AMBEON
HOLDINGS PLC

AMBITIONS RE-DEFINED

ANNUAL REPORT
2023/2024

ABOUT THIS REPORT

We welcome you to the Annual Report of Ambeon Holdings PLC

This 2023/24 Annual Report presents a comprehensive review of Ambeon Holdings PLC, and its subsidiaries. This report details quantitative and qualitative information to provide an insightful overview of varied operational and business aspects of the Group.



Purpose

This report is prepared with the core purpose of increasing the transparency of our reporting practices and disclosure while providing our stakeholders clear, comprehensive and detailed communication with regards to the Group's corporate strategy, governance, performance and prospects in the context of the external environment in our pursuit of creating short, medium and long-term value.

Scope & Boundary

This Report presents the performance of the Group's operations, non-financial and operational information. The Group follows an annual reporting cycle and our previous performance for the financial year ending 31 March 2023 was covered in the 2023/24 Annual Report.

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. Information detailed in the Annual Report adheres to the framework stipulated by the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange (CSE).

Corporate Governance related disclosures presented in this report complies fully with 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.

The information and data for the report are collected and compiled by respective departments including the subsidiary operations. Several interviews with the Management and key executives were conducted in this regard. The financial information is based on the audited financial statements and the related notes.

Assurance

Messrs. Ernst & Young, Chartered Accountants have provided assurance on the financial statements (refer pages 49 to 51).

Board Responsibility Statement

The Board of Directors and Senior Management have been instrumental in preparing this report. The Board is of the view that this, Annual Report addresses all material matters and provides a balanced view of the integrated performance of the Group and its subsidiaries.

Forward Looking Statements

This report constitutes forward- looking statements, which are not guarantees or forecasts of future performance. As detailed in the report, the Group and its subsidiaries face external challenges outside of organization control, which may lead to outcomes not reflected in the report.

Feedback on the Report

We welcome your feedback on this report. Please email your questions and comments to : info@ambeongroup.com.

Print Available on request

Online Available as PDF

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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

ABOUT US

Financial Services Segment

Taprobane Capital Plus (Private) Limited

Taprobane Capital Plus (Pvt) Ltd and its subsidiaries, which have strong portfolios in financial market activities. These entities provide access to a range of financial services, including stock brokerage, money broking, and government securities trading. Subsidiaries of Taprobane Capital Plus (Pvt) Ltd include Taprobane Investments (Pvt) Ltd., which commands a 26% stake among Sri Lanka's authorized money broking companies, Ambeon Securities (Pvt) Ltd., which has a 20-year reputation in the domestic stock broking market, and Sherwood Capital, which specializes in trading fixed-income instruments, issued by the Sri Lankan Government.

Technology Segment

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

Millennium I. T. E. S. P. (Private) Limited has been a transformative force within Sri Lanka's IT sector. Renowned as a complete enterprise solutions provider, the company serves a diverse clientele, including international and local enterprises. MillenniumIT ESP offers a highly competitive array of services, encompassing core infrastructure services, cyber security, managed services, smart buildings, and enterprise applications. The company has expanded its reach beyond its Sri Lankan roots to serve South Asia, Southeast Asia and the Middle East through its subsidiaries established in Singapore, Bangladesh and Dubai.

Colombo City Holdings PLC

Colombo City Holdings PLC (CCH) is a prominent holding and management company listed on the Colombo Stock Exchange. With its century-long legacy, CCH has positioned itself as a diversified investment management company with a particular focus on Sri Lanka's real estate sector.

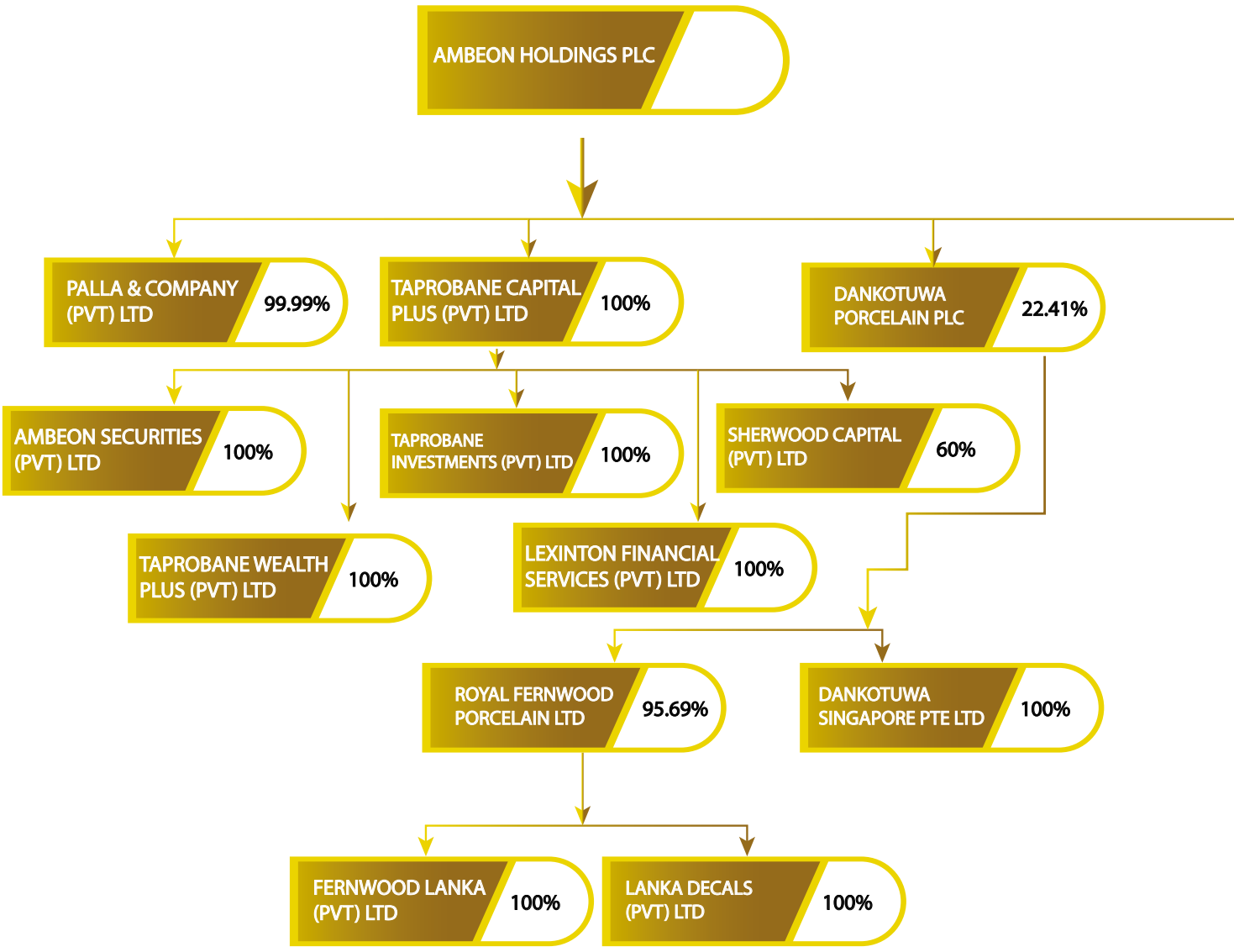
Dankotuwa Porcelain Group

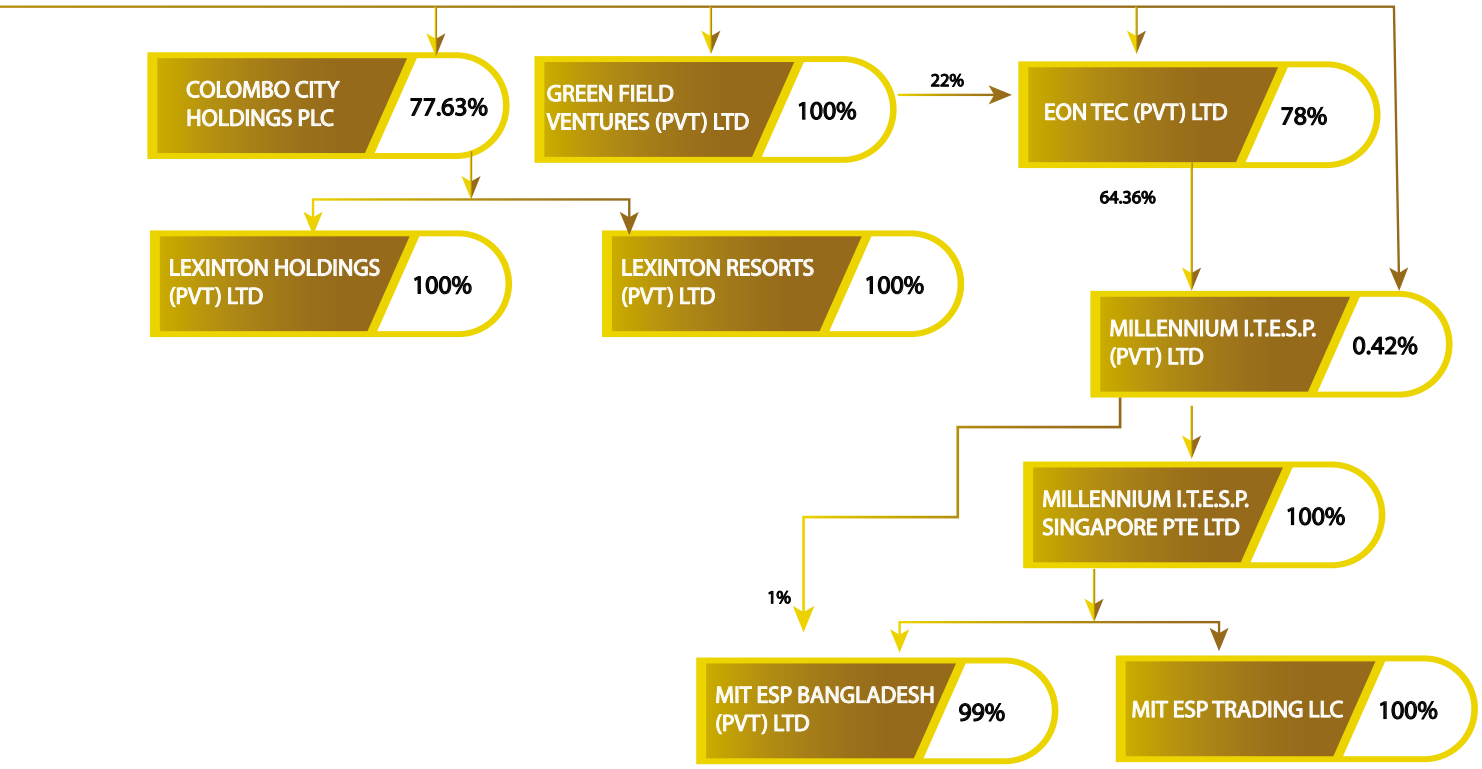
Dankotuwa Porcelain Group which consists of Dankotuwa Porcelain PLC and Royal Fernwood Porcelain Limited stands as towering figures in porcelain tableware and giftware manufacturing in Sri Lanka. Dankotuwa Porcelain has built an illustrious reputation for producing high-quality, pristine whiteware and intricately decorated tableware, celebrated for its timeless designs. Royal Fernwood Ltd., known for its vibrant and youthful aesthetics, targets a much younger demographic with its colorful and dynamic tableware. Both companies have garnered international acclaim, supplying exclusive products to renowned high-end retailers and lifestyle brands across the globe.

PERFORMANCE HIGHLIGHTS

	2023/24	2022/23	Change
	LKR	LKR	%
Financial Performance (Continuing Operations)			
Revenue	17,154,487,003	20,697,862,597	-17%
Gross Profit	5,088,419,267	5,766,247,061	-12%
Operating Profit/(Loss)	3,099,647,770	2,828,444,795	10%
Profit/(Loss) before Tax	3,596,784,979	2,216,183,710	62%
Profit After Tax	3,078,853,115	1,645,169,577	87%
Profit After Tax - Including Discontinued Operations	2,857,031,677	1,645,169,577	74%
Interest Cover	5.76	2.99	93%
Return on Equity	22.34%	14.45%	55%
Return on Capital Employed	25.37%	19.70%	29%
Financial Position			
Total Assets	23,545,192,743	26,406,250,685	-11%
Total Debts	4,366,007,324	5,519,223,611	-21%
Total Equity	12,790,934,269	11,384,023,428	12%
No of shares in Issue	356,869,666	356,869,666	0%
Net Assets per Share	30.37	24.93	22%
Gearing Ratio	25.45%	32.65%	-22%
Debt/Total Assets	18.54%	20.90%	-11%
Current Ratio	1.79	1.46	23%
Quick Asset Ratio	1.46	1.20	21%
Market Price per Share	37.40	35.00	7%
Market Capitalisation	13,346,925,508	12,490,438,310	7%

GROUP STRUCTURE




COLOMBO CITY HOLDINGS PLC
77.63%
GREEN FIELD VENTURES (PVT) LTD
100%
22%
EON TEC (PVT) LTD
78%
64.36%
LEXINTON HOLDINGS (PVT) LTD
100%
LEXINTON RESORTS (PVT) LTD
100%
MILLENNIUM I.T.E.S.P. (PVT) LTD
0.42%
MILLENNIUM I.T.E.S.P. SINGAPORE PTE LTD
100%
1%
MIT ESP BANGLADESH (PVT) LTD
99%
MIT ESP TRADING LLC
100%

CHAIRMAN'S MESSAGE



To Our Valued Shareholders,

I am delighted to present the Annual Report and Audited Financial Statements of Ambeon Holdings PLC for the financial year 2023/24. Despite the challenges faced during the financial year ended 31st March 2024, I am pleased to announce that Ambeon Holdings and its subsidiaries have fared well. The Group demonstrated a robust financial performance against a backdrop of stabilising macroeconomic conditions. Nevertheless, we faced market challenges, while specific monetary policy measures, such as the rupee appreciation and downward trend in monitory interest rates, posed dual effects on Group and subsidiary revenue. Nevertheless, we enhanced our holdings by strategically managing equity stakes in

our subsidiaries while championing their plans for growth and expansions. During the year, we bolstered our position within our technological vertical while strategically divesting our equity ownership in our manufacturing subsidiary. Moreover, we have seen highly commendable financial growth from our financial services during the year under review

Sri Lanka in Context

Between April 2023 and March 2024, we witnessed the country's ongoing transformative structural reforms continuing to bolster economic stability. The economy showed a rebound in the third and fourth quarters of 2023, with GDP growth registered as 1.6% and 4.5%, respectively. The country continued to record quarterly GDP growth with a 5.3% growth in the first quarter of 2024 - a tremendous rebound compared to the 10.7% contraction in the corresponding period in 2023. The growth is due to notable developments in the industry sector largely due to growth in manufacturing and construction.

In March 2024, inflation plummeted to 0.9% – showing a drastic improvement compared to the previous year's double-digit inflation. The exchange rate stabilised, while the Sri Lankan rupee appreciated after a significant depreciation in 2022. During 2023, the rupee had appreciated by 12.1%, continuing to appreciate further by 2.1% against the USD in January 2024. Furthermore, reduced interest rates due to an accommodative monetary policy stance by CBSL provided a respite for businesses from incurring substantial finance costs.

In 2023, Sri Lanka received USD 670 Mn in financial support through two tranches as part of the IMF's 48-month Extended Fund Facility. During the period being considered, the Central Bank of Sri Lanka unveiled a comprehensive domestic debt restructuring plan, required to fulfil the conditions of the USD 2.9 Bn bailout package and to increase debt sustainability, especially after the country's default status. The proposed plan led to the implementation of a higher value-added-tax (VAT), revised tax structure for businesses and individuals, a new property and inheritance tax, and reduced expenditures across state institutions and reforms to state-owned business enterprises (SOBEs).

Strong Financial Performance

Ambeon Holdings PLC took prudent measures to counter several challenges that resulted from market conditions, monetary policy changes and economic reforms, necessitated by economic stability. Amidst revised tax structures, declined disposable income and constrained spending by corporations, our subsidiaries took hard and fast decisions to enhance revenue and ensure profitability. During the year under review, the Group posted an impressive Profit After Tax (PAT) of LKR 2.8 Bn, reflecting a remarkable 73% growth compared to the previous year's PAT of LKR 1.6 Bn. As a standalone company, Ambeon Holdings, with its strategic investments, divestments, and treasury investments, contributed approximately LKR 1.45 Bn to the group's PAT. I must also state that all our core business clusters recorded net profits during the year under review. The business subsidiaries are reviewed in detail under the segment Management Discussion and Analysis.

Corporate Governance and Compliance

As a publicly listed entity, Ambeon Holdings PLC has diligently upheld its obligations to various regulatory bodies in Sri Lanka. Both as a Group and as a Company, we have ensured strict compliance with all applicable governance regulations and legal obligations, thereby maintaining the transparency and integrity of our transactions and management conduct. By adhering to our internal governance and risk management frameworks, as well as the Code of Best Practice on Corporate Governance 2017, we have achieved full compliance. For a more comprehensive discussion of our compliance and governance mechanisms, please refer to the Corporate Governance section on pages 28 to 36 of this Report.

Future Direction

Amidst the ebbs and flows of the financial year and the strategic shifts that have taken place, the Group has clarity on its future strategic direction. Remaining cautiously optimistic, we continue to synergize and collaborate with our subsidiaries to capitalize on their competitive strengths in their respective markets and industries. Prudent investments and financial fortification will continue to be a focus of the Group as we continue to embrace favorable market conditions while utilizing the best possible strategies to navigate undesirable circumstances, especially within the financial markets.

Sri Lanka is facing a delicate economic balance, as ongoing debt restructuring, and structural reforms carry a strong impact on growth prospects. We anticipate the present tax structures and any future income-based fiscal reforms to have further impacts on disposable income. The recovery of economic activity is expected to mirror well on Sri Lanka's financial markets, especially local stock market activities, which provides optimism to Ambeon Holding's financial services vertical. Nevertheless, the Group's strong research unit will continue to monitor market changes and policy changes, which will be vital for the performance of Group Treasury activities, investments in government securities, and our equity portfolio. Moreover, the reduced interest rate environment will likely stimulate more investments in the stock market, due to the downward trend of the AWPLR.

We anticipate further stability in the coming months. We anticipate that the ongoing reforms and future-oriented decision-making will continue to be a priority for the nation's leadership while there is optimism that discussions for foreign debt restructuring will reach a resolution.

Appreciation

First and foremost, I extend my heartfelt appreciation to the shareholders of Ambeon Holdings PLC, as they play a pivotal role in the Group's growth and success. We assure our commitment to delivering sustained value for our

Shareholder, achieved through the principles of pragmatism, transparency and accountability.

I wish to extend my appreciation to the members of the Board for leading the Group with accountability and for fulfilling your duties with dedication. My sincere appreciation goes to the executive leadership team of Ambeon Holdings, the management teams and employees of our individual business subsidiaries, for steering their respective companies towards commendable financial and operational conduct. I thank all of them for leading the subsidiaries with a keen grasp on both internal and external environments, while improving their resilience to macroeconomic shocks.

I firmly believe that, with the changes that we have made within our Group, we are well-positioned to move ahead, as our strategies are well-aligned with our goals and objectives and as an organization which is ready for the challenges ahead.

I place on record my appreciation to the Directors Mr. Sanjeev Gardiner, Mr. Ajith Devasurendra, Mr. Ranil Pathirana and Mr. A G Weerasinghe who resigned from the Board during the year; your leadership over the years has helped redefine Ambeon Holdings PLC into the diversified conglomerate it is today. We are grateful for your contributions and wish you continued success in your future endeavors 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 capabilities will greatly enrich Group decisions and will undoubtedly contribute to Ambeon Holdings PLC's continued growth and success as we navigate new opportunities.

Sgd
Sujeewa Mudalige
Chairman
16th August 2024

GROUP CEO / EXECUTIVE DIRECTOR'S REVIEW



Dear Stakeholders,

I am pleased to present the Annual Report and Audited Financial Statements of Ambeon Holdings PLC for the financial year 2023/2024. Despite tough external market conditions and the consequent challenges to our operating environment, Ambeon Holdings PLC recorded commendable financial performance.

Dynamics in the Macro Economic Environment

The Sri Lankan economy recorded a gradual recovery during the latter part of the calendar year of 2023. This marked the end of a prolonged period of economic contraction that spanned more than six consecutive quarters. Throughout 2023, a series of policy measures were implemented by the Central Bank and the Government of Sri Lanka. The objective of this was to stabilize inflation, which reached a single-digit level, marking an improvement since its peak in September 2022 at 69.8%. Additionally, the Government's primary balance and the external current account recorded a surplus in 2023. The country's external reserves also showed strong improvement, reaching USD 4.4 Bn by the end of 2023, compared to USD 1.9 Bn at the end of 2022. The Sri Lankan Rupee strengthened significantly, appreciating by an average of 11% during the 2023/2024 period.

During the period under review, the Central Bank and the Government of Sri Lanka took some prudent measures to advance the 48-month Extended Fund Facility (EFF) by the IMF. As such, at the time of compiling this report, two tranches were paid to a total of LKR 670 Mn to Sri Lanka. This underlines the structural shifts adopted by the Government and the vital and judicious changes in monetary policy espoused by the Central Bank of Sri Lanka.

A Resilient Performance

As a diversified conglomerate, Ambeon Holdings PLC navigated a challenging business environment with confidence, capitalizing on opportunities and tackling adversities. Our subsidiaries complemented this strategy by focusing on balancing business performance and stakeholder expectations.

For the FY 2023/2024, Ambeon Holdings as a Group posted an impressive Profit after Tax (PAT) of LKR 2,857 Mn, reflecting a remarkable 74% growth compared to the previous year's PAT of LKR 1,645 Mn. Profit before Tax (PBT) for the said financial year was LKR 3,597 Mn, a 62% increase from the LKR 2,216 Mn achieved during the previous year. The Group's revenue was LKR 17,154 Mn, a decrease of 17% compared to LKR 20,698 Mn achieved in 2022/2023. This was primarily due to the divestment of the 51% stake the Holding Company had in Dankotuwa Porcelain PLC (DPL) and its subsidiary Royal Fernwood Porcelain Limited. The financial services cluster, which includes stock broking, money broking, and government securities trading companies, contributed LKR 821 Mn to the overall group profitability. As a standalone entity, Ambeon Holdings, with its strategic investments, divestments, and treasury investments, contributed approximately LKR 1,219 Mn to the group's PAT.

I am pleased to state that the Group declared an interim dividend of LKR 607 Mn for 2023/2024, driven by the year's robust financial performance, which augurs well for shareholders as an investment that delivers steady returns.

Segmental Review

Whilst the segmental reviews are analysed in fair detail in the Management Discussion and Analysis (MD&A) of this report, it is pertinent to inform our shareholders of a short synopsis to bring focus onto the summary performance and key initiatives implemented by the subsidiaries.

Technology Cluster

For 25 years, MillenniumIT ESP has been a key player in Sri Lanka's IT sector, providing a wide range of enterprise solutions including core infrastructure, cyber security, managed services, smart buildings, and enterprise applications. The company has expanded its operations beyond Sri Lanka to Southeast Asia and the Middle Eastern region, focusing on a global footprint to increase foreign revenue.

During the year under review, while consolidating traditional partnerships with leading technology giants like CISCO, Oracle, Microsoft, Fortinet, Dell Technologies, and Huawei, MillenniumIT ESP established new partnerships within the Southeast Asian, South Asian, and Middle Eastern markets. In addition to these collaborations, the company's channel partnership model and direct engagement in regions such as the Middle East, ASEAN, and SAARC have been instrumental in driving significant business opportunities and expanding global reach.

In the fiscal year ending 2023/2024, MillenniumIT ESP experienced a 4% decline in rupee revenue predominantly due to its focus on new overseas markets in addition to the exchange rate fluctuations. Despite this setback, the company managed to generate substantial revenue of LKR 13,238 Mn with Profit after tax of LKR 38 Mn, down from LKR 491 Mn generated the previous year.

Financial Services Cluster

The financial services cluster comprising of Ambeon Securities (Pvt) Ltd., Taprobane Investments (Pvt) Ltd, and Sherwood Capital (Pvt) Ltd., showcased stellar performance during the year under review. The cluster achieved revenue of LKR 1,710 Mn for the year, with net profit soaring to LKR 821 Mn, a remarkable leap from the previous year's LKR 85 Mn.

Ambeon Securities, our stock broking arm, demonstrated commendable results despite the macroeconomic uncertainties and challenges. At the closing of the financial year, the Company posted a revenue of LKR 112 Mn with a net profit of LKR 85 Mn.

The latest addition to the cluster, Sherwood Capital, delivered outstanding results, with a profit after tax of LKR 699 Mn and a revenue of LKR 1,441 Mn during the year under review. This performance highlighted Sherwood Capital's adeptness in navigating complex market conditions and its ability to seize emerging opportunities. Similarly, Taprobane Investments, an authorized money brokering organization, reported notable success, generating revenue of LKR 146 Mn and a net profit of LKR 57 Mn at the closing of the financial year.

Colombo City Holdings PLC

Colombo City Holdings (CCH) comprising of Colombo City Holdings as a Company and its subsidiaries delivered a commendable performance in FY 2023/2024. The Group's PAT soared to LKR 359 Mn, a significant 777% increase from the previous year's achievement of LKR 41 Mn. This remarkable growth reflects CCH's effective strategic measures and robust financial management strategies implemented during the year. As such, CCH continues to maintain a diversified investment portfolio, reinforcing its position as a group with varied business interests. This diversification has been instrumental in mitigating risks and capitalizing on emerging opportunities, thereby, enhancing overall financial stability and potential growth.

Dankotuwa Porcelain Group

During the year under review, Ambeon Holdings divested its controlling stake in the Porcelain cluster which comprised of the Dankotuwa Group reducing its holdings from 72% to 22.41% and making it an associate company. Amidst various global and local economic challenges, the Group, which comprises of renowned porcelain tableware

brands such as Dankotuwa Porcelain and Royal Fernwood Porcelain, recorded an impressive revenue of LKR 6,249 Mn; a commendable 6% increase compared to the previous financial year. However, the PAT for FY 2022/23 was LKR 356 Mn, a 48% contraction from the previous year's LKR 679 Mn.

Group Treasury

During the year under review, the Group strengthened its centralized treasury management function which meticulously monitored liquidity and related activities. This function facilitated the continuous assessment and management of assets and liabilities, thereby, optimizing financial stability and operational efficiency across the Group.

As such, Group Treasury was able to adopt a highly prudent and strategic approach to managing liquid assets at Ambeon Holdings PLC and Colombo City Holdings PLC. This strategy was enriched by valuable insights from the financial services cluster, providing a comprehensive understanding of market dynamics. Consequently, both Groups reaped substantial benefits throughout the year/.

Adopting a futuristic and long-term view to maintain and strengthen a centralized Group Treasury function underscored our commitment to robust financial management and enhanced our ability to navigate the complexities of the market environment effectively.

Propelling Forward

As we venture into the new financial year, we strongly believe that the macroeconomic conditions will improve, making it more conducive for business activities. However, while remaining optimistic, we will stay vigilant of any turn of events that may impact our businesses. As the country navigates through multiple socio-political and economic challenges, our objective of increasing shareholder value remains steadfast.

Amidst this backdrop, we will continue to monitor both opportunities and challenges, ensuring that opportunities are captured, and prospective investments are expedited to reap better rewards and justify costs. Our ultimate objective is to create undisrupted economic value for all our stakeholders while manoeuvring future roadblocks and achieving growth through prudent strategic approaches and a proactive mindset.

