>	<b>1,631,399</b>
<b>Total Assets</b>	<b>1,298,631,399</b>
<b>Non-Current Liabilities</b>	
Deferred Tax Liabilities	389,100,000
<b>Total Non-Current Liabilities</b>	<b>389,100,000</b>
<b>Current Liabilities</b>	
Trade & Other Payables	76,984,083
<b>Total Current Liabilities</b>	<b>76,984,083</b>
<b>Total Liabilities</b>	<b>466,084,082</b>
Fair value of Net Assets Disposed	832,547,316

#### Gain on disposal of subsidiary - Group

	<b>LKR</b>
Fair value of net consideration received	529,295,000
Less: Transaction Cost	(32,546,341)
<b>Fair Value of net consideration received</b>	<b>496,748,659</b>
<b>Net Assets Attributable to Parent</b>	
Fair value of net assets disposed	832,547,316
De-recognition of non-controlling interests	(155,281,980)
<b>Net Gain from Disposal of subsidiary</b>	<b>(180,516,677)</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 4.2 Disposal of Equity Stake in Dankotuwa Porcelain PLC Group by Ambeon Holdings PLC

On 13th July 2023 Ambeon Holdings PLC ( the main subsidiary) disposed 81,439,013 ordinary shares, being 50.10% of the total issued shares of Dankotuwa Porcelain PLC for a total consideration of LKR 2,304,724,068/-. Ambeon Holdings PLC retained 22.4% control in Dankotuwa Porcelain Group which is accounted under Investment in Equity Accounted Investee (refer note 29 ).

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

Non-Current Assets	LKR
Property, Plant & Equipment	2,339,983,000
Investment Property	769,946,000
Intangible Assets	40,480,000
Right to use Asset	26,679,000
<b>Total Non-Current Assets</b>	<b>3,177,088,000</b>
<b>Current Assets</b>	
Inventories	1,424,417,000
Trade & Other Receivables	1,336,080,000
Cash & Bank	511,247,000
<b>Total Current Assets</b>	<b>3,271,744,000</b>
<b>Total Assets</b>	<b>6,448,832,000</b>
<b>Non-Current Liabilities</b>	
Interest Bearing Loans & Borrowings	409,132,000
Lease Liability	17,902,000
Deferred Tax Liabilities	544,399,000
Retirement benefit obligations	183,313,000
<b>Total Non-Current Liabilities</b>	<b>1,154,746,000</b>
<b>Current Liabilities</b>	
Trade & Other Payables	671,877,000
Interest Bearing Loans & Borrowings	1,281,547,000
Lease Liability	14,694,000
Income Tax Payables	67,425,000
<b>Total Current Liabilities</b>	<b>2,035,543,000</b>
<b>Total Liabilities</b>	<b>3,190,289,000</b>
<b>Net Assets</b>	<b>3,258,543,000</b>
<b>Non Controlling Interests of Dankotuwa Porcelain PLC</b>	<b>(14,985,000)</b>
<b>Fair value of Net Assets Disposed</b>	<b>3,243,558,000</b>

### Gain on disposal of subsidiary - Group

	LKR
Fair value of net consideration received	1,876,736,809
Less: Transaction Cost	(82,188,812)
<b>Fair Value of net consideration received</b>	<b>1,794,547,997</b>
<b>Net Assets Attributable to Parent</b>	
Fair value of net assets disposed	3,243,558,000
Investment in Associates	(983,409,417)
Goodwill & Brand Name on Acquisition	9,723,616
De-recognition of non-controlling interests	(1,328,492,638)
<b>Net Gain from Disposal of subsidiary</b>	<b>853,168,435</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 5. SEGMENTAL INFORMATION

Group	Manufacturing Footwear		Manufacturing Porcelain		Investment	
	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR
Total Revenue	-	-	1,358,378,555	5,912,058,227	661,296,185	346,996,312
Segment Results Gross Profit	-	-	360,309,244	2,052,997,381	661,296,185	346,996,312
Finance Cost	-	(30,420)	(86,461,441)	(342,841,372)	(342,168,097)	(590,406,930)
Change in Fair value of Investment Property	-	72,000,000	-	67,202,388	5,000,000	2,500,000
Profit/(Loss) before Income Tax	-	57,231,490	(3,110,515)	937,120,093	1,247,028,336	(445,603,704)
Income Tax (Expense)/Reversal	-	(30,002,295)	4,744,180	(190,386,304)	(74,414,011)	(11,913,908)
<b>Profit/(Loss) after tax for the year from continuing operations</b>	<b>-</b>	<b>27,229,196</b>	<b>1,633,665</b>	<b>746,733,789</b>	<b>1,172,614,325</b>	<b>(457,517,612)</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>27,229,196</b>	<b>1,633,665</b>	<b>746,733,789</b>	<b>(993,068,375)</b>	<b>(457,517,612)</b>
Purchase and construction of Property Plant and Equipment	-	-	5,784,064	191,461,436	272,650	834,700
Additions to intangible assets	-	-	-	-	-	-
Depreciation of Property Plant and Equipment	-	-	34,854,413	109,896,439	2,696,406	4,800,144
Amortization of intangible assets	-	-	2,127,755	8,407,904	1,014,341	1,025,007
Gratuity provision and related costs	-	(315,670)	5,899,015	42,758,543	3,008,576	2,434,930
<b>Assets and Liabilities</b>						
Non-Current Assets	-	1,297,000,000	-	3,178,019,867	2,289,278,933	1,328,485,742
Current Assets	575,333	12,583,523	-	2,924,185,682	3,922,771,628	1,848,254,735
<b>Total assets *</b>	<b>575,333</b>	<b>1,309,583,523</b>	<b>-</b>	<b>6,102,205,550</b>	<b>6,212,050,561</b>	<b>3,176,740,476</b>
Non-Current Liabilities	-	389,100,000	-	1,223,458,030	161,736,200	340,730,190
Current Liabilities	3,532,568	80,169,139	-	1,631,863,180	1,460,915,072	2,392,366,945
<b>Total Liabilities **</b>	<b>3,532,568</b>	<b>469,269,138</b>	<b>-</b>	<b>2,855,321,211</b>	<b>1,622,651,271</b>	<b>2,733,097,135</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 31 March 2024

Property		IT and related Services		Financial Services		Total	
2024	2023	2024	2023	2024	2023	2024	2023
LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
17,103,464	33,152,481	13,233,346,949	13,838,029,597	1,699,710,362	528,397,419	16,969,835,515	20,658,634,036
13,157,775	29,653,411	2,172,201,921	2,769,642,744	1,696,752,054	527,659,093	4,903,717,178	5,726,948,943
(17,586,843)	(21,982,660)	(369,529,702)	(614,475,977)	(263,633,809)	(218,964,486)	(1,079,379,893)	(1,788,701,844)
313,000,000	7,000,000	-	-	9,500,000	4,350,000	327,500,000	153,052,388
577,871,472	86,802,041	21,410,280	556,478,109	1,221,405,093	239,800,756	3,064,604,666	1,431,828,783
(238,547,851)	(170,579,491)	162,350,789	(122,517,607)	(371,256,989)	(65,379,340)	(517,123,881)	(590,778,944)
<b>339,323,621</b>	<b>(83,777,450)</b>	<b>183,761,069</b>	<b>433,960,502</b>	<b>850,148,105</b>	<b>174,421,416</b>	<b>2,547,480,785</b>	<b>841,049,841</b>
-	-	-	-	-	-	(180,516,677)	-
<b>339,323,621</b>	<b>(83,777,450)</b>	<b>183,761,069</b>	<b>433,960,502</b>	<b>850,148,105</b>	<b>174,421,416</b>	<b>2,366,964,108</b>	<b>841,049,839</b>
105,100	124,200	220,387,951	172,625,743	3,340,575	35,000	229,890,340	365,081,079
-	-	8,635,873	-	-	-	8,635,873	-
10,107,016	8,083,939	70,077,775	50,949,752	1,361,032	1,269,342	119,096,642	174,999,616
-	-	-	2,326,272	-	-	3,142,096	11,759,183
281,463	376,930	92,885,537	62,021,769	4,536,772	3,800,821	106,611,363	111,077,323
1,356,320,770	1,098,372,684	823,961,369	942,797,523	134,641,166	640,682,179	4,604,202,237	8,485,357,994
1,129,048,943	726,642,653	8,252,244,910	9,056,133,250	3,720,821,402	2,339,878,848	17,025,462,216	16,907,678,691
<b>2,485,369,712</b>	<b>1,825,015,337</b>	<b>9,076,206,279</b>	<b>9,998,930,773</b>	<b>3,855,462,568</b>	<b>2,980,561,027</b>	<b>21,629,664,453</b>	<b>25,393,036,685</b>
238,844,629	137,106,003	813,391,534	894,866,198	64,998,873	34,325,053	1,278,971,235	3,019,585,475
112,935,046	134,562,678	7,080,748,623	8,034,456,148	2,309,993,927	2,060,481,342	10,968,125,237	14,333,899,432
<b>351,779,675</b>	<b>271,668,681</b>	<b>7,894,140,158</b>	<b>8,929,322,346</b>	<b>2,374,992,800</b>	<b>2,094,806,395</b>	<b>12,247,096,472</b>	<b>17,353,484,906</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 5. SEGMENTAL INFORMATION (Contd...)

#### 5.1 Revenue

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
<b>Revenue from Contracts with Customers</b>				
Porcelain	1,358,378,555	5,912,058,227	-	-
IT Services	13,233,346,949	13,838,029,597	-	-
Brokerage Income	268,576,126	303,318,901	-	-
<b>Finance &amp; Investment Income</b>				
Interest Income	185,500,091	371,711,398	107,606,604	150,769,660
Investment Trading	1,915,372,327	207,752,481	72,391,068	(584,187)
<b>Other Income</b>				
Rent Income	3,826,473	1,365,581	-	-
Gain on Fair Value of Biological Assets (Note 14)	4,397,000	23,745,030	-	-
Sale of Agriculture Produce	437,994	652,823	-	-
	<b>16,969,835,514</b>	<b>20,658,634,036</b>	<b>179,997,672</b>	<b>150,185,473</b>

## 6. COST OF SALES

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Cost of Goods Sold	12,066,118,336	14,931,685,093	-	-
	<b>12,066,118,336</b>	<b>14,931,685,093</b>	<b>-</b>	<b>-</b>

## 7. INVESTMENT AND OTHER INCOME

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Interest Income	327,031,157	416,224,187	128,206	98,254
Dividend Income	6,282,952	12,655,814	497,247,397	878,660,208
Gain on Disposal of Property, Plant & Equipment	785,599	5,500,000	-	-
Other Miscellaneous Income	30,457,304	36,476,768	303,500	303,000
Gain on Disposal of Investment	37,824,291	29,432,102	13,287,528	29,432,102
	<b>402,381,304</b>	<b>500,288,870</b>	<b>510,966,631</b>	<b>908,493,563</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 8. FINANCE COST

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Loan Interest	976,589,232	1,518,273,708	705,137,505	889,468,980
Lease Interest	70,488,757	77,100,153	342,126	526,156
Bank Overdraft Interest	32,301,905	193,327,983	27,094,013	60,903,269
	<b>1,079,379,893</b>	<b>1,788,701,844</b>	<b>732,573,644</b>	<b>950,898,405</b>

### 9. PROFIT/ (LOSS) BEFORE TAXATION

Profit before taxation is stated after charging all expenses including the following:

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Auditors' Remuneration - Statutory Audit	7,326,250	9,793,450	618,000	540,000
Directors' Fee	25,835,000	39,402,925	4,800,000	5,400,000
Depreciation & Amortization	181,625,248	269,198,853	2,308,404	2,060,903
Staff Cost (Note 9.1)	2,796,668,548	3,260,939,672	-	-
Allowance for Obsolete & Slow Moving Inventories	(4,696,996)	(170,429,165)	-	-

#### 9.1 Staff Cost

Salaries & Other Related Costs	2,406,244,026	2,766,309,574	-	-
Defined Benefit Plan Cost - Retiring Gratuity	106,611,363	111,077,323	-	-
Defined Contribution Plan Cost - EPF & ETF	283,813,159	383,552,774	-	-
	<b>2,796,668,548</b>	<b>3,260,939,672</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 10. INCOME TAX

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Current Tax Expense	428,712,354	499,906,515	-	-
Dividend taxes	8,100,001	10,490,100	-	-
Under/ (Over) Provision in Respect of Previous Year	(119,707,224)	4,441,186	-	-
	<b>317,105,131</b>	<b>514,837,801</b>	<b>-</b>	<b>-</b>
<b>Deferred Income Tax</b>				
Deferred Taxation Charge / (Reversal) -(Note 25)	200,018,750	82,081,559	1,483,815	(4,282,170)
Relating to the tax rate change	-	(6,140,415)	-	-
	<b>517,123,881</b>	<b>590,778,944</b>	<b>1,483,815</b>	<b>(4,282,170)</b>
<b>Reconciliation of Accounting Profit to Income Tax Expense</b>				
Profit Before Income Tax from Continuing Operations	3,064,604,666	1,431,828,783	272,628,768	(513,506,683)
Loss before tax from discontinued operations	(180,516,677)	-	-	-
	<b>2,884,087,989</b>	<b>1,431,828,784</b>	<b>272,628,768</b>	<b>(513,506,682)</b>
Income Not Liable for Income Tax	(4,303,134,230)	(2,301,554,894)	(900,404,767)	(1,061,460,224)
Disallowable Expenses	406,904,432	1,742,796,064	27,238,087	590,193,321
Capital Allowances Claimed & Allowable Expenses	(662,130,844)	(739,433,426)	(2,596,579)	(2,932,978)
Other income included in profit from operation	(73,561,281)	(626,375,916)	-	-
Consolidated Adjustment	1,094,304,653	1,506,643,264	-	-
<b>Business Profit/(Loss)</b>	<b>(653,529,281)</b>	<b>1,013,903,877</b>	<b>(603,134,491)</b>	<b>(987,706,564)</b>
Assessable Business Profit	1,048,546,034	1,013,903,877	-	-
Investment Income	1,127,802,586	1,633,786,055	128,206	1,029,528,122
Less: Net of Tax utilized	(601,529,490)	(1,780,185,946)	(128,206)	(1,029,528,122)
<b>Assessable / Taxable Income</b>	<b>1,574,819,130</b>	<b>867,503,985</b>	<b>-</b>	<b>-</b>
Income Tax @ 14%	-	14,705,977	-	-
Income Tax @ 17%	4,357,145	15,854,919	-	-
Income Tax @ 18%	-	75,348,453	-	-
Income Tax @ 24%	-	259,603,253	-	-
Income Tax @ 30%	424,513,804	115,608,731	-	-
Less :WHT credits	(158,595)	-	-	-
Income tax on dividend Income	-	18,785,183	-	-
<b>Taxation on Profit for the Year</b>	<b>428,712,354</b>	<b>499,906,515</b>	<b>-</b>	<b>-</b>
<b>Income Tax Attributable to Continuing Operations</b>	<b>428,712,354</b>	<b>499,906,515</b>	<b>-</b>	<b>-</b>

\* Group Companies are taxed at 17% to 30% .