Appreciation

I acknowledge the commitment and support of all stakeholders for their continued trust which resulted in operational transformation and financial growth in the year under review. I express my profound appreciation to the Board of Directors of Ambeon Holdings PLC for their prudent decision-making and insightful leadership. I also extend my heartfelt appreciation to Subsidiary Boards and the respective Senior Management Teams across the Group for their sustained commitment to our shared vision and timely implementation of prudent operational and strategic decisions.

My sincere appreciation is extended to the staff of Ambeon Holdings PLC and its subsidiaries, for their resilience, passion, diligence, and commitment in achieving the common vision which resulted in the growth and success of the Group.

I extend my sincere gratitude to all our business partners, including our financial services providers and auditors for their cooperation and assistance. I also take this opportunity to thank our valued shareholders for their continued trust in us. It is this support and stability that continues to provide us with the much-needed strength and confidence to propel the Group towards growth as we look forward to delivering increased value in the year ahead.

Sgd.
Sajeeva Narangoda (Dr)
Group CEO/Executive Director
16th 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, Lexington Resorts (Pvt) Ltd, and Sherwood Capital (Pvt) Ltd.

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

Dr. Narangoda holds a Bachelor of Dental Surgery degree from the University of Peradeniya, Sri Lanka, Master of Science (Finance and Management) from Keele University UK. He is also a Fellow Member of the Chartered Institute of Management Accountants (CIMA) UK and a fellow member of Certified 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. Mangala Boyagoda

Independent Non-Executive Director



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

Mr. Boyagoda is the Chairman of Ambeon Securities (Private) Limited, Taprobane Capital Plus (Private) Limited and Wealth Lanka Management (Pvt) Limited. He is also a Director of Asset Trust Management (Pvt) Limited, Ceylon Hotel Corporation PLC, Sierra Construction (Pvt) Limited, Royal Fernwood Porcelain Limited, Faber Capital (Pvt) Limited, United Hotel (Pvt) Limited, Sri Lanka Gateway Industries (Pvt) Limited, Chemanex PLC, Asset Holding Pvt Ltd and Dhamma Parami Trust.

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

Mr. Savanth Sebastian

Independent Non-Executive Director



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

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

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

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

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

Mr. Samresh Kumar

Independent Non-Executive Director



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

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.

HEADS OF BUSINESS SUBSIDIARIES



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



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



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



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

MACROECONOMIC REVIEW

Overview

In 2023, the world saw a return to stability after years of COVID-related disruptions, though businesses now face interconnected crises leading to persistent volatility and complexity. Geopolitical tensions have escalated into active conflicts in several regions, causing supply chain disruptions, inflation surges, and synchronized monetary tightening across key markets. Despite these challenges, significant economies showed resilience, resulting in an estimated 3.1% global economic growth.

Sri Lanka is showing signs of economic stabilization in 2023, supported by structural and policy reforms under the IMF's Extended Fund Facility (EFF) program. Key reforms include cost-reflective utility pricing and fiscal consolidation measures. The successful domestic debt restructuring in September 2023 further boosted confidence, followed by an Agreement in Principle for debt restructuring with official creditors and ongoing negotiations with commercial creditors.

Inflation, Monetary Policy and Interest Rates

Inflation declined significantly from 35.3% in April 2023 to a manageable 0.9% by March 2024, aligning closely with the Central Bank's target range of 5% (+/.2%). As inflation subsided, CBSL's monetary easing commenced in June 2023; this played a crucial role in cutting down key policy interest rates, reducing the Standing Lending Facility Rate (SLFR) from 16.50% (Apr 2023) to 9.50% (Mar 2024) and the Standing Deposit Facility Rate (SDFR) from 15.50% (Apr 2023) to 8.50% (Mar 2024). The monetary easing continued, and SLFR and SDFR were further reduced to 9.25% and 8.25%, respectively, by July 2024.

Interest rates followed a downward trend, with the Average Weighted Prime Lending Rate (AWPLR) decreasing from 21.80% (Apr 2023) to 11.11% (Mar 2024) and the Average Weighted Deposit Rate (AWDR) from 15.12% (Apr 2023) to 10.30% (Mar 2024) over the year. The yield curve shifted downwards, reflecting lower future interest rate expectations, which benefits long-term investments.

Private sector credit showed moderate growth from LKR 7,087.7 Bn (Apr 2023) to LKR 7,393.4 Bn (Mar 2024), reflecting a weak but positive credit environment conducive to business expansion and investment.

Debt Sustainability and IMF Program

As of March 2024, Sri Lanka's total fiscal debt of USD 100 Bn comprised 57% domestic debt, 37% external debt, and 6% guaranteed debt. Among the total debt, 40% was commercial, 32% was multi-lateral, and 28% bilateral. A significant portion of 71% was denominated in USD.

Sri Lanka has made significant strides in addressing its debt sustainability challenges. Having successfully completed the Domestic Debt Optimization (DDO) in June 2023, the country entered into debt restructuring agreements with external creditors, marking a significant step towards long-term fiscal stability. These agreements allowed Sri Lanka to delay debt repayments until 2028, with provisions for repaying external debt on concessional terms until 2043. The introduction of macro-linked bonds, which tie debt repayment to Sri Lanka's cumulative GDP growth, further, underscores the measures implemented to ensure sustainable economic recovery.

These efforts are integral to the continuation of the IMF program. In September 2022, Sri Lanka reached a Staff-Level Agreement with the IMF for an Extended Fund Facility (EFF) of approximately USD 2.9 Bn over 48 months. The EFF-supported program aimed to restore Sri Lanka's macroeconomic stability and debt sustainability, mitigate the economic impact on the poor and vulnerable, rebuild external buffers, safeguard financial sector stability, and strengthen governance and growth potential.

Stock Market

In the financial year under review, the Colombo Stock Exchange (CSE) showed strong performance, with the All-Share Price Index (ASPI) rising from 9,250 (Apr 2023) to 11,444.38 (Mar 2024), signalling investor confidence and market stability. The successful implementation of DDO in June 2023 reassured investors of the Government's commitment to fiscal consolidation and debt management. Monetary easing by the Central Bank of Sri Lanka (CBSL) significantly reduced policy rates, lowering borrowing costs and stimulating equity investments. The successful completion of IMF program reviews and the receipt of tranches totaling USD 997 Mn by June 2024 underscored the improving financial stability and policy effectiveness of Sri Lanka. Both ASPI and S&PSL20 yielded returns of 24% during the year under review.

However, increases in personal income taxes and the VAT increase from 15% to 18% exerted downward pressure on consumer spending, dampening economic growth prospects and corporate earnings. Furthermore, concerns which stemmed due to the Middle East crisis, particularly the Israel-Hamas conflict, have subsided as the risk of regional or global escalations has decreased considerably.

External Sector Performance

Tourism experienced a robust rebound, with arrivals surging to 1.5 Mn tourists, marking a 106.6% year-over-year increase. Earnings from tourism in 2023 reached USD 2 Bn, showing an 82% year-on-year growth. This positive trend continued into the first seven months of 2024, with considerable rises in arrivals and earnings. Worker remittances also saw a substantial increase of 57.5% for the fiscal year ending in 2023. Foreign reserves improved from USD 2,761 Mn (Apr 2023) to USD 4,960 Mn (Mar 2024), improving import cover from 2 to 3.4 months over the same period. The exchange rate appreciated slightly, with the LKR/USD rate moving from 321.42 (Apr 2023) to 305.67 (Mar 2024).

GDP Growth Forecast

GDP growth projections for 2024 remain optimistic across various institutions. The International Monetary Fund (IMF) predicts 2% growth, while the World Bank and Asian Development Bank (ADB) expect 2.2% and 1.9% growth, respectively. Moreover, the Central Bank of Sri Lanka has made an optimistic projection of 3% for 2024.

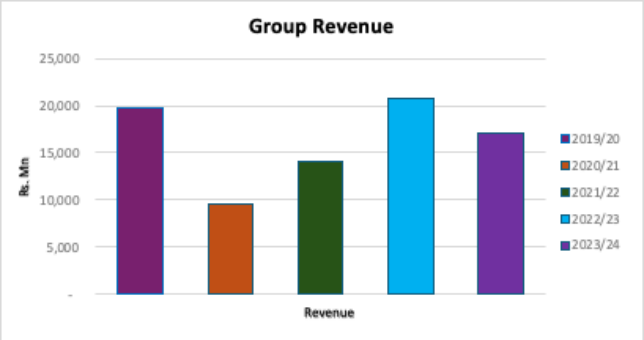
MANAGEMENT DISCUSSION AND ANALYSIS

Group Performance Review

Ambeon Holdings as a Group has witnessed an uptick in financial health, marked by enhanced profitability and a strengthened asset base. Strategic initiatives have led to more efficient operations, resulting in a robust bottom line. Concurrently, the asset portfolio has been optimized for better returns, reflecting a solid foundation for sustained growth and shareholder value creation.

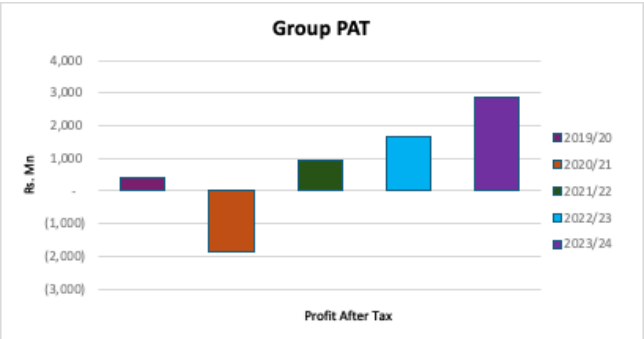
Top line Performance

During the financial year under review, Ambeon Holdings PLC reported a top line of LKR 17,154 Mn, marking a 17% decline compared to the previous year's revenue of LKR 20,698 Mn. This decline was primarily due to the divestment of the controlling interest in the subsidiary Dankotuwa Porcelain PLC. From a cluster standpoint, Technology and Financial Services mainly contributed to the overall revenue. As a standalone entity, Ambeon Holdings PLC reported a top line of LKR 854 Mn, which is slightly lower than the previous year's LKR 881 Mn.



Bottom-line Performance

Profit after tax of the Group increased by 74% to LKR 2,857 Mn, demonstrating a significant improvement from the previous year's LKR 1,645 Mn. Pre-tax profits increased by 62% to LKR 3,597 Mn from the previously reported LKR 2,216 Mn. As an individual company, Ambeon Holdings saw its profit nearly double during the year to LKR 996 Mn, increasing from LKR 498 Mn in the previous financial year.



Financial Position

The Group maintained a stable financial position, with total assets amounting to LKR 23,545 Mn in the financial year 2023/24. Total liabilities decreased to LKR 10,754 Mn, compared to LKR 15,022 Mn, reported in the previous financial year. Furthermore, Group Equity stood at LKR 12,790 Mn.

The Net Asset Value (NAV) per share increased by LKR 5.45, rising from LKR 24.93 reported in the previous year to LKR 30.37 in the year under review. Earnings per Share (EPS) increased by LKR 3.47, from LKR 3.41 reported in the previous year to LKR 7.51 this year—reflecting the improved financial performance.

SECTOR REVIEWS

TECHNOLOGY SEGMENT

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



Macroeconomic Relevance

In 2022, the Sri Lankan IT sector was influenced by several macroeconomic conditions, including a considerable impact from the Sri Lankan rupee depreciation and import limitations on IT products due to USD shortages. In 2022, escalating USD-denominated input costs reflected the effects of a significantly depreciated rupee, which ultimately resulted in profit margin erosion despite seeing improved gross revenues. However, in 2023, there was a contrast as the Sri Lankan rupee appreciated significantly during the year. Moreover, the overall economic contraction witnessed by the end of 2022 was driven by contractions in several sectors, including financial and IT services, amidst weakened demand. From a sector perspective, Sri Lanka's ICT industry generates around 1.5 billion USD in foreign exchange and employs around 175,000 professionals. According to the International Trade Administration, it is the fourth leading export earner, with over 300 companies serving several industry verticals.

Business Approach

Throughout the year, the Company demonstrated a steadfast commitment to stabilizing and sustaining its business growth. A pivotal aspect of this strategy was the emphasis on enhancing overall revenue, with a strong focus on building the foundation for future contributions from its international operations. The Company leveraged its subsidiaries in Singapore and Bangladesh, which are strategically positioned to generate foreign currency earnings and diversify revenue streams. This strategic international presence is expected to fortify the Company's financial stability and position it for continued growth in the global market.

Simultaneously, the vital focus was placed on the assurance of recurrent revenue streams derived primarily from annual maintenance and managed services contracts, which exhibit a high propensity for yearly renewals. MillenniumIT ESP has historically maintained an impressive churn rate exceeding 90% in contract renewals. Furthermore, the company continues to secure a substantial

Background

For over a quarter of a century, since its inception in 1996, MillenniumIT ESP has been a transformative force within Sri Lanka's IT sector. Renowned as a complete enterprise solutions provider, the company serves a diverse clientele, including international and local enterprises. MillenniumIT ESP offers a highly competitive array of services, encompassing core infrastructure services, cyber security, managed services, smart buildings, and enterprise applications. The company has expanded its reach beyond its Sri Lankan roots to serve South Asia, Southeast Asia and the Middle East, with ambitious goals for global expansion and recognition. The strategic inclusion of MillenniumIT ESP in the Ambeon portfolio in 2017 marked a pivotal move driven by robust growth and expansion plans beyond the island's borders.

portion of its revenue through its network of channel partners, while the strategic appointment of a General Manager in Singapore to engage directly with customers is anticipated to foster new client relationships and enhance future profit margins.

Financial Review

In 2023, MillenniumIT ESP posted revenue of LKR 13,238 Mn through overseas earnings and its recurrent business portfolio. Revenue from recurrent business amounted to LKR 4,975 Mn, while non-recurrent business generated LKR 8,263 Mn. From the total revenue of LKR 13,238 Mn, 26% was derived from dollar earnings and 74% from rupee earnings. From a sector perspective, Telco delivered 39% of revenue, followed by a 36% proportion from the Banking, Finance, and Insurance (BFSI) sector and 10% from the commercial sector. Regarding technology clusters, network and security clusters, platforms, and smart buildings generated the highest revenue at 45%, 39% and 8%, respectively.

Profit after tax (PAT) stood at LKR 36 Mn, compared to LKR 491 Mn from the previous year. The gross profit margin dropped to 16% from 20% in the previous financial year. This decline was mainly due to the impact of exchange rate fluctuations and the deferment of some high-margin projects to the subsequent financial year. MillenniumIT ESP maintained a stable financial position with total assets amounting to LKR 9,403 Mn in the financial year 2023/24. Total liabilities decreased to LKR 7,899 Mn as opposed to LKR 8,614 Mn, which was reported in the previous financial year. Furthermore, Group Equity stood at LKR 1,505 Mn as of 31st March 2024.

Strategic Partnerships

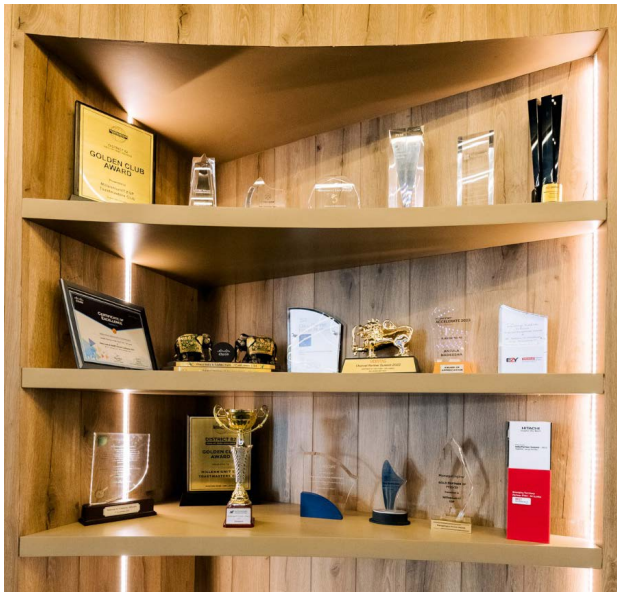
With a strategic focus on capitalizing on regional businesses within Southeast Asia, SAARC and the Middle East, the Company commenced operations in Bangladesh and Dubai towards the end of the year, with Singapore becoming a focal point during 2023/24. Moreover, the company's work with established Principal partners, such as CISCO, Oracle, Microsoft, Fortinet, Dell Technologies, and Huawei, has been crucial in fostering strong business opportunities. These partnerships account for 90% of business and will continue to provide a strong foundation as the Company expands into new territories and product markets.

The Company's Channel partnership model for business development has enabled global opportunities. By adopting a direct business approach in regions such as the Middle East, ASEAN and SAARC, supplemented by a network of 25 channel partners, the Company has ensured comprehensive regional coverage and has gained access to valuable business opportunities. Additionally, during the year, MillenniumIT partnered with Salesforce, the world's leading CRM platform, to leverage advanced CRM solutions, enhancing value to customers and redefining the customer journey.

Unlocking Employee Potentials

Investing in employee development has been essential for enhancing delivery capacity and supporting overseas expansions. The Company has adopted multiple employee incentive schemes to address retention challenges, including an employee share option scheme (ESOP). These measures have successfully reduced attrition to an acceptable rate, validating the expenditure.

The Company has a robust employee base of over 600 with a strong commitment to ongoing learning and skill development, including overseas training opportunities. This dedication underscores the link between talent development, employee satisfaction, and retention. Moreover, marking a momentous occasion, the Company unveiled a new Head Office in Colombo 3, designed to inspire innovation and collaboration, reinforcing its commitment to excellence and market leadership.



Future Direction

MillenniumIT ESP will maintain a strong focus on international markets to broaden operations, with emphasis on ASEAN, SAARC, and Middle Eastern regions due to its direct presence in those regions with hubs in Singapore, Bangladesh and Dubai, respectively. The channel partner model that has matured over the last two years is now gaining traction and is opening doors in more developed markets, including the USA, UK, Europe and Australia; hence, the company will see more customer activity in these markets in the year to come.

Some critical investments are underway to boost the company's Software Development capability, which is expected to complement the broader portfolio, especially in large turnkey engagements. In addition to a capacity increase, there would be a focus on lean software development practices that would improve time to market and, hence, provide a cost advantage.

By leveraging the strategic opportunities and expansions outlined above, the Company anticipates improved revenue and profitability in the upcoming fiscal year.

FINANCIAL SERVICES SEGMENT

TAPROBANE CAPITAL PLUS (PRIVATE) LIMITED



Macroeconomic Relevance

During the year under review, Sri Lanka's macroeconomic conditions improved significantly, transitioning from crisis to recovery. Key highlights included declining inflation, lower interest rates, and enhanced external sector performance, contributing to a healthy reserve level. Additionally, Sri Lanka made notable progress toward debt sustainability through domestic and external debt restructuring efforts. Confidence in the equity market has been steadily building, driven by low interest rates and improving economic indicators.

Throughout 2023, interest rates in Sri Lanka followed a downward trend, with the Average Weighted Prime Lending Rate (AWPLR) dropping from 21.80% to 11.11% and the Average Weighted Deposit Rate (AWDR) declining from 15.12% to 10.30%. This shift in the yield curve indicated lower future interest rate expectations, benefiting long-term investments. Concurrently, private sector credit exhibited moderate growth from LKR 7087.7 Bn to LKR 7393.4 Bn, creating a positive yet cautious credit environment conducive to business expansion and investment. The CSE displayed robust performance in tandem, with the All-Share Price Index (ASPI) climbing from 8,983.21 in April 2023 to 11,444.38 in March 2024, signaling strong investor confidence and market stability. The successful implementation of Domestic Debt Optimization (DDO) further reassured investors about the government's fiscal consolidation efforts, while the Central Bank's monetary easing reduced borrowing costs, promoting equity investments. Nevertheless, increased personal income taxes and VAT exerted downward pressure on consumer spending and corporate earnings.

Business Approach

In response to the unprecedented economic downturn that escalated in 2022, Taprobane Capital Plus adopted a cautious and vigilant business approach. However, on March 28, 2023, Taprobane Capital Plus acquired a 60% stake in Sherwood Capital (Private) Limited from Ambeon Capital PLC, consolidating all financial services subsidiaries under one umbrella. The primary objective was to navigate the challenges and enhance revenue by leveraging favourable macroeconomic trends and business opportunities, ensuring financial stability and sustainability across all subsidiaries. Further, during the year, Ambeon Securities established a

Background

Acquired as a wholly owned subsidiary in 2018, the Taprobane Group of Companies represents the financial services cluster of Ambeon Holdings PLC. The Group comprises Taprobane Capital Plus (Pvt) Ltd and its subsidiaries, which have strong portfolios in financial market activities. Together, they provide access to a range of financial services, including stock brokerage, money broking, and government securities trading.

Subsidiaries of Taprobane Capital Plus (Pvt) Ltd include Taprobane Investments (Pvt) Ltd., which commands a 26% stake among Sri Lanka's authorized money broking companies, Ambeon Securities (Pvt) Ltd., which has a 20-year reputation in the domestic stock broking market, and Sherwood Capital (Pvt) Ltd., which specializes in trading fixed-income instruments, issued by the Sri Lankan Government.

research division to enhance service offerings to its stakeholders. This strategic move has empowered Ambeon Securities to deliver timely, data-driven insights to clients, thereby enhancing the overall client value proposition. In addition, establishing a dedicated research division has equipped the sales team with the tools to effectively engage with clients through market analysis and insights.

Financial Review

Taprobane Capital Plus as a standalon Company posted an impressive profit after tax of LKR 393 Mn for the year under review, significantly higher than the LKR 72 Mn reported in the previous financial year. This substantial increase in profit was primarily driven by the change in the fair value of investment in the subsidiary, which amounted to LKR 508 Mn.

Ambeon Securities recorded a profit after tax of LKR 85 Mn for the financial year 2023/24, a decline from LKR 105 Mn in the previous year. The top line decreased to LKR 112 Mn from LKR 263 Mn last year. Total assets increased to LKR 903 Mn from LKR 710 Mn, while total liabilities rose to LKR 405 Mn from LKR 296 Mn. Total equity saw a 20% increase, reaching LKR 498 Mn during the period under review.

Taprobane Investments achieved a record profit after tax of LKR 57 Mn, the highest in the company's history, representing a substantial improvement from the LKR 4 Mn loss reported in the previous fiscal year. Total revenue for the period under review was LKR 146 Mn, marking a significant increase of 547% compared to the previous financial year. 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 post-tax profit of LKR 699 Mn, up from LKR 43 Mn in the previous year. Revenue reached LKR 1,441 Mn, a 495% increase from LKR 242 Mn reported in the previous year. Total assets stood at LKR 2,899 Mn, while liabilities were at LKR 1,948 Mn. Moreover, total equity reached LKR 952 Mn.

Moving Forward

The financial services cluster is poised for growth by embracing innovation and enhancing client services while focusing on the adoption of technological solutions. All subsidiaries within the cluster are geared to build resilient client relationships and provide financial security and growth through prudent investment strategies. The newly established research division of Ambeon Securities aims to expand the depth and breadth of its coverage, providing more comprehensive insights. It is also expected to support the Group's strategic initiatives to leverage market opportunities. Furthermore, each company will continue to invest in talent development to attract, retain, and reward the best professionals in financial services, ensuring the ability to leverage skills and experiences for better financial performance.

COLOMBO CITY HOLDINGS PLC



Background

Colombo City Holdings PLC (CCH), formerly known as Colombo Pharmacy, is a prominent holding and management company listed on the Colombo Stock Exchange. With its century-long legacy, CCH has positioned itself as a diversified investment management company with a particular focus on Sri Lanka's real estate sector. The Company's portfolio includes government securities and equity investments.

Macroeconomic relevance

During the year under review, the yield curve experienced a downward shift, supported by the easing of monetary policy. Additionally, the yield curve shape returned to normal from its earlier inverted state, indicating signs of economic recovery. As yields declined, bond portfolios saw potential value appreciation.

During the year, data published by RIUNIT highlighted a sluggish rebound in land prices. Average land prices in Colombo saw a marginal increase from LKR 14.024 Mn per perch in November 2023 to LKR 14.038 Mn in December. Notably, Colombo 5 exhibited the highest increase in average land prices per perch within the city, while Rajagiriya led in growth rate for average land price per perch in the Colombo suburban land market. The Central Bank of Sri Lanka's Land Valuation Indicator (LVI), previously known as the Land Price Index, recorded a year-on-year increase of 15.2%. The residential, commercial, and industrial LVI sub-indices contributed to this overall rise with respective increases of 17.2%, 15.1%, and 13.5%.

Business Approach

Throughout the year under review, the Group maintained its commitment to upholding financial stability and growth despite the challenges posed by the economic landscape. CCH maintained a prudent approach, concentrating on investments in government securities and some selective investments in equity portfolios while preserving the existing real estate portfolio. This strategy proved resilient in the face of social, political and economic uncertainties during the last two years. In 2019, CCH made a significant acquisition of Lexinton Holdings (Pvt) Ltd, bringing the Group head office at Colombo 08 within its portfolio and made a notable investment in a beachfront property located in Kosgoda during the 2022/23 financial year. The Group capitalized on the attractive yields from government securities that emerged during the previous financial year. Consequently, CCH intensified its focus on financial investments, significantly contributing to the year's financial growth. The Group continued to manage its properties in Colombo and Kosgoda, ensuring

they retained their value and potential for future development.

Financial Review

CCH experienced substantial benefits due to fluctuations in interest rates during the year under review. The Group Treasury as a vertical effectively represented CCH in investments, demonstrating strong performance through strategic allocations in government securities and equity portfolios. As such, the Group's liquid assets greatly profited from these changes, thanks to the prudent investment strategies employed by the said Vertical.

CCH Group had a highly profitable year, with Profit Before Tax increasing to LKR 660 Mn from LKR 222 Mn and Profit After Tax rising by 387% to LKR 419 Mn. This remarkable growth was 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 amounted to LKR 15.8 Mn, while income tax expenses amounted to LKR 246 Mn. The value of investment properties grew to LKR 1,268 Mn from LKR 965 Mn due to 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 Mn recorded in the 2022/23 fiscal year. Moreover, CCH's substantial cash reserves further indicate a favourable financial standing. Overall, the CCH Group experienced significant growth and positive financial performance in the year under review, underscoring the effectiveness of its strategic investments and prudent financial management.

Moving Forward

CCH is poised to continue its trajectory of prudent portfolio decisions, guided by a keen awareness of macroeconomic trends and market dynamics. As we move into the ensuing financial year, the current portfolio of liquid assets, which consists mainly of high-yield treasury bonds, would invariably deliver attractive returns, with the interest yield curve showing signs of moving downwards. One of the key assets driving future growth is the 8-acre property in Kosgoda, which has garnered significant interest from both local and international parties. This highlights its potential for future development, and CCH is committed to maximizing this potential through careful strategic planning to ensure positive outcomes.

The Group's growth strategy emphasizes responsible growth and wise investments to ensure long-term financial stability and success. This involves a comprehensive approach to investment and divestment, with a particular focus on the acquisition of new properties to enhance the portfolio and maximize shareholder value. Obtaining equity positions in some of the better-performing blue-chip listed companies would continue in the near future along with acquisitions of real estate properties where the company sees positive value appreciation. CCH is dedicated to maintaining transparency, ethical operations, and compliance. These principles underpin our commitment to sustainable growth and enhancing investor confidence. By adhering to these core values, CCH aims to foster a robust and resilient business model, ensuring continued prosperity and success for all stakeholders.

DANKOTUWA PORCELAIN GROUP



Macroeconomic Relevance

In the period under review, the Dankotuwa Group navigated a challenging macroeconomic environment marked by an 8.7% appreciation of LKR. This currency appreciation reduced the rupee value of export earnings. Although inflation rates stabilized at single-digit levels, prices for goods and services remained higher compared to pre-2022 levels. Additionally, higher tax rates on income, increased VAT, and lower interest rates on deposits pressured disposable incomes impacting the retail sector. Rapid outward labour migration further compounded challenges as professionals and skilled workers sought better opportunities abroad. Despite these hurdles, Dankotuwa Group demonstrated resilience through its operational strengths, including a skilled workforce, robust management, and unwavering commitment to quality. The company's focus on export markets provided a crucial financial buffer, helping to mitigate cost pressures from rising material, labour, and energy costs.

Business Approach

Amidst macroeconomic changes and global market shifts, the Dankotuwa Group sustained commendable top-line performance by strategically focusing on domestic and international revenue growth. Dankotuwa Porcelain intensified its efforts in the Indian market, significantly boosting export sales. Despite concerns about consumer spending, the strong performance of the dealer network resulted in revenue exceeding expectations. To achieve its strategic and financial objectives, Dankotuwa Group invested in strengthening relationships with local channel partners, including dealers, modern trade, and e-commerce partners, while actively pursuing B2B clientele and exploring special sales opportunities.

The group's product portfolio continued to evolve with innovative designs and improved production techniques, such as reactive glazing. Seasonal products remained prominent in retail outlets, e-commerce sites, and partner stores, complemented by customized products for corporate and institutional clients. Additionally, Dankotuwa Porcelain implemented actions necessary for the ISO 14001 Environmental Management Systems certification, reflecting its commitment to implementing sustainable policies and actions across its operations.

Financial Review

During the year under review, the Dankotuwa Group achieved a 6% increase in revenue, reaching LKR 6,249 Mn compared to LKR 5,913 Mn in the previous year. This growth was driven

Background

With a rich legacy spanning over four decades, Dankotuwa Porcelain PLC and its subsidiary, Royal Fernwood Porcelain Limited, stand as towering figures in porcelain tableware and giftware manufacturing in Sri Lanka. Established in 1984 and privatized in 1990, Dankotuwa Porcelain has built an illustrious reputation for producing high-quality, pristine whiteware and intricately decorated tableware, celebrated for its timeless designs. Royal Fernwood Porcelain Limited, known for its vibrant and youthful aesthetics, targets a much younger demographic with its colorful and dynamic tableware. Both companies have garnered international acclaim, supplying exclusive products to renowned high-end retailers and lifestyle brands across the globe. During the year under review, Ambeon Holdings PLC divested 50.1% of the 72% of its shares held in Dankotuwa Porcelain PLC.

by national and international sales, with export sales showing resilience despite the appreciation of the rupee. The dealer network sales rose 6% to LKR 1,4 Bn, and retail showroom sales saw a significant 16% growth. Despite a 3% drop, national sales accounted for 43% of the total revenue. Export markets accounted for 57% of the revenue, highlighting the company's effective international strategy. The net consolidated profit after tax declined to LKR 356 Mn from LKR 679 Mn in the previous fiscal year. The Group's total assets increased to LKR 7,909 Mn, total liabilities rose to LKR 4,213 Mn, and shareholders' funds grew to LKR 3,696 Mn.

Moving Forward

Dankotuwa Group is dedicated to exploring new business avenues and forging channel partnerships in key regions such as India, the Middle East, the USA, and Scandinavia. Alongside these international efforts, the company remains committed to expanding its presence in the local market. Additionally, the group aims to enhance sustainability by implementing green manufacturing initiatives and promoting environmental stewardship through responsible business practices. By focusing on innovation, quality, and sustainability, the company is poised to strengthen its market position, drive long-term growth, and create value for its stakeholders.

Group Treasury

During the financial year 2023/24, the Group Treasury of Ambeon Holdings PLC adopted a highly prudent and strategic approach to managing liquid assets. The strategy focused on short to medium-term investments in equity and government securities. Valuable insights from eminent board members and the senior management teams of the subsidiaries across the group enriched this approach. These stakeholders provided comprehensive insights into market dynamics, leading to substantial benefits for Ambeon Holdings PLC throughout the year.

In the year under review, Ambeon Holdings PLC generated LKR 279 Mn in investment income, which included capital gains and accrued interest on treasury bills and bonds. The equity portfolio maintained by Ambeon Holdings PLC fetched a capital gain of LKR 98 Mn and dividend income of LKR 9 Mn. In addition, Ambeon Holdings PLC recognised unrealized fair value gains from the Equity Portfolio and Treasury bonds amounting to LKR 106 Mn and LKR 110 Mn, respectively, as of 31 March 2024.

As an investment holding and management company, the success of our financial strategy can be attributed mainly to the centralized treasury management function. This crucial component ensured diligent monitoring of Group liquidity, enabling continuous assessment and management of assets and liabilities. By optimizing financial stability and operational efficiency across the Group, this strategic and centralized approach demonstrated our commitment to robust financial management. It also enhanced our ability to navigate the complexities of market dynamics effectively.

Additionally, the Group Treasury managed intercompany loans provided by Ambeon Holdings PLC. During the period under review, these loans generated an interest income of LKR 317 Mn, further boosting the company's income. Intercompany loans were provided, always adhering to the principles of arm's length transactions, while timely settlements and interest income collections were closely monitored.

CORPORATE GOVERNANCE

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

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

The Board

The Board of Directors takes responsibility for good Corporate Governance of the Company. The Board sets out the Company's strategic direction and oversees business and connected affairs of the Company and it also formulates the policy framework for the Company. As at the end of the financial year five (05) out of Six (06) Directors were Non-Executive Directors, of which two (02) are Independent Non-Executive Directors. Independent Directors meet the criteria set out in the CSE Listing Rules for "independence". Annual declarations are obtained from Independent Non-Executive Directors and submitted to the Board. The Board represents extensive industry expertise. Profiles of the Directors are given on pages 12 to 15.

Board composition and Directors' Independence as at 31 March 2024

Name of the Director	Type
Mr. S E Gardiner	Non-Independent, Non-Executive Director
Mr. A L Devasurendra	Non-Independent, Non-Executive Director
Mr. R P Pathirana	Non-Independent, Non-Executive Director
Mr. A G Weerasinghe	Independent, Non-Executive Director
Mr. E M M Boyagoda	Independent, Non-Executive Director
Dr. K S Narangoda	Executive Director

Board Meetings and Attendance

The Board meets quarterly, with a view to discharging its duties. In addition, special Board meetings are also held whenever necessary to deal with specific matters. Where necessary Board approval was obtained for urgent decisions via a resolution in writing which contained several documents in a like form, each signed and assented to by the Directors who were entitled to receive notice of a board meeting. A total of five (05) meetings were held during the financial year. Attendance at Board meetings are given below:

Name of the Director	Board Meetings
Mr. S E Gardiner	5/5
Mr. A L Devasurendra	5/5
Mr. R P Pathirana	5/5
Mr. A G Weerasinghe	5/5
Mr. E M M Boyagoda	5/5
Dr. K S Narangoda	5/5

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

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

Directors' Remuneration

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

Shareholder Relations

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

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

Accountability and Audit

Financial Reporting

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

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

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

Board Sub-Committees

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

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

Board Sub-Committee	Areas of oversight	Composition	Further information
Audit Committee	▶ Financial Reporting ▶ Statutory compliance ▶ Internal controls and Risk Management ▶ Internal and External Audit	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Audit Committee report presented on page 41
Remuneration Committee	▶ Assist the Board on succession planning ▶ Determine the rewards strategy ▶ Make recommendations to the Board on rewards and remuneration of executive and non-executive directors	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Remuneration Committee report on page 42
Related Party Transactions Review Committee	▶ Review related party transactions ▶ Ensure that interests of shareholders are taken into account when entering into a transaction	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Related Party Transactions Review Committee report on page 43

Institutional Shareholders and Investing/Divesting Decision

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

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

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

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

CSE Rule reference and description	Status of compliance	Section reference in the Annual Report
7.6 Contents of the Annual Report		
Names of persons who during the financial year were Directors of the Entity		Annual Report of the Board of Directors on page 44
Principal activities of the entity and its subsidiaries during the year, and any changes therein.		Annual Report of the Board of Directors on page 44
The names and the number of shares held by the 20 largest shareholders of ordinary and preference shares and the percentage of such shares held		Share information on page 131 and 132
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 130
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		Share information on page 130
Information pertaining to material foreseeable risk factors of the Entity.		Risk Management Report on page 37 to 40
Details of material issues pertaining to employees and industrial relations of the Entity.		Annual Report of the Board of Directors on page 45
Extent, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.		Note 7 to the financial statements on page 85
Number of shares representing the Entity's Stated Capital		Note 16 to the financial statements on page 101
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 130 and 131
Financial ratios and market price information		Share information on page 130
Significant changes in the Entity's or it's subsidiaries fixed assets, and the market value of land, if the value differs substantially from the book value.		Note 6 to the financial statements on page 78 to 84
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.
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.
Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules		Please refer Appendix 2
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 9.1.2 9.1.3	Extent of compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	✓
9.2 9.2.1.	Policies Availability of policies	**a.** Policy on matters relating to the Board of Directors **b.** Policy on Corporate Governance, Nominations and re-election **c.** Policy on Shareholder and Investor Communications **d.** Policy on Remuneration **e.** Policy on Board Subcommittees **f.** Policy on Corporate Disclosures **g.** Policy on Anti-bribery and Corruption **h.** Policy on Internal Code of Conduct **i.** Policy on ESG **j.** Policy on control and management of company assets and shareholder investments **k.** Policy on whistle blowing **l.** Policy on risk management and internal controls	To be complied w.e.f. 1st October 2024.
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 9.3.1	Board Committees Establishment of Board Committees	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	✓
9.3.2	Board Committees - Composition, Responsibilities and Disclosures	Please refer the Board Subcommittee Reports for details.	✓
9.3.3	Chairperson of Board Committees	The Chairman does not serve as the Chair in any of the Board Subcommittees.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of General Meetings with Shareholders		
9.4.1	Record maintenance on resolutions	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings. This year, the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	✓
9.4.2 a - c	Communication and relations with shareholders and investors	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.	✓
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 28 to 36 for the disclosure.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
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 eight (8) Directors.	✓
9.8.2	Minimum number of Independent Directors (Min: 2 or 1/3 of total number, whichever is higher)	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of six (6) Independent Non-Executive Directors.	✓
9.8.3 & 9.8.4	Criteria for determining independence	The Company complied with the criteria for determining independence of a Director	✓
9.8.5	Declarations	Each 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 28	✓
9.9	Alternate Directors	Articles of Association will be amended at the AGM	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	During the financial year, there were no new director appointments. However, after the financial year there were appointments made to the Board which were duly disclosed and market announcement captured the requirements under rule 9.10.2.	✓
9.10.3	Changes to the composition	Any changes to the committee compositions have been duly disclosed.	✓
9.10.4	Disclosures in the Annual Report	Please refer the Directors profiles and the Corporate Governance Report for details	✓
9.11	Nominations and Governance Committee		
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		To be complied w.e.f. 1st October 2024

Section reference	Requirement	Extent of Compliance	Status of Compliance
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 42 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 42	✓
9.12.8	Disclosures in the Annual Report	Please refer Remuneration Committee Report on page 42	✓
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 41	✓
9.13.3	Composition	Please refer Audit Committee Report on page 41 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 41	✓
9.13.5	Disclosure in the Annual Report	Please refer Audit Committee Report on page 41.	✓
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 43. The parent company Related Party Transactions Review Committee does not function as the Related Party Transactions Review Committee of the Subsidiaries.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
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 43.	✓
9.14.4 (1)	Quarterly meetings	The Committee met six (6) times during the financial year and the minutes of all meetings are properly documented and tabled at the subsequent Board meetings for ratification.	✓
9.14.4 (2)	Access to knowledge or expertise to assess all aspects of proposed related party transactions	The Committee ensures that they have or have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. Under the Terms of Reference, the Committee is empowered to seek appropriate professional and expert advice from a qualified person.	✓
9.14.4 (3)	Approval by the Board of Directors	Where necessary, the Committee will request the Board of Directors to approve the related party transaction which has been reviewed by the Committee.	✓
9.14.4 (4)	Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required. If a Director has a material interest being considered at a Board Meeting to approve a related party transaction as required in Rule 9.14.4 (3) such Director will not, a) Be present while the matter is being considered at the meeting and; b) Vote on the matter	✓
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Disclosures in the Annual Report	Please refer Related Party Transactions Review Committee Report on page 43 and the Annual Report of the Board of Directors on the affairs of the Company on page 46 for disclosures. There was no non-recurrent related party transaction which exceeded 10% of the Equity and 5% of the total assets during the financial year under review. Recurrent related party transactions which exceeded 10% of the consolidated net revenue or income, during the financial year under review are disclosed in Note 34.4.	✓
9.16	Additional disclosures	Please refer page 46 for the Annual Report of the Board of Directors on the affairs of the Company for the disclosures.	✓

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

Section Reference	Requirement	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	page 44
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	pages 52 to 129.
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	pages 49 to 51.
168 (1) (d)	Accounting Policies and any changes made during the accounting period	pages 59 to 72.
168 (1) (e)	Particulars of the entries made in the Interest Register during the accounting period	pages 119 to 121.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Note 34.2 on page 120.
168 (1) (g)	Corporate donations made by the Company during the accounting period	page 45.
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	pages 135 -136
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	page 46
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	page 46
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	page 46

RISK MANAGEMENT

Throughout the year, Ambeon Group (referred to as "The Group") navigated a dynamic landscape of risks, encompassing economic shifts, political complexities and social dynamics. The Group's proactive approach to risk management was evident in its vigilance towards emerging threats, ensuring the preservation of financial stability and business continuity in the face of evolving uncertainties.

Risk management is deeply embedded in all processes and is the responsibility of every individual within the Group. Recognized as essential for long-term growth and sustainability, taking risks is a fundamental aspect of any business activity. The Group strives to conduct its operations in a socially responsible manner, balancing its objectives with the risks it is willing to undertake.

Throughout the year, the risk landscape became more complex due to ongoing economic, political, social, and human challenges. The Group Risk and Control team swiftly analyzed these emerging challenges, devised a comprehensive plan, and provided timely recommendations on whether the identified risks should be transferred, accepted, reduced, or avoided.

In response, the Group intensified its focus on risk identification and mitigation, adopting a proactive approach and implementing an effective organization-wide risk management framework.

Risk Management Philosophy

The Group recognizes that risk management is a collective responsibility encompassing every individual within the organization. As a result, risk management is deeply integrated into all facets of the Group, including strategic formulation, business development, planning, capital allocation, investment decisions, internal control, and daily operations.

The Group has set clear objectives for its risk management practices, ensuring a comprehensive and effective approach.

Strategic Risk Management:

At the strategic level, the Group prioritizes identifying and managing material risks inherently associated with pursuing its strategic and business objectives. In its quest for growth opportunities, the Group aims to optimize risk and return decisions through a meticulous and independent review and challenge process. This approach ensures decisions are grounded in a thorough understanding and quantification of risks, promoting informed and well-balanced choices.

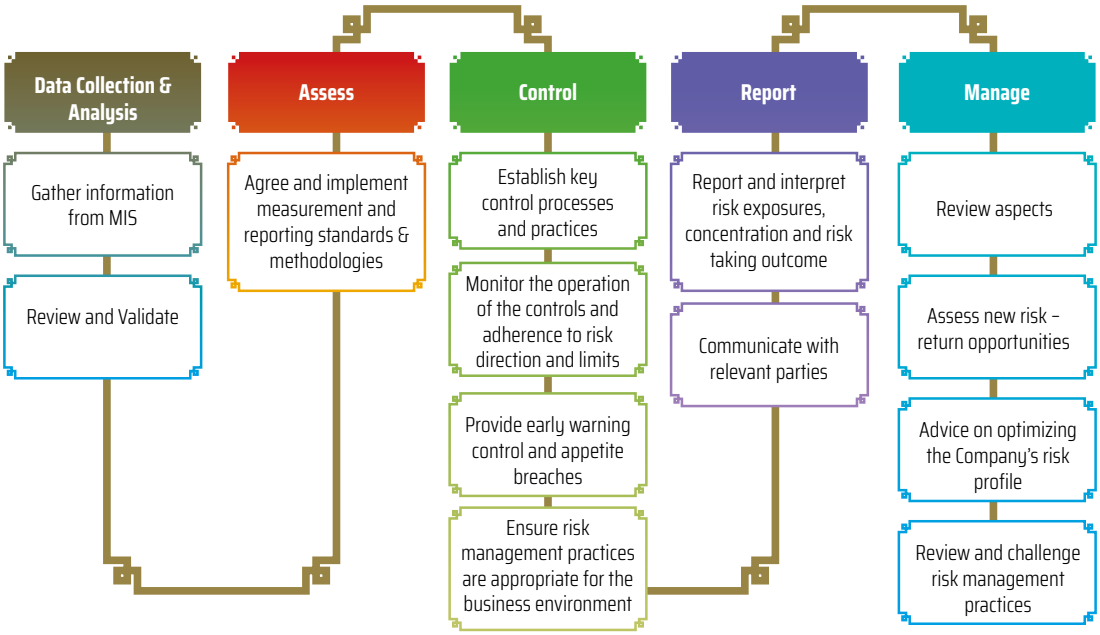
Operational Risk Management:

At the operational level, the Group emphasizes identifying and assessing potential risks across various operational areas, including technology, human resources, processes, compliance, and external factors. Through careful analysis, the Group gains insights into the potential impact of these risks on operations, financial performance, reputation, and regulatory compliance.

Risk Management Tools:

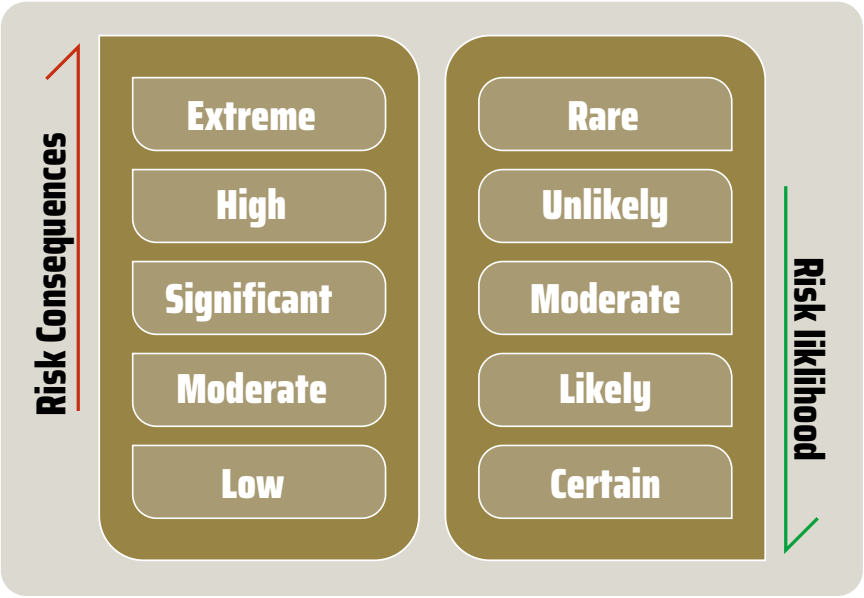
The implementation of the online risk management system has positioned the Group as a pioneer in Sri Lanka, distinguishing it as one of the few companies to adopt industry-leading practices in Enterprise Risk Management (ERM). By deploying frameworks aligned with the COSO Enterprise Risk Management Integrated Framework, the Group demonstrates its commitment to adhering to global best practices in risk management. Additionally, compliance with the ISO 31000:2009 international risk management standard further underscores the Group's dedication to ensuring a comprehensive and internationally recognized approach to risk management.

Risk Management Framework



Risk Assessment

The Group compartmentalizes risk assessment into three distinct phases: initial risk assessment, current risk assessment, and future risk assessment. Utilizing a robust risk assessment platform, the Group prioritizes potential risk exposure and evaluates the impact of identified risks. This comprehensive approach enables the Group to determine material aspects and identify key risk indicators effectively.



Risk Governance

The Board assumes the ultimate responsibility for risk governance and in this capacity sets the Group's risk strategy and provides ongoing supervisory oversight for its implementation. As the apex body responsible for risk governance, the Board establishes the Risk Appetite Framework, and the general principles governing the Group's risk strategy and target risk profile. Cascading from this, the Board approves the risk appetite limits for different types of risks and set out necessary policies and procedures to create a control framework to drive risk fundamentals at an operational level.

Who is responsible for what

The Board

- Approves strategic objectives and validates our risk appetite
- Reviews the Group's key risks and mitigation measures
- Reviews the Company's risk management and internal control systems
- Assesses the effectiveness of these systems through its respective Audit committee

Senior Management

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

Business and operations Management

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

Business Support Functions

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

Corporate Risk Management

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

Internal Audit

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

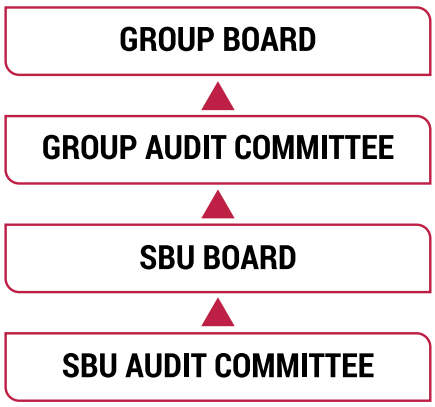
The Group has successfully integrated an advanced tool into its comprehensive Enterprise Risk Management (ERM) system framework. This international, automated risk management solution has been instrumental in implementing essential practices and processes, ensuring the effective functioning of our Integrated Risk Management (IRM) approach. The platform adheres to the COSO Enterprise Risk Management Framework and complies with the ISO 31000 (2008) International Risk Management Standards, enhancing its credibility and alignment with global best practices.

Utilizing detailed risk registers has been invaluable in identifying and categorizing risks at various levels, including strategic, operational, and project-specific risks. The Board leads in advising on mitigation plans to address strategic risks, which are then implemented across the Group's Strategic Business Units (SBUs). Additionally, the Chief Executive Officers of each SBU are responsible for identifying operational risks and collaborating with senior management to develop corresponding mitigation plans, subject to Board approval. This collaborative approach ensures a comprehensive risk management framework throughout the organization, safeguarding against potential threats and enabling effective risk mitigation.

Strategic risk	Operational risk
Macro-economic risks	System and procedural failure
Merger and acquisition risk	Staff turnover
Change management risk	Loss of critical data
Market stagnation risk	Lack of engagement
Financial risk	Malfunctioning of critical machinery
Corporate Governance risk	Production disruptions

Governance Structure

While the Board adopts a bottom-up approach in risk management, maintaining a close eye on the finer details, the overall oversight of the entire risk management process rests with the Board. The Audit Committees within each SBU play a pivotal role in escalating relevant matters to their respective Boards. Following this, the key risk factors identified are elevated to the Group level, where a comprehensive evaluation and management approach can be undertaken. This hierarchical structure ensures that risk management is effectively executed at both the operational level within each SBU and the broader strategic level at the Group level, allowing for a cohesive and robust risk management framework across the organization.

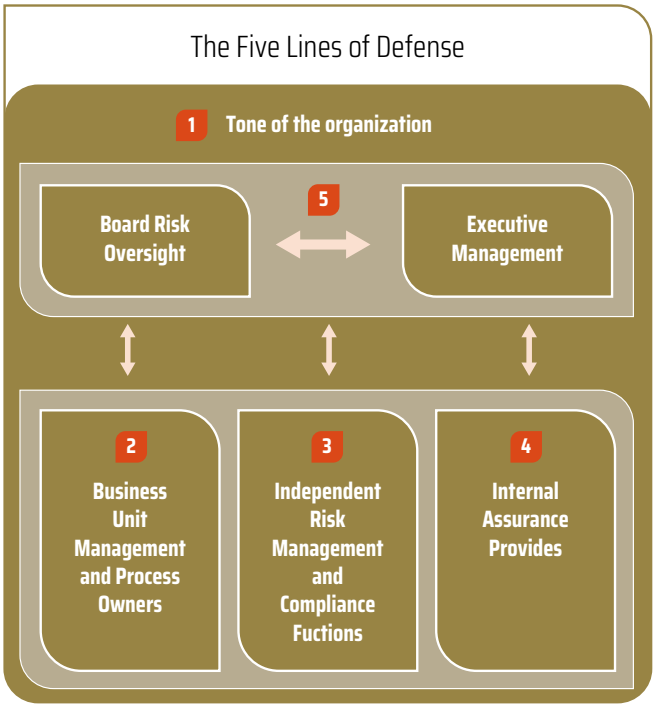


Internal and Statutory Audits

The Group engages reputable audit firms to perform routine internal and statutory audits. Internal audits are conducted following the guidelines set by the Board, with the Audit Committee meticulously examining the results of both internal and statutory audits. To manage strategic and operational risks, the Group relies on a robust system of internal controls that integrates established policies and procedures.

Risk Management Approach

The Group employs the five-lines of defense model to ensure an efficient allocation of responsibilities and clear separation of risk functions. This approach results in comprehensive risk mitigation throughout the Group and its subsidiaries.



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	▶ Review impact to group's performance and strategic business plans due to volatility in macroeconomic variables. ▶ Conduct sensitivity analysis to ascertain the impact to Group and SBU's budget. ▶ Maintains strong relationships with suppliers and banking partners to negotiate on payment terms, credit, and funding to minimize disruptions to operations. ▶ Evaluate long term vision of the government and develop long-term value creation to rationalize investment portfolio of the Group.
Investment Risk	▶ Group generally carries out extensive appraisals before going ahead with any investment projects ▶ Continuous evaluation of market and identifying product development/ market expansion opportunities. ▶ Conduct due diligence study to ensure that hurdle rate expectations are met by each capital investment.
Liquidity Risk	▶ Centralized treasury management function to monitor Group liquidity as well as the maturity mismatch between asset and liability on an ongoing basis. ▶ Continuous reviewing of business models and working capital management. ▶ Strong relationships with banks to negotiate backup funding lines ▶ Benchmark current and quick asset ratio.
Human Resources	▶ Remuneration levels are benchmarked to remain competitive along with industry standards along with incentives. ▶ Continuously train and upskill employees in new technologies, tools and global practices. ▶ Promoting a high-performance driven culture to retain employees through better career prospects. ▶ Implementation of an enhanced talent review process with updated guiding principles and succession planning for identified talent pools.
Health and Safety Risk	▶ Operations and plants are designed considering employee health and safety. ▶ Health and Safety related policies and procedures have been implemented across the Group.
Cyber security risk	▶ Safeguard critical IT and operational assets through the implementation of strict IT protocols, firewalls, and business continuity plan. ▶ 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.

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

Mr. Mangala Boyagoda – Chairman/ Independent Non-Executive Director

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

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

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

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

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

Mr. Sujeewa Mudalige is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a former Territory Senior Partner of PricewaterhouseCoopers, Sri Lanka and Maldives. The Board is satisfied that the Committee has an adequate blend of accounting, auditing and commercial experience to carry out their duties. Brief profiles of the members are given in pages 12 to 15 of this Report.