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 10. INCOME TAX (Contd..)

#### 10.1 Tax Losses

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Tax loss brought forward	4,323,543,651	4,653,517,704	2,524,447,181	2,566,268,739
Disposal of Subsidiaries	(1,051,728,542)	-	-	-
Business acquisition	-	6,866,115	-	-
Loss incurred during the year	811,601,088	1,063,433,596	603,134,491	987,706,564
Adjustment in respect of prior years	1,046,019	379,912,182	698	-
Loss utilized during the year	(601,529,490)	(1,780,185,946)	(128,206)	(1,029,528,122)
<b>Tax loss carried forward</b>	<b>3,482,932,726</b>	<b>4,323,543,651</b>	<b>3,127,454,165</b>	<b>2,524,447,181</b>

#### 10.2 Pending Tax matters

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

Tax matter of 2011/2012 has been determined by the Tax Appeal Commission in favour of the Department of Inland Revenue.

Company has now appealed against the determination in the Court of Appeal. The tax assessed amount is Rs. 75,985,492, which has been fully provided.

## 11. EARNINGS / (DEFICIT) 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	
	2024	2023	2024	2023
Profit / (Loss) attributable to Ordinary Shareholders (Rs.)	1,614,878,907	170,739,818	271,144,953	(509,224,513)
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.)	1.61	0.17	0.27	(0.51)

##### 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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

### 11. EARNINGS / (DEFICIT) PER SHARE (Contd...)

#### 11.2 Basic Earnings per Share for Continuing Operations

	GROUP		COMPANY	
	2024	2023	2024	2023
<b>For the Year Ended 31st March</b>				
Profit attributable to Ordinary Shareholders from Continuing Operating (Rs.)	1,795,395,584	170,739,818	271,144,953	(509,224,513)
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.)	1.79	0.17	0.27	(0.51)

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	
	2024	2023	2024	2023
<b>For the Year Ended 31st March</b>				
Equity Attributable to Equity Holders of the Company	5,325,513,118	3,634,745,824	4,837,651,879	4,566,506,927
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 *	5.31	3.62	4.82	4.55

\* 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 2024.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

## 12. PROPERTY, PLANT AND EQUIPMENT

### Group

### 12.1 At Cost or Valuation

	Balance as at 01.04.2023	Additions	Revaluation	Transfers	Disposal of subsidiary	Disposals	Balance as at 31.03.2024
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
<b>Freehold</b>							
Land	1,282,401,400	-	(825,000)	-	(1,135,901,400)	-	145,675,000
Buildings	1,134,245,349	-	(9,175,000)	-	(939,952,002)	-	185,118,347
Land Development Cost	39,836,566	-	-	-	(39,836,566)	-	-
Computer Equipment	415,557,641	74,122,214	-	(27,055,514)	(75,706,050)	(1,227,500)	385,690,791
Furniture & Office Equipment	348,609,919	152,100,151	-	-	(173,821,181)	-	326,888,889
Motor Vehicles	18,922,553	-	-	-	(18,211,124)	-	711,429
Tools & Equipment	142,037	-	-	-	-	-	142,037
Plant and Machinery	1,532,569,678	3,345,606	-	-	(1,535,915,284)	-	-
Waste Water Purification Project	15,075,990	-	-	-	(15,075,990)	-	-
	<b>4,787,361,133</b>	<b>229,567,971</b>	<b>(10,000,000)</b>	<b>(27,055,514)</b>	<b>(3,934,419,597)</b>	<b>(1,227,500)</b>	<b>1,044,226,493</b>
<b>Assets on Leasehold</b>							
Building	52,878,510	-	-	-	(52,878,510)	-	-
	<b>52,878,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52,878,510)</b>	<b>-</b>	<b>-</b>
Capital Work in Progress	73,079,035	322,370	-	(53,454,915)	(19,946,490)	-	-
<b>Total</b>	<b>4,913,318,678</b>	<b>229,890,341</b>	<b>(10,000,000)</b>	<b>(80,510,429)</b>	<b>(4,007,244,597)</b>	<b>(1,227,500)</b>	<b>1,044,226,492</b>

### Group

Accumulated Depreciation	Balance as at 01.04.2023	Transfers	Charge for the Year	Disposal of subsidiary	Disposals	Revaluation	Balance as at 31.03.2024
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
<b>Freehold</b>							
Buildings	714,012	-	21,780,235	(12,073,501)	-	(9,675,000)	745,746
Land Development Cost	2,384,633	-	82,295	(2,466,928)	-	-	-
Computer Equipment	278,757,855	(26,668,487)	53,682,475	(56,889,227)	(1,051,770)	-	247,830,847
Furniture & Office equipment	239,166,424	-	30,730,428	(139,635,082)	-	-	130,261,771
Motor Vehicles	12,834,258	-	246,745	(12,584,824)	-	-	496,179
Tools & Equipment	142,037	-	-	-	-	-	142,037
Plant and Machinery	1,380,745,997	-	11,221,009	(1,391,967,006)	-	-	-
Waste Water Purification Project	15,075,990	-	-	(15,075,990)	-	-	-
	<b>1,929,821,206</b>	<b>(26,668,487)</b>	<b>117,743,187</b>	<b>(1,630,692,557)</b>	<b>(1,051,770)</b>	<b>(9,675,000)</b>	<b>379,476,579</b>
<b>Assets on Leasehold</b>							
Building	35,203,863	-	1,353,455	(36,557,318)	-	-	-
	<b>35,203,863</b>	<b>-</b>	<b>1,353,455</b>	<b>(36,557,318)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,965,025,069</b>	<b>(26,668,487)</b>	<b>119,096,642</b>	<b>(1,667,249,874)</b>	<b>(1,051,770)</b>	<b>(9,675,000)</b>	<b>379,476,579</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 12. PROPERTY, PLANT AND EQUIPMENT (Contd...)

Net Book Value	2024	2023
	LKR	LKR
<b>Freehold</b>		
Land	145,675,000	1,282,401,399
Buildings	184,372,601	1,133,531,336
Land Development Cost	-	37,451,932
Computer Equipment	137,859,944	136,799,788
Furniture & Office equipment	196,627,118	109,443,494
Motor Vehicles	215,250	6,088,296
Plant and Machinery	-	151,823,683
<b>Leasehold</b>		
Building	-	17,674,648
Capital Work in Progress	-	73,079,035
<b>Carrying Amount</b>	<b>664,749,913</b>	<b>2,948,293,610</b>

**12.1.1** During the financial year the Group acquired Property, Plant & Equipment to the aggregate value of LKR 176,048,399 (2023- LKR 310,591,992 /-) 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

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;

Company	Property	Method of Valuation	Value		Valuers Details	Effective Date of Valuation
			2024	2023		
			LKR	LKR		
Dankotuwa Porcelain PLC*	Land at Dankotuwa	Market Approach	-	867,185,000	F. R. T. Valuation	31 March 2023
	Buildings at Dankotuwa	Cost Approach	-	509,153,000	Services (Pvt) Limited	
Royal Fernwood Porcelain Limited*	Land at Kosgama	Market Approach	-	268,716,550	F. R. T. Valuation	31 March 2023
	Buildings at Kosgama	Cost Approach	-	430,799,002	Services (Pvt) Limited	
Lexinton Holdings (Pvt) Limited	Land at Rajagiriya	Investment	145,675,000	145,775,000	KPMG Real Estate &	31 March 2024
	Buildings at Rajagiriya	Method	184,325,000	194,225,000	Valuation Services (Pvt) Ltd	

\* Companies were disposed during the year refer Note 4.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 12. PROPERTY, PLANT AND EQUIPMENT (Contd...)

#### 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
<b>Royal Fernwood Porcelain Ltd *</b>						
<b>2023</b>						
Freehold Land	Kosgama	Market Approach	Per perch rate	2,161.05 Perches	LKR 120,000/- - 185,000/-	Positively correlated
Freehold Buildings	Kosgama	Cost Approach	Per sq.ft. rate	141,168 sq.feet	LKR 1,580/- to 7,900/-	Positively correlated
<b>Dankotuwa Porcelain PLC *</b>						
<b>2023</b>						
Freehold Land	Dankotuwa	Market Approach	Per perch rate	3,153.40 perches	LKR 275,000/-	Positively correlated
Freehold Buildings	Dankotuwa	Cost Approach	Per sq.ft. rate	260,015 Sq feet	LKR 1,500/- LKR 4,500/-	Positively correlated
<b>Lexinton Holdings (Pvt) Limited</b>						
<b>2024</b>						
Freehold Land	Rajagiriya	Investment	Estimated Market Rent per sq. ft		LKR. 190/-	Positively correlated
Freehold Buildings	Rajagiriya	Method	Rate of Growth in Future Rentals		after the lease period 7% p.a.	Positively correlated
<b>2023</b>						
Freehold Land	Rajagiriya	Market Approach	Anticipated Maintenance Cost		30% of rentals	Positively correlated
Freehold Buildings	Rajagiriya		Capitalization Rate		7% p.a.	Positively correlated

\* Companies were disposed during the year refer Note 4.

**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	Net Carrying Amount
	LKR	LKR	2024 LKR	2023 LKR
<b>Dankotuwa Porcelain PLC</b>				
Land-Freehold	-	-	-	250,000
Building - Freehold	-	-	-	27,453,883
	-	-	-	<b>27,703,883</b>
<b>Lexinton Holdings (Pvt) Limited</b>				
Land-Freehold	60,000,000	-	60,000,000	60,000,000
Buildings-Freehold	115,000,000	78,200,000	36,800,000	41,400,000
	<b>175,000,000</b>	<b>78,200,000</b>	<b>96,800,000</b>	<b>101,400,000</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 12. PROPERTY, PLANT AND EQUIPMENT (Contd...)

	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount	Net Carrying Amount
			2024	2023
Class of Asset	LKR	LKR	LKR	LKR
<b>Royal Fernwood Porcelain Ltd</b>				
Land-Freehold	-	-	-	3,462,294
Buildings-Freehold	-	-	-	12,784,537
	-	-	-	<b>16,246,831</b>

### 12.2 Company

Cost	Balance as at 01.04.2023	Additions	Disposals	Balance as at 31.03.2024
	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 01.04.2023	Charge for the Year	Disposals	Balance as at 31.03.2024
	LKR	LKR	LKR	LKR
<b>Freehold</b>				
Computer Equipment	1,583,652	13,963	-	1,597,615
Office Equipment	270,816	11,498	-	282,314
Tools & Equipment	17,500	-	-	17,500
Office Furniture	449,059	13,913	-	462,971
<b>Total</b>	<b>2,321,027</b>	<b>39,373</b>	<b>-</b>	<b>2,360,400</b>

Net Book Value	2024	2023
	LKR	LKR
<b>Freehold</b>		
Computer Equipment	-	13,963
Office Equipment	14,131	25,629
Office Furniture	25,750	39,663
<b>Total Carrying Amount of Property, Plant &amp; Equipment</b>	<b>39,881</b>	<b>79,254</b>

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

13. INTANGIBLE ASSETS (GROUP)

As at 31st March	Software		License Fees		Brand Name		Goodwill		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost										
Balance at the beginning of the year	20,294,553	32,053,736	22,161,458	22,161,458	324,644,574	324,644,574	847,041,839	847,041,839	1,214,142,425	1,225,901,608
Disposal of Subsidiary	(13,018,524)	-	-	-	(9,723,614)	-	-	-	(22,742,138)	-
Additions during the year	8,635,873	-	-	-	-	-	-	-	8,635,873	-
Amortized during the year	(3,142,096)	(11,759,183)	-	-	-	-	-	-	(3,142,096)	(11,759,183)
Balance at the end 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	1,214,142,426

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	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Porcelain	-	-	-	9,723,614
IT and Related Services	847,041,839	847,041,839	314,920,960	314,920,960
	847,041,839	847,041,839	314,920,960	324,644,574

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 13. INTANGIBLE ASSETS (GROUP) (Contd...)