Meetings

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

Name of the Director	Attendance at Meetings
Mr. E M M Boyagoda	5/5
Mr. A G Weerasinghe	5/5
Mr. R P Pathirana	3/5

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

Role of the Committee

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

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

Financial Reporting

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

Regulatory Compliance

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

External Auditors

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

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

Independence of Auditors

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

Re-appointment of Auditors

The Audit Committee having evaluated the performance of the External Auditors, has decided to recommend to the Board, the re-appointment of Messrs. Ernst & Young, Chartered Accountants for the financial year ending 31 March 2025, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Conclusion

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

Sgd.
Mangala Boyagoda
Chairman
Audit Committee
16th August 2024

REPORT OF THE REMUNERATION COMMITTEE

I take this opportunity to present to you the Report of the Remuneration Committee (the "Committee") for the year ended 31st March 2024 outlining the Committee's roles and responsibilities. The Committee continued to formulate, review, approve and make recommendations to the Board on the remuneration of the Executive and Non-Executive Directors and key positions within the Senior Management.

COMPOSITION

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

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

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

Mr. Sujeewa Mudalige – Member/ Independent Non-Executive Director (appointed w.e.f. 4th June 2024)

Mr. A L Devasurendra (Chairman) – Non-Independent Non-Executive Director (resigned w.e.f. 29th May 2024)

Mr. E M M Boyagoda – Independent Non-Executive Director (resigned w.e.f. 4th June 2024)

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

POLICY

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

SCOPE

The scope and responsibility of the Committee include;

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

REMUNERATION

All Non-Executive Directors receive a fee reflecting the time, commitment and responsibility of their role and is based on industry and market surveys. They do not receive any performance or incentive payments. The Directors emoluments are disclosed on Note 29 to the Financial Statements.

MEETINGS

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

PROFESSIONAL ADVICE

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

Sgd.
Savanth Sebastian
Chairman
Remuneration Committee

16th August 2024

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

I take this opportunity to present to you the Report of the Related Party Transactions Review Committee (the "Committee") for the year ended 31st March 2024 outlining the Committee's roles and responsibilities. The Committee continued to ensure that the interests of the shareholders are taken into account when entering into related party transactions (RPTs) and to prevent Directors, Key Management Personnel or substantial shareholders taking advantage of their positions.

Composition

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

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

Mr. Mangala Boyagoda – Member/ Independent Non-Executive Director

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

Mr. Sujeewa Mudalige – Member/ Independent Non-Executive Director (appointed w.e.f. 4th June 2024)

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

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.

Charter of the Related Party Transaction Review Committee

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

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

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

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

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

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

f) Obtain advice and assistance from legal, technical, financial and other advisors from within or outside the Company as deemed necessary by the Committee in order to carry out its duties.

Meetings

The Committee meets quarterly with a view to discharging its duties. Where necessary approval was obtained for urgent RPTs via a resolution in writing which contained several documents in a like form, each signed and assented to by the members who were entitled to receive notice of a related party transactions review committee meeting.

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

Name of the Director	Attendance at Meetings
Mr. A G Weerasinghe	6/6
Mr. E M M Boyagoda	6/6

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

Policies & Procedures

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

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

The Committee is satisfied that all RPTs have been reviewed by the Committee during the financial year and have communicated their observations to the Board. The details of RPTs entered into during the financial year are given on Note 34 to the Financial Statements, on pages 119 to 121 of this Annual Report.

Declaration

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

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appears on the report of the Board of Directors on the affairs of the company on page 46 of this Annual Report.

Sgd.
S L Sebastian
Chairman
Related Party Transactions Review Committee

16 August 2024

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

The Board of Directors of Ambeon Holdings PLC takes pleasure in presenting their Report on the Affairs of the Company together with the Financial Statements for the year ended 31 March 2024, conforming to the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The report also includes certain disclosures required to be made under Listing Rules of the Colombo Stock Exchange and are guided by the recommended best practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange.

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

The principal activity of the company is to operate as an Investment Holding and Management Company. As at 31 March 2024 the company had investments in various sectors such as manufacturing, real estate, information technology and investments. A review of the operations of the company during the twelve months period and the results of those operations are contained on pages 52 to 129 of this Annual Report.

Group Structure

The Group Structure is demonstrated on pages 4 to 5 of this Annual Report.

Review of Performance

A review of the Company and its subsidiaries performance during the Financial Year together with the Future outlook is available in the Chairman's message and Executive Directors Review on pages 6 to 11.

Financial Statements

The Financial Statements of the Company for the year ended 31 March 2024 are duly certified by the Head of Finance and approved by the Board of Directors and signed on behalf of the Board by two Directors in compliance with the Companies Act No. 07 of 2007 and are given on page 54 of this Annual Report.

Summarized Financial Statements

	Group		Company	
LKR Mn	2023/2024	2022/2023	2023/2024	2022/2023
Revenue	17,154	20,697	854	881
Profit/(Loss) Before Tax from Continuing Operations	3,596	2,216	1,284	756
Income Tax Reversal/(Expenses)	(517)	(571)	(64)	(258)
Profit/(Loss) After Tax from Continuing Operations	3,078	1,645	1219	498
Profit/(Loss) after Tax from Discontinued Operations	(221)	-	(223)	-
Profit/(Loss) for the year	2,857	1,645	996	498

Accounting Policies and Changes

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 59 to 72 as required by Section 168 (1) (d) of the Companies Act.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group which reflect a true and fair view of the financial position and the performance of the Company and the Group.

Board of Directors

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

Mr. Sanjeev Gardiner – Chairman/Non-Executive Director **(resigned w.e.f. 5th April 2024).**

Mr. Ajith Devasurendra – Deputy Chairman/Non-Executive Director **(resigned w.e.f. 29th May 2024).**

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

Mr. A G Weerasinghe – Independent, Non-Executive Director **(resigned w.e.f. 27th May 2024).**

Mr. Mangala Boyagoda – Independent Non-Executive Director.

Dr. Sajeeva Narangoda – Executive Director/Group CEO.

Mr. Revantha Devasurendra – Alternate Director to Mr. Ajith Devasurendra **(resigned w.e.f. 22nd December 2023).**

Mr. Sujeewa Mudalige – Chairman/Independent, Non-Executive Director **(appointed w.e.f. 8th April 2024).**

Mr. Savanth Sebastian – Independent, Non-Executive Director **(appointed w.e.f. 8th April 2024).**

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

Mr. Ching Tak Tsoi - Independent, Non-Executive Director **(appointed w.e.f. 4th June 2024).**

Mr. Ruwan Sugathadasa – Non-Executive Director **(appointed w.e.f. 7th June 2024).**

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

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

Re-election/re-appointment and retirement of Directors

In accordance with the provisions of Article 27 (ii) of the Articles of Association, Mr. Sujeewa Mudalige, Mr. Savanth Sebastian, Mr. Samresh Kumar, Mr. Ching Tak Tsoi, Mr. Ruwan Sugathadasa and Mr. Duminda Weerasekare, Directors appointed since the last Annual General meeting retires from office at the conclusion

of the forthcoming Annual General Meeting. Mr. Sujeewa Mudalige, Mr. Savanth Sebastian, Mr. Samresh Kumar, Mr. Ching Tak Tsoi, Mr. Ruwan Sugathadasa and Mr. Duminda Weerasekare offers themselves for re-election with the unanimous support of the Board.

In terms of Section 210 of the Companies Act No. 07 of 2007, Mr. Mangala Boyagoda, who has reached the age of 70 years vacates his office, at the conclusion of the Annual General Meeting. In compliance with Section 211 of the Companies Act No. 7 of 2007, a resolution will be tabled for the re-appointment of Mr. Mangala Boyagoda with the unanimous support of the Board.

Board Sub Committees

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

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

Interests Register

Directors' Interest in Transactions

The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 34 to the Financial Statements on pages 117 to 119

Directors' Remuneration

The Directors' Remuneration is disclosed in Note 29 to the Financial Statements on page 113.

Directors' Interest in Shares

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

Corporate Governance

The Board is committed to maintaining high standards of governance, the process by which the Company is directed and managed. Risks are identified and controlled, and effective accountability assured. The Board of Directors is of the view that it has put in place the resources and processes to ensure that the Company is substantially compliant with the code of best practices on corporate governance issued by Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange. The Corporate Governance Report is given on pages 28 to 36 of this Annual Report.

The Board of Directors have declared all material interests in contracts involving 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.

Risk Management and Internal Controls

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

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

The Directors periodically review and evaluate the risks that are faced by the Group. The various exposures to risks by the Group and specific steps taken by the Group in managing risks are detailed under the "Risk Management" on pages 37 to 40 of this Annual Report.

Donations

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

Taxation

The Company's liability to taxation has been computed according to the provisions of the Inland Revenue Act. No. 10 of 2006 and subsequent amendments thereto and details are given in note 28 to the Financial Statements on pages 112 to 113

Property, Plant and Equipment

Capital expenditure during the year under review on Property, Plant and Equipment by the Group was LKR 229 Mn and the Company LKR 0.2 Mn during the year under review.

Extents, locations, number of buildings and the valuation of the properties of the Group are given in note 6.6 to the Financial Statements on pages 80 to 83 of this Annual Report.

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

Details of fair values of investment properties are given on note 7 to the Financial Statements. Details of revaluation of land are given in note 7.3 and note 7.4 to the Financial Statements.

Employment

The Company's and Group's strength of manpower as at 31 March 2024 is 12 and 730 respectively.

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

Employee Share Ownership plans

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

Stated Capital

The stated capital of the Company as at 31 March 2024 was LKR 5,331,775,177/- represented by 356,869,666 fully paid Ordinary Shares.

Share Information

There were 4,055 registered shareholders as at 31 March 2024.

Distribution schedule of shareholders

The distribution of shareholdings is shown on pages 130 to 131 of this Annual Report.

Information on Ratios and Market Price Information

Disclosures under section 7.6 (xi) of the Listing Rules of the Colombo Stock Exchange is indicated on pages 3 and 130

Substantial Shareholdings and Other Share Information

The names of the twenty largest Shareholders, the number of shares held, and the percentages are given on pages 131 to 132 of this Annual Report.

Disclosures required under section 7.6 (iv) and (v) of the Listing Rules of the Colombo Stock Exchange are indicated on pages 130 to 132 of this Annual Report.

Equitable Treatment of Shareholders

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

Related Party Transactions

The identified Related Parties as well as the Related Party Transactions undertaken during the year are set out in note 34 to the Financial Statements on pages 119 to 121

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

As required by the Listing Rules, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules.

Statutory Payments

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

Events occurring after the Balance Sheet date

No circumstances have arisen since the balance sheet date which would require adjustments to or disclosure in the accounts as disclosed in note 35 to the Financial Statements.

Going Concern

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

Independent Auditors' Report, Remuneration and Appointment

The Financial Statements of the Company for the twelve months ended 31 March 2024 have been audited by M/s. Ernst & Young, Chartered Accountants and the Independent Auditors' Report thereon is given on pages 49 to 51 of this Annual Report as required by the Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A sum of LKR 1,610,000/- was paid to them as audit fee during the period under review. Based on the declaration from M/s. Ernst & Young, Chartered Accountants and as far as the Directors are aware, the Auditors do not have any relationship or interest in the Company other than that disclosed herein.

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

Annual General Meeting

The Annual General Meeting of the company will be held on 13 September 2024. The notice of the Annual General Meeting appears on page 138.

Acknowledgement of the contents of the Annual Report

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

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

Sgd.
D T S H Mudalige
Chairman

Sgd.
K S Narangoda
Director/Group CEO

Sgd.
Business Intelligence (Private) Limited
Secretaries

16th August 2024

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

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

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

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

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

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

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

By order of the Board of

Ambeon Holdings PLC
Sgd.
Business Intelligence (Private) Limited
Secretaries
Colombo
16th August 2024

FINANCIAL CALENDAR

1st Quarter Interim Report	15th August 2023
2nd Quarter Interim Report	6th November 2023
3rd Quarter Interim Report	16th February 2024
4th Quarter Interim Report	28th May 2024
Annual Report 2023/2024	16th August 2024
Annual General Meeting	13th September 2024

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMBEON HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ambeon Holdings PLC (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the statement of financial position as at 31 March 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 for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Assessment of fair valuation of Land and buildings	
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. This was a key audit matter due to: ▶ The materiality of the reported fair value of land and buildings which amounted to Rs.1.3 Bn representing 6% of the Group's total assets as of the reporting date; and ▶ The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 06 and Note 07 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as: ▶ Estimate of per perch value of the land. ▶ Estimate of the per square foot value of the buildings. ▶ Market rent per square foot, occupancy rates and yield	Our audit procedures included the following key procedures: ▶ Assessed the competence, capability and objectivity of the external valuers engaged by the Group. ▶ Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. ▶ Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property. We also assessed the adequacy of the disclosures made in Notes 06 and 07 to the financial statements.

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

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

A member firm of Ernst & Young Global Limited

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 08 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 8.5.1 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 08 in the financial statements.
Divestment of subsidiaries and accounting for the gain/ (loss) on disposal	
During the year, the Group divested it's equity stake in two subsidiaries for a consideration of LKR 2Bn and LKR 610 Mn which resulted in a gain of LKR 784 Mn and a loss of LKR 221Mn respectively, 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 20% 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 auditors report is 4184.

Ernst & Young

16 August 2024
Colombo

INCOME STATEMENT

Year ended 31 March 2024

		Group		Company	
		2024	2023	2024	2023
Continuing Operations	**Note**	**LKR**	**LKR**	**LKR**	**LKR**
Revenue	5	17,154,487,003	20,697,862,597	854,176,745	881,277,519
Cost of Sales		(12,066,067,736)	(14,931,615,536)	-	-
Gross Profit		**5,088,419,267**	**5,766,247,061**	**854,176,745**	**881,277,519**
Other Income	25	58,493,542	47,394,077	30,785,599	-
Selling & Distribution Expenses		(507,999,792)	(1,162,810,107)	-	-
Administrative Expenses		(2,196,885,421)	(1,892,569,720)	(143,006,060)	(134,145,879)
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		335,120,174	(80,368,904)	130,571,234	(20,611,485)
Change in fair value of Investment property	7	322,500,000	150,552,388	-	-
Operating Profit		**3,099,647,770**	**2,828,444,795**	**872,527,519**	**726,520,155**
Finance Cost	26	(755,474,681)	(1,113,945,114)	(23,250,984)	(196,084,524)
Finance Income	27	386,304,657	479,945,279	-	-
Change in Fair Value of Investment in Subsidiaries	10	-	-	348,489,362	225,913,558
Share of Results of Equity Accounted Investee	12	82,100,724	5,945,375	81,330,952	-
Gain on Bargain purchase		-	15,793,376	-	-
Gain associated with the Loss of control attributed to Subsidiary	4	784,206,507	-	4,938,918	-
Profit before Tax from Continuing Operations	**29**	**3,596,784,978**	**2,216,183,711**	**1,284,035,767**	**756,349,189**
Income Tax Expense	28	(517,931,864)	(571,014,133)	(64,543,745)	(257,895,881)
Profit for the year from Continuing Operations		**3,078,853,114**	**1,645,169,578**	**1,219,492,022**	**498,453,308**
Discontinued Operations					
Loss after Tax from Discontinued Operations for the year	4	(221,821,440)	-	(223,319,489)	-
Profit for the year		**2,857,031,675**	**1,645,169,578**	**996,172,533**	**498,453,308**
Attributable to:					
Equity Holders of the Parent		2,456,725,492	1,218,451,233		
Non-Controlling Interests		400,306,183	426,718,345		
		2,857,031,675	1,645,169,578		
Earnings per share	30				
Basic (LKR)		6.88	3.41	2.79	1.40
Diluted (LKR)		6.88	3.41	2.79	1.40
Earnings per share from Continuing Operations	30				
Basic (LKR)		7.51	3.41		
Diluted (LKR)		7.51	3.41		

Figures in brackets indicate deductions.

The accounting policies and notes on pages 59 through 129 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

		Group		Company	
		2024	2023	2024	2023
	Note	LKR	LKR	LKR	LKR
Profit for the Year		2,857,031,675	1,645,169,578	996,172,533	498,453,308
Other Comprehensive Income					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)					
Exchange differences on foreign currency translation	18	(10,478,253)	(24,883,714)	-	-
Net Other comprehensive income to be reclassified to profit or loss		**(10,478,253)**	**(24,883,714)**	**-**	**-**
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods					
Revaluation Gain of Land and Building	6	(325,000)	279,569,299	-	-
Tax on Revaluation Gain	20	-	(386,203,241)	-	-
Change in Fair Value of FVOCI Financial Assets		85,796,621	42,020,590	85,796,621	42,020,590
Actuarial Gain /(Loss) on Defined Benefit Plans	21	(6,296,125)	(50,465,384)	(685,845)	997,732
Tax on Actuarial Gain /(loss) on Defined Benefit Plans	20	635,474	11,058,517	205,754	(299,320)
Share of Other Comprehensive Income of Equity Accounted Investees	12	16,654,584		16,654,584	
Net Other Comprehensive Income from Discontinued Operation		-	-	-	-
Net Other Comprehensive Income not to be Reclassified to Profit or Loss		**96,465,554**	**(104,020,219)**	**101,971,114**	**42,719,002**
Total Other Comprehensive Income for the year, net of tax		**85,987,301**	**128,903,934**	**101,971,114**	**42,719,002**
Total Comprehensive Income for the year , net of tax		**2,943,018,976**	**1,516,265,644**	**1,098,143,647**	**541,172,310**
Attributable to:					
Equity Holders of the Parent		2,549,950,531	1,150,127,330		
Non-Controlling Interest		393,068,445	366,138,314		
		2,943,018,976	**1,516,265,644**		

Figures in brackets indicate deductions.

The accounting policies and notes on pages 59 through 129 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group 2024 LKR	Group 2023 LKR	Company 2024 LKR	Company 2023 LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	6	664,661,693	2,948,133,154	1,853,352	4,380,603
Investment Property	7	1,035,849,600	2,780,295,600	-	-
Intangible Assets	8	1,196,894,063	1,255,620,533	4,133,935	5,148,276
Right-of-Use Assets	9	377,191,787	463,108,993	-	-
Investment in Subsidiaries	10	-	-	4,386,960,056	8,054,084,712
Other Non-Current Financial Assets	11	1,860,436,860	646,486,080	1,851,630,899	199,462,902
Investment in Equity Accounted Investee	12	1,124,039,068	41,874,323	1,081,394,953	-
Deferred Tax Asset	20	68,483,696	272,217,546	-	-
		6,327,556,767	**8,407,736,229**	**7,325,973,195**	**8,263,076,493**
Current Assets					
Inventories	13	1,415,692,944	3,222,232,731	-	-
Trade and Other Receivables	14	8,346,433,412	10,040,636,145	322,595,385	1,606,838,615
Other Financial Investments	15	6,936,942,401	3,435,273,768	3,046,737,638	751,579,324
Income Tax Receivables		17,959,108	29,232,708	-	23,512,311
Cash in Hand and at Bank	31	500,608,109	1,271,139,100	49,376,611	19,533,986
		17,217,635,974	**17,998,514,452**	**3,418,709,634**	**2,401,464,236**
Total Assets		**23,545,192,741**	**26,406,250,681**	**10,744,682,829**	**10,664,540,729**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated Capital	16	5,331,775,177	5,331,775,177	5,331,775,177	5,331,775,177
Other Components of Equity	18	112,734,407	1,105,032,945	28,181,664	(158,388,010)
Retained Earnings		5,394,408,874	2,458,838,236	4,804,509,145	4,499,613,604
Equity attributable to equity holders of the parent		**10,838,918,458**	**8,895,646,358**	**10,164,465,986**	**9,673,000,771**
Non-Controlling Interests		1,952,015,807	2,488,377,070	-	-
Total Equity		**12,790,934,266**	**11,384,023,428**	**10,164,465,986**	**9,673,000,771**
Non-Current Liabilities					
Other Financial Liabilities	24	347,936	968,906	347,936	968,906
Interest Bearing Borrowings	19	469,814,542	994,768,253	-	52,800,000
Deferred Tax Liability	20	300,296,174	1,237,337,765	472,831,809	449,300,833
Employee Benefit Liabilities	21	377,662,762	492,800,724	11,139,211	8,352,290
		1,148,121,413	**2,725,875,648**	**484,318,956**	**511,422,029**
Current Liabilities					
Trade and Other Payables	23	3,665,332,281	4,591,579,295	78,958,084	69,628,626
Income Tax Payable		363,345,455	476,349,723	16,939,803	-
Contract Liability	22	1,681,266,542	2,703,967,229	-	-
Interest Bearing Borrowings	19	3,896,192,783	4,524,455,358	-	410,489,303
		9,606,137,061	**12,296,351,605**	**95,897,887**	**480,117,929**
Total Equity and Liabilities		**23,545,192,741**	**26,406,250,681**	**10,744,682,829**	**10,664,540,729**

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

Anuradha Ranganath
Head of Finance

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

D T S H Mudalige
Chairman

K S Narangoda (Dr.)
Group CEO / Executive Director

Figures in brackets indicate deductions.
The accounting policies and notes on pages 59 through 129 form an integral part of the financial statements.
16th August 2024
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

GROUP	Attributable to equity holders of the parent									
	Stated Capital	Revaluation Reserve	Other Reserves	Foreign/ Functional currency translation Reserve	Revenue Reserve	Fair Value through OCI Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 31 March 2022	5,331,775,177	1,283,072,324	3,100,000	12,471,881	220,140	(213,955,758)	2,502,523,198	8,919,206,962	1,704,148,545	10,623,355,507
Profit for the Year	-	-	-	-	-	-	1,218,451,233	1,218,451,233	426,718,345	1,645,169,578
Other Comprehensive Income	-	(16,923,277)	-	(15,199,972)	-	42,020,590	(78,221,236)	(68,323,896)	(60,580,034)	(128,903,931)
Transactions with Non controlling Interest							(1,438,976)	(1,438,976)	340,073,664	338,634,688
Total Comprehensive Income	**-**	**(16,923,277)**	**-**	**(15,199,972)**	**-**	**42,020,590**	**1,138,791,021**	**1,148,688,361**	**706,211,978**	**1,854,900,335**
Transfer from FVTOCI to Retained Earnings	-	-	-	-	-	10,227,018	(10,227,018)	-	-	-
Share issue by subsidiary							(101,639,966)	(101,639,966)	106,559,076	4,919,110
Dividend Paid							(1,070,608,998)	(1,070,608,998)		(1,070,608,998)
Subsidiary Dividend to Minority Shareholders	-	-	-	-	-	-	-	-	(28,542,529)	(28,542,529)
Balance as at 31 March 2023	**5,331,775,177**	**1,266,149,047**	**3,100,000**	**(2,728,091)**	**220,140**	**(161,708,150)**	**2,458,838,237**	**8,895,646,359**	**2,488,377,070**	**11,384,023,428**
Profit for the Year							2,456,725,493	2,456,725,493	400,306,184	2,857,031,677
Other Comprehensive Income	-	(325,000)	-	(5,304,272)	-	85,796,621	13,057,690	93,225,039	(7,237,744)	85,987,295
Total Comprehensive Income	**-**	**(325,000)**	**-**	**(5,304,272)**	**-**	**85,796,621**	**2,469,783,182**	**2,549,950,531**	**393,068,439**	**2,943,018,970**
Realization of Revaluation Reserve due to the Disposal of Subsidiary	-	(1,173,238,941)	-	-	-	-	1,173,238,941	-	-	-
Transfer from FVTOCI to Retained Earnings	-	-	-	-	-	100,773,053	(100,773,053)	-	-	-
Dividend Paid							(606,678,432)	(606,678,432)		(606,678,432)
Disposal of Subsidiaries									(893,429,699)	(893,429,699)
Subsidiary Dividend to Minority Shareholders	-	-	-	-	-	-	-	-	(36,000,003)	(36,000,003)
Balance as at 31 March 2024	**5,331,775,177**	**92,585,107**	**3,100,000**	**(8,032,363)**	**220,140**	**24,861,524**	**5,394,408,877**	**10,838,918,459**	**1,952,015,813**	**12,790,934,266**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 59 through 129 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

COMPANY	Stated Capital	Revenue Reserves	Other Reserves	Fair Value Through OCI Reserve	Retained Earnings/ (Losses)	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 31 March 2022	5,331,775,177	220,140	3,100,000	(213,955,758)	5,081,297,900	10,202,437,459
Profit for the Year	-	-	-	-	498,453,308	498,453,308
Dividends					(1,070,608,998)	(1,070,608,998)
Other Comprehensive income	-	-	-	42,020,590	698,412	42,719,002
Total comprehensive income	**-**	**-**	**-**	**42,020,590**	**(571,457,278)**	**(529,436,688)**
Transfer from FVTOCI to Retained Earnings				10,227,018	(10,227,018)	-
Balance as at 31 March 2023	**5,331,775,177**	**220,140**	**3,100,000**	**(161,708,150)**	**4,499,613,604**	**9,673,000,771**
Profit for the Year	-	-	-	-	996,172,533	996,172,533
Dividends					(606,678,432)	(606,678,432)
Other Comprehensive income	-	-	-	85,796,621	16,174,493	101,971,114
Total comprehensive income	**-**	**-**	**-**	**85,796,621**	**405,668,594**	**491,465,215**
Transfer from FVTOCI to Retained Earnings	-	-	-	100,773,053	(100,773,053)	
Balance as at 31 March 2024	**5,331,775,177**	**220,140**	**3,100,000**	**24,861,524**	**4,804,509,145**	**10,164,465,986**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 59 through 129 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Note	Group		Company	
		2024 LKR	2023 LKR	2024 LKR	2023 LKR
Operating Activities					
Profit before tax from Continuing Operations		3,596,784,978	2,216,183,711	1,284,035,767	756,349,189
Profit before tax from Discontinuing Operations		(221,821,440)	-	(223,319,489)	-
Non - Cash Adjustments to Reconcile Profit Before Tax to Net Cash Flows:					
Depreciation of Property, Plant Equipment	6	119,024,407	174,909,917	2,624,171	4,744,565
Impairment of Property, Plant Equipment	6	-	958,330	-	-
Amortization of Intangible Assets	8	3,142,096	11,759,183	1,014,341	1,025,007
Amortization of Right of use Assets	9	59,237,839	82,291,381	-	-
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		(335,120,174)	80,368,904	(130,571,234)	20,611,485
Allowance/ (Reversal) for Obsolete and Slow Moving Inventories	13	(4,696,996)	(170,429,165)	-	-
Provision for Employee Benefit Liabilities	21	106,611,363	110,974,125	3,008,576	2,434,930
Impairment of Trade/Other Receivables	14	(95,962,828)	199,676,403	2,746,573	-
Profit from Disposal of Current Investment		-	(67,777,963)	-	(78,823,484)
Gain from Disposal of Property Plant & Equipment	25	(785,599)	-	(785,599)	-
Change in Fair Value Adjustment of Investment Property	7	(322,500,000)	(150,552,388)	-	-
Share of Results of Equity Accounted Investee	12	(82,100,724)	(5,945,375)	(81,330,952)	-
Finance Income	27	(386,304,657)	(479,945,279)	-	-
Finance Cost	26	755,474,681	1,113,945,114	23,250,984	196,084,524
Gain on Disposal of Subsidiaries	4	(562,385,069)	-	(218,380,571)	(23,073,814)
(Gain)/Loss on fair valuation of investment in subsidiaries	10	-	-	(348,489,362)	(225,913,558)
Gain on Bargaing Purchased	10	-	(15,793,376)		
		2,628,597,878	**3,100,623,522**	**750,564,347**	**653,438,844**
Working Capital adjustments:					
Increase in Inventories		386,819,783	(147,419,060)	-	-
(Increase)/Decrease in Trade and Other Receivables		(743,827,370)	(1,928,068,457)	(379,493,028)	129,719,040
Increase/(Decrease) in Trade and Other Payables		(177,385,938)	(247,575,733)	9,329,458	21,210,546
Increase in Deferred Income		(1,022,700,687)	624,963,971	-	-
Cash Generated from Operations		**1,071,503,666**	**1,402,524,243**	**380,400,777**	**804,368,430**
Defined Benefit Plan Costs paid	21	(44,732,360)	(51,552,340)	(907,500)	(312,500)
Interest Paid	26	(453,066,806)	(1,005,403,702)	(23,250,984)	(125,577,906)
WHT paid		-	-	-	(180,954)
Income Tax Paid		(351,410,801)	(297,555,896)	(354,901)	-
Net Cash Flows Generated from Operating Activities		**222,293,702**	**48,012,305**	**355,887,392**	**678,297,069**
Investing Activities					
Acquisition of Property, Plant & Equipment	6	(176,048,398)	(311,549,620)	(272,650)	(834,000)
Acquisition of Intangible Assets	8	(8,635,873)	-	-	-
Proceeds from Sale of Investments		-	-	-	353,516,088
Investment in Subsidiaries		-	(759,637,841)	-	-
Net payments of Loans to Parent	14	(362,099,079)	754,355,110	8,821,757	981,339,342
Proceeds on Disposal of Property, Plant and Equipment	6	961,329	669,498	961,329	-
Investment in Other Financial Investments		(2,687,757,393)	389,288,928	(2,078,790,459)	(294,296,132)
Net Proceed From Disposal of Subsidiaries	10	2,813,823,721	201,439,104	2,813,823,721	201,439,104
Interest Income from Investment	27	316,663,712	479,945,279	-	-
Net Cash Flows Generated from Investing Activities		**(103,091,981)**	**754,510,458**	**744,543,698**	**1,241,164,402**

STATEMENT OF CASH FLOWS (Contd.)

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Financing Activities					
Dividend Paid	37	(642,678,435)	(1,099,151,527)	(606,678,432)	(1,070,608,998)
Proceeds From Interest Bearing Loans & Borrowings	19	195,955,671,156	8,261,626,207	(213,000,000)	1,440,000,000
Repayment of Interest Bearing Loans & Borrowings	19	(195,962,025,736)	(8,653,790,829)	(676,289,064)	(2,288,774,377)
Share issue by Subsidiary		-	4,919,110	-	-
Dividend paid to preference share holders		(620,970)	-	(620,970)	-
Repayment of Lease Obligations	19	(82,654,426)	(96,317,998)	-	-
Net Cash Flows Generated from /(Used in) Financing Activities		**(732,308,411)**	**(1,582,715,037)**	**(1,070,588,466)**	**(1,919,383,375)**
Net foreign Exchange Difference	18	(10,478,253)	(24,883,714)	-	-
Increase / (Decrease) in Cash & Cash Equivalents		(623,584,941)	(805,075,988)	29,842,624	78,097
Cash and Short Term Deposits at the beginning of the year		845,173,962	1,650,249,950	19,533,987	19,455,889
Cash and Short Term Deposits at the end of the year	**31**	**221,589,021**	**845,173,962**	**49,376,611**	**19,533,986**
Analysis of cash and cash equivalents					
Cash in hand and at bank		500,608,109	1,271,139,100	49,376,611	19,533,986
Bank Overdraft		(279,019,088)	(425,965,139)	-	-
Cash and cash equivalents at the end for the purpose of statement of cash flow		**221,589,021**	**845,173,962**	**49,376,611**	**19,533,986**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 59 through 129 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

1. CORPORATE INFORMATION

1.1 Reporting Entity

Ambeon Holdings PLC is a Public Limited Liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of business is located at 5th Floor, 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 Holdings PLC as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

1.3 Parent Entity

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

The Company's ultimate parent undertaking is Ambeon Consolidated (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 Operation

Holding Company

Ambeon Holdings PLC the Group's Holding Company manages a portfolio of investments consisting of a range of diverse business operations, which together constitute the Ambeon Group, and provides function based services to its subsidiaries.

Subsidiary – Ceylon Leather Products Limited (Disposed on 14 June 2023)

During the period, the principal activities of the Company were selling of Leather Footwear and Leather Goods. This Company has been disposed on 14 June 2023. (Refer Note 4.1)

Subsidiary – Palla & Company (Pvt) Limited

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

Subsidiary –Colombo City Holdings PLC

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

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

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

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

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

Subsidiary - Eon Tec (Pvt) Limited

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

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

During the period, the principal activity of the Company was 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. Limited

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

Sub- Subsidiary Entity - 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.

Sub- Subsidiary Entity - MIT ESP Bangladesh Private Ltd

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

Associate Entity – Infoseek (Private) Limited

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

Associate Entity –Dankotuwa Porcelain PLC

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

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

Sub-subsidiary through Taprobane Capital Plus (Pvt) Limited - Sherwood Capital (Private) Limited
The principal activity of the company is proprietary bond trading and treasury management company which invests in fixed income securities issued by the Government of Sri Lanka.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Limited – Lexinton Financial Services (Private) Ltd
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) Limited - Ambeon Securities (Private) Limited
The principal activity of the company is functioning as a stockbroker in the Colombo Stock Exchange.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Limited - Taprobane Investments (Private) Limited
The principal activity of the company is the provision of services in the money market.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Limited - Taprobane Wealth Plus (Private) limited
The principal activity of the company is conducting Corporate Finance activities.

1.6 Responsibility for Financial Statements

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

2 BASIS OF PREPARATION

2.1 Basis of Measurement

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

2.2 Statement of Compliance

The Financial Statements which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows together with the 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 Directors have made an assessment of the Group ability to continue as a going concern and being satisfied that it has the resources to continue in business for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of the Group.

2.5 Presentation and Functional Currency

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

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

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

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

2.6 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2024. The Financial Statements of the subsidiaries are prepared in compliance with the Group's accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2024

2.7 Subsidiary

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

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

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

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

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

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

b. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

c. If the Group loses control over a subsidiary, it:
   - Derecognizes the assets (including goodwill) and liabilities of the subsidiary
   - Derecognizes the carrying amount of any non-controlling interest
   - Derecognizes the cumulative translation differences, recorded in equity
   - Recognizes the fair value of the consideration received
   - Recognizes the fair value of any investment retained
   - Recognizes any surplus or deficit in profit or loss
   - Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

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

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

2.8 Transactions with Non-Controlling Interests

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

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

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

2.9 Significant Accounting Judgements, Estimates and Assumptions

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

Estimates and Assumptions

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

The Group measures land and buildings at revalued amounts with changes in fair value being recognized in Other Comprehensive Income and in the Statement of Equity. In addition, it carries its investment properties at fair value, with changes in fair value being recognized in the income

statement. The Group engaged independent valuation specialists to determine fair value of investment property and land and buildings as of 31 March 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 are further explained in Notes 7.

Impairment of non-financial assets

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

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

The key assumptions used to determine the value in use (VIU) are further explained in Note 8.5.1 and Note 10.

Fair value of financial instruments

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

Deferred Tax Assets/ Liabilities

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 20 and 28.2.

Employee benefit liability

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

Details of the key assumptions used in the estimates are contained in Note 21.

Cash flow Hedge

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

Details of the key assumptions used in the estimates are contained in Note 18.5.

Judgments

Revenue from IT related Services

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

2.10 Material Accounting Policy Information

The accounting policies have been applied consistently for all periods presented in the Financial Statements by the Group and the Company.

2.10.1 Revenue

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

The following specific criteria are used for recognition of revenue:

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2024

b. Goods transferred at a point in time

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

c. Rendering of Services

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

d. Revenue recognition on multiple element arrangements

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

e. Dividend

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

f. Finance income

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

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

g Rental income

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

h. Gains and losses

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

i. Other income

Other income is recognized on an accrual basis

2.10.2 Expenditure recognition

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

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

2.10.3 Finance costs

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

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

2.10.4 Property, plant and equipment

Basis of recognition

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

Basis of measurement

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2024

recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

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

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

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

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

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

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

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

The right-of-use assets are presented within Note 9 and are subject to impairment in line with the Group's policy for Impairment of non-financial assets.

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

Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)
The Group companies determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

Estimating the incremental borrowing rate

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

2.10.6 Investment Property
Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date. (Refer Note 07)

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2024

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

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

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

2.10.7 Intangible assets

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

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

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

2.10.8 Business combinations and goodwill

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

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value in profit or loss. If the contingent consideration is not within the scope of SLFRS 9, it is measured in accordance with the appropriate SLFRS.

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

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

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates as further explained in Note 2.10.12.

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

disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion the cash-generating unit retained.

2.10.9 Investments in Subsidiaries (Company)

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

2.10.10 Investment in Associate

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

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate impaired. If this is the case, the Group calculates

The amount of impairment as the difference between the recoverable amount of the associate and it carrying value and recognises the amount in 'share of losses of an associate' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.Group has two associates and details given in note 12.

2.10.11 Foreign currencies

Foreign currency transactions and balances

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

Transactions and balances

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

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

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

Foreign operations

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

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

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already

expressed in the functional currency of the parent and no further translation differences occur.

Foreign Currency Translation and Change in Functional Currency

Millennium IT ESP Singapore Pte. Ltd (Company)

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

MIT ESP Bangladesh Private Ltd (Company)

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

MIT ESP Trading L.L.C (Company)

The Company having considered the underlying transactions, events and conditions that mainly influences the revenue and the cost determined that the functional currency of the Company is United Arab Emirates Dirham (AED). Based on the above facts the management of the company has decided to use United Arab Emirates Dirham as the functional currency and presentation currency in the preparation and presentation of the financial statements of the Company. Group's functional currency and the presentation currency remained unchanged which is Sri Lankan Rupees.

2.10.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

2.10.13 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.

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

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

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

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

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

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

c. Sales Tax

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

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

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

2.10.14 Inventories

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

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

Raw Materials

- At purchase cost on weighted average basis

Finished Goods & Work-in-Progress - At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity, but excluding borrowing Costs.

Consumables & Spares Goods in Transit

- At purchase cost on weighted average basis

- At purchase price

Real Estate – Land

- At purchase cost

2.10.15 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

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or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

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

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

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

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

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

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

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

and

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

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

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

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

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

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

a. Impairment of financial assets -
The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant

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increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment

b. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Derecognition

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

c. Offsetting of financial instruments

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

d. Fair value of financial instruments

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 36.

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

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

2.10.16 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.

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2.10.17 Employee benefits liabilities

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

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

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

Recognition of Actuarial Gains and Losses
Any actuarial gains and losses arising are recognized immediately in Other Comprehensive Income.

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

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

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

2.10.18 Provisions, contingent assets and contingent liabilities

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

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

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

Subsequently, it is measured at the higher of:

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

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

2.10.19 Contract assets

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

The group have disclosed the contractual assets as WIP in the inventory in the note 13.

2.10.20 Contract liabilities

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

Contract liabilities of the Group have been disclosed in current liabilities in note 22.2.

2.10.21 Segmental Information

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

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

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

- **Manufacturing Porcelain** : Dankotuwa Porcelain PLC and Royal Fernwood Porcelain Limited and its Subsidiaries
- **Property:** Colombo City Holdings PLC ,Lexinton Holdings (Pvt) Ltd and Lexinton Resorts (Pvt) Ltd
- **IT and related Services :** Eon Tec (Pvt) Limited, Millennium I.T.E.S.P (Pvt) Limited, Millennium I.T.E.S.P. Singapore Pte. Limited and Millennium I.T.E.S.P. Bangladesh Pvt. Limited
- **Investments:** Ambeon Holdings PLC
- **Financial Services** Ambeon Securities (Private) Limited, Taprobane Investments (Private)

Limited, Taprobane Wealth Plus (Private) limited, Sherwood Capital (Pvt) Ltd and Taprobane Capital Plus (Private) Limited

- **Footwear retailing :** Ceylon Leather Products Limited (Disposed in June 2023) and Palla & - Company (Pvt) Limited (Discontinued in 2016)

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

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

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

3.1 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 periods beginning on or after 1 January 2024

3.2 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 periods beginning on or after 1 January 2024.

3.3 International Tax Reform-Pillar Two Model Rule - Amendments to LKAS 12

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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

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4. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS

4.1 DISCONTINUED OPERATIONS

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

On 14th June 2023 the Company 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/-.

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

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

Loss on disposal of subsidiary - Group

		LKR
Fair value of consideration received		650,000,000
Less: Transaction cost		(39,968,489)
Fair value of net consideration received		610,031,511
Net Assets Attributable to Parent		
Fair value of net assets disposed	832,547,316	
De-recognition of non-controlling interests	(1,665,095)	830,882,222
Net Loss from Disposal of subsidiary		(220,850,711)
Loss for the year from Discontnued operations		(970,729)
Loss after Tax from Discontinued Operations for the year		(221,821,440)

Loss on disposal of subsidiary - Company	**LKR**
Net consideration received	610,031,511
Fair Value of Subsidiary	(833,351,000)
Loss associated with the Loss of control attributed to Subsidiary	(223,319,489)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2024

4. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS (Contd...)

4.3 DISPOSAL OF SUBSIDIARIES

On 13th July 2023 the Company 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 12).

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

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

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

Gain on disposal of subsidiary - Group

		LKR
Fair value of consideration received		2,304,724,068
Less: Transaction cost		(100,931,858)
Fair value of net consideration received		2,203,792,210
Net Assets Attributable to Parent		
Fair value of net assets disposed	3,243,558,000	
Investment in Associates	(983,409,417)	
Goodwill & Brand Name on Acquisition	51,201,724	
De-recognition of non-controlling interests	(891,764,604)	1,419,585,703
Net Gain from Disposal of subsidiary		**784,206,507**

Gain on disposal of subsidiary - Company

	LKR
Net consideration received	2,203,792,210
Fair Value of Subsidiary	(2,198,853,292)
Gain associated with the Loss of control attributed to Subsidiary	**4,938,918**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2024

5. REVENUE

5.1 Summary

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Revenue From Contracts with customers				
Gross Revenue	17,154,487,003	20,697,862,597	854,176,745	881,277,519
	17,154,487,003	**20,697,862,597**	**854,176,745**	**881,277,519**

5.1.1 Business Segment analysis- Disaggregation of revenue

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Revenue from Contracts with Customers				
Porcelain	1,358,378,555	5,912,058,227	-	-
IT Services	13,233,346,949	13,838,029,597	-	-
Brokerage Income	258,409,796	303,318,901	-	-
Finance & Investment Income				
Interest Income	391,369,847	473,801,514	381,297,832	510,273,528
Investment Trading	1,829,125,574	92,608,065	387,685,972	248,467,303
Other Income				
Rent Income	69,906,282	78,046,294	-	-
Other services	13,950,000	-	85,192,942	122,536,688
	17,154,487,003	**20,697,862,597**	**854,176,745**	**881,277,519**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

5.2 Segment Information

Group	Footwear/Retail		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	782,839,489	566,409,579
Segment Results Gross Profit	-	-	360,309,244	2,052,997,381	782,839,489	566,409,579
Finance Cost	-	(30,420)	(86,461,441)	(342,841,372)	(16,077,993)	(125,578,162)
Finance Income	-	-	33,584,698	43,427,054	-	
Change in Fair value of Investment Property	-	72,000,000	-	67,202,388		
Net Results of the Associate	-	-	81,330,952			
Profit before Income Tax	-	57,231,490	(3,110,515)	937,120,093	1,656,515,726	293,084,315
Income Tax Expense	-	(30,002,295)	4,744,180	(190,386,304)	(72,930,196)	(16,196,078)
Profit after tax for the year from continuing operations	**-**	**27,229,196**	**1,633,665**	**746,733,789**	**1,583,585,530**	**276,888,237**
Loss after tax for the year from discontinued operations	(970,727)	-	-	-	(220,850,713)	-
Profit/(Loss) for the year	**(970,727)**	**27,229,196**	**1,633,665**	**746,733,789**	**1,362,734,819**	**276,888,237**
Purchase and construction of Property Plant and Equipment	-	-	5,784,064	191,461,436	272,650	834,000
Additions to intangible assets	-	-	-	-	-	-
Depreciation of Property Plant and Equipment	-	-	34,854,413	109,896,439	2,624,171	4,744,565
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
Assets and Liabilities						
Non-Current Assets *	-	1,297,000,000	-	3,178,019,867	4,100,369,951	1,334,384,595
Current Assets	575,333	12,583,523	-	2,924,185,682	3,393,400,671	2,237,355,910
Total assets	**575,333**	**1,309,583,523**	**-**	**6,102,205,549**	**7,493,770,622**	**3,571,740,505**
Non-Current Liabilities	-	389,100,000	-	1,223,458,030	42,379,486	61,096,107
Current Liabilities	3,532,568	80,169,139	-	1,631,863,180	108,024,394	313,165,595
Total Liabilities **	**3,532,568**	**469,269,138**	**-**	**2,855,321,211**	**150,403,880**	**374,261,702**

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

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

	Property		IT and related Services		Financial Services		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
	69,906,282	78,046,294	13,233,346,949	13,838,029,597	1,710,015,728	303,318,901	17,154,487,003	20,697,862,597
	66,011,193	74,616,781	2,172,201,921	2,769,642,744	1,707,057,422	302,580,575	5,088,419,267	5,766,247,061
	(19,683,974)	(27,421,153)	(369,529,702)	(614,475,977)	(263,721,569)	(3,598,032)	(755,474,680)	(1,113,945,115)
	182,659,060	157,902,257	64,288,800	102,196,029	105,772,100	176,419,938	386,304,657	479,945,279
	313,000,000	7,000,000			9,500,000	4,350,000	322,500,000	150,552,388
			769,772	5,945,375			82,100,724	5,945,375
	641,250,448	129,531,247	79,752,615	619,540,589	1,222,376,705	179,675,975	3,596,784,979	2,216,183,711
	(240,839,648)	(146,532,506)	162,350,789	(122,517,607)	(371,256,989)	(65,379,340)	(517,931,864)	(571,014,133)
	400,410,799	**(17,001,259)**	**242,103,404**	**497,022,982**	**851,119,717**	**114,296,636**	**3,078,853,116**	**1,645,169,581**
	-	-	-	-	-	-	(221,821,439)	-
	400,410,799	**(17,001,259)**	**242,103,404**	**497,022,982**	**851,119,717**	**114,296,636**	**2,857,031,677**	**1,645,169,581**
	105,100	124,200	220,387,951	172,625,743	3,340,575	35,000	229,890,341	365,080,379
	-	-	8,635,873	-	-	-	8,635,873	-
	10,107,016	8,049,819	70,077,775	50,949,752	1,361,032	1,269,342	119,024,407	174,909,917
			-	2,326,272	-	-	3,142,096	11,759,183
	281,463	273,732	92,885,537	62,021,769	4,536,772	3,800,821	106,611,363	110,974,125
	1,268,584,675	1,014,852,066	823,961,369	942,797,523	134,641,173	640,682,179	6,327,556,768	8,407,736,229
	1,512,585,023	1,146,086,765	8,581,450,116	9,326,996,121	3,729,624,829	2,351,306,453	17,217,635,975	17,998,514,452
	2,781,169,698	**2,160,938,832**	**9,405,411,485**	**10,269,793,644**	**3,864,266,002**	**2,991,988,632**	**23,545,192,743**	**26,406,250,681**
	227,351,515	123,030,259	813,391,534	894,866,198	64,998,877	34,325,053	1,148,121,413	2,725,875,647
	103,837,941	176,216,201	7,080,748,623	8,034,456,148	2,309,993,931	2,060,481,342	9,606,137,060	12,296,351,605
	331,189,456	**299,246,460**	**7,894,140,158**	**8,929,322,346**	**2,374,992,808**	**2,094,806,395**	**10,754,258,870**	**15,022,227,253**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

6. PROPERTY, PLANT & EQUIPMENT

GROUP

6.1 Gross Carrying Amounts

	Balance As at 01 April 2023	Additions	Disposals	Disposal of Subsidiary	Transfers	Revaluation	Carrying Value As at 31 March 2024
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost or Valuation							
Freehold Land	1,282,401,400	-	-	(1,135,901,400)	-	(825,000)	145,675,000
Freehold Buildings	1,133,452,002	-	-	(939,952,002)	-	(9,175,000)	184,325,000
Furniture & Fittings	169,348,328	148,527,395	-	(44,697,006)	-	-	273,178,716
Computer Equipment	413,850,679	74,122,214	(1,227,500)	(75,706,050)	(27,055,514)	-	383,983,829
Motor Vehicle	18,820,403	-	-	(18,211,124)	-	-	609,279
Plant & Machinery	1,532,569,678	3,345,606	-	(1,535,915,284)	-	-	-
Office Equipment	145,690,186	3,551,756	-	(108,360,753)	-	-	40,881,190
Shop Assets	20,763,421	-	-	(20,763,421)	-	-	-
Roadways and Fence	39,836,566	-	-	(39,836,566)	-	-	-
Other Equipment	12,012,618	21,000	-	-	-	-	12,033,618
Network Hardware	108,648	-	-	-	-	-	108,648
Water Purification Project	15,075,990	-	-	(15,075,990)	-	-	-
	4,783,929,919	**229,567,971**	**(1,227,500)**	**(3,934,419,596)**	**(27,055,514)**	**(10,000,000)**	**1,040,795,280**
Assets on Finance Leases							
Cost or Valuation							
Building on Leasehold land	52,878,510	-	-	(52,878,510)	-	-	-
	52,878,510	**-**	**-**	**(52,878,510)**	**-**	**-**	**-**
In the Course of Construction							
Capital Working Progress	73,079,035	322,370	-	(19,946,490)	(53,454,915)	-	-
	73,079,035	**322,370**	**-**	**(19,946,490)**	**(53,454,915)**	**-**	**-**
	4,909,887,465	**229,890,341**	**(1,227,500)**	**(4,007,244,597)**	**(80,510,429)**	**(10,000,000)**	**1,040,795,280**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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

6.2 Accumulated Depreciation

	Balance As at 01 April 2023	Charge for the Year	Disposals	Disposal of Subsidiary	Transfers	Revaluation	Carrying Value As at 31 March 2024
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
At Cost or Valuation							
Freehold Building	-	21,748,501	-	(12,073,501)	-	(9,675,000)	-
Furniture & Fittings	97,695,521	20,159,976	-	(36,297,737)	-	-	81,557,759
Computer Equipment	277,135,020	53,641,348	(1,051,770)	(56,889,227)	(26,668,487)	-	246,166,884
Motor Vehicle	12,732,108	246,745	-	(12,584,824)	-	-	394,029
Plant & Machinery	1,380,745,997	11,221,009	-	(1,391,967,006)	-	-	-
Office Equipment	108,731,513	10,818,702	-	(82,573,923)	-	-	36,976,292
Shop Assets	20,763,421	-	-	(20,763,421)	-	-	-
Roadways and Fence	2,384,633	82,295	-	(2,466,928)	-	-	-
Other Equipment	11,247,766	(274,784)	-	-	-	-	10,972,982
Network Hardware	38,480	27,162	-	-	-	-	65,642
Water Purification Project	15,075,990	-	-	(15,075,990)	-	-	-
	1,926,550,448	**117,670,953**	**(1,051,770)**	**(1,630,692,557)**	**(26,668,487)**	**(9,675,000)**	**376,133,588**
Assets on Finance Leases							
Building on Leasehold land	35,203,863	1,353,454	-	(36,557,317)	-	-	-
	35,203,863	**1,353,454**	**-**	**(36,557,317)**	**-**	**-**	**-**
	1,961,754,311	**119,024,407**	**(1,051,770)**	**(1,667,249,874)**	**(26,668,487)**	**(9,675,000)**	**376,133,588**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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

6.3 Net Book Values

	As at 31 March 2024 LKR	As at 31 March 2023 LKR
At Cost		
Furniture & Fittings	191,620,957	71,652,807
Computer Equipment	137,816,945	136,715,659
Motor Vehicle	215,250	6,088,296
Plant & Machinery	-	151,823,682
Office Equipment	3,904,898	36,958,674
Roadways and Fence	-	37,451,933
Other Equipment	1,060,636	764,852
Network Hardware	43,006	70,168
	334,661,692	**441,526,069**
At Valuation		
Freehold Land	145,675,000	1,282,401,400
Freehold Building	184,325,000	1,133,452,002
	330,000,000	**2,415,853,402**
Assets on Leasehold Land		
Cost or Valuation		
Building on Leasehold land (Note 6.7)	-	17,674,647
	-	**17,674,647**
In the Course of Construction		
Capital Working Progress	-	73,079,035
	-	73,079,035
	664,661,693	**2,948,133,154**

6.4 During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of LKR 229,890,341 /- (2023- LKR 247,647,360/--).

6.5 Details of Property, Plant and Equipment pledged for borrowings are disclosed in Note 33.

6.6 Revaluation of Land and Building

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

Summary description of valuation methodologies.

Market Approach / Open market value method (OMV)

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

Cost Approach / Contractors method (CM)

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

Investment Method

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

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

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

* Companies were disposed during the year (Refer Note 4).

6.6.2 Description of Significant Unobservable Inputs to Valuation

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

Property		Method of Valuation	Inputs used for measurement	Area	Range	Sensitivity of Fair value to unobservable inputs
Royal Fernwood Porcelain Limited *						
2023						
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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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

6.6.2 Description of Significant Unobservable Inputs to Valuation (Contd...)

Property		Method of Valuation	Inputs used for measurement	Area	Range	Sensitivity of Fair value to unobservable inputs
Dankotuwa Porcelain PLC *						
2023						
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
Lexinton Holdings (Pvt) Limited						
2024						
Freehold Land	Colombo 08	Investment Method	Market Rent per sq. ft	17.15 Perches	LKR. 150-200	Positively correlated
Freehold Buildings	Colombo 08			17,150 sq feet		Positively correlated
Yield rate used of 2024 valuation was 7%						
2023						
Freehold Land	Colombo 08	Contractor's Method	Per perch rate	17.15 Perches	LKR.7,000,000/- 9,500,000/-	Positively correlated
Freehold Buildings	Colombo 08		Per sq.ft. rate	17,150 sq feet	LKR.16,000/-	Positively correlated

* Companies were disposed during the year (Refer Note 4).