#### 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.

#### 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 5.9% 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 2024.

**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 31 March 2024

### 14. BIOLOGICAL ASSETS (GROUP)

	Balance as at 01.04.2023	Changes in Fair Value Less Cost to Sell	Balance as at 31.03.2024
	LKR	LKR	LKR
Teak	78,233,600	2,988,300	81,221,900
Lunumidella	812,400	1,408,700	2,221,100
	<b>79,046,000</b>	<b>4,397,000</b>	<b>83,443,000</b>
Coconut	81,950	-	81,950
	<b>79,127,950</b>	<b>4,397,000</b>	<b>83,524,950</b>

**14.1** Heron Agro Products (Pvt) Ltd, subsidiary of the Ambeon Capital 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.

Value of a cubic decimeter of Lunumidella tree is assumed to be LKR. 9 - LKR 16 based on the girth of trees, for the purpose of valuation as at 31 March 2024.

	2024	2023
<b>14.2.1 Discount Rate</b>	14.7% / 14.5% / 13.1%	19.50%

Discounting Rate used is 14.7%, 14.5% and 13.1% based on the maturity of the trees.

#### 14.2.1.1 Sensitivity Analysis

Discount Rate	2024	2023
+1%	(3,520,000)	(790,400)
-1%	3,844,000	790,500

### 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 decimeter of teak is assumed to be LKR. 36 - LKR. 193 based on the girth of trees, for the purpose of valuation as at 31 March 2024.

#### 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.

#### 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 based on the current timber prices, subjected to adjustments considering their year of maturity, location and accessibility to the asset.

##### 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 14.7% 14.5% and 13.1% based on the maturity of the trees.
4. The valuation has been carried out considering the sample details and census.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 14. BIOLOGICAL ASSETS (Contd...)

### 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
			2024	2023		
			LKR	LKR		
Heron Agro Products (Pvt) Ltd	A timber stumpage in managed timber stand at Agunakolapelessa	Discounted cash flow method under income approach	83,524,950	79,127,950	KPMG Real Estate & Valuation Services (Pvt) Ltd An Independent Incorporated value	31-Mar-24

### 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 31 March 2024

### 15. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	2,815,795,600	2,662,743,212	35,500,000	33,000,000
Disposal of Subsidiary	(2,066,945,600)	-	-	-
Change in fair value of Investment Property	327,500,000	153,052,388	5,000,000	2,500,000
<b>Balance at the end of the year</b>	<b>1,076,350,000</b>	<b>2,815,795,600</b>	<b>40,500,000</b>	<b>35,500,000</b>

**15.1** Group's Investment Properties are stated at fair value, fair value has been determined on the basis of market value of land and buildings. 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, 2024. 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 3,826,473/- (2023 - LKR 1,365,581/-) from this investment property and incurred direct operating expenses (including repairs and maintenance) amounting to LKR 3,895,090/- (2023 - LKR 3,429,513/-).

**15.3** The significant assumptions used by the valuer in the years 2024 and 2023 are as follows.

Company	Property	Method of Valuation	Inputs used for measurement	2024	2023
				LKR	LKR
Dankotuwa Porcelain PLC*	Land (Dankotuwa)	Open Market Value	Per perch rate	-	275,000
Royal Fernwood Porcelain Ltd*	Land (Kosgama)	Open Market Value	Per perch rate	-	80,000
Ambeon Securities (Pvt) Ltd	Land (Kosgama)	Open Market Value	Per perch rate	110,000	90,000
Lexinton Resorts (Pvt) Ltd	Land (Kosgoda )	Open Market Value	Per perch rate	750,000	500,000
Ambeon Capital PLC	Land (Sigiriya)	Open Market Value	Per Acre Rate	6,400,000	5,600,000
Ceylon Leather Products Limited*	Land (Mattakkuliya)	Open Market value	Per perch rate	-	1,750,000
	Buildings (Mattakkuliya)	Replacement Cost	Per sq.ft. rate	-	580 - 2,300

\* Companies were disposed during the year refer note 4.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 15. INVESTMENT PROPERTY (Contd...)

#### 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 2024 and 2023 are as shown below;

Investment Property	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of input to Fair value
<b>Dankotuwa Porcelain PLC*</b>				
As at 31 March 2023				
Land 3,899.35 perches	Open Market value	Per perch rate	LKR 275,000	Positively correlated
<b>Royal Fernwood Porcelain Ltd*</b>				
As at 31 March 2023				
Land 1,753.07 perches	Open Market value	Per perch rate	LKR 80,000	Positively correlated
<b>Ambeon Securities (Pvt) Ltd</b>				
As at 31 March 2024				
Land 1,162.5 perches	Open Market value	Per perch rate	LKR 110,000	Positively correlated
As at 31 March 2023				
Land 1,162.5 perches	Open Market value	Per perch rate	LKR 92,000	Positively correlated
<b>Ceylon Leather Products Limited*</b>				
As at 31 March 2023				
Land 721.62 perches	Open Market value	Per perch rate	LKR 1,750,000	Positively correlated
Buildings 81,428 sqft	Replacement Cost	Per sqft. rate	LKR 580 – 2300	Positively correlated
<b>Lexinton Resorts (Pvt) Ltd</b>				
As at 31 March 2024				
Land 1,362 perches	Open Market value	Per perch rate	LKR 750,000	Positively correlated
As at 31 March 2023				
Land 1,362 perches	Open Market value	Per perch rate	LKR 500,000	Positively correlated
<b>Ambeon Capital PLC</b>				
As at 31 March 2024				
Land 8 Acres	Open Market value	Per Acre Rate	LKR 6,400,000	Positively correlated
As at 31 March 2023				
Land 8 Acres	Open Market value	Per Acre Rate	LKR 5,600,000	Positively correlated

\* Companies were disposed during the year refer note 4.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

## 16. INVESTMENT IN SUBSIDIARIES

### COMPANY

#### 16.1 Investment in subsidiaries

##### 16.1.1 Ordinary shares

	Place of Principal Business	Effective Holdings		Direct Holding		No of Shares		Fair Value	
		2024	2023	2024	2023	2024	2023	2024	2023
As at 31 March		%	%	%	%	Nos.	Nos.	LKR	LKR
Heron Agro Products (Pvt) Ltd	No 10, Gothami Road, Colombo 08.	100.00	100.00	100.00	100.00	740,000	740,000	5,517,096	20,976,000
Ambeon Holdings PLC	No 10, Gothami Road, Colombo 08.	81.43	81.43	81.43	81.43	290,597,377	290,597,377	8,276,925,671	7,876,725,000
								8,282,442,767	7,897,701,000

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
2024	7,897,701,000	-	-	384,741,767	8,282,442,767
2023	9,027,284,000	180,000,000	(780,141,518)	(529,441,482)	7,897,701,000

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 2024 and for 31 March 2023.

#### 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 2024.

Company	Valuation Techniques	Significant Inputs	FV Level	2024	2023	Effective date
Ambeon Holdings PLC - Group	Net Assets Value	-	Level 3	Note 16.2.1	Note 16.2.1	31-Mar-2024
Heron Agro Products (Pvt) Ltd	Net Assets Value	-	Level 3	-	-	31-Mar-2024

Sensitivity Analysis			2024		2023	
Company	Weighted Average Cost of Capital	Terminal Growth Rate	Effect on Income Statement	Effect on Statement of Financial Position	Effect on Income Statement	Effect on Statement of Financial Position
Ambeon Holdings PLC - Group	1%		(154,491,439)	(154,491,439)	(282,750,489)	(282,750,489)
	-1%		181,352,672	181,352,672	328,131,671	328,131,671
		1%	138,180,277	138,180,277	388,748,977	388,748,977
		-1%	(162,205,466)	(162,205,466)	(299,911,862)	(299,911,862)

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 16. INVESTMENT IN SUBSIDIARIES (Contd...)

#### 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	2024	2023	Effective date
Ambeon Holdings PLC	Net Assets Value	-	-	Level 3	-	-	31-Mar-24
Dankotuwa Porcelain PLC	Discounted	Cash Flow Forecast	WACC*	Level 3	-	16.30%	31-Mar-23
	Cashflow Method		Terminal Growth Rate	Level 3	-	3.50%	31-Mar-23
Royal Fernwood porcelain Ltd	Discounted	Cash Flow Forecast	WACC*	Level 3	-	17.20%	31-Mar-23
	Cashflow Method		Terminal Growth Rate	Level 3	-	3.00%	31-Mar-23
Millennium I.T.E.S.P. (Pvt) Ltd	Discounted	Cash Flow Forecast	WACC*	Level 3	18.40%	17.59%	31-Mar-24
	Cashflow Method		Terminal Growth Rate	Level 3	5.90%	4.00%	31-Mar-24
Colombo City Holdings PLC	SOTP**	-	-	Level 3	-	-	31-Mar-24
Taprobane Capital Plus (Pvt) Ltd	SOTP**	-	-	Level 3	-	-	31-Mar-24
Eon Tec (Pvt) Ltd	SOTP**	-	-	Level 3	-	-	31-Mar-24

\* Weighted average cost of capital

\*\* 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.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 16. INVESTMENT IN SUBSIDIARIES (Contd...)

#### 16.3 Investments in Sub Subsidiaries/ associate entity effective holdings

Sub Subsidiaries	Investor	Effective Holding %		Principal Activity	Place of Principal Business
		2024	2023		
Lexinton Financial Services (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Carrying out Margin Trading - No operation During the year.	No. 10, Gothami Road, Colombo 08
Ceylon Leather Products Ltd	Ambeon Holdings PLC	-	81.36	Manufacturing and selling of Leather, Leather Footwear and Leather Goods. This company was disposed of during the year.	No.64, Belumahara, Mudungoda
Palla & Company (Pvt) Ltd	Ambeon Holdings PLC	81.42	81.42	Manufacturing shoes for export market - Ceased Operations with effect from 31 August 2015.	Spur Rd. 4, Lot 25B, Katunayake Export Promotion Zone
Dankotuwa Porcelain PLC *	Ambeon Holdings PLC		59.04	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		56.50	Manufacturing and selling of porcelain tableware to export and local markets	Werelamandiya Estate, Police station road, Kosgama
Lanka Decals (Pvt) Ltd	Royal Fernwood Porcelain Ltd	22.41	56.50	Manufacturing Decals - No operations during the period	Werelamandiya Estate, Police station road, Kosgama
Fernwood Lanka (Pvt) Ltd	Royal Fernwood Porcelain Ltd		56.50	Selling of porcelain tableware to domestic market - No operations during the period	Werelamandiya Estate, Police station road, Kosgama
Dankotuwa Singapore Pte	Dankotuwa Porcelain PLC		59.04	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 10, Gothami Road, Colombo 08
Olancom (Pvt) Ltd	Ambeon Holdings PLC	75.85	75.85	Engage in networking business solutions - No operations during the period	No 10, Gothami Road, Colombo 08
Taprobane Investments (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Money Broking	No. 10, Gothami Road, Colombo 08
Ambeon Securities (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Share Broking	No. 10, Gothami Road, Colombo 08
Taprobane Wealth Plus (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Corporate Finance	No. 10, Gothami Road, Colombo 08
Taprobane Capital Plus (Pvt) Ltd	Ambeon Holdings PLC	81.43	81.43	Investment Management	No. 10, Gothami Road, Colombo 08
Eon Tec (Pvt) Ltd	Ambeon Holdings PLC	63.52	63.52	Investment Holding	No. 10, Gothami Road, Colombo 08
Lexinton Holdings (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Real estate Management	No. 10, Gothami Road, Colombo 08
Millennium I.T.E.S.P (Pvt) Ltd	Eon Tec (Pvt) Ltd	41.22	41.22	IT Solutions	*No.450 D, R A De Mel Mawatha, Colombo 3,*
Infosseek (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 48 Chitra Lane, Colombo 05
Millennium I.T.E.S.P. Singapore Ltd	Millennium I.T.E.S.P (Pvt) Ltd	41.22	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	41.22	-	IT Solutions	No 3002-032, Commercial Center, 01 in Bur Dubai , Dubai
Millennium I.T.E.S.P. Bangladesh Pte.	Millennium I.T.E.S.P (Pvt) Ltd	41.22	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	Investment Management	No. 10, Gothami Road, Colombo 08
Lexinton Resorts (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Real Estate	No. 10, Gothami Road, Colombo 08

\* On 13th July 2023 Ambeon Holdings PLC disposed 81,439,013 ordinary shares, being 50.10% of the total issued shares of Dankotuwa Porcelain PLC. Ambeon Holdings PLC retained 22.4% control in Dankotuwa Porcelain Group which is accounted under Investment in Equity Accounted Investee (refer note 29).

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 17. OTHER FINANCIAL ASSETS

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
<b>Non Current Investments</b>				
Deposit with Colombo Stock Exchange	1,000,000	1,000,000	-	-
Investment in Government Securities at Amortized Cost	7,805,961	400,800,405	-	-
Loans and Receivables*	-	424,685,675	-	-
Impairment For Loans and Receivable* *	-	(180,000,000)	-	-
	<b>8,805,961</b>	<b>646,486,080</b>	<b>-</b>	<b>-</b>

\*Includes Ambeon Consolidated (Pvt) Ltd - Ultimate Parent - Rs. 244,685,675 - Terms and Conditions : AWPLR + 1.5% per annum. Long term loan are receivable after 15 Months.