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:

	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2024	2023
	LKR	LKR	LKR	LKR
Dankotuwa Porcelain PLC *				
Class of Asset				
Freehold Land	-	-	-	250,000
Freehold Buildings	-	-	-	27,453,883
	-	**-**	**-**	**27,703,883**
Royal Fernwood Porcelain Limited *				
Class of Asset				
Freehold Land	-	-	-	3,462,294
Freehold Buildings	-	-	-	12,784,537
	-	**-**	**-**	**16,246,831**

* Companies were disposed during the year (Refer Note 4).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2024	2023
	LKR	LKR	LKR	LKR
Lexinton Holdings (Pvt) Limited				
Class of Asset				
Freehold Land	60,000,000	-	60,000,000	60,000,000
Freehold Buildings	115,000,000	78,200,000	36,800,000	41,400,000
	175,000,000	**78,200,000**	**96,800,000**	**101,400,000**

6.7 Company

At Cost	As at 01.04.2023 LKR	Additions LKR	Disposals LKR	As at 31.03.2024 LKR
Furniture, Fixtures & Other Equipment	7,391,121	-	-	7,391,121
Computer	30,667,393	272,650	(1,227,500)	29,712,543
Motor Vehicle	187,403	-	-	187,403
Total assets	**38,245,917**	**272,650**	**(1,227,500)**	**37,291,067**

Depreciation

At Cost	Balance As at 01.04.2023 LKR	Charge for the Year LKR	Disposals LKR	Balance As at 31.03.2024 LKR
Furniture, Fixtures & Other Equipment	5,616,131	1,187,518	-	6,803,649
Computer	28,061,780	1,436,653	(1,051,770)	28,446,663
Motor Vehicle	187,403	-	-	187,403
Total depreciation	**33,865,314**	**2,624,171**	**(1,051,770)**	**35,437,715**

Net Book Values

	2024 LKR	2023 LKR
At Cost		
Furniture, Fixtures & Other Equipment	587,472	1,774,990
Computer	1,265,880	2,605,613
Motor Vehicles	-	-
Total Carrying Amount of Property, Plant & Equipment	**1,853,352**	**4,380,603**

6.8 During the financial year the Company acquired Property, Plant & Equipment to the aggregate value of LKR 272,650/- (2023 - 834,000/-).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

Group

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

	2024	2023
Building on Leasehold Land - Other	5 Years	5 Years
Building on freehold land	10-40 Years	10-40 Years
Furniture & Fittings	4-10 Years	4-10 Years
Computer Equipment	1-4 Years	1-4 Years
Motor Vehicles	4-6 Years	4-6 Years
Plant & Machinery		
Plant & Machinery	-	10 Years
Kiln Furniture	-	3 Years
Kilns	-	15 Years
Office Equipment	4-5 Years	4-5 Years
Shop Assets	-	10 Years
Roadways & Fence	-	40 Years
Other Equipment	8-18 Years	8-18 Years
Factory Equipment	-	8-18 Years
Water Purification Project	10 Years	10 Years
Company		
The useful lives of the assets of the companies in the group is estimated as follows.		
Furniture, Fixtures & Other Equipment	4 Years	4 Years
Computer	4 Years	4 Years
Motor Vehicle	6 Years	6 Years

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

7. INVESTMENT PROPERTY

	Note	2024 LKR	2023 LKR
Balance as at the beginning of the year		2,780,295,600	2,011,743,212
Disposal of Subsidiary	4	(2,066,946,000)	-
Additions		-	618,000,000
Change in fair value of Investment property		322,500,000	150,552,388
Balance as at the end of the year		**1,035,849,000**	**2,780,295,600**

7.1 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.

7.1.1 The Valuation of group's investment properties were carried out by KPMG Real Estate & Valuation Services (pvt) Ltd the independent professional valuer as at 31 March 2024 KPMG Real Estate & Valuation Services (Pvt) Ltd is a specialist in valuing these types of investment properties.

7.2 The Group has reported rental income amounting to LKR 3,541,353/- (2023 - LKR 6,194,933/-) from this investment property and incurred direct operating expenses (including repairs and maintenance) amounting to LKR 3,895,090/- (2023 - LKR 3,429,513/-).

7.3 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 LKR	2023 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
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
Lexinton Resorts (Pvt) Ltd	Land (Balapitiya)	Open Market value	Per perch rate	750,000	550,000

* Companies were disposed during the year (Refer Note 4).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

7. INVESTMENT PROPERTY (Contd...)

7.4 Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2024 and 2023 are as shown below;

Investment Property	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of input to Fair value
Dankotuwa Porcelain PLC *				
As at 31 March 2023				
Land 3,899.35 perches	Open Market value	Per perch rate	LKR 275,000	Positively Correlated
Royal Fernwood Porcelain Ltd *				
As at 31 March 2023				
Land 1,753.07 perches	Open Market value	Per perch rate	LKR 80,000	Positively Correlated
Ambeon Securities (Pvt) Ltd				
As at 31 March 2024				
Land 1,162.37 perches	Open Market value	Per perch rate	LKR 110,000	Positively Correlated
As at 31 March 2023				
Land 1,162.37 perches	Open Market value	Per perch rate	LKR 90,000	Positively Correlated
Ceylon Leather Products Limited *				
As at 31 March 2023				
Land 721.62 perches	Open Market value	Per perch rate	LKR 1,750,000	Positively correlated
Buildings 81,428 sq.ft	Replacement Cost	Per sq.ft. rate	LKR 580 - 2,300	Positively correlated
Lexinton Resorts (Pvt) Ltd				
As at 31 March 2024				
Land 1345.62 perches	Open Market value	Per perch rate	LKR 750,000	Positively correlated
As at 31 March 2023				
Land 1373.1 perches	Open Market value	Per perch rate	LKR 550,000	Positively correlated

* Companies were disposed during the year (Refer Note 4).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

8. INTANGIBLE ASSETS

	Note	2024 LKR	2023 LKR
Group			
Goodwill	8.1	847,041,840	888,519,950
Computer Software	8.2	12,769,805	20,294,551
Brand Name	8.3	314,920,960	324,644,574
License Fees	8.4	22,161,458	22,161,458
		1,196,894,063	**1,255,620,533**

8.1 Goodwill

Balance at the beginning of the year		888,519,950	888,519,950
Disposal of Subsidiary		(41,478,110)	-
Balance at the end of the year		**847,041,840**	**888,519,950**

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

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

8.2 Software

	Note	2024 LKR	2023 LKR
Balance at the beginning of the year		20,294,551	32,053,734
Additions during the period		8,635,873	-
Disposal of Subsidiaries		(13,018,524)	-
Amortization during the period		(3,142,096)	(11,759,183)
Balance at the end of the year	**8.2.1**	**12,769,805**	**20,294,551**

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

8.3 Brand Names

	Note	2024	2023
		LKR	LKR
Balance at the beginning of the year		324,644,574	324,644,574
Disposal of Subsidiaries		(9,723,614)	-
Balance at the end of the year	**8.5**	**314,920,960**	**324,644,574**

8.3.1 The management identified the brand name of Millennium I.T.E.S.P (Pvt) Limited as an intangible asset with an indefinite useful life arising from business combination. The management is of the view that the brand name will be a key attraction in the Information Technology Sector. The brand name has been tested for impairment along with other intangible assets of the Millennium I.T.E.S.P (Pvt) Ltd as further explained under note 8.5.

8.4 License Fees

	Note	2024	2023
		LKR	LKR
Balance at the beginning of the year		22,161,458	22,161,458
Balance at the end of the year		**22,161,458**	**22,161,458**

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

8.5 Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives

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

	At the Begining of the year	Disposal of Subsidiary during the period	At the End of the year
	LKR	LKR	LKR
Goodwill			
Porcelain -Royal Fernwood Porcelain Ltd	41,478,110	(41,478,110)	-
IT and Related Services-Millennium I.T E.S.P (Pvt) Ltd	847,041,840	-	847,041,840
	888,519,950	**(41,478,110)**	**847,041,840**
Brand Name			
Porcelain -Royal Fernwood Porcelain Ltd	9,723,614	(9,723,614)	-
IT and Related Services-Millennium I.T E.S.P (Pvt) Ltd	314,920,960	-	314,920,960
	324,644,574	**(9,723,614)**	**314,920,960**

8.5.1 Impairment of goodwill

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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. (Refer Note 10)

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 disclosers are further described in the Note 10 of this finanial statements.

8.6 Company

	2024 LKR	2023 LKR
Computer Software	4,133,935	5,148,276
	4,133,935	**5,148,276**

8.6.1 Software

	2024 LKR	2023 LKR
Balance at the beginning of the year	5,148,276	6,173,283
Amortization during the period	(1,014,341)	(1,025,007)
Balance at the end of the year	4,133,935	5,148,276

9. 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.

9.1 Right to Use Assets

	As At 01.04.2023 LKR	Amortization LKR	Disposal of Subsidiary LKR	As At 31.03.2024 LKR
Right to Use Asset - Building	460,411,574	(58,577,156)	(24,642,631)	377,191,787
Right to Use Asset Motor Vehicle	2,697,419	(660,683)	(2,036,736)	-
	463,108,993	**(59,237,839)**	**(26,679,367)**	**377,191,787**

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

10. INVESTMENT IN SUBSIDIARIES

Company

10.1 Investments in Equity Securities - Quoted

	Holding		2024 Fair Value	2023 Fair Value
	2024	2023	LKR	LKR
Colombo City Holdings PLC	77.63%	77.63%	1,799,321,887	1,520,606,000
Dankotuwa Porcelain PLC	-	72.51%	-	3,084,535,000
			1,799,321,887	**4,605,141,000**

10.2 Investments in Equity Securities - Unquoted

	Holding		2024 Fair Value	2023 Fair Value
	2024	2023	LKR	LKR
Ceylon Leather Products Ltd	-	99.90%	-	833,351,000
Olancom (Pvt) Ltd	93.15%	93.15%	-	-
Millennium I.T.E.S.P. (Pvt) Ltd	0.51%	0.51%	20,573,400	26,591,000
Palla & Company (Pvt) Ltd	99.90%	99.90%	-	-
Taprobane Capital Plus (Pvt) Ltd	100.00%	100.00%	929,375,550	536,219,712
Eon Tec (Pvt) Ltd	78.00%	78.00%	1,637,689,219	2,052,782,000
			2,587,638,169	3,448,943,712
Total Carrying Value of Investments			**4,386,960,056**	**8,054,084,712**

10.2.1 Investment in Subsidiary Movement

	At the Beginning of the Year	Net Investment/ (Disposal)	Fair Value Gain	At the end of the Year
	LKR	LKR	LKR	LKR
2024	8,054,084,712	(4,015,614,018)	348,489,362	4,386,960,056
2023	8,006,536,733	(178,365,579)	225,913,558	8,054,084,712

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.

10.2.2 Investments in Sub Subsidiaries/ associate entity effective holdings

		Effective Holding %			
Sub Subsidiaries	**Investor**	**2024**	**2023**	**Principal Activity**	**Place of Principal Business**
Lexinton Financial Services (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	100.00	Carrying out Margin Trading - No operation During the year.	No. 10, Gothami Road, Colombo 08
Ceylon Leather Products Ltd	Ambeon Holdings PLC	-	99.91	Manufacturing and selling of Leather, Leather Footwear and Leather Goods	No.64, Belummahara,Mudungoda
Palla & Company (Pvt) Ltd	Ambeon Holdings PLC	99.99	99.99	Manufacturing shoes for export market - No operations during the period	No. 10, Gothami Road, Colombo 08
Dankotuwa Porcelain PLC	Ambeon Holdings PLC		72.51	Manufacturing and selling of porcelain tableware to export and local markets	Factory and the showroom, Kurunegala Road, Dankotuwa
Dankotuwa Porcelain Singapore Pte Ltd	Dankotuwa Porcelain PLC		72.51	Manufacturing and selling of porcelain tableware - No operations during the year	No. 3, Shenton Way,# 10 - 05, Shenton House ,Singapore
Royal Fernwood Porcelain Ltd	Dankotuwa Porcelain PLC	22.41	69.38	Manufacturing and selling of porcelain tableware to export and local markets	Werellamandiya Estate, Police station road, Kosgama
Lanka Decals (Pvt) Ltd	Royal Fernwood Porcelain Ltd	-	69.38	Manufacturing Decals - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Fernwood Lanka (Pvt) Ltd	Royal Fernwood Porcelain Ltd	-	69.38	Selling of porcelain tableware to domestic market - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Colombo City Holdings PLC	Ambeon Holdings PLC	77.63	77.63	Real estate Management	No. 10, Gothami Road, Colombo 08
Olancom (Pvt) Ltd	Ambeon Holdings PLC	93.15	93.15	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	100	100.00	Money Broking	No. 10, Gothami Road, Colombo 08
Ambeon Securities Pvt Ltd	Taprobane Capital Plus (Pvt) Ltd	100	100.00	Share Broking	No. 10, Gothami Road, Colombo 08
Taprobane Wealth Plus (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100	100.00	Corporate Finance	No. 10, Gothami Road, Colombo 08
Taprobane Capital Plus (Pvt) Ltd	Ambeon Holdings PLC	100	100.00	Investment Management	No. 10, Gothami Road, Colombo 08
Eon Tech (Pvt) Ltd	Ambeon Holdings PLC	78.00	78.00	Investment Holding	No. 10, Gothami Road, Colombo 08
Lexinton Holdings (Pvt) Ltd	Colombo City Holdings PLC	77.63	77.63	Real estate Management	No. 10, Gothami Road, Colombo 08
Millennium IT ESP (Pvt) Ltd	Eon Tech (Pvt) Ltd	50.62	50.62	IT Solutions	48 Sir Marcus Fernando Road, Colombo 07
Millennium IT. ESP Singapore Pte Ltd	Millennium I.T.E.S.P (Pvt) Ltd	50.62	50.62	IT Solutions	531A, Upper Cross Street, Hong Lim Complex, Singapore
MIT ESP Bangladesh Private Ltd	Millennium I.T.E.S.P (Pvt) Ltd	50.62	50.62	IT Solutions	No:3002-032 Commercial Centre, 1 in Bur Dubai. Dubai
Millennium I.T.E.S.P Bangladesh Pvt Ltd	Millennium I.T.E.S.P (Pvt) Ltd	50.62	50.62	IT Solutions	Ka 1/3, North Road, Kalachadpur, Baridhara, , Dhaka ,Bangladesh
Infoseek (Private) Ltd	Millennium I.T.E.S.P (Pvt) Ltd	39.0	39.0	An innovative Cloud based Human Resource Information System named as MintHRM	No 48 Chitra Lane, Colombo 05
Sherwood Capital (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	60	60.00	Bond trading and treasury management	No. 10, Gothami Road, Colombo 08
Lexinton Resorts (Pvt) Ltd	Colombo City Holdings PLC	77.63	77.63	Real estate Management	No. 10, Gothami Road, Colombo 08

* On 13th July 2023 the Company 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 12).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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

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

Company	Valuation Techniques	Significant Inputs	Significant Assumption	FV Level	2024	2023	Effective date
Dankotuwa Porcelain PLC *	Discounted Cashflow Method	Cash Flow Forecast	WACC **	Level 3	-	16.30%	31-Mar
			Terminal Growth Rate			3.50%	
Royal Fernwood porcelain Ltd *	Discounted Cashflow Method	Cash Flow Forecast	WACC	Level 3	-	17.20%	31-Mar
			Terminal Growth Rate			3.00%	
Millennium I.T.E.S.P. (Pvt) Ltd	Discounted Cashflow Method	Cash Flow Forecast	WACC	Level 3	18.40%	17.59%	31-Mar
			Terminal Growth Rate		5.90%	4.00%	
Colombo City Holdings PLC	Net Assets Value	-	-	Level 3	-	-	31-Mar
Ceylon Leather Products Ltd *	Net Assets Value	-	-	Level 3	-	-	31-Mar
Palla & Company (Pvt) Ltd	Net Assets Value	-	-	Level 3	-	-	31-Mar
Taprobane Capital Plus (Pvt) Ltd	Net Assets Value	-	-	Level 3	-	-	31-Mar
Olancom (Pvt) Ltd	Net Assets Value	-	-	Level 3	-	-	31-Mar

* * Weighted Average Cost of Capital

*Companies were disposed during year (Refer Note 4).

10.4 Sensitivity Analysis

			2024		2023	
	Weighted Average Cost of Capital	Terminal Growth Rate	Effect on Profit or Loss Statement	Effect on Statement of Financial Position	Effect on Profit or Loss Statement	Effect on Statement of Financial Position
			LKR	LKR	LKR	LKR
Dankotuwa Porcelain PLC *	1%		-	-	(129,975,000)	(129,975,000)
	-1%		-	-	152,058,000	152,058,000
		1%	-	-	170,821,000	170,821,000
		-1%	-	-	(146,013,000)	(146,013,000)
Royal Fernwood Porcelain Ltd *						
	1%		-	-	(98,284,000)	(98,284,000)
	-1%		-	-	113,203,000	113,203,000
		1%	-	-	200,794,000	200,794,000
		-1%	-	-	(111,811,000)	(111,811,000)
Millennium I.T E.S.P (Pvt) Ltd	1%		(334,700,000)	(334,700,000)	(364,405,000)	(364,405,000)
	-1%		392,800,000	392,800,000	422,314,000	422,314,000
		1%	439,100,000	439,100,000	422,434,000	422,434,000
		-1%	(374,200,000)	(374,200,000)	(364,523,000)	(364,523,000)

*Companies were disposed during year (Refer Note 4).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

11. OTHER NON-CURRENT FINANCIAL ASSETS

11.1 Non Current Investments

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Financial Assets at Amortized Cost					
Deposit with Colombo Stock Exchange		1,000,000	1,000,000	-	-
Investments in Government Securities		7,805,961	400,800,405	-	-
Loans and Receivables	14	1,851,630,899	424,685,675	1,851,630,899	379,462,902
Less - Impairment for Loans and Receivable		-	(180,000,000)	-	(180,000,000)
		1,860,436,860	646,486,080	1,851,630,899	199,462,902

12. 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.

	Group				Company			
	No of Shares	Effective Holding %	2024 LKR	2023 LKR	No of Shares	Effective Holding %	2024 LKR	2023 LKR
Quoted								
Dankotuwa Porcelain PLC*	36,422,571	22%	1,081,394,953	-	36,422,571	22%	1,081,394,953	-
Un-quoted								
Infoseek (Private) Limited	39	39%	42,644,115	41,874,323	-	-	-	-
			1,124,039,068	41,874,323			1,081,394,953	-

*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		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Opening Balance	41,874,323	35,928,948	-	-
Fair value of Investment transfered	983,409,417	-	983,409,417	-
Share of result of equity accounted investee	98,755,308	5,945,375	97,985,536	-
Carrying amount as at the end of the year	1,124,039,068	41,874,323	1,081,394,953	-

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Summarized Financial Information

Share of Associates' Statement of Financial Position;	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Total Assets	1,816,847,537	67,430,403	1,778,120,294	-
Total Liabilities	(973,766,013)	(60,230,403)	(950,040,923)	-
Carrying amount of investment	843,081,523	1,799,985	828,079,371	-
Share of Revenue,Profit/(Loss) of the Equity Accounted investee				
Share of Revenue	1,153,410,800	82,263,128	1,094,450,421	-
Share of Profit	82,100,724	5,945,375	81,330,952	-
Share of the Associate other comprehensive income	16,654,584	-	16,654,584	-

On 13th July 2023 the Company 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).

13. INVENTORIES

	Note	Group	
		2024	2023
		LKR	LKR
Raw Material		-	447,920,265
Project work 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
General Stock		-	13,997,593
Consumables		-	46,093,301
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	13.1	(124,602,262)	(427,985,539)
		1,415,692,944	**3,222,232,731**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

13.1 Allowance for Obsolete & Slow Moving Inventories

	Group	
	2024	2023
	LKR	LKR
Balance at the beginning of the year	427,985,539	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)	(15,551,164)
Balance at the End of the year	**124,602,262**	**427,985,539**

13.2 Details of inventories pledged for borrowings are disclosed in Note 33.

14. TRADE AND OTHER RECEIVABLES

14.1 Summary

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Trade Debtors - Other		7,820,785,233	8,255,659,410	-	-
Trade Debtors -Related parties	14.2	8,012,081	-	-	-
Less: Allowance for Bad & Doubtful Debtors	14.1.1	(1,247,391,949)	(1,423,831,684)	-	-
		6,581,405,365	**6,831,827,726**	**-**	**-**
Other Receivables - Related Party	14.2	14,998,694	5,912,240	216,530,408	225,063,121
- Other		230,198,618	317,132,896	204,822,184	133,328,976
Loan Receivables	14.3	1,349,911,515	2,344,374,088	1,099,804,361	2,264,412,840
Less: Allowance for Bad & Doubtful Debtors	14.1.1	(384,147,454)	(376,172,856)	(1,203,509,508)	(1,022,627,410)
		7,792,366,738	**9,123,074,094**	**317,647,445**	**1,600,177,527**
Advances and Prepayments		554,066,674	917,562,052	4,947,940	6,661,088
		8,346,433,412	**10,040,636,145**	**322,595,385**	**1,606,838,615**

*Details of trade debtors pledged for borrowing are disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

14.1.1 Allowance for Bad & Doubtful Debtors

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	1,800,004,540	1,600,328,137	1,022,627,410	1,351,146,680
Provision/(Reversal and write-off) made during the year	(94,098,353)	199,676,403	2,746,573	(328,519,270)
Setoff	(1,864,475)	-	(1,864,475)	-
Transfer from non current	180,000,000	-	180,000,000	-
Disposal of Subsidiary	(252,502,309)	-	-	-
Balance at the End of the year	**1,631,539,403**	**1,800,004,540**	**1,203,509,508**	**1,022,627,410**

14.2 Trade & Other Receivables - Related Party

		Group		Company	
		2024	2023	2024	2023
	Relationship	LKR	LKR	LKR	LKR
Trade Receivables - Related Party					
Dankotuwa Porcelain PLC*	Associate	3,412,750	-	-	-
Royal Fernwood Porcelain Ltd*	Associate	4,599,331	-	-	-
		8,012,081	**-**	**-**	**-**
Other Receivables - Related Party					
Ceylon Leather Products Ltd*	Subsidiary	-	-	-	150,000
Taprobane Investments (Pvt) Limited	Subsidiary	-	-	-	(3,225)
Palla & Co. (Pvt) Ltd	Subsidiary	-	-	1,682,239	1,682,239
Dankotuwa Porcelain PLC*	Associate	1,103,256	-	-	2,586,026
Royal Fernwood Porcelain Ltd*	Associate	1,186,920.00	-	1,080,000	15,727,452
Olancom (Pvt) Ltd	Subsidiary	-	-	195,537,603	195,537,603
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	10,200,000	-	10,200,000	-
Ambeon Capital PLC	Immediate Parent	2,458,519	5,862,240	-	293,761
Taprobane Capital (Pvt)Ltd	Subsidiary	-	-	100	100
Millennium I.T.E.S.P (Pvt) Ltd	Subsidiary	-	-	4,846,525	4,723,939
Ambeon Securities (Pvt) Ltd	Sub-Subsidiary	-	-	3,133,941	4,315,226
Eon Investments (Pvt) Ltd	Affiliate	50,000	50,000	50,000	50,000.00
		14,998,694	**5,912,240**	**216,530,408**	**225,063,121**

* Disposed during the year refer Note 4

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

14.3 Loan Receivables - Group

	Note	Relationship	2024			2023		
			Amount Receivable Within 1 Year	Amount Receivable After 1 Year	Total	Amount Receivable Within 1 Year	Amount Receivable After 1 Year	Total
			LKR	LKR	LKR	LKR	LKR	LKR
Group Companies								
Ambeon Consolidated (Pvt) Ltd *		Ultimate Parent	439,441,926	-	439,441,926	125,115,306	244,685,675	369,800,981
Ambeon Capital PLC *		Immediate Parent	684,266,858	1,851,630,899	2,535,897,757	2,173,798,678	-	2,173,798,678
Loans to Company Officers	14.3.2	Employees	1,465,626	-	1,465,626	722,999	-	722,999
Others								-
D.B. Exim (Pvt) Ltd			19,307,143	-	19,307,143	19,307,143	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd **			205,429,962	-	205,429,962	25,429,962	180,000,000	205,429,962
			1,349,911,515	**1,851,630,899**	**3,201,542,414**	**2,344,374,088**	**424,685,675**	**2,769,059,763**

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

Company Loan Obtained	Company Loan Granted	Rate	Period	Amount LKR
Ambeon Consolidated (Pvt) Ltd	Ambeon Holdings PLC	AWPLR + 1.5%	36 Months	226,400,052
	Colombo City Holdings PLC	AWPLR + 1.5%	36 Months	213,041,874
				439,441,926
Ambeon Capital PLC	Ambeon Holdings PLC	AWPLR + 1.5%	36 Months	1,851,630,899
	Taprobane Wealth Plus (Pvt)Ltd	AWPLR + 1.5%	12 Months	6,344,908
	Lexinton Holdings (Pvt) Ltd	AWPLR + 1.5%	12 Months	348,848,724
	Millennium I.T.E.S.P.(Pvt) Ltd	AWPLR + 1.5%	12 Months	329,073,226
				2,535,897,757

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

14.3.1 Loan Receivables - Company

	Relationship	2024 Amount Receivable Within 1 Year	2024 Amount Receivable After 1 Year	2024 Total	2023 Amount Receivable Within 1 Year	2023 Amount Receivable After 1 Year	2023 Total
		LKR	LKR	LKR	LKR	LKR	LKR
Group Companies							
Olancom (Pvt) Ltd	Subsidiary	648,667,204	-	648,667,204	648,667,204	-	648,667,204
Ambeon Capital PLC	Immediate Parent	-	1,851,630,899	1,851,630,899	1,562,186,774	-	1,562,186,774
Royal Fernwood Porcelain Ltd	Associate	-	-	-	8,821,757	-	8,821,757
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	226,400,052	-	226,400,052	-	199,462,902	199,462,902
Others							
D.B. Exim (Pvt) Ltd**		19,307,143	-	19,307,143	19,307,143	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd***		205,429,962	-	205,429,962	25,429,962	180,000,000	205,429,962
		1,099,804,361	**1,851,630,899**	**2,951,435,260**	**2,264,412,840**	**379,462,902**	**2,643,875,741**

* * 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.