\*\*As at the Reporting date loan receivable balance from Ceylon Leather Products Manufacturers (Pvt) Ltd has been fully provided based on the recoverability assessment carried out by the Ambeon Holdings PLC.

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Current Investments					
Financial Instrument -					
Fair Value through Profits or Losses					
Quoted Equities at Market Value	17.1.1	258,941,536	246,380,418	-	52,309,402
Government Securities		5,310,706,616	2,459,458,653	-	626,920,209
Fair Value through OCI					
Quoted Equities at Market Value	17.1.2	207,666,821	308,974,925	-	-
Financial Instrument - at Amortized cost					
Bank Deposits & Government Securities		1,159,627,428	1,099,689,383	-	-
		6,936,942,402	4,114,503,381	-	679,229,611

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 17. OTHER FINANCIAL ASSETS (Contd...)

## 17.1 Investment in Equity Securities

### GROUP

#### 17.1.1 Fair Value through Profits or Losses

As at 31st March	2024			2023		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
		LKR	LKR		LKR	LKR
<b>Incorporated in Sri Lanka</b>						
B P P L Holdings PLC	-	-	-	457,777	5,377,997	9,659,095
Seylan Bank PLC	-	-	-	21,761	1,926,628	724,641
Aitken Spence PLC	399	88,785	51,970	399	88,785	52,269
Hayleys PLC	2,835,192	236,544,299	232,769,263	2,616,446	291,414,746	188,384,112
Royal Ceramics Lanka PLC-	500,000	25,661,490	15,550,000	500,000	25,661,490	13,800,000
Swisstec (Ceylon) PLC	553,419	24,215,091	10,570,303	1,051,730	46,027,495	14,829,393
Resus Energy PLC	-	-	-	914,097	29,960,870	12,311,708
Hela Apparel Holdings PLC	-	-	-	827,400	12,411,000	6,619,200
		286,509,665	258,941,536		412,869,012	246,380,418

#### 17.1.2 Fair value through OCI

Pan Asia Banking Corporation PLC	9,749,616	182,805,300	207,666,821	24,717,994	463,462,388	308,974,925
		182,805,300	207,666,821		463,462,388	308,974,925
<b>Total Carrying Value of Investment</b>		<b>469,314,965</b>	<b>466,608,357</b>		<b>876,331,400</b>	<b>555,355,343</b>

### COMPANY

As at 31st March	2024			2023		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
		LKR	LKR		LKR	LKR
<b>Incorporated in Sri Lanka</b>						
<b>Fair Value through Profits or Losses</b>						
Hayleys PLC	-	-	-	501,163	54,870,447	36,083,736
Resus Energy PLC	-	-	-	518,006	16,625,000	6,993,081
Hela Apparel Holdings PLC	-	-	-	275,800	4,137,000	2,206,400
Swisstec Ceylon PLC	-	-	-	498,311	21,812,405	7,026,185
		-	-		<b>97,444,852</b>	<b>52,309,402</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 18. INVENTORIES

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Raw Material		-	447,920,265	-	-
Work in Progress/ Project in Progress		1,384,524,902	1,981,775,861	-	-
Finished Goods		-	675,785,679	-	-
Indirect Material		-	33,564,534	-	-
Spare Stock		-	44,550,579	-	-
Consumables		-	46,093,301	-	-
General Stock		-	13,997,593	-	-
Semi Finished Goods		-	185,545,272	-	-
Packing Material		-	23,685,066	-	-
Maintenance Inventory		155,770,304	147,750,868	-	-
Goods-In-Transit		-	18,723,969	-	-
Others		-	30,825,283	-	-
Less : Allowance for Obsolete & Slow Moving Inventories	18.1	(124,602,261)	(427,985,538)	-	-
		<b>1,415,692,945</b>	<b>3,222,232,732</b>	<b>-</b>	<b>-</b>

#### 18.1 Allowance for Obsolete & Slow Moving Inventories

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	427,985,538	598,414,703	-	-
Reversal of Provisions	-	(159,477,164)	-	-
Provision made during the year	5,097,431	4,599,164	-	-
Disposal of Subsidiary	(298,686,281)	-	-	-
Inventory Write-off	(9,794,427)	(15,551,165)	-	-
<b>Balance at the end of the year</b>	<b>124,602,261</b>	<b>427,985,538</b>	<b>-</b>	<b>-</b>

#### 18.2 Details of inventories pledged for borrowings are disclosed in Note 34.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 19. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Trade Receivables		7,857,511,702	8,288,763,656	36,726,469	33,104,246
Interest In Suspense		(21,528,740)	(17,906,516)	(21,528,740)	(17,906,516)
Provision for Bad and Doubtful Debts	19.2	(1,266,326,954)	(1,439,029,414)	(15,197,730)	(15,197,730)
		<b>6,569,656,009</b>	<b>6,831,827,726</b>	-	-
Loans Granted	19.1	665,644,657	45,460,104	-	-
Other Receivables		234,225,024	317,132,896	4,026,406	-
Other Receivables - Related Parties	19.3	509,727,485	531,845,752	548,431,547	491,299,958
Provision for Bad and Doubtful Debts	19.2	(380,410,179)	(376,172,856)	(24,482,907)	-
		<b>7,598,842,995</b>	<b>7,350,093,622</b>	<b>527,975,046</b>	<b>491,299,958</b>
Advances and Prepayments		554,254,478	917,775,480	187,804	213,429
		<b>8,153,097,473</b>	<b>8,267,869,102</b>	<b>528,162,849</b>	<b>491,513,387</b>

\*Details of trade debtors pledged for borrowing are disclosed in Note 34.

#### 19.1 LOANS GRANTED

		Group		Company	
		2024	2023	2024	2023
Ambeon Consolidated (Pvt) Limited	Ultimate Parent	439,441,926	-	-	-
Loans to Company Officers		1,465,626	722,999	-	-
D.B. Exim (Pvt) Ltd		19,307,143	19,307,143	-	-
Ceylon Leather Products Manufactures (Pvt) Ltd		205,429,962	25,429,962	-	-
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>665,644,657</b>	<b>45,460,104</b>	<b>-</b>	<b>-</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.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 19.2 Provision for Bad and Doubtful Debts

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Balance as at the beginning of the year	1,815,202,270	1,615,525,867	15,197,730	15,197,730
Provision/ (Reversal) made during the year	(94,098,353)	199,676,403	24,482,907	-
Transfer from non current	180,000,000	-	-	-
Setoff-against current Accounts	(1,864,475)	-	-	-
Disposal of Subsidiary	(252,502,309)	-	-	-
<b>Balance at the end of the year</b>	<b>1,646,737,133</b>	<b>1,815,202,270</b>	<b>39,680,637</b>	<b>15,197,730</b>

### 19.3 Amounts Due From Related Parties

	Relationship	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Dankotuwa Porcelain PLC	Associate	4,516,006	-	-	-
Royal Fernwood Porcelain Ltd	Associate	6,286,251	-	500,000	-
Heron Agro Products (Pvt) Ltd	Subsidiary	-	-	59,256,319	47,091,979
Lexinton Resorts (Pvt) Ltd	Sub Subsidiary	-	-	-	37,527,533
Ambeon Consolidated (Pvt) Limited*	Parent	498,875,228	531,795,752	488,675,228	406,680,446
Eon Tec Investments (Pvt) Ltd	Sub Subsidiary	50,000	50,000	-	-
		<b>509,727,485</b>	<b>531,845,752</b>	<b>548,431,547</b>	<b>491,299,958</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	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Cash at Bank	501,770,288	1,272,859,509	1,076,124	1,655,161
	<b>501,770,288</b>	<b>1,272,859,509</b>	<b>1,076,124</b>	<b>1,655,161</b>
Bank Overdrafts used for cash management purposes (Note 22)	(281,454,821)	(604,194,175)	(2,435,733)	(178,229,037)
<b>Cash &amp; Cash Equivalents in the statement of cash flow</b>	<b>220,315,467</b>	<b>668,665,334</b>	<b>(1,359,609)</b>	<b>(176,573,876)</b>

## 21. STATED CAPITAL

	Group		Company	
	2024	2023	2024	2023
	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 31 March 2024

### 21. STATED CAPITAL (Contd...)

#### 21.1 Other Components of Equity

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Revaluation Reserves		176,776,723	1,132,409,840	-	-
Foreign Currency Translation Reserve		(6,543,685)	(2,224,417)	-	-
Fair Value Through Other comprehensive Income		20,244,739	(131,678,946)	-	-
Amalgamation Reserve	21.2	-	-	258,920,263	258,920,263
		<b>190,477,776</b>	<b>998,506,477</b>	<b>258,920,263</b>	<b>258,920,263</b>

	Attributable to Equity Holders of Parent	
	Revaluation Reserves *	Foreign Currency Translation Reserve **
	LKR	LKR
Beginning of the year	1,132,409,840	(2,224,417)
Impact due to Disposal of Subsidiary	(955,368,470)	-
During the Year Impact	(264,648)	(4,319,269)
	<b>176,776,723</b>	<b>(6,543,685)</b>

\* Land & Buildings of subsidiaries have been revalued during the year by independent incorporated valuers, KPMG Real Estate & Valuation Services (Pvt) Ltd. The said land and buildings were valued based on Market Approach, Cost Approach and Investment Approach as further explained in Note 12.1.5. The result of such valuations were incorporated in the financial statements by transferring the surplus arisen thereon to the revaluation reserve.

\*\* 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.

	Group	
	2024	2023
	LKR	LKR
<b>Net Foreign Exchange Difference</b>		
Loss from Foreign Currency Translation during the year	(10,478,253)	(24,883,714)
	<b>(10,478,253)</b>	<b>(24,883,714)</b>

#### 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 31 March 2024

## 22. INTEREST BEARING LOANS AND BORROWINGS

		Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
<b>Repayable after one year</b>					
Lease Liability	22.1	475,922,570	508,798,336	-	1,563,867
Bank Loans	22.2	121,596,040	775,291,916	121,596,040	283,357,228
Loans granted by Related Parties	22.3	-	-	1,461,903,102	-
		<b>597,518,610</b>	<b>1,284,090,252</b>	<b>1,583,499,142</b>	<b>284,921,095</b>
<b>Repayable within one year</b>					
Lease Liability	22.1	15,157,755	28,333,099	1,791,653	1,886,902
Short Term Loan	22.4	2,675,956,283	3,149,892,905	-	-
Bank Loans	22.2	2,267,536,906	2,711,228,788	1,347,009,175	1,871,398,544
Loans granted by Related Parties	22.3	5,739,310	5,739,310	573,436,093	2,038,742,915
Interest Payable to Related Parties	22.3	-	-	503,149,062	140,918,048
Bank Overdrafts	20	281,454,821	604,194,175	2,435,733	178,229,037
Others		-	97,899,884	-	23,029,900
		<b>5,245,845,075</b>	<b>6,597,288,162</b>	<b>2,427,821,715</b>	<b>4,254,205,346</b>
		<b>5,843,363,685</b>	<b>7,881,378,413</b>	<b>4,011,320,857</b>	<b>4,539,126,441</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 2024.

### Group

#### Lease liabilities

	Balance as at 01.04.2023	Interest	Repayment	Disposal of subsidiary	Balance as at 31.03.2024
	LKR	LKR	LKR	LKR	LKR
Lease Liabilities	537,131,435	70,146,630	(83,602,126)	(32,595,614)	491,080,325
	<b>537,131,435</b>	<b>70,146,630</b>	<b>(83,602,126)</b>	<b>(32,595,614)</b>	<b>491,080,325</b>

As at 31 March 2024

## Company

	Balance as at 01.04.2023	Impact of reassessment	Interest	Repayment	Balance as at 31.03.2024
	LKR	LKR	LKR	LKR	LKR
Lease Liabilities	3,450,769	560,379	342,126	(2,561,621)	1,791,653
	<b>3,450,769</b>	<b>560,379</b>	<b>342,126</b>	<b>(2,561,621)</b>	<b>1,791,653</b>

Group	2024			2023		
	Within Year	After 1 Year	Total	Within Year	After 1 Year	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Gross Liability	83,155,090	809,175,047	892,330,137	100,671,919	911,369,916	1,012,041,835
Finance Charges allocated to future periods	(67,997,335)	(333,252,477)	(401,249,812)	(72,338,820)	(402,571,580)	(474,910,400)
<b>Net liability</b>	<b>15,157,755</b>	<b>475,922,570</b>	<b>491,080,325</b>	<b>28,333,099</b>	<b>508,798,336</b>	<b>537,131,435</b>

Company	2024			2023		
	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	2,186,340	1,639,755	3,826,095
Finance Charges allocated to future periods	(118,576)	-	(118,576)	(299,438)	(75,888)	(375,326)
<b>Net liability</b>	<b>1,791,653</b>	<b>-</b>	<b>1,791,653</b>	<b>1,886,902</b>	<b>1,563,867</b>	<b>3,450,769</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

## 22.2 Bank Loans

	At the Beginning of the Year	Loans Obtained	Repayment	Accrued Interest	Disposal of Subsidiary	Exchange Gain / Loss	At The End of the year
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
<b>GROUP</b>							
2024	3,486,520,704	17,301,160,206	(17,610,771,017)	281,120,693	(1,068,897,640)	-	2,389,132,946
2023	2,925,535,391	20,445,167,169	(19,911,238,477)	55,261,576	-	(28,204,955)	3,486,520,704
						<b>2024</b>	<b>2023</b>
Repayable after one year						121,596,040	775,291,916
Repayable within one year						2,267,536,906	2,711,228,788
						<b>2,389,132,946</b>	<b>3,486,520,704</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 22. INTEREST BEARING LOANS AND BORROWINGS (Contd..)

	At the Beginning of the Year LKR	Loans Obtained LKR	Repayment LKR	Accrued Interest LKR	At The End of the year LKR
<b>COMPANY</b>					
2024	2,154,755,772	13,892,650,400	(14,877,523,324)	298,722,366	1,468,605,215
2023	1,339,545,604	16,360,843,945	(15,577,543,513)	31,909,736	2,154,755,772

	2024	2023
Repayable after one year	121,596,040	283,357,228
Repayable within one year	1,347,009,175	1,871,398,544
	<b>1,468,605,215</b>	<b>2,154,755,772</b>

### 22.3 Loans Payable to Related Parties

As at 31st March				Group		Company	
				2024	2023	2024	2023
	Relationship	Interest rate	Repayment Terms	LKR	LKR	LKR	LKR
Mr.Eric Wikramanayake	Former Director	-	On Demand	5,739,310	5,739,310	-	-
Taprobane Capital Plus (Pvt) Ltd	Sub Subsidiary	-	On Demand	-	-	2,458,519	5,862,240
Lexinton Holdings (Pvt) Ltd	Sub Subsidiary	AWPLR+0.5%	On Demand	-	-	348,848,724	334,889,848
Taprobane Wealth Plus (Pvt) Ltd	Sub Subsidiary	AWPLR+0.5%	On Demand	-	-	6,344,908	5,859,126
Ambeon Holdings PLC	Subsidiary	AWPLR+0.5%	30 Months	-	-	1,851,630,900	1,562,186,878
Millennium I.T.E.S.P. (Pvt) Ltd	Sub Subsidiary	13.94%	On Demand	-	-	329,205,206	270,862,871
				<b>5,739,310</b>	<b>5,739,310</b>	<b>2,538,488,257</b>	<b>2,179,660,963</b>

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Repayable after one year	-	-	1,461,903,102	-
Repayable within one year	5,739,310	5,739,310	1,076,585,155	2,179,660,963
	<b>5,739,310</b>	<b>5,739,310</b>	<b>2,538,488,257</b>	<b>2,179,660,963</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 22. INTEREST BEARING LOANS AND BORROWINGS (Contd..)

#### 22.3.1 Repayable to related parties

	Group	Company
Balance as at 01.04.2023	5,739,310	2,179,660,963
Loan Repayment	-	(43,366,664)
Accrued Interest	-	402,193,958
<b>Balance as at 31.03.2024</b>	<b>5,739,310</b>	<b>2,538,488,257</b>

### 22.4 Short Term Loans

	At the Beginning of the Year	Loans Obtained	Repayment	Accrued Interest	Disposal of Subsidiary	At The End of the year
	LKR	LKR	LKR	LKR	LKR	LKR
<b>GROUP</b>						
2024	3,149,892,905	192,547,161,350	(193,153,908,059)	250,985,741	(118,175,653)	2,675,956,283
2023	1,266,739,185	6,042,490,456	(4,170,696,761)	11,360,025	-	3,149,892,905

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 22. INTEREST BEARING LOANS AND BORROWINGS (Contd..)

#### 22.4.1 Group

Company	Lender/rate of interest (p.a.)	2024 LKR	2023 LKR	Repayment	Security
Royal Fernwood Porcelain Ltd	<b>DFCC Bank PLC</b>				
	- Short Term Loan	-	118,175,653		
Ambeon Securities (Pvt) Limited	<b>Seylan Bank PLC</b>				
	- Short Term loan (Rate - AWPLR +1.25% with the floor rate 17.50%)	-	120,000,000	Repayment period - 90 Days	
Sherwood Capital Pvt Ltd	<b>Seylan Bank PLC</b>				
	- Short term loan 11.5% p.a.	368,414,866	1,616,697,170		
	<b>Union Bank of Colombo PLC</b>			Overnight to One Month	Government Securities
	- Short term loan 11.5% p.a.	502,864,296	150,394,808		
	<b>DFCC Bank PLC</b>				
	- Short term loan 11.5% p.a.	500,631,389	-		
	- Short term loan 12% p.a.	100,197,654	-		
Colombo City Holdings PLC	<b>Seylan Bank PLC</b>				
	- Reverse Repo (Rate 22% p.a.)	-	97,999,999	One week	
Ambeon Holdings PLC					
	<b>Nations Trust Bank PLC</b>				
	- Short term loan	-	105,000,000	Maximum duration of 90days	
Millennium I.T.E.S.P (Pvt) Ltd	<b>Seylan Bank PLC</b>				
	- Short Term Loan (Month AWPLR+ 1% p.a)	1,204,048,080	734,880,070	Bullet Payment ( interest to be serviced monthly )	Corporate Guarantee of Ambeon Holdings PLC for LKR 2.0 Bn
	<b>National Development Bank PLC</b>				
	- Short term loan 29 % p.a.	-	206,745,205		
		<b>2,675,956,283</b>	<b>3,149,892,904</b>		

\* For further details on Asset pledged refer Note 34.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 22. INTEREST BEARING LOANS AND BORROWINGS (Contd..)

#### 22.4.2 Bank Loans Group - Terms and Conditions

Company	Lender/rate of interest (p.a.)	2024 LKR	2023 LKR	Repayment	Security
Ambeon Capital PLC	<b>National Development Bank PLC</b>				
	Term- Loan (1WK AWPLR +1.3%+1)	161,761,188	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	283,357,228	05 year term loan with 10 months Grace period for Capital Re payment	
	<b>Pan Asia Bank PLC</b>				
	- STL (Market rate)	175,000,000	122,000,000	90 Days	32,809,878 Number of shares of Ambeon Holdings PLC
<b>Seylan Bank PLC</b>	- STL (Market rate)	1,010,247,987	1,050,965,000	180 Days	
	- Reverse REPO	-	536,672,356		112,790,122 Number of Shares of Ambeon Holdings PLC
Royal Fernwood Porcelain Ltd	<b>Nations Trust Bank PLC</b>				
	- Term Loan (LKR) AWPLR + 1.5% (Monthly)	-	247,000,000	6 months grace period, 50 Monthly Instalments	Primary mortgage bond over immovable property in the factory at Kosgama
	- Term Loan (LKR) AWPLR + 1.5% (Monthly)	-	152,500,000	38 Variable monthly instalments	
	- Import Loan USD - LIBOR + 5%	-	66,838,354	Settlement through sales proceeds. (120 days)	
	- Packing Credit Loan - AWPLR + 1.25% or LIBOR + 5%	-	90,723,321	Settlement through sales proceeds. (120 days)	

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 22. INTEREST BEARING LOANS AND BORROWINGS (Contd..)

Company	Lender/rate of interest (p.a.)	2024 LKR	2023 LKR	Repayment	Security
Dankotuwa Porcelain PLC	<b>Nation Trust Bank PLC</b>				
	- Short Term Loan (AWPLR+1.5% p.a)	-	166,645,909	60 Months	Unquoted shares 1,080,697,674 of Royal Fernwood Porcelain Ltd.
Ambeon Holdings PLC	<b>Sampath bank PLC</b>				
	- Term Loan (1W AWPLR+2.5%)	-	117,600,000	60 Monthly installments	Property lot B plan no 184/2001
Millennium I.T.E.S.P (Pvt) Ltd	<b>The Hongkong and Shanghai Banking Corporation Limited</b>				
	- Import Finance loan (Tenor linked COF +2.5% per annum )	920,527,733	424,544,891	Within 180 Days	Mortgage over Inventory and Debtors
	National Development Bank PLC	-	11,698,922	Within 180 Days	
	- Import Finance loan				
	Seylan Bank PLC				
	- Import Finance loan (Month AWPLR+ 1% p.a )	-	14,323,000	Within 180 Days	Corporate Guarantee of Ambeon Holdings PLC for LKR 2.0 Bn
	DFCC Bank PLC				
	- Import Finance loan (Weekly AWPLR+ 1.5% p.a )	-	39,890,536	Within 180 Days	-
		<b>2,389,132,946</b>	<b>3,486,520,704</b>		

\* For further details on Asset pledged refer Note 34.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 23. RETIREMENT BENEFIT OBLIGATION

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Present value of unfunded gratuity		377,662,755	493,234,810	-	-
		<b>377,662,755</b>	<b>493,234,810</b>	<b>-</b>	<b>-</b>

#### 23.1 Provision for Retiring Gratuity

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Balance at the beginning of the year		493,234,810	383,230,112	-	-
Current/Past Service Cost	23.2	47,385,015	67,800,318	-	-
Interest Cost	23.2	59,226,348	43,277,005	-	-
Actuarial losses	23.3	6,296,125	50,382,844	-	-
Under provision		177,909	-	-	-
Acquisition of Subsidiary		-	96,872	-	-
Payment made during the year		(45,344,361)	(51,552,341)	-	-
Disposal of Subsidiary		(183,313,090)	-	-	-
<b>Balance at the end of the year</b>		<b>377,662,755</b>	<b>493,234,810</b>	<b>-</b>	<b>-</b>

#### 23.2 Expenses recognized in Income Statement

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Current/Past service cost	47,385,015	67,800,318	-	-
Interest cost	59,226,348	43,277,005	-	-
	<b>106,611,363</b>	<b>111,077,323</b>	<b>-</b>	<b>-</b>

#### 23.3 Expenses recognized in Other Comprehensive Income

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Actuarial losses	6,296,125	50,382,844	-	-
	<b>6,296,125</b>	<b>50,382,844</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 23. RETIREMENT BENEFIT OBLIGATION (Contd..)

**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, 2024 by Messrs. Actuarial & Management Consultants (Pvt) Ltd Actuaries.

### 23.5 Principal actuarial assumptions used are as follows :

	Group 2024	Group 2023
Discount Rate	12%-19%	16%-20%
Salary Increment rates used	10%-14%	14%-15%

### 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	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Discount Rate - (1% Increase)	(21,470,938)	(21,955,944)	-	-
Discount Rate - (1% Decrease)	23,946,801	22,549,369	-	-
Salary Increment Rate - (1% Increase)	24,048,107	24,817,555	-	-
Salary Increment Rate - (1% Decrease)	(21,907,052)	(24,361,665)	-	-

### 23.7 Break up of the Actuarial (Gain)/ Loss

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Actuarial (Gain)/ Loss Resulting from Changes in Financial Assumptions	54,710,152	(52,491,530)	-	-
Actuarial (Gain)/ Loss Resulting from Changes in Demographic Assumptions	(1,363,624)	(10,063,428)	-	-
Actuarial (Gain)/ Loss Resulting from Changes in Experience Adjustments	(47,050,403)	112,937,802	-	-
	<b>6,296,125</b>	<b>50,382,844</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 23.8 Maturity Profile of the Retirement Benefit Plan

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Within Next 12 Months	47,177,866	100,598,094	-	-
Between 1 - 2 Years	78,035,817	83,235,890	-	-
Between 2 - 5 Years	71,070,480	139,877,098	-	-
Between 5- 10 Years	116,656,338	115,800,235	-	-
Beyond 10 years	64,722,254	53,723,493	-	-
	<b>377,662,755</b>	<b>493,234,810</b>	<b>-</b>	<b>-</b>

## 24. CONTRACT LIABILITY -SERVICE AGREEMENTS

	Group	
	2024	2023
	LKR	LKR
Balance at the beginning of the year	2,703,967,229	2,079,003,258
Deferred During the year	1,479,832,409	2,016,456,750
Revenue recognised during the year	(2,502,533,097)	(1,391,492,779)
<b>Balance at the end of the year</b>	<b>1,681,266,541</b>	<b>2,703,967,229</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	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
<b>Deferred Tax Asset</b>				
Balance as at the beginning of the year	272,217,548	132,224,822	-	-
Charge/(Reversal) to the Profit or Loss	(172,900,646)	118,716,651	-	-
Charge/(Reversal) to Other Comprehensive Income Statement	74,004	24,207,646	-	-
Transfers between Deferred Tax Liability and (Asset)	(30,907,208)	(2,931,570)	-	-
<b>Balance as at the end of the year</b>	<b>68,483,698</b>	<b>272,217,548</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
<b>Deferred Tax Liability</b>				
Balance as at the beginning of the year	1,241,291,507	650,176,157	2,578,482	6,860,653
Disposal of Subsidiary	(933,499,000)	(10,300,000)	-	-
Business Acquisition	-	28,122,187	-	-
Transfers between Deferred Tax Liability and (Asset)	(30,907,206)	(2,919,577)	-	-
Charge/(Reversal) to the Profit or Loss	27,118,104	176,835,608	1,483,815	(4,282,170)
Charge/(Reversal) to Other Comprehensive Income Statement	(561,471)	399,377,133	-	-
<b>Balance as at the end of the year</b>	<b>303,441,934</b>	<b>1,241,291,507</b>	<b>4,062,297</b>	<b>2,578,482</b>

### 25.1 Transfer from/(to) Income Statement

		Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
<b>Transfer from accelerated depreciation and others</b>	10	(200,018,750)	(75,941,144)	(1,483,815)	4,282,170
		<b>(200,018,750)</b>	<b>(75,941,144)</b>	<b>(1,483,815)</b>	<b>4,282,170</b>
<b>Transfer from/(to) Other Comprehensive Income</b>					
Tax on Revaluation Gain		-	(386,203,241)	-	-
Tax on Actuarial loss on Defined Benefit Plans		610,713	11,033,755	-	-
		<b>610,713</b>	<b>(375,169,486)</b>	<b>-</b>	<b>-</b>

Composition of deferred tax assets/ (liabilities) as follows;

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Accelerated Depreciation and Amortization for Tax purposes	(39,936,797)	(224,303,108)	(12,298)	(28,483)
Retirement Benefit Liability	63,223,291	36,222,772	-	-
Fair Value of Land and Buildings	(217,507,639)	(1,106,564,361)	(4,050,000)	(2,550,000)
Losses available for offset against future Taxable Income	19,016,533	100,216,756	-	-
Provision for Debtors	-	111,361,388	-	-
Provision for Inventory	708,269	30,520,848	-	-
Others*	(60,461,893)	83,471,746	-	-
	<b>(234,958,235)</b>	<b>(969,073,958)</b>	<b>(4,062,297)</b>	<b>(2,578,482)</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

The above deferred tax asset arising from carried forward tax losses has been determined based on a financial budget approved by management to the extent of sufficient taxable profit are available. The Group has computed deferred tax at the rates based on enacted rate, as of the reporting date.