	Payment on or before	Interest Rate	As at 01 April 2023	Loans Granted	Loans Settled/ Writtenoff	Interest Accrued During the year	As at 31 March 2024
	or Before		LKR	LKR	LKR	LKR	LKR
Group Companies							
Olancom (Pvt) Ltd	28 Sep 2015	AWPLR + 1%	648,667,204	-	-	-	648,667,204
Ambeon Capital PLC	30 Months	AWPLR+1.5%	1,562,186,774	-		289,444,125	1,851,630,899
Ambeon Consolidated (Pvt) Ltd	27 Months	AWPLR+1.5%	199,462,902	-		26,937,150	226,400,052
Royal Fernwood Porcelain Ltd	Within 1 Year	AWPLR+1.5%	8,821,757	-	(8,821,757)		-
Ambeon Securities (Pvt) Ltd	Within 1 Year	AWPLR+0.5%	-	-	-	-	-
Others							
D.B. Exim (Pvt) Ltd	15 September 2018	N/A	19,307,143	-	-	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd	Within 31 Months	AWPLR+1.5%	205,429,962	-	-	-	205,429,962
			2,643,875,741	**-**	**(8,821,757)**	**316,381,275**	**2,951,435,260**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

14.3.2 Loans to Company Officers

	Group	
	2024	2023
	LKR	LKR
Balance at the beginning of the year	722,999	2,900,988
Loans granted during the year	742,627	-
Less : Repayments during the year	-	(2,177,989)
Balance at the end of the year	**1,465,626**	**722,999**

15. OTHER FINANCIAL INVESTMENTS

		Group		Company	
		2024	2023	2024	2023
Financial Instrument -	**Note**	**LKR**	**LKR**	**LKR**	**LKR**
Fair Value through Profits or Losses					
Quoted Equities at Market Value	15.1 and 15.3	258,941,536	194,071,016	152,988,037	148,249,462
Government Securities		5,310,706,616	-	2,544,855,167	-
Fair Value through OCI					
Quoted Equities at Market Value	15.2	207,666,821	308,974,925	207,666,821	308,974,925
Financial Instrument - at Amortized cost					
Bank Deposits & Government Securities		1,159,627,428	2,932,227,827	141,227,613	294,354,937
		6,936,942,401	**3,435,273,768**	**3,046,737,638**	**751,579,324**

Financial assets has been reclassified as per SLFRS 9 "Financial Instruments", details have been disclosed in Note 36.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

15.1 Investments in Equity Securities - Group

	No of Shares		Cost	Market Value	Cost	Market Value
	2024	2023	2024	2024	2023	2023
			LKR	LKR	LKR	LKR
Incorporated in Sri Lanka						
Fair Value through Profits or Losses						
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	399	88,785	51,970	88,785	52,269
Hayleys PLC	2,835,192	2,115,283	236,544,299	232,769,263	236,544,299	152,300,376
Royal Ceramics Lanka PLC-	500,000	500,000	25,661,490	15,550,000	25,661,490	13,800,000
Swisstec (Ceylon) PLC	553,419	553,419	24,215,091	10,570,303	24,215,091	7,803,208
Resus Energy PLC	-	396,091	-	-	13,335,870	5,318,627
Hela Apparel Holdings PLC	-	551,600	-	-	8,274,000	4,412,800
Total Carrying Value of Investment			**286,509,665**	**258,941,536**	**315,424,160**	**194,071,016**

15.2 Fair Value through OCI - Group & Company

Pan Asia Banking Corporation PLC	9,749,616	24,717,994	182,805,300	207,666,821	463,462,388	308,974,925

Financial assets has been reclassified as per SLFRS 9 "Financial Instruments", details have been disclosed in Note 36

15.3 Investments in Equity Securities - Company

	No of Shares		Cost	Market Value	Cost	Market Value
	2024	2023	2024	2024	2023	2023
	LKR	LKR	LKR	LKR	LKR	LKR
B P P L Holdings PLC		457,777	-	-	5,377,997	9,659,095
Seylan Bank PLC		21,761	-	-	1,987,645	724,641
Hayleys PLC	1,545,283	1,545,283	176,827,817	126,867,734	176,827,817	111,260,376
Royal Ceramics Lanka PLC-	500,000	500,000	25,661,490	15,550,000	25,661,490	13,800,000
Swisstec (Ceylon) PLC	553,419	553,419	24,215,091	10,570,303	24,215,091	7,803,208
Resus Energy PLC	-	207,092	-	-	7,186,148	2,795,742
Hela Apparel Holdings PLC	-	275,800	-	-	4,137,000	2,206,400
Total Carrying Value of Investment			**226,704,398**	**152,988,037**	**245,393,188**	**148,249,462**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

16. STATED CAPITAL

	2024		2023	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares beginning of the year	356,869,666	5,331,775,177	356,869,666	5,331,775,177
Fully Paid Ordinary Shares end of the year	**356,869,666**	**5,331,775,177**	**356,869,666**	**5,331,775,177**

17. DIVIDEND PER SHARE

	Company			
	2024		2023	
	PER SHARE/LKR	LKR	PER SHARE/LKR	LKR
Equity dividend on ordinary shares declared and paid during the year				
Interim Paid	1.70	606,678,432	3.00	1,070,608,998
Total Dividend	**1.70**	**606,678,432**	**3.00**	**1,070,608,998**

18. OTHER COMPONENTS OF EQUITY

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Revaluation Reserves	18.1	92,585,107	1,266,149,047	-	-
General Reserve	18.2	220,140	220,140	220,140	220,140
Foreign Currency Translation Reserve	18.3	(8,032,363)	(2,728,091)	-	-
Fair Value Through Other comprehensive Income		24,861,524	(161,708,150)	24,861,524	(161,708,150)
Other Reserves	18.5	3,100,000	3,100,000	3,100,000	3,100,000
		112,734,407	**1,105,032,946**	**28,181,664**	**(158,388,010)**

	Attributable to Equity Holders of Parent	
	Revaluation Reserves	Foreign Currency Translation Reserve
	LKR	LKR
Beginning of the year	1,283,072,324	12,471,881
Disposal of Subsidiary	(1,173,563,941)	-
During the year change	(16,923,277)	(20,774,764)
End of the year	92,585,105	(8,302,883)

18.1 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 Income Approach as further explained in Note 7.3. The result of such valuations were incorporated in the financial statements by transferring the surplus arisen thereon to the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

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

18.3 As at the reporting date, the assets and liabilities of the Millennium IT ESP Singapore Pte. Ltd,MIT ESP Bangladesh Private Ltd,MIT ESP Trading L.L.C 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.

18.4 Net foreign Exchange Difference

	Group	
	2024	2023
	LKR	LKR
Loss from Foreign Currency Translation during the year	(10,478,253)	(24,883,714)
	(10,478,253)	(24,883,714)

19. INTEREST BEARING LOANS AND BORROWINGS

Summary - Group	Note	2024			2023		
		Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total
		LKR	LKR	LKR	LKR	LKR	LKR
Lease liabilities	19.1	14,950,365	469,814,542	484,764,906	28,157,776	502,833,565	530,991,340
Bank Loans	19.2	920,527,735	-	920,527,735	839,830,245	491,934,688	1,331,764,933
Short Term Loan	19.3	2,675,956,285	-	2,675,956,285	3,149,892,905	-	3,149,892,905
Bank Overdraft		279,019,088	-	279,019,088	425,965,139	-	425,965,139
Loans from Related Parties	19.4	5,739,310	-	5,739,310	5,739,310	-	5,739,310
Others*		-	-	-	74,869,984	-	74,869,984
		3,896,192,783	**469,814,542**	**4,366,007,324**	**4,524,455,358**	**994,768,253**	**5,519,223,611**

19.1 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. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

Set out below are the carrying amounts of lease liabilities on leasehold properties and the movements for the year ended 31 March 2024.

Lease liabilities	01.04.2023	Interest Cost	Repayment	Disposal of Subsidiary	31.03.2024
	LKR	LKR	LKR	LKR	LKR
Lease liability	530,991,340	69,023,607	(82,654,426)	(32,595,614)	484,764,906
	530,991,340	69,023,607	(82,654,426)	(32,595,614)	484,764,906

	2024			2023		
	Within I Year	After I Year	Total	Within I Year	After I Year	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Gross Liability	82,000,000	765,380,000	847,380,000	99,548,896	866,563,036	966,111,932
Finance Charges allocated to future periods	(67,049,635)	(295,565,458)	(362,615,094)	(71,391,120)	(363,729,472)	(435,120,592)
Net liability	**14,950,365**	**469,814,542**	**484,764,906**	**28,157,776**	**502,833,565**	**530,991,340**

* Notes and disclosers relating to Lease Assets are described in the Note 9.

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

19.2 Bank Loans

	At the Beginning of the Year	Loans Obtained	Repayment	Exchange Gain/(Loss)	Accrued interest	Disposal of Subsidiary	At The End of the year
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
2024	1,331,764,933	3,408,509,806	(2,733,247,693)	-	(17,601,475)	(1,068,897,837)	920,527,735
2023	1,585,989,786	4,084,323,424	(4,333,694,964)	(28,205,153)	23,351,840	-	1,331,764,933

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

19.2.1 Terms and conditions

Company	Lender/rate of interest	2024 LKR	2023 LKR	Repayment	Security
Royal Fernwood Porcelain Limited	**Nations Trust Bank PLC**				
	- 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)	
	- Overdraft - AWPLR + 4.5%	-	-		
Dankotuwa Porcelain PLC	**Nation Trust Bank**				
	- Short Term Loan (AWPLR+1.5%p.a.)	-	166,645,909	60 Months	Unquoted shares 1,080,697,674 of Royal Ferwood Porcelain Ltd.
Ambeon Holdings PLC	**Sampath bank**				
	- Term Loan	-	117,600,000	60 Monthly installments	Property lot B plan no 184/2001
Millennium I.T.E.S.P (Pvt) Limited	**The Hongkong and Shanghai Banking Corporation Limited**				
	- Import Finance loan (Tenure linked COF+2.5% per annum)	920,527,733	424,544,891	Within 180 Days	Mortgage over Inventory and debtors
	National Development Bank PLC				
	- Import Finance loan	-	11,698,922		
	Seylan Bank PLC	-			Corporate Guarantee of Ambeon Holdings PLC for LKR 2.0 Bn
	- Import Finance loan (Month AWPLR+ 1% p.a)	-	14,323,000	Within 180 Days	
	DFCC Bank PLC				
	- Import Finance loan (Weekly AWPLR+ 1.5% p.a)	-	39,890,536	Within 180 Days	
		920,527,735	**1,331,764,933**		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

19.3 Short Term Loan

	At the Beginning of the Year	Loans Obtained	Repayment	Disposal of Subsidiary	Accrued Interest	At The End of the year
	LKR	LKR	LKR	LKR	LKR	LKR
2024	3,149,892,905	192,547,161,350	(193,153,908,059)	(118,175,653)	250,985,743	2,675,956,285
2023	1,266,739,185	6,042,490,456	(4,170,696,761)	-	11,360,025	3,149,892,905

19.3.1 Terms and Conditions

Company	Lender/rate of interest	2024	2023	Repayment	Security
		LKR	LKR		
Royal Fernwood Porcelain Ltd	**DFCC Bank PLC**				
	- Short Term Loan	-	118,175,653		
Ambeon Securities (Pvt) Ltd	**Seylan Bank PLC**				
	- Short Term loan (Rate - AWPLR +1.25% with the floor rate 17.50%	-	120,000,000	90 days	
Sherwood Capital Pvt Ltd	**Seylan Bank PLC**				
	-Reverse Repo 11.50% p.a.	1,471,908,205	1,616,697,169		
	Union Bank of Colombo PLC	-	150,394,808	Overnight to one month	Government securities
	- Short term loan 24% p.a.				
Colombo City Holdings PLC	**Seylan Bank PLC**				
	- Reverse Repo (Rate 22% p.a.)	-	98,000,000		
Ambeon Holdings PLC	**Nation Trust Bank**				
	- Short Term loan	-	105,000,000	Maximum duration of 90 days	Quoted shares of Colombo City Holdings PLC - no. of shares 2,858,020.
Millennium I.T.E.S.P (Pvt) Limited	**Seylan Bank PLC**				
	- Short Term Loan (Month AWPLR+ 1% p.a)	1,204,048,080	734,880,070		Corporate Gurantee of Ambeon Holdings PLC for LKR 2.0 Bn
	National Development Bank PLC				
	- Short term loan 29% p.a.	-	206,745,205		
		2,675,956,285	3,149,892,905		

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

19. INTEREST BEARING BORROWINGS (Contd.)

19.4 Loans granted by Related Parties

	Relationship	As At 31.03.2024 LKR	As At 31.03.2023 LKR
Mr. Eric Wikramanayake *	Former Director	5,739,310	5,739,310
		5,739,310	5,739,310

* The above loans were granted by the former Director of Olancom (Pvt) Ltd to Olancom (Pvt) Ltd. Rate of interest at 13.5% P.a.

19.5 Summary - Company

19.5.1 Interest Bearing Loans and Borrwings

	Note	Amount Repayable within 1 year 2024	Amount Repayable after 1 year 2024	Total 2024	Amount Repayable within 1 year 2023	Amount Repayable after 1 year 2023	Total 2023
Bank Loan *	19.5.2	-	-	-	169,800,000	52,800,000	222,600,000
Related Party Loan	19.5.3	-	-	-	165,932,868	-	165,932,629
Others		-	-	-	74,756,435	-	74,756,435
		-	**-**	**-**	**410,489,303**	**52,800,000**	**463,289,064**

*Bank Overdraft Facility and Revolving Loan facility are secured on Financial Investments as further described under Assets Pledged (Note 33)

19.5.2 Bank Loan

	As at 01.04.2023 LKR	Loan Obtained LKR	Repayment LKR	Accrued Interest LKR	As at End of the Year LKR
Term loan - Sampath Bank	117,600,000	90,000,000	(207,600,000)	-	-
Short term loan - Nation trust bank PLC	105,000,000	123,000,000	(228,000,000)	-	-
	222,600,000	**213,000,000**	**(435,600,000)**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

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19.5.3 Related Pary - Loan

	Rate	As at Beginning of the Year	Loan Obtained	Repayment	Accrued Interest	As at End of the Year
		LKR	LKR	LKR	LKR	LKR
2024	Variable AWPLR+1.5%	165,932,629	-	(165,932,629)	-	-
2023	Variable AWPLR+1.5%	485,987,760	-	(390,561,493)	70,506,362	165,932,629.33

19.5.3.1 Related Pary - Loan

	Rate	Period	Amount	Amount
Loan payable			**2024**	**2023**
Colombo City Holdings PLC*	AWPLR+1.5%	3 years	-	165,932,629
			-	**165,932,629**

* No Collateral has been provided for the Related Party Loans

20. DEFERRED TAX LIABILITY/(ASSET)

20.1 Group

	Asset		Liability	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
At the beginning of the year	(272,217,546)	(132,224,820)	1,237,337,765	637,363,358
Business Acquisition	-	-	-	28,122,187
Disposal of Subsidiary	-	-	(933,499,000)	-
Charge/(Reversal) to the Profit or Loss	172,900,646	(118,716,651)	27,926,086	175,419,427
Charge/(Reversal) to Other Comprehensive Income Statement	(74,004)	(24,207,646)	(561,471)	399,352,371
Transfers between Deferred Tax Liability and (Asset)	30,907,208	2,931,570	(30,907,206)	(2,919,577)
Adjusments	-	(4,440)	-	16,433
At the end of the year	**(68,483,696)**	**(272,217,546)**	**300,296,174**	**1,237,337,765**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

20.2 Charge/(Reversal) to the Profit or Loss

	Note	2024 LKR	2023 LKR
Transfer from accelerated depreciation and others			
-Impact due to change in temporary differences	28	200,826,732	116,564,534
-Impact due to rate change		-	(59,861,758)
		200,826,732	**56,702,776**
Charge/(Reversal) to Other Comprehensive Income Statement			
Tax on Revaluation Gain -Impact due to change in temporary differences		-	38,281,769
Tax on Revaluation Gain -Impact due to rate change		-	347,921,472
Employee Benefit Liability		(635,474)	(11,058,517)
		(635,474)	**375,144,724**

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

	Asset		Liability	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Fair Valuation of Land and Buildings	-	2,655,000	213,457,643	1,101,359,361
Accelerated depreciation and amortization for tax purposes	14,401,989	5,912,618	1,120,892	195,173,244
Employee Benefit Liability	(56,082,914)	(67,071,225)	(7,140,378)	30,978,680
Losses available for offset against future taxable income	-	(2,745,642)	-	(82,089,461)
Provision for Debtors	-	(117,897,236)	-	6,535,848
Provision for Inventory	(708,269)	(33,259,677)	-	2,738,833
Others*	(26,094,502)	(59,811,384)	92,858,017	(17,358,741)
	(68,483,696)	**(272,217,546)**	**300,296,174**	**1,237,337,765**

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 297 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

20.4 Company

	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive Income	
	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR
Deferred Tax Liability						
Accelerated depreciation for tax purposes	1,100,075	1,480,607	(380,532)	266,463	-	-
Fair Valuation of investment in subsidiaries	441,939,463	450,325,913	(8,386,450)	241,699,803	-	-
Fair Valuation of investment in Government Securities	33,134,035	-	33,134,035	-	-	-
Deferred Tax Assets						
Defined Benefit Plans	(3,341,763)	(2,505,687)	(630,323)	(1,070,385)	(205,754)	299,320
Losses available to offset against future Taxable Income	-	-	-	17,000,000	-	-
Deferred Tax (Reversal)/Expense			23,736,730	257,895,881	(205,754)	299,320
Net Deferred Tax Liability/(Asset)	**472,831,809**	**449,300,833**				

21. EMPLOYEE BENEFIT LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Current/Past Service Cost	47,390,079	67,779,805	1,338,118	1,350,791
Interest Cost on Benefit Obligation	59,221,284	43,194,320	1,670,458	1,084,139
	106,611,363	110,974,125	3,008,576	2,434,930
Net Actuarial (Gain) / Loss	6,296,125	50,465,384	685,845	(997,732)
Total Expenses	**112,907,488**	**161,439,509**	**3,694,421**	**1,437,198**

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Balance as at 1 April	492,800,724	382,816,683	8,352,290	7,227,592
Current/Past Service Cost	47,390,079	67,779,805	1,338,118	1,350,791
Interest Cost on Benefit Obligation	59,221,284	43,194,320	1,670,458	1,084,139
Actuarial Losses / (Gain) on Obligation	6,296,125	50,465,384	685,845	(997,732)
Benefit Paid	(44,732,360)	(51,552,340)	(907,500)	(312,500)
Acquisition of Subsidiary	-	96,872	-	-
Disposal of Subsidiary	(183,313,090)	-	-	-
Balance as at 31 March	**377,662,762**	**492,800,724**	**11,139,211**	**8,352,290**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

21.1 The cost of gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2024 by Messrs. Actuarial & Management Consultants (Pvt) Ltd Actuaries.

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

21.2 Maturity Profile of the Defined Benefit Plan

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Within Next 12 Months	47,177,866	100,598,094	3,961,261	2,458,286
Between 1 - 2 Years	78,035,817	83,235,890	3,350,011	1,189,815
Between 2 - 5 Years	71,070,480	139,877,098	2,342,102	2,334,059
Between 5- 10 Years	116,656,338	115,366,149	865,768	1,161,046
Beyond 10 years	64,722,261	53,723,493	620,069	1,182,084
	377,662,762	**492,800,724**	**11,139,211**	**8,325,290**

21.3 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	(52,408,990)	1,025,451	(999,697)
Actuarial (Gain)/ Loss Resulting from Changes in Demographic Assumptions	(1,363,624)	(10,063,428)	212,841	473,082
Actuarial (Gain)/ Loss Resulting from Changes in Experience Adjustments	(47,050,403)	112,937,802	(552,447)	(471,117)
	6,296,125	**50,465,384**	**685,845**	**(997,732)**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

21.4 Sensitivity Analysis

If one percentage point changes in the assumptions, the change in present value of the defined benefit obligation would be as follows;

	Group			
	2024		2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount Rate	(21,470,938)	23,946,801	(21,937,531)	22,529,971
Salary Increment Rate	24,048,107	(21,907,052)	24,797,290	(24,342,142)

	Company			
	2024		2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount Rate	(297,889)	318,308	(272,826)	294,296
Salary Increment Rate	323,936	(308,399)	309,358	(290,808)

22. CONTRACT LIABILITY - SERVICE AGREEMENTS

	2024	2023
	LKR	LKR
Balance at the beginning of the year	2,703,967,229	2,079,003,258
Deferred During the year	1,479,832,418	2,016,456,750
Revenue recognised during the year	(2,502,533,105)	(1,391,492,779)
Balance at the end of the year	**1,681,266,542**	**2,703,967,229**

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.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Trade Payable - Other	3,047,320,698	2,065,873,758	-	-
Other Payables - Other	390,088,569	1,078,721,115	78,340,985	68,766,470
- Related Parties (Note 23.1)	32,739	37,527,533	617,099	862,156
Payable Related to On going Project	-	1,341,652,807	-	-
Sundry Creditors Including Accrued Expenses*	227,890,675	67,804,082	-	-
	3,665,332,681	**4,591,579,295**	**78,958,084**	**69,628,626**

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

23.1 Other Payables -Related Parties

	Relationship	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Royal Fernwood Porcelain (Pvt) Ltd*	Associate	32,739	-	32,739	32,739
Lexinton Holdings (pvt) Ltd	Sub-Subsidiary	-	-	-	829,417
Ambeon Capital PLC	Immediate Parent	-	37,527,533	-	-
Taprobane Investments (Pvt) Ltd	Sub-Subsidiary	-	-	3,225	3,225
Millennium IT ESP (pvt) Ltd	Sub-Subsidiary	-	-	581,135	-
		32,739	**37,527,533**	**617,099**	**862,156**

* Disposed during the year refer Note 4

24. OTHER FINANCIAL LIABILITIES

	Note	No. of Shares	Group		Company	
			Carrying Value	Carrying Value	Carrying Value	Carrying Value
			2024	2023	2024	2023
			LKR	LKR	LKR	LKR
Financial Liabilities at amortised cost						
Preference Shares	24.1	170,625	347,936	968,906	347,936	968,906
			347,936	**968,906**	**347,936**	**968,906**

24.1 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.

25. OTHER INCOME

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Other miscellaneous Income	120,084	41,606,340	-	-
Recovery of written-off debtors	30,000,000	-	30,000,000	-
Dividend Income	3,051,096	5,787,737	-	-
Gain on Disposal of investment	24,536,762	-	-	-
Disposal of PPE	785,599	-	785,599	-
	58,493,542	**47,394,077**	**30,785,599**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

26. FINANCE COST

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Bank Overdraft/ Loan Interest	5,207,892	132,424,714	118,483	230,195
Bank Charges	2,326,779	38,305,434	2,023,596	1,837,749
Impairment loss on investments held under trading	-	11,045,521		
Interest expenses on Reverse-Repo/Sell -Buy	252,438,711	-		
Lease Interest	69,023,607	75,135,909		-
Loan Interest	426,283,529	850,582,725	13,889,284	123,510,217
Interest on Preference Shares	47,880	23,940	47,880	-
Interest on Related Party Loan	-	6,250,971	7,171,741	70,506,363
Interest Expense on Staff welfare fund	146,281	175,900	-	-
	755,474,681	**1,113,945,114**	**23,250,984**	**196,084,524**

27. FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Interest on;				
- FCBU Accounts	-	107,740	-	-
- Short Term Investments	1,180,667	95,094,347	-	-
- Staff Loan	265,762	125,250	-	-
- Commercial Paper	72,814	-	-	-
- Repo Investment	188,805,387	118,714,044	-	-
- Parent and ultimate parent	100,560,801	108,504,163	-	-
Interest income on delayed settlement	89,279,511	119,420,485	-	-
Interest Income on Fixed Deposits/bank deposits	6,139,716	37,979,249	-	-
	386,304,657	**479,945,279**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

28. INCOME TAX EXPENSE / (REVERSAL)

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Current Income Tax					
Current Tax Expense on Ordinary Activities for the Year	28.1	428,712,355	499,380,069	40,807,015	-
Dividend taxes		8,100,001	10,490,099		
Under / (Over) Provision of current taxes in respect of prior years		(119,707,224)	4,441,188	-	-
Deferred Income Tax					
Deferred Taxation Charge	20	200,826,732	116,564,534	23,736,730	168,095,578
Impact due to rate change		-	(59,861,758)	-	89,800,303
Income tax charge / (Reversal) reported in the Profit or Loss statement		**517,931,864**	**571,014,133**	**64,543,745**	**257,895,881**

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

	Note	Group		Company	
		2024	2023	2024	2023
		LKR	LKR	LKR	LKR
Accounting Profit before Tax from Operations		3,596,784,978	2,216,183,710	1,284,035,767	756,349,189
Profit / (Loss) before Tax from Discontinuing Operations		(221,821,440)	-	(223,319,489)	-
		3,374,963,538	2,216,183,710	1,060,716,278	756,349,189
Income Exempt from Tax		(3,398,332,463)	(1,118,545,296)	(1,376,112,688)	(495,760,675)
Aggregate Disallowed items		378,361,797	1,165,959,098	235,124,494	30,579,468
Aggregate Allowable credits		(657,971,862)	(733,464,660)	(2,975,502)	(5,958,491)
Other income included in profit from operation		(73,561,281)	(627,003,759)	470,328	-
Consolidated Adjustment		348,550,693	1,110,243,302	-	-
Business/Investment Profit / (Loss)		**(27,989,578)**	**2,013,372,395**	**(82,777,090)**	**285,209,491**
Interest Income		1,127,674,380	603,630,089	660,931,159	-
		1,127,674,380	603,630,089	660,931,159	-
Less : Tax Loss utilized	28.2	(601,401,284)	(750,657,824)	(524,379,124)	(285,209,491)
Taxable Income		**498,283,518**	**1,866,344,660**	**136,552,035**	**-**
Applicable Rate - 14%		-	14,705,977	-	-
Applicable Rate - 17%		4,357,145	15,854,919	-	-
Applicable Rate - 18%		-	75,348,453	-	-
Applicable Tax Rate - 24%		-	150,950,451	-	-
Applicable Tax Rate - 30%		424,513,804	223,735,087	40,965,611	-
Less :WHT credits		(158,595)	-	(158,595)	-
Income tax on dividend Income		-	18,785,183	-	-
Income Tax Attributable to Continuing Operations		**428,712,355**	**499,380,068**	**40,807,017**	**-**
Income Tax Expense		**428,712,355**	**499,380,068**	**40,807,017**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

28.2 Tax Losses Carried Forward

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Tax losses brought forward	1,751,653,823	2,051,568,272	445,450,594	719,939,363
Business acquisition	-	6,866,115	-	-
Disposal of Subsidiaries	(1,051,728,542)	-	-	-
Tax losses arising during the year	186,061,383	63,965,078	82,777,090	10,720,722
Utilization of tax losses	(601,401,284)	(750,657,824)	(524,379,124)	(285,209,491)
Adjustment in respect of prior years	12,807,275	379,912,182	12,807,275	-
Tax losses carried forward	**297,392,655**	**1,751,653,823**	**16,655,835**	**445,450,594**

28.2.1 Group Tax Rates

Group Companies were taxed at 17% and 30% during the financial year.

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

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Stated after Charging/(Crediting)				
Directors' Remuneration	21,035,000	34,002,925	10,950,000	13,200,000
Cost of defined benefit obligations				
- Defined benefit plan cost	106,611,363	110,974,125	3,008,576	2,434,930
- Defined contribution plan cost - EPF/ETF	283,813,159	383,467,514	7,142,386	-
Employee Salaries and other employee related expenses	2,404,999,259	2,765,108,774	103,376,898	-
Depreciation of property, plant and equipment	119,024,407	174,909,917	2,624,171	3,910,589
Amortisation of intangible assets	3,142,096	11,759,183	1,014,341	1,024,983
Amortisation of right of use assets	59,237,839	82,291,381	-	-
External auditors' remuneration	6,557,000	9,138,450	1,610,000	1,410,000
Legal Fees	10,375,574	15,660,728	3,781,614	-
Allowances for Obsolete & Slow Moving Inventories	(4,696,996)	(170,429,165)	-	-
Impairment for Doubtful Debts	85,901,647	199,676,403	2,746,573	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

30. EARNINGS PER SHARE

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

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

	Group	
	2024	2023
	LKR	LKR
Amount Used as the Numerator:		
Net Profit/(Loss) for the year attributable to equity holders of the parent for basic Earnings per share	2,456,725,492	1,218,451,233
Net Profit/(Loss) from the continuing operations attributable to equity holders of the parent for basic Earnings per share	2,678,546,931	1,218,451,232
Number of Ordinary Shares Used as Denominator:		
Ordinary shares at the beginning of the year	356,869,666	356,869,666
Weighted average number of ordinary shares adjusted for the Basic EPS	**356,869,666**	**356,869,666**
Weighted average number of ordinary shares adjusted for the effect of dilution	**356,869,666**	**356,869,666**

31. CASH AND SHORT TERM DEPOSITS

31.1 Favourable Cash and Cash Equivalent

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Cash and Bank Balances	500,608,109	1,271,139,100	49,376,611	19,533,986
	500,608,109	**1,271,139,100**	**49,376,611**	**19,533,986**

31.2 Unfavourable Cash and Cash Equivalent

Bank Overdraft (Note 19)	(279,019,088)	(425,965,139)	-	-
Cash & Short term Deposits at the end of the year for the Purpose of Statement of Cash Flow	**221,589,021**	**845,173,962**	**49,376,611**	**19,533,986**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

32. CONTINGENT LIABILITIES AND COMMITMENTS

32.1 Ambeon Holdings PLC

Bank Guarantees

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

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

	2024 LKR Mn	2023 LKR Mn
Performance Bonds	740	725
Bid Bonds	80	52
Advance payments guarantees	363	257
Custom Guarantee	61	72

32.4 Ambeon Securities (Pvt) Ltd

Bank guarantee given to Central Depository System (CDS) on behalf of the company (LKR 10 Mn).