The above deferred tax arises from timing difference of depreciation, impairment of debtors, unutilized portion of carried forward tax losses and gratuity. The deferred tax arising from the unused tax losses amounting to LKR 1,235 million has not been recognised as the management is not certain whether there will be sufficient taxable profit to utilized.

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

## 26. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Trade Payables	3,047,320,698	3,407,526,565	-	-
Other Payables	390,121,308	1,078,720,628	-	-
Sundry Creditors Including Accrued Expenses*	240,226,159	70,047,125	987,252	975,880
	<b>3,677,668,165</b>	<b>4,556,294,319</b>	<b>987,252</b>	<b>975,880</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	
			Carrying Value		Carrying Value	
			2024	2023	2024	2023
			LKR	LKR	LKR	LKR
Preference Shares	27.1	170,625	347,936	968,906	-	-
			<b>347,936</b>	<b>968,906</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.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 28. RIGHT OF USE ASSETS

#### 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 01.04.2023	Amortization	Disposal of Subsidiary	As At 31.03.2024
	LKR	LKR	LKR	LKR
Right to Use Asset - Building	459,759,970	(58,725,827)	(24,642,631)	376,391,512
Right to Use Asset - Land	4,963,070	-	-	4,963,070
	<b>464,723,040</b>	<b>(58,725,827)</b>	<b>(24,642,631)</b>	<b>381,354,582</b>
Right to Use Asset Motor Vehicle	2,697,418	(660,683)	(2,036,735)	-
	<b>467,420,457</b>	<b>(59,386,510)</b>	<b>(26,679,365)</b>	<b>381,354,582</b>

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

##### Company

	As At 01.04.2023	Impact of New Lease	Amortization	As At 31.03.2024
	LKR	LKR	LKR	LKR
Right to Use Asset - Building	3,509,316	560,379	(2,269,031)	1,800,664
	<b>3,509,316</b>	<b>560,379</b>	<b>(2,269,031)</b>	<b>1,800,664</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 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 %	2024 LKR	2023 LKR
<b>Quoted</b>				
Dankotuwa Porcelain PLC	36,422,571	22.41%	1,081,394,953	-
<b>Un-quoted</b>				
Infoseek (Private) Limited	39	39%	42,644,115	41,874,323
			<b>1,124,039,068</b>	<b>41,874,323</b>

The market price of the share of Dankotuwa Porcelain PLC as at the reporting date was LKR. 24.60. However, based on the assessment carried out, no impairment is required to be accounted for as at the reporting date.

	Group	
	2024 LKR	2023 LKR
<b>Opening Balance</b>	41,874,323	35,928,948
Fair value of Investment transferred	983,409,438	-
Share of result of equity accounted investee	98,755,308	5,945,375
<b>Carrying amount as at the end of the year</b>	<b>1,124,039,068</b>	<b>41,874,323</b>

#### 29.1 The Associate's Statement of Financial Position

	Group	
	2024 LKR	2023 LKR
<b>Share of Associates' Statement of Financial Position;</b>		
Total Assets	1,816,847,537	26,297,842
Total Liabilities	(973,766,013)	(23,489,857)
<b>Carrying amount of Associates</b>	<b>843,081,523</b>	<b>2,807,985</b>
<b>Share of Revenue ,Profit/(Loss) of the Equity Accounted investee</b>		
Share of Revenue	1,153,410,800	32,082,620
Share of Profit/(Loss)	82,100,724	5,945,375
Share of the Associate Other Comprehensive Income	16,654,584	-

On 13th July 2023 Ambeon Holdings PLC disposed 81,439,013 ordinary shares, being 50.10% of the total issued shares of Dankotuwa Porcelain PLC for a total consideration of LKR 2,304,724,068/-. Ambeon Holdings PLC retained 22.4% control in Dankotuwa Porcelain Group which is accounted under Investment in Equity Accounted Investee (refer note 4 ).

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

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 31 March 2024

### 30. ASSETS AND LIABILITIES (Contd...)

#### GROUP

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
Financial Assets and Non Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	258,941,536	207,666,821	-	-	466,608,357	466,608,357	-	-	466,608,357
Investment in Government Securities	17	5,310,706,616	-	-	-	5,310,706,616	5,310,706,616	-	-	5,310,706,616
Investment Property	15	-	-	-	-	-	-	-	1,076,350,000	1,076,350,000
Property Plant and Equipment	12	-	-	-	-	-	-	-	330,047,601	330,047,601
Biological Assets	14	-	-	-	-	-	-	-	83,524,950	83,524,950
		5,569,648,152	207,666,821	-	-	5,777,314,973	5,777,314,973	-	1,489,922,551	7,267,237,524
Financial Assets not measured at fair value										
Bank Deposits & Government Securities	17	-	-	1,167,433,389	-	1,167,433,389	-	-	-	-
Trade Receivables	19	-	-	7,598,842,995	-	7,598,842,995	-	-	-	-
Cash & Cash Equivalents	20	-	-	501,770,288	-	501,770,288	-	-	-	-
		-	-	9,268,046,672	-	9,268,046,672	-	-	-	-
Financial Liabilities not measured at fair value										
Finance Leases	22.1	-	-	-	491,080,325	491,080,325	-	-	-	-
Bank Loans	22.2	-	-	-	2,389,132,946	2,389,132,946	-	-	-	-
Loans granted by Related Parties	22.3	-	-	-	5,739,310	5,739,310	-	-	-	-
Short Term Loan	22.4	-	-	-	2,675,956,283	2,675,956,283	-	-	-	-
Trade and Other Payables	26	-	-	-	3,437,442,006	3,437,442,006	-	-	-	-
Bank Overdraft	20	-	-	-	281,454,821	281,454,821	-	-	-	-
		-	-	-	9,280,805,692	9,280,805,692	-	-	-	-

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 31 March 2024

### 30. ASSETS AND LIABILITIES (Contd...)

31 March 2023	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
Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	246,380,418	308,974,925	-	-	555,355,343	555,355,343	-	-	555,355,343
Investment in Government Securities	17	2,459,458,653	-	-	-	2,459,458,653	2,459,458,653	-	-	2,459,458,653
Investment Property	15	-	-	-	-	-	-	-	2,815,795,600	2,815,795,600
Property Plant and Equipment	12	-	-	-	-	-	-	-	2,415,932,735	2,415,932,735
Biological Assets	14	-	-	-	-	-	-	-	79,127,950	79,127,950
Financial Assets not measured at fair value										
Bank Deposits & Government Securities	17	-	-	1,500,489,788	-	1,500,489,788	-	-	-	-
Trade Receivables	19	-	-	7,350,093,622	-	7,350,093,622	-	-	-	-
Cash & Cash Equivalents	20	-	-	1,272,859,509	-	1,272,859,509	-	-	-	-
Financial Liabilities not measured at fair value										
Finance Leases	22.1	-	-	-	537,131,435	537,131,435	-	-	-	-
Bank Loans	22.2	-	-	-	3,486,520,704	3,486,520,704	-	-	-	-
Loans granted by Related Parties	22.3	-	-	-	5,739,310	5,739,310	-	-	-	-
Short Term Loan	22.4	-	-	-	3,149,892,905	3,149,892,905	-	-	-	-
Trade and Other Payables	26	-	-	-	3,144,594,386	3,144,594,386	-	-	-	-
Bank Overdraft	20	-	-	-	604,194,175	604,194,175	-	-	-	-
		-	-	-	10,928,072,915	10,928,072,915	-	-	-	-

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 31 March 2024

### 30. ASSETS AND LIABILITIES (Contd...)

### 30.2 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.

#### COMPANY

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
Financial Assets measured at fair value										
Investment in subsidiaries	16	-	-	-	-	-	-	-	8,282,442,767	8,282,442,767
Investment Property	15	-	-	-	-	-	-	-	40,500,000	40,500,000
		-	-	-	-	-	-	-	8,322,942,767	8,322,942,767
Financial Assets not measured at fair value										
Trade Receivables	19	-	-	527,975,046	-	527,975,046	-	-	-	-
Cash & Cash Equivalents	20	-	-	1,076,124	-	1,076,124	-	-	-	-
		-	-	529,051,170	-	529,051,170	-	-	-	-
Financial Liabilities not measured at fair value										
Bank Loans	22.2	-	-	-	1,468,605,215	1,468,605,215	-	-	-	-
Loans granted by Related Parties	22.3	-	-	-	2,538,488,257	2,538,488,257	-	-	-	-
Bank Overdraft	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 31 March 2024

### 30. ASSETS AND LIABILITIES (Contd...)

31 March 2023	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
Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	52,309,402	-	-	-	52,309,402	52,309,402	-	-	52,309,402
Investment in Government Securities	17	626,920,209	-	-	-	626,920,209	626,920,209	-	-	626,920,209
Investment in subsidiaries	16	-	-	-	-	-	-	-	7,897,701,000	7,897,701,000
Investment Property	15	-	-	-	-	-	-	-	35,500,000	35,500,000
		679,229,611	-	-	-	679,229,611	679,229,611	-	7,933,201,000	8,612,430,611
Financial Assets not measured at fair value										
Trade Receivables	19	-	-	491,299,958	-	491,299,958	-	-	-	-
Cash & Cash Equivalents	20	-	-	1,655,161	-	1,655,161	-	-	-	-
		-	-	492,955,120	-	492,955,120	-	-	-	-
Financial Liabilities not measured at fair value										
Bank Loans	22.2	-	-	-	2,154,755,772	2,154,755,772	-	-	-	-
Loans granted by Related Parties	22.3	-	-	-	2,179,660,963	2,179,660,963	-	-	-	-
Bank Overdraft	20	-	-	-	178,229,037	178,229,037	-	-	-	-
		-	-	-	4,512,645,771	4,512,645,771	-	-	-	-

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 31 March 2024

### 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

	2024	2023
Bank Guarantees	LKR Mn	LKR Mn
<b>Guarantees given to following facility on behalf of Millennium I.T.E.S.P. (Pvt) Limited;</b>		
Seylan Bank PLC	2,000	2,000
<b>Guarantees given to following facility on behalf of Dankotuwa PLC</b>		
People's Bank PLC	-	25

##### 31.2.2 Lexinton Holdings (Pvt) Limited

	2024	2023
Bank Guarantee	LKR Mn	LKR Mn
Guarantees given to Tax Appeal Commission on behalf of the company	18.90	18.90

##### 31.2.3 Millennium I.T.E.S.P (Pvt) Limited

	2024	2023
Bank Guarantee	LKR Mn	LKR Mn
Performance Bonds	740	725
Tender Bonds	80	52
Advance payment guarantees	363	257
Custom guarantee	61	72

##### 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** The Ambeon Holdings PLC and Lexinton Holdings (Pvt) Limited has received tax assessment for the period 2017/18 and 2011/12 respectively, the management has appealed against the assessment. This balance has been fully provided.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 32. RELATED PARTY DISCLOSURE

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 31/3/2024	Balance (due)/from as at 31/3/2023	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	553,059				
		Settlement - Fund Transfers	(553,059)	-	-	-	-
Lexinton Holdings (Pvt) Ltd.	Sub subsidiary	Common expenses - allocation	(2,758,921)				
		Settlement - Fund Transfers	2,758,921	-	-	-	-
		Interest charged	(13,958,876)	(348,848,724)	(334,889,848)		
Ambeon Securities (Pvt) Ltd	Sub subsidiary	Common expenses - allocation	53,175				
		Settlement - Fund Transfers	(53,175)	-	-	-	-
Taprobane Wealth Plus (Pvt) Ltd	Sub subsidiary	Loan settlement	550,000				
		Interest charged	(1,035,782)	(6,344,908)	(5,859,126)		
Heron Agro Products (Pvt) Ltd	Fully owned subsidiary	Current Account	-	330,020	330,020		
		Loan granted	3,375,300				
		Interest income on loans and borrowings	8,789,040				
		Impairment Provision	(24,482,907)	34,443,391	46,761,958		
Lexinton Resorts (Pvt) Ltd	Sub subsidiary	Loan Settled	(39,930,989)				
		Interest expenses on loans and borrowings	2,403,457	-	37,527,533		
Taprobane Capital Plus (Pvt) Ltd	Sub subsidiary	Shared service & consultancy fees	(10,166,330)				
		shared service settlement	13,276,290	(2,458,519)	(5,568,479)		
Ambeon Holdings PLC	Subsidiary	Settlement - Fund Transfers	293,760	-	(293,760)		
		Interest charged	(289,444,021)	(1,851,630,899)	(1,562,186,878)		
Millennium I.T.E.S.P.(Private) Ltd	Sub subsidiary	Interest expenses on loans and borrowings	(58,342,335)	(329,205,206)	(270,862,871)		

\*There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial Statements, which required additional disclosures in the 2023/24 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 31 March 2024

### 32. RELATED PARTY TRANSACTIONS (Contd....)

#### Transaction with / between Parent - GROUP

#### 32.3 Ultimate Parent

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Loan Granted	-	-	-	-
Loan Settled	(1,000,000)	(7,312,840)	-	-
Short term advances	10,200,000			
Interest on Loans	152,635,726	167,259,671	81,994,781	91,928,184

Long Term Loans - AWPLR+ 1.5% & Re payment Period- 27 Months./ Short Term Loans - AWPLR+2% & Re payment 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	6,942,061,820	41%	Market Rate
Arrc Capital (Pvt) Ltd	Related entity	Investment in Government Securities through Sherwood Capital (Private) Limited	12,889,415,445	76%	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 KMPs 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

	Group		Company	
As at 31 March	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Short-term employee benefits	334,432,389	267,797,595	4,800,000	5,400,000
	334,432,389	267,797,595	4,800,000	5,400,000

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 32. RELATED PARTY TRANSACTIONS (Contd....)

#### 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

##### Recurrent Related Party Transactions- Group

Aggregate value of recurrent related party transactions that exceed 10% of the group consolidated revenue-refer note No 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 ;

##### Ambeon Holdings PLC

on 4th April 2024, Ambeon Holdings PLC purchased 100% issued shares of Green Field Ventures (Pvt) Ltd, a SPV holding 22% of the shares of EonTec (Pvt) Ltd ("Eon Tec") for a total consideration of LKR. 800Mn. Eon Tec holds 64.36% of the issued ordinary shares of Millenium I.T.E.S.P (Pvt) Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 34. ASSETS PLEDGED

		Carrying Amount Pledged		
		2024	2023	
Nature of Assets	Nature of Liability	LKR Mn	LKR Mn	Included under
34.1 Assets Pledged by Ambeon Capital PLC				
Investment in Shares - 290.6 Mn Ambeon Holdings PLC Shares	Pledge for Facility Granted by Seylan Bank PLC, NDB & PABC	8,282	7,877	Investments in Subsidiaries
34.2 Assets Pledged by Ambeon Holdings PLC				
Quoted Equity Investments	Overdraft Facility	2,881	4,605	Investments in Subsidiaries and Other Current Financial Assets
	Revolving Loan for Loans and Borrowings			
Property - Lexinton - lot B plan no 184/2001	Term loan	330	340	
		3,211	4,945	
34.3 Assets Pledged by Dankotuwa Porcelain PLC				
Inventory and Trade Debtors	For Loans and Borrowings	-	926	Inventory and Trade Debtors
Factory premises in Dankotuwa	Loans and Borrowings	-	1,376	Property, plant and equipment (Group)
		-	2,302	
34.4 Assets Pledged by Royal Fernwood Porcelain Limited				
Land and Buildings & immovable machinery	Term Loans and Short Term Borrowings	-	840	Property, plant and equipment
34.5 Assets Pledged by Colombo City Holdings PLC				
Government Securities	Repurchase Agreements (Treasury Bonds)	-	98	Other Financial Investments

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 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 ERMC 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.

#### 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:

		Group		Company	
		2024	2023	2024	2023
As at 31st March	Note	LKR	LKR	LKR	LKR
Fair Value Through Profit & Loss Government Securities	17	5,310,706,616	3,119,793,870	-	626,920,209
Fair Value through Profits or Loss - Equity	17.1.2	258,941,536	246,380,418	-	52,309,402
Investment in Government Securities - Amortized Cost	17	1,167,433,389	400,800,405	-	-
Fixed Deposits	17	-	434,057,821	-	-
Trade & Other Receivables	19	8,153,097,473	8,267,869,102	528,162,849	491,513,387
Cash & Cash Equivalents	20	501,770,288	1,272,859,509	1,076,124	1,655,161
		<b>15,391,949,302</b>	<b>13,741,761,126</b>	<b>529,238,973</b>	<b>1,172,398,160</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

The financial assets that are past due and but not impaired and neither past due or impaired as follows:

As at 31st March 2024	Group			Company		
	Neither past due or impaired	Past due and but not impaired	Total	Neither past due or impaired	Past due and but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	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>

As at 31st March 2023	Group			Company		
	Neither past due or impaired	Past due and but not impaired	Total	Neither past due or impaired	Past due and but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Fair Value Through Profit & Loss	3,425,724,301	-	3,425,724,301	-	718,123,179	718,123,179
- Change in fair value of investments	(59,550,013)	-	(59,550,013)	-	(38,893,567)	(38,893,567)
	<b>3,366,174,288</b>	<b>-</b>	<b>3,366,174,288</b>	<b>-</b>	<b>679,229,611</b>	<b>679,229,611</b>
Investments in other financial assets	-	834,858,226	834,858,226	-	-	-
Trade and other receivables	-	10,100,977,888	10,100,977,888	-	524,617,633	524,617,633
- Impairment of trade receivables	-	(1,833,108,786)	(1,833,108,786)	-	(33,104,246)	(33,104,246)
	<b>-</b>	<b>8,267,869,102</b>	<b>8,267,869,102</b>	<b>-</b>	<b>491,513,387</b>	<b>491,513,387</b>
Cash and cash equivalents	1,272,859,509	-	1,272,859,509	1,655,161	-	1,655,161
	<b>4,639,033,797</b>	<b>9,102,727,329</b>	<b>13,741,761,126</b>	<b>1,655,161</b>	<b>1,170,742,998</b>	<b>1,172,398,160</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 335. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

## (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.

The following are the contractual maturities of non-derivative financial liabilities:

As at 31 March 2024	Group							Company				
	Carrying Amounts	Contractual cash out flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Carrying Amounts	Contractual cash out flows	On demand	Less than 12 months	1 to 5 years
Non-derivative financial liabilities												
Loans and borrowings	5,561,908,865	5,567,581,304	-	123,588,085	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	-	-
Bank Overdraft	281,454,821	281,454,821	2,435,733	279,019,088	-	-	-	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
As at 31 March 2023	Group							Company				
	Carrying Amounts	Contractual cash out flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Carrying Amounts	Contractual cash out flows	On demand	Less than 12 months	1 to 5 years
Non-derivative financial liabilities												
Loans and borrowings	7,277,184,238	7,853,074,846	1,709,637,356	711,761,657	4,033,841,358	1,397,834,475	-	4,360,897,404	5,863,930,930	1,709,637,356	242,913,182	3,911,380,392
Trade & Other payables	4,556,294,319	4,556,294,319	638,307,586	3,366,209,410	519,269,079	32,508,244	-	975,880	975,880	975,880	-	-
Bank Overdraft	604,194,175	604,194,175	-	604,194,175	-	-	-	178,229,037	178,229,037	-	178,229,037	-
	12,437,672,752	13,013,563,340	2,347,944,942	4,682,165,242	4,553,110,437	1,430,342,719	-	4,540,102,321	6,043,135,847	1,710,613,236	421,142,219	3,911,380,392

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

#### (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.

#### 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
2024	5%	(2,135,638)	-
	-5%	2,135,638	-
2023	5%	(95,028,997)	-
	-5%	95,028,997	-

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
2024	+100	(1,215,960)	(1,215,960)
	-100	1,215,960	1,215,960
2023	+100	(7,752,919)	(2,833,572)
	-100	7,752,919	2,833,572

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

### 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd..)

#### 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.

## 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	
	2024	2023	2024	2023	2024	2023
			LKR	LKR	LKR	LKR
<b>Non-Controlling Interests material individually</b>						
Ambeon Holdings PLC	18.57%	18.57%	2,375,276,494	2,114,013,152	544,558,129	305,637,687
Dankotuwa Porcelain PLC	0.00%	40.96%	-	1,333,316,597	-	278,221,143
Colombo City Holdings PLC	36.79%	36.79%	897,988,538	743,734,364	154,255,484	31,577,287
Millennium I.T.E.S.P (Private) Limited	58.78%	58.78%	884,587,731	859,749,231	21,331,476	276,270,367
Taprobane Capital Plus (Pvt) Limited	18.57%	18.57%	294,465,005	148,864,595	152,471,150	15,854,824
Non-controlling interest material in aggregate			(395,262,908)	(794,871,985)	(1,472,230,290)	(237,251,287)
<b>Total</b>			<b>4,057,054,860</b>	<b>4,404,805,955</b>	<b>752,085,200</b>	<b>670,310,021</b>

<b>Dividend Paid to NCI Shareholders</b>	<b>2024</b>	<b>2023</b>
Ambeon Holdings PLC	112,662,891	-
Others	36,000,003	28,542,529
	<b>148,662,894</b>	<b>28,542,529</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 31 March 2024

### 36. MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd..)

#### 36.2 Summarized statement of Profit or Loss for the period ending 31 March

	Ambeon Holdings PLC		Dankotuwa Porcelain PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited		Taprobane Capital Plus (Pvt) Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	17,154,487,003	20,697,862,597	-	5,913,132,541	77,201,737	88,206,302	13,237,953,604	13,847,466,719	1,710,015,728	303,318,901
Operating Income/(Costs)	(13,270,632,725)	(17,852,926,012)	-	(4,745,135,168)	412,392,974	(49,498,366)	(12,896,350,210)	(12,758,659,907)	(246,399,302)	(149,710,221)
Finance Costs	(755,474,680)	(1,113,945,114)	-	(342,174,667)	(15,834,532)	(16,119,649)	(369,529,702)	(614,475,977)	(271,297,778)	(2,850,645)
Finance Income	386,304,657	479,945,279	-	43,427,055	195,963,185	209,933,862	63,849,016	112,247,756	-	-
Share of result of equity account investee	98,755,308	5,945,375	-	-	-	-	769,772	5,945,375	-	-
Tax Expense	(680,977,907)	(571,014,130)	-	(189,917,772)	(250,390,081)	(146,681,393)	(402,199)	(122,517,608)	(371,256,989)	(65,379,340)
<b>Profit or Loss from Continuing Operations</b>	<b>2,932,461,655</b>	<b>1,645,867,994</b>	<b>-</b>	<b>679,331,990</b>	<b>419,333,282</b>	<b>85,940,756</b>	<b>36,290,282</b>	<b>470,006,358</b>	<b>821,061,659</b>	<b>85,378,695</b>
Gain/(Loss) after Tax from Discontinued Operations for the year	(221,821,439)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	69,332,717	(128,903,934)	-	(60,277,402)	(3,546)	128,313	(14,656,130)	(93,175,453)	(999,137)	7,215
<b>Total Comprehensive Income</b>	<b>2,779,972,934</b>	<b>1,516,964,060</b>	<b>-</b>	<b>619,054,588</b>	<b>419,329,737</b>	<b>85,969,069</b>	<b>21,634,152</b>	<b>376,830,905</b>	<b>820,062,523</b>	<b>85,385,911</b>

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2024

36. MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd..)

36.3 Summarized Statement of Financial Position for the period 31 March

	Ambeon Holdings PLC		Dankotuwa Porcelain PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited		Taprobane Capital Plus (Pvt) Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Current Assets	17,277,635,973	17,998,514,455	-	2,924,749,989	1,512,824,738	1,312,812,478	8,578,727,163	9,332,529,174	3,742,050,712	2,361,589,097
Non-current Assets	6,327,557,168	8,407,736,230	-	3,209,074,052	1,268,584,676	1,011,134,363	823,961,370	942,797,523	231,631,380	650,418,734
<b>Total Assets</b>	<b>23,545,193,141</b>	<b>26,408,250,685</b>	<b>-</b>	<b>6,133,824,040</b>	<b>2,781,209,414</b>	<b>2,323,946,842</b>	<b>9,403,688,533</b>	<b>10,275,326,697</b>	<b>3,973,682,092</b>	<b>3,012,007,831</b>
Current Liabilities	9,606,137,458	12,296,351,604	-	1,671,329,786	112,713,387	184,401,668	7,085,387,661	8,038,346,784	2,319,688,069	2,166,276,853
Non-current Liabilities	1,148,121,413	2,725,875,647	-	1,206,937,878	227,373,866	117,752,731	813,391,534	774,327,189	68,291,248	44,090,724
<b>Total Liabilities</b>	<b>10,754,258,870</b>	<b>15,022,227,251</b>	<b>-</b>	<b>2,878,267,665</b>	<b>340,087,252</b>	<b>302,154,398</b>	<b>7,898,779,195</b>	<b>8,812,673,973</b>	<b>2,387,979,317</b>	<b>2,210,367,577</b>

36.4 Summarized Cash Flow Information for the year ending 31 March

	Ambeon Holdings PLC		Dankotuwa Porcelain PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited		Taprobane Capital Plus (Pvt) Limited	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Operating	1,838,140,817	(12,002,929)	-	291,101,884	(89,204,188)	(42,468,748)	(1,028,596,109)	(101,562,478)	963,840,593	(162,007,334)
Investing	(1,718,939,097)	819,444,800	-	(93,545,294)	179,840,806	(63,672,967)	(184,564,180)	(494,165,744)	(653,092,892)	30,530,090
Financing	(732,308,411)	(1,587,634,147)	-	(65,839,241)	(98,000,000)	80,770,705	960,267,626	(53,971,226)	(316,038,525)	10,797,176
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(613,106,691)</b>	<b>(780,192,276)</b>	<b>-</b>	<b>131,717,350</b>	<b>(7,363,561)</b>	<b>(25,371,010)</b>	<b>(252,892,663)</b>	<b>(649,699,449)</b>	<b>(5,290,824)</b>	<b>(120,680,068)</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 2024.

	No. of Holders	Total Holding	% Holding
<b>Range of Shareholdings</b>			
1 to 1,000 Shares	1092	326,997	0.03
1,001 to 10,000 Shares	881	3,922,376	0.39
10,001 to 100,000 Shares	550	18,316,437	1.83
100,001 to 1,000,000 Shares	102	24,864,313	2.48
1,000,001 to 10,000,000 Shares	4	5,251,230	0.52
Over 10,000,001 Shares	4	950,043,462	94.75
	<b>2633</b>	<b>1,002,724,815</b>	<b>100.00</b>
<b>Categories of Shareholders</b>			
Local Individuals	2452	37,265,250	3.72
Local Institutions	165	964,629,212	96.20
Foreign Individuals	14	622,114	0.06
Foreign Institutions	2	208,239	0.02
	<b>2633</b>	<b>1,002,724,815</b>	<b>100.00</b>

## The Twenty Largest Shareholders of the Company as at 31 March 2024 Were;

	No. of Shares	%
1 CHC Investment (Pvt) Ltd	543,327,024	54.19
2 Seylan Bank PLC/ARRC Capital (Pvt) Limited (Collateral)	180,000,000	17.95
Seylan Bank PLC/ARRC Capital (Pvt) Ltd	175,526,332	17.50
ARRC Capital (Private) Limited	51,190,106	5.11
<b>Total</b>	<b>406,716,438</b>	<b>40.56</b>
3 Hatton National Bank PLC/Ruwan Prassana Sugathadasa	1,955,863	0.20
4 Seylan Bank PLC/Anuja Chamila Jayasinghe	1,131,156	0.11
Hatton National Bank PLC/Anuja Chamila Jayasinghe	464,694	0.05
<b>Total</b>	<b>1,595,850</b>	<b>0.16</b>
5 Mrs. Malika Tikiri Sunimallee Weerakoon	1,100,000	0.11
6 Mr. Vithana Palpita Koralalage Anusha Palpita	1,064,211	0.11
7 Mr. Kushantha Kapila Weerasinghe	968,277	0.10
8 Mr. Wastu Kankanamalage Anuja Kaushika Premaratna	776,851	0.08
9 Freudenberg Shipping Agencies Limited	710,251	0.07
10 Senkadagala Finance PLC/S.Gobinath	695,400	0.07
11 People's Leasing and Finance PLC/H.Guruge	656,454	0.07
12 Mr. Kankanamge Roshan Tharanga Bandara	632,090	0.06
13 Mr. Mohammad Faizan Ozman	569,343	0.06
14 DFCC Bank PLC/G.A.C. De Silva	550,000	0.05
15 Merchant Bank Of Sri Lanka & Finance PLC	500,000	0.05
16 Mr. Rajiv Lalit Hewavitarne	477,465	0.05
17 PMF Finance PLC/R.M.Samarakkody	446,771	0.04
18 Mrs. Nalika Kosali Samaraweera	437,607	0.04
19 Mr. Mohamed Thaseen Rajab Khan	430,000	0.04
20 DFCC Bank PLC/A.T.Weerasekara	400,500	0.04
<b>Sub Total</b>	<b>964,010,395</b>	<b>96.14</b>
Others	38,714,420	3.86
<b>Grand Total</b>	<b>1,002,724,815</b>	<b>100.00</b>

## PUBLIC HOLDINGS

### PUBLIC HOLDINGS

Percentage of Shares held by the Public	5.25%
No of public share holders as at 31st March 2024	2,626

On 22nd April 2024, the Company made a disclosure to CSE informing that the Company is in compliance with the minimum public holding percentage as stipulated by Rule 7.13.1(b) of the listing rules as at 4th April 2024. The details of which are given below.

- a. Existing Float adjusted Market Capitalisation - Rs. 1,715,452,565.60
- b. Public Holding Percentage - 20.61%  
(minimum requirement 7.5%)
- c. Option for Compliance - Option 02 of 7.14.(1)(b) of the listing rules.

<b>The Market Value of Ambeon Capital PLC Ordinary Shares:</b>	<b>2024</b>	<b>2023</b>
Highest during the year	11.60	16.60
Lowest during the year	6.60	3.90
As at end of the year	7.30	8.90

## FIVE YEAR SUMMARY

### FIVE YEAR SUMMARY OF PROFIT OR LOSS

For the year ended 31st March,	2024	2023	2022	2021	2020
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>Revenue</b>	16,969,836	20,658,634	14,013,564	9,856,162	19,957,341
Cost of Sales	(12,066,118)	(14,931,685)	(10,259,679)	(6,576,622)	(15,566,563)
Investment and Other Income	402,381	500,289	443,816	93,467	165,286
Finance Cost	(1,079,380)	(1,788,702)	(459,924)	(748,778)	(1,120,238)
<b>Profit /(Loss) Before Income Tax from Continuing Operations</b>	<b>3,064,605</b>	<b>1,431,829</b>	<b>884,473</b>	<b>(1,851,811)</b>	<b>693,229</b>
Income Tax Expense	(517,124)	(590,779)	(342,082)	(187,420)	(147,666)
Profit/(Loss) for the Year from Continuing Operations	2,547,481	841,050	542,391	(2,039,231)	545,563
Profit/(Loss) after tax from discontinued operations for the year	(180,516)	-	1,404,087	(244,298)	(301,832)
<b>Profit/(Loss) for the year</b>	<b>2,366,964</b>	<b>841,050</b>	<b>1,946,479</b>	<b>(2,283,529)</b>	<b>243,731</b>

## FIVE YEAR SUMMARY OF FINANCIAL POSITION

As at 31st March,	2024	2023	2022	2021	2020
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment	664,750	2,948,294	2,534,549	4,667,582	4,773,223
Intangible Assets	1,196,894	1,214,142	1,225,902	1,458,780	1,620,745
Biological Assets	83,525	79,128	55,383	55,582	51,167
Investment Property	1,076,350	2,815,796	2,662,743	2,589,543	4,405,315
Investment in Equity Accounted Investee	1,124,039	41,874	35,929	12,159	11,930
Other Financial Assets	8,806	646,486	261,041	303,222	310,557
Right of Use Assets	381,355	467,420	529,442	155,966	156,964
Deferred Tax Asset	68,484	272,218	132,225	122,749	81,878
	<b>4,604,202</b>	<b>8,485,358</b>	<b>7,437,213</b>	<b>9,365,582</b>	<b>11,411,779</b>
<b>Current Assets</b>					
Inventories	1,415,693	3,222,233	2,904,385	3,997,482	4,094,934
Other Financial Assets	6,936,942	4,114,503	1,847,699	1,627,157	1,998,573
Trade & Other Receivables	8,153,097	8,267,869	6,795,955	5,146,778	6,392,014
Income Tax Recoverable	17,959	30,214	35,698	88,673	45,966
Cash & Cash Equivalents	501,770	1,272,860	2,142,461	833,891	782,950
Investment Property classified as Held for Sale	-	-	-	575,000	-
	<b>17,025,462</b>	<b>16,907,679</b>	<b>13,726,198</b>	<b>12,268,981</b>	<b>13,314,437</b>
<b>Total Assets</b>	<b>21,629,664</b>	<b>25,393,037</b>	<b>21,163,411</b>	<b>21,634,563</b>	<b>24,726,216</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	190,478	998,506	982,119	930,684	651,360
Retained Earnings	4,081,392	1,582,596	1,779,038	3,110	1,975,475
Equity Attributable to Equity Holders of the Company	5,325,513	3,634,746	3,814,801	1,987,438	3,680,478
Non Controlling Interests	4,057,055	4,404,806	3,413,549	2,823,078	3,176,698
<b>Total Equity</b>	<b>9,382,568</b>	<b>8,039,552</b>	<b>7,228,349</b>	<b>4,810,516</b>	<b>6,857,176</b>
<b>Non-Current Liabilities</b>					
Other Financial Liabilities	348	969	969	969	21,911
Interest Bearing Loans & Borrowings	597,519	1,284,090	1,483,019	3,074,630	3,751,270
Retirement Benefit Obligation	377,663	493,235	383,230	571,749	442,667
Deferred Tax Liability	303,442	1,241,292	650,176	595,548	786,305
	<b>1,278,971</b>	<b>3,019,585</b>	<b>2,517,394</b>	<b>4,242,896</b>	<b>5,002,152</b>
<b>Current Liabilities</b>					
Trade and Other Payables	3,677,668	4,556,294	4,792,276	5,991,817	3,932,411
Income Tax Payable	363,345	476,350	265,546	284,482	212,399
Contract Liability	1,681,267	2,703,967	2,079,003	1,132,289	924,173
Interest Bearing Loans & Borrowings	5,245,845	6,597,288	4,280,842	5,169,307	7,797,905
Liabilities Directly Associated with Investment Property Classified as Held For Sale	-	-	-	3,256	-
	<b>10,968,125</b>	<b>14,333,899</b>	<b>11,417,668</b>	<b>12,581,151</b>	<b>12,866,888</b>
<b>Total Equity and Liabilities</b>	<b>21,629,664</b>	<b>25,393,037</b>	<b>21,163,411</b>	<b>21,634,563</b>	<b>24,726,216</b>

DETAILS OF GROUP PROPERTIES

Company	Property	Location	Extent	No of Buildings	Cost/Valuation
Lexinton Holdings (Pvt) Limited	Freehold Land	Colombo 08	17.15 Perches	-	145,675,000
	Freehold Buildings	Colombo 08	17,150 sq feet	1	184,325,000
Ambeon Capital PLC	Freehold Land	Sigiriya	1,277 Perches	-	40,500,000
Ambeon Securities (Pvt) Ltd	Freehold Land	Kosgama	Land 1,162.37 perches	-	97,850,000
Lexinton Resorts (Pvt) Limited	Freehold Land	Kosgoda	Land 1345.62 perches	-	938,000,000

# NOTICE OF MEETING

The Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held by way of electronic means on 13th September 2024 at 11.30 a.m. centered at the Registered Office located at No. 10, Gothami Road, Colombo 8.

## 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 2024 and the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. Don Tiburtius Sugeewa Handapangoda Mudalige 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 1)
3. To re-elect as a Director, Mr. Savanth Laleen Sebastian 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-elect as a Director, Mr. Samresh Kumar 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 3)
5. To re-elect as a Director, Mr. Ching Tak Tsoi 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 4)
6. To re-elect as a Director, Mr. Ruwan Prasanna Sugathadasa 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 5)
7. To re-elect as a Director, Mr. Duminda Mahali Weerasekare 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 6)
8. 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 7)
9. 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, 16 th August 2024 ,Colombo.

## NOTES:

1. Below mentioned documents can be now downloaded via the corporate website <https://ambeoncapital.com/resources/> or the Colombo Stock Exchange website on <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=TAP.N0000>
  - a) Annual Report
  - b) Notice of Meeting
  - c) Circular to Shareholders
  - d) Form of Proxy
  - e) Guidelines and Registration Process to join the AGM virtually
  - f) Registration Form for the AGM
  - g) 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.....of.....being a shareholder/s of Ambeon Capital PLC do hereby appoint.....of..... or failing him

- 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

As my/our Proxy to represent me/us and vote on my/ our behalf at the Thirteenth Annual General Meeting of Ambeon Capital PLC to be held by way of electronic means on 13th September 2024 at 11.30 a.m. centered at the Boardroom, No. 10, Gothami Road, 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. Don Tiburtius Sujeewa Handapangoda Mudalige 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 2.</b> To re-elect as a Director, Mr. Savanth Laleen Sebastian 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-elect as a Director, Mr. Samresh Kumar 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 4.</b> To re-elect as a Director, Mr. Ching Tak Tsoi 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 5.</b> To re-elect as a Director, Mr. Ruwan Prasanna Sugathadasa 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 6.</b> To re-elect as a Director, Mr. Duminda Mahali Weerasekare 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 7.</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"/>

Signed this ..... day of..... August Two Thousand and Twenty- Four .....  
Signature of Shareholder/s

Note:

- 1. \* Please delete the inappropriate words.
- 2. Instructions as to completion are noted on the reverse hereof.

## 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. 10, Gothami Road, Colombo 8, Sri Lanka or must be emailed to [acagm2024@ambeongroup.com](mailto:acagm2024@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 incorporate in Sri Lanka on 20th September 2006 as a public limited liability company and re-registered under the company' Act No 7th 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.10, Gothami road , Colombo 08 .

Tel: +94 115 328100 / Fax: +94 115 328109

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

Dr. K.S. Narangoda -Group Chief Executive Officer

Mr. S.L. Sebastian - Director

Mr. S. Kumar - Director

Mr. C.T. Tsoi - Director

Mr. R.P. Sugathadasa - Director

Mr. Duminda Weerasekare - Director

### Company Secretary

Managers & Secretaries (Pvt) Ltd

No.08,Tickell Road,

Colombo 08.

Tel: +94 112 015900

E-mail: [ms@msl.lk](mailto:ms@msl.lk)

### Auditors to the Company Messer's Ernst & Young

Chartered Accountants

Rotunda Tower,

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

450,Galle Road,

Colombo 03