32.5 There are no material issues pertaining to the Employee and Industrial Relations of the Group.

32.6 Tax Assessments

The Ambeon Holdings PLC has received tax assessment for the period 2017/18.The management has appeal against the assessment. The Group is of the view that the above assessment will not have any material impact on the financial statements.

Lexinton Holding (Pvt) Ltd's tax matter relating to 2011/2012 has been determined by the Tax appeal commission in favor of the Department of Inland Revenue. Lexinton Holdings (Pvt) Ltd filed an action in Court of Appeal (COA) against the said determination. Tax assessment amount is Rs.75.9Mn with penalty and company has fully provided for the tax liability in year 2023/2024.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

33. ASSETS PLEDGED

33.1 Assets Pledged by Ambeon Holdings PLC

		Carrying Amount Pledged		
		2024	2023	
Nature of Assets	**Nature of Liability**	**LKR Mn**	**LKR Mn**	**Included under**
Quoted Equity Investments	Overdraft Facility	2,881	4,605	Investments in Subsidiaries and Other Current Financial Assets
	Revolving Loan for Loans and Borrowings			
Un-Quoted Equity Investments	Term loan	-	-	Investments in subsidiaries and other current financial assets
Property - Lexinton - lot B plan no 184/2001	Term loan	330	340	Property,Plant & Equipment (Group)
		3,211	**4,945**	

33.2 Assets Pledged by Colombo City Holdings PLC

		Carrying Amount Pledged		
		2024	2023	
Nature of Assets	**Nature of Liability**	**LKR Mn**	**LKR Mn**	**Included under**
Government Securities	Repurchase Agreements (Bonds)	-	98	Other Financial Investments

33.4 Assets Pledged by Dankotuwa Porcelain PLC

		Carrying Amount Pledged		
		2024	2023	
Nature of Assets	**Nature of Liability**	**LKR Mn**	**LKR Mn**	**Included under**
Inventory and Trade Debtors	Loans and Borrowings	-	1,390	Inventory and Trade Debtors
Factory premises in Dankotuwa	Loans and Borrowings	-	867	Property,Plant & Equipment (Group)
		-	**2,257**	

33.5 Royal Fernwood Porcelain Limited

		Carrying Amount Pledged		
		2024	2023	
Nature of Assets	**Nature of Liability**	**LKR Mn**	**LKR Mn**	**Included under**
Land and Buildings & Immovable Machinery	Term Loans and Short Term Borrowings	-	650	Property, plant and equipment and Investment Property
		-	**650**	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

34. RELATED PARTY DISCLOSURES

34.1 Transaction with related entities

Nature of transactions	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
34.1.1 Ultimate Parent				
Loan Granted	-	-	-	-
Loan Settled	(1,000,000)	(7,312,840)	-	(3,943,657)
Short Term advances	10,200,000	-	10,200,000	-
Interest on Loans	70,640,945	75,331,487	26,937,460	40,661,727
34.1.2 Immediate Parent				
Loan Granted	-	135,000,000	-	135,000,000
Loan Settled	(49,559,312)	(1,446,792,131)	-	(1,446,792,131)
Interest on Loans	411,658,391	415,677,833	289,444,125	352,386,168

Refer Note 14.3 for Terms and Conditions

34.1.3 Transaction with subsidiaries

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Balance as at 01st April	-	-	488,992,068	485,702,164
Interest Income on Loans	-	-	3,086,199	13,207,202
Staff Support & Server Utilisation fees	-	-	85,192,942	122,536,688
Settlement Current Account Balance	-	-	106,034,734	221,024,174
Reimbursement of Expenses	-	-	3,485,608	37,083,334
Cost sharing arrangement	-	-	-	-
Loans / Financial Assistance provided	-	-	-	-
Treasury bill/bond - purchased	-	-	(2,246,628,309)	-
Treasury bill/bond - Sale	-	-	2,596,245,520	-
Net Loan (Settlement)/Obtained	-	-	(163,213,064)	(390,561,493)
Balance as at 31 March	**-**	**-**	**873,195,697**	**488,992,069**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

34.1.4 Other Related Parties

	Group		Company	
	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Receivable / (Payable) as at 01st April				
Sale of Goods	-	471,324	-	215,896
(Receipts) / Payments for Goods / Services	-	6,063,692	-	-

Transaction, arrangements and agreements involving Key Management Personnel (KMPs) and their Close Family Members (CFMs), and Entities which are controlled, jointly controlled or significantly influenced by the KMP's and their CFMs or shareholders who have either control, jointly control or significant influence over the entity.

Other Related Parties include; Hirdaramani International Exports (Pvt) Ltd, United Hotels Company (Pvt) Ltd, Suisse Hotel Kandy (Pvt) Ltd and Ceylon Hotel Corporation Ltd.

34.2 Transactions with Key Management Personnel

Key Management Personnel include Members of the Board of directors of Ambeon Holdings PLC and its Subsidiary Companies.

	Group		Company	
Key Management Personnel Compensation	2024	2023	2024	2023
	LKR	LKR	LKR	LKR
Short-Term employee benefits	329,632,389	262,397,595	35,537,500	30,062,000
	329,632,389	**262,397,595**	**35,537,500**	**30,062,000**

34.3 Terms and conditions of transactions with related parties

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

34.4 Disclosure in terms of Section 9.14.7 & 9.14.8 of the listing Rules of the Colombo Stock Exchange

Non Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Value of the related party Transaction (During the FY) LKR Mn	Value of the related party Transaction as a % of Equity and as a % of total Asset	Terms and Conditions of the related party Transaction	The Rationale for the Transaction

Aggregate value of non recurrent related party transaction does not exceed 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Value of the related party Transaction (During the FY) LKR Mn	Value of the related party Transaction as a % of Group consolidated revenue	Terms and Conditions of the related party Transaction
Sherwood Capital (Private) Limited	Subsidiary	Investment in Governement Securities by Ambeon Holdings PLC	6,942,061,820	40%	Market Rate
ARRC Capital (Pvt) Ltd	Related entity	Investment in Governement Securities through Sherwood Capital (Private) Limited	12,889,415,445	75%	Market Rate

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

35. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require to be disclosed in the financial statements.Except for ;

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

Year ended 31 March 2024

36. FINANCIAL ASSETS AND LIABILITIES

36.1 Fair values of Financial Assets and Liabilities -Group

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

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

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

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

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

		2024		2023		
	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value
Notes		LKR	LKR		LKR	LKR
Assets Measured at Fair value						
Investment Properties 7	Level 3	1,035,849,600	1,035,849,600	Level 3	2,780,295,600	2,780,295,600
Financial Instrument at Amortised Cost 11	Level 2	1,167,433,389	1,167,433,389	Level 2	3,333,028,233	3,333,028,233
Land 6	Level 3	145,675,000	145,675,000	Level 3	1,171,148,000	1,171,148,000
Freehold Buildings 6	Level 3	184,325,000	184,325,000	Level 3	1,016,872,000	1,016,872,000
Fair Value through Profit and Loss						
Other Financial Investment 15	Level 1	5,569,648,152	5,569,648,152	Level 1	194,071,016	194,071,016
Fair Value through OCI						
Other Financial Investment 15	Level 1	207,666,821	207,666,821	Level 1	308,974,925	308,974,925
Total		**8,310,597,962**	**8,310,597,962**		**8,804,389,773**	**8,804,389,773**

36.2 Categories of Financial Assets and Liabilities - Company

Financial assets and liabilities in the tables below are split into categories in accordance SLFRS 9.

			2024			2023
Notes	Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value
		LKR	LKR		LKR	LKR
Assets Measured at Fair value						
Financial Instrument at Amortised Cost 11	Level 2	141,227,613	141,227,613	Level 2	294,354,937	294,354,937
Fair Value Through Profit and Loss						
Other Financial Investment 15	Level 1	2,697,843,204	2,697,843,204	Level 1	148,249,462	148,249,462
Fair Value Through OCI						
Other Financial Investment 15	Level 1	207,666,821	207,666,821	Level 1	308,974,925	308,974,925
Iinvestment in subsidiaries 10	Level 3	4,386,960,056	4,386,960,056	Level 3	8,054,084,712	8,054,084,712
Total		**7,433,697,694**	**7,433,697,694**		**8,805,664,036**	**8,805,664,036**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

36. FINANCIAL ASSETS AND LIABILITIES (Contd.)

Financial Assets and Liabilities measured or disclosed at Fair Value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted equities are based on market prices reported at March 2024 and prior year based on market value at the reporting date.

Long-term fixed-rate borrowings are evaluated by the Group based on interest rates.

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

36.3 Financial Risk Management - Objectives and Policies

The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds financial assets at a fair value through profit or loss.

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group's risk management is overlooked by the Company, in close corporation with the board of directors and focuses on actively securing the group's short to medium term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns. The group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the group is exposed are described below.

The Group is exposed to market risk, credit risk and liquidity risk.

36.3.1 Credit Risk

Credit risk is the risk that the counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, and other financial investments, the Group's exposure to credit risk arises from default of the counter party. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counter parties fulfil their obligations.

Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

Risk Exposure - Group

	Notes	2024 LKR	% of allocation	2023 LKR	% of allocation
Bank Deposits & Government Securities	15	1,159,627,428	12%	2,932,227,827	22%
Trade and Other receivables	14	7,792,366,738	82%	9,123,074,094	68%
Cash and Short term Deposits	31	500,608,109	5%	1,271,139,100	10%
Total credit risk exposure		9,452,602,275	100%	13,326,441,021	100%
Financial assets at fair value through profit & loss	15	5,569,648,152	96%	194,071,016	39%
Financial assets at fair value through OCI	15	207,666,821	4%	308,974,925	61%
Total equity risk exposure		**5,777,314,973**	**100%**	**503,045,941**	**100%**
Total		**15,229,917,248**		**13,829,486,962**	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

36. FINANCIAL ASSETS AND LIABILITIES (Contd.)

Risk Exposure - Company

	Notes	2024 LKR	% of allocation	2023 LKR	% of allocation
Bank Deposits & Government Securities	15	141,227,613	28%	294,354,937	15%
Trade and other receivables	14	317,647,445	62%	1,600,177,527	84%
Cash in hand and at bank	31	49,376,611	10%	19,533,986	1%
Total credit risk exposure		**508,251,669**	**100%**	**1,914,066,450**	**100%**
Financial assets at fair value through profit & loss	15	2,697,843,204	93%	148,249,462	32%
Financial assets at fair value through OCI	15	207,666,821	7%	308,974,925	68%
Total equity risk exposure		2,905,510,025	100%	457,224,387	100%
Total		**3,413,761,694**		**2,371,290,837**	

Trade and Other receivables

Customers credit risk is managed by each business unit subject to the Group's established policies and procedures relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with the assessment.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letter of credit or other forms of credit insurance.

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

Credit quality of trade receivables that are neither past due or impaired is explained below.

Trade receivables	Group		Company	
	2024 LKR	2023 LKR	2024 LKR	2023 LKR
Neither past due, not impaired	4,481,517,381	3,959,674,325	-	-
Past due but not impaired				
31-60 days	160,042,376	1,629,913,100	-	-
61-90 days	1,222,329,442	371,616,396	-	-
>90 days	864,771,382	1,249,939,379	-	-
Impaired	1,100,136,732	1,044,516,209	-	-
Gross Carrying Value	**7,828,797,313**	**8,255,659,411**	**-**	**-**
Less: Impairment of Trade and Other Receivables	(1,247,391,949)	(1,423,831,684)	-	-
Total	**6,581,405,364**	**6,831,827,727**	**-**	**-**

Cash and Short term Deposits

In order to mitigate settlement and Operational risk related to cash and Short term deposits, the group uses several banks with acceptable ratings for its deposits.

The Group held cash & short term deposits of LKR 501 Mn as at 31 March 2024 (2023 - LKR 1,271Mn)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

36. FINANCIAL ASSETS AND LIABILITIES (Contd.)

Financial Assets and Liabilities for which Fair Value Approximates Carrying Value

The following describes the methodologies and assumptions used to determine the fair values for those financial assets & Liabilities which are not already recorded at fair value in the Financial Statements.

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

Assets

Other Non-Current Financial Assets

Trade and Other Receivables

Other Financial Investments

Cash in Hand and at Bank

Liabilities

Other Financial Liabilities

Interest Bearing Borrowings (Current)

Trade and Other Payables

36.3.2 Liquidity Risk

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

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

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

Liquidity risk management

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

Contractual maturity analysis

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

Group	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Other Financial Liabilities				347,936	347,936
Interest Bearing Borrowings	123,588,085	3,772,604,689	469,814,548		4,366,007,322
Trade and Other Payables	400,780,029	3,264,552,652			3,665,332,681
	524,368,114	**7,037,157,341**	**469,814,548**	**347,936**	**8,031,687,939**

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

Company	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Other Financial Liabilities	-			347,936	347,936
Interest Bearing Borrowings				-	-
Trade and Other Payables	78,958,084			-	78,958,084
	78,958,084	**-**	**-**	**347,936**	**79,306,020**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

36. FINANCIAL ASSETS AND LIABILITIES (Contd.)

The table below summarizes the maturity profile of the Group's financial liabilities at 31 March 2023 based on contractual undiscounted payments.

Group	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Other Financial Liabilities	-	-	-	968,906	968,906
Interest Bearing Borrowings	711,761,657	3,790,928,176	1,060,823,456	-	5,563,513,289
Trade and Other Payables	642,594,623	3,904,513,455	37,515,243	6,955,487	4,591,578,808
	1,354,356,280	**7,695,441,631**	**1,098,338,699**	**7,924,393**	**10,156,061,003**

The table below summarizes the maturity profile of the Company's financial liabilities at 31 March 2023 based on contractual undiscounted payments.

Company	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Other Financial Liabilities	-	-	-	968,906	968,906
Interest Bearing Borrowings	22,909,560	408,605,184	58,481,000	-	489,995,744
Trade and Other Payables	862,156	51,893,147	16,873,329	-	69,628,632
	23,771,716	**460,498,331**	**75,354,329**	**968,906**	**560,593,282**

Capital Management

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure shareholder value is maximized.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024.

The Group monitors capital using a gearing ratio,

	Group		Company	
	2024	2023	2024	2023
Interest Bearing Borrowings	4,366,007,324	5,519,223,611	-	463,289,303
Equity Attributable to Equity Holder of the Parent	10,838,918,458	8,895,646,358	10,164,465,986	9,673,000,771
Non-Controlling Interests	1,952,015,807	2,488,377,070	-	-
Total Equity	**12,790,934,266**	**11,384,023,428**	**10,164,465,986**	**9,673,000,771**
Equity and Debt	**17,156,941,590**	**16,903,247,039**	**10,164,465,986**	**10,136,290,074**
Gearing Ratio	25%	33%	0%	5%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

36. FINANCIAL ASSETS AND LIABILITIES (Contd.)

36.3.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (specially due to currency risk and interest rate risk)

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

The sensitivity analysis in the following sections related to the position as at 31 March 2024.

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

The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at 31 March 2024 and 2023.

Interest Rate Risk

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

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

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR) Group	Company
2024	+100	(44,369,433)	
	-100	(44,369,433)	
2023	+100	(48,154,408)	(9,625,048)
	-100	48,154,408	9,625,048

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

Foreign Currency Risk

Hedge summary

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements.

	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

Other Price Risk

The Group is exposed to equity price risk in respect of its listed equity securities. The Group manages those risks by monitoring the markets closely. According to Group policies amounts invested in volatile assets such as shares are restricted by limits set by Group management.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

37. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below;

37.1 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
Non-Controlling Interests material individually						
Dankotuwa Porcelain PLC *	-	27.49%	-	960,958,483	-	152,516,460
Colombo City Holdings PLC	22.37%	22.37%	546,079,027	452,496,853	93,804,062	19,519,273
Millennium I.T.E.S.P (Private) Limited**	49.38%	49.38%	743,098,353	744,126,946	10,682,944	193,961,443
Non-controlling interest material in aggregate	-	-	662,838,427	330,794,789	288,581,433	141,137
Total	**-**	**-**	**1,952,015,807**	**2,488,377,070**	**393,068,439**	**366,138,313**

Dividend Paid to NCI Shareholders	2024	2023
	LKR	LKR
Colombo City Holdings PLC	-	-
Eontec (Pvt) Ltd	-	-
Millennium I.T.E.S.P (Private) Limited	-	-
Others	36,000,003	28,542,529
	36,000,003	**28,542,529**

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

37.2 Summarised statement of Profit or Loss for the period ending 31 March

	Dankotuwa Porcelain PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited	
	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR
Revenue	-	5,913,132,541	77,201,737	88,206,302	13,237,953,604	13,847,466,719
Operating Income/(Costs)	-	(4,745,135,168)	412,392,974	(49,370,053)	(12,896,350,210)	(12,758,659,907)
Finance Costs	-	(342,174,667)	(15,834,532)	(16,119,649)	(369,529,702)	(614,475,977)
Finance Income	-	43,427,055	195,963,185	209,933,862	63,849,016	112,247,756
Share of result of equity account investee	-	-		-	769,772	5,945,375
Tax Expense	-	(189,917,772)	(250,390,081)	(146,571,419)	(402,199)	(122,517,608)
Profit or Loss from Continuing Operations	**-**	**679,331,990**	**419,333,282**	**86,079,043**	**36,290,282**	**470,006,358**
Other Comprehensive Income	-	(60,277,402)	(3,546)	128,313	(14,656,130)	(93,175,453)
Total Comprehensive Income	**-**	**619,054,588**	**419,329,737**	**86,207,356**	**21,634,152**	**376,830,905**

*Fair valuation gain from investment in subsidiaries and respective deferred tax impact has been eliminated from company profitability.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

37.3 Summarised Statement of Financial Position for the period 31 March

	Dankotuwa Porcelain PLC -Group		Colombo City Holdings PLC -Group		Millennium I.T.E.S.P (Private) Limited	
	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR
Current Assets	-	2,924,749,989	1,512,624,738	1,312,812,479	8,579,727,163	9,332,529,174
Non-current Assets	-	3,209,074,052	1,268,584,676	1,011,134,363	823,961,370	942,797,523
Total Assets	**-**	**6,133,824,041**	**2,781,209,414**	**2,323,946,842**	**9,403,688,533**	**10,275,326,697**
Current Liabilities	-	1,671,329,786	112,713,387	184,401,668	7,085,387,651	8,038,346,784
Non-current Liabilities	-	1,206,937,878	227,373,866	117,862,705	813,391,534	774,327,189
Total Liabilities	**-**	**2,878,267,664**	**340,087,252**	**302,264,373**	**7,898,779,185**	**8,812,673,973**

*Cumulative impact of fair valuation gain from investment in subsidiaries and respective deferred tax impact has been eliminated from non current asset and non current liabilities.

37.4 Summarised Cash Flow Information for the year ending 31 March

	Dankotuwa Porcelain PLC -Group		Colombo City Holdings PLC -Group		Millennium I.T.E.S.P (Private) Limited	
	2024	2023	2024	2023	2024	2023
	LKR	LKR	LKR	LKR	LKR	LKR
Operating	-	291,101,884	(89,204,168)	(42,468,748)	(1,028,596,109)	(101,562,478)
Investing	-	(93,545,294)	179,840,606	(63,672,967)	(184,564,180)	(494,165,744)
Financing	-	(65,839,241)	(98,000,000)	80,770,705	960,267,626	(53,971,226)
Net increase/(decrease) in cash and cash equivalents	**-**	**131,717,349**	**(7,363,561)**	**(25,371,010)**	**(252,892,663)**	**(649,699,448)**

INVESTOR INFORMATION

The issued ordinary shares of Ambeon Holdings PLC (GREG) are listed on the Colombo Stock Exchange (CSE). The trading of GREG ordinary shares commenced on 01 January 1970.

Ordinary Shareholders

Analysis of shareholders according to the number of shares as at 31 March 2024.

Range of Shareholding	Number of Shareholders	No. of Shares	%
1 to 1,000 shares	2,614	747,061	0.21
1,001 to 10,000 shares	1,191	3,914,206	1.10
10,001 to 100,000 shares	224	5,914,552	1.65
100,001 to 1,000,000 shares	16	4,621,807	1.30
Over 1,000,000 shares	9	341,672,040	95.74
TOTAL	4,054	356,869,666	100.00

Public Shareholding

Information pertaining to public shareholding is as follows;

	31 March 2024	31 March 2023
Number of public shares	66,187,289	66,187,289
Public holding percentage	18.55%	18.55%
Number of public shareholders	4,054	4,197
Float adjusted market capitalization (LKR)	2,475,854,682	2,316,916,307

The Company is compliant with the Minimum Public Holding requirement under option 2 of rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

Market Price per share (traded dates)

Ordinary Shares	2023/2024	2022/2023
Highest value per share recorded during the period (LKR)	39.40 (14.07.2023)	49.70 (06.10.2022)
Lowest value per share recorded during the period (LKR)	30.00 (11.10.2023)	27.80 (26.04.2022)
Market value per share as at last traded date (LKR)	37.40 (28.03.2024)	35.00 (31.03.2023)

Share Trading

No. of transactions	2,975	4,233
No. of shares traded	2,399,987	4,718,686
Value of shares traded (LKR)	85,067,450	181,427,695

Director's Shareholdings as at

Name	31 March 2024	31 March 2023
1. Mr. S E Gardiner	Nil	Nil
2. Mr. A L Devasurendra	Nil	Nil
3. Mr. R P Pathirana	Nil	Nil
4. Mr. A G Weerasinghe	Nil	Nil
5. Mr. M Boyagoda	Nil	Nil
6. Dr. K S Narangoda	Nil	Nil

Twenty Major Ordinary Shareholders as at

Name of Shareholder	31 March 2024		31 March 2023	
	No. of shares	%	No. of shares	%
National Development Bank PLC/Ambeon Capital PLC	145,000,000	40.63	145,000,000	40.63
Seylan Bank PLC/Ambeon Capital PLC (Collateral)	112,790,122	31.61	112,790,122	31.61
Pan Asia Banking Corporation PLC/Ambeon Capital PLC	32,807,255	9.19	32,807,255	9.19
TOTAL	**290,597,377**	**81.43**	**290,597,377**	**81.43**
Hatton National Bank PLC/Almas Holdings (Private) Limited	30,879,547	8.65	30,744,832	8.62
Amana Bank PLC/Almas Holdings (Private) Limited	8,003,603	2.24	8,000,000	2.24
Almas Holdings (Private) Limited	3,661,854	1.01	3,661,644	0.79
TOTAL	**42,495,004**	**11.00**	**41,208,332**	**11.55**
Hatton National Bank PLC/Almas Capital (Private) Limited	4,518,173	1.27	4,518,173	1.27
Hotel International (Private) Limited	2,154,986	0.60	2,154,986	0.60
Mr. N Balasingam	1,906,500	0.53	1,906,500	0.53
People's Leasing & Finance PLC/L. P. Hapangama	955,836	0.27	955,836	0.27
J. B. Cocoshell (Private) Limited	748,178	0.21	239,058	0.07
Dr. S Yaddehige	514,298	0.15	557,127	0.16
DFCC Bank PLC/M W A Lakmal	407,276	0.11	407,276	0.11
Bank of Ceylon No. 1 Account	385,000	0.11	385,000	0.11
Flyasia Sdn. Bhd	267,458	0.07	267,458	0.07
Mr. H A S Madanayake	181,512	0.05	181,512	0.05
Mrs. M M Y K Perera	150,624	0.04	150,624	0.04
Mrs. F R Buhardeen	150,121	0.04	17,340	0.00
Mr. B W Kundanmal	137,100	0.04	137,100	0.04
Mr. R E Rambukwelle	130,800	0.04	149,000	0.04
ACL Cables PLC	130,700	0.04	130,700	0.04
Arrow International (Pvt) Ltd A/C No. 1	120,300	0.03	120,300	0.03
Seylan Bank PLC/Jayantha Dewage	120,000	0.03	120,000	0.03
Mr. D G A Jayatilake	112,178	0.03	110,690	0.03

Preference Share

Analysis of Shareholders according to the number of shares as at 31 March 2024

Shareholdings	Number of Shareholders	No. of Shares	%
1 to 1,000 shares	50	27,310	16.01
1,001 to 10,000 shares	38	124,699	73.08
10,001 to 100,000 shares	1	18,616	10.91
100,001 to 1,000,000 shares	-	-	-
Over 1,000,000 shares	-	-	-
TOTAL	**89**	**170,625**	**100.00**

Twenty Major Preference Shareholders as at

Name of shareholder	31 March 2024		31 March 2023	
	No. of shares	%	No. of shares	%
Standard Finance Ltd	18,616	10.91	18,616	10.91
Mr. G C W De Silva	9,484	5.56	9,484	5.56
Mr. M V Theagarajah	8,744	5.12	8,744	5.12
Life Insurance Corporation of India	8,146	4.77	8,146	4.77
Mr. K Theagarajah	8,000	4.69	8,000	4.69
Mrs. B L Macrae	6,658	3.90	6,658	3.90
Mr. A L Clare	6,658	3.90	6,658	3.90
Mr. M V Theagarajah	6,447	3.78	6,447	3.78
Shalsri Investment Ltd	5,000	2.93	5,000	2.93
The Land & House Property Company Ltd	4,500	2.64	4,500	2.64
The Administratix of The Estate of Pietro Fernando	4,000	2.34	4,000	2.34
Mr. S Sivalingam Attorney for Mrs R Sivaraman	3,672	2.15	3,672	2.15
Mr. M B Muthunayagam Mahesweri Brito	3,500	2.05	3,500	2.05
Mrs. L Selvanayagam	3,000	1.76	3,000	1.76
Ms. A M Felsinger	2,684	1.57	2,684	1.57
Ms. K N Woutersz	2,684	1.57	2,684	1.57
Mr. Navarathnam Sumanathiran	2,682	1.57	2,682	1.57
Mr. M G Sabaratnam	2,500	1.47	2,500	1.47
Mr. S A Scharenguivel	2,450	1.44	2,450	1.44
Mr. P S Wijewardenephilip Seevali	2,194	1.29	2,194	1.29

DECADE AT A GLANCE

LKR "000"	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating Results**										
Revenue	17,154,487	20,697,863	14,155,890	9,595,761	19,693,287	17,231,736	12,272,998	10,762,068	9,394,710	9,359,565
Profit/(Loss) before taxation	3,596,785	2,216,184	1,271,375	(1,674,375)	541,562	1,246,604	584,885	480,384	(1,657,676)	(14,645)
Profit/(Loss) after taxation	2,857,032	1,645,170	935,517	(1,858,739)	409,020	864,468	680,818	394,104	(1,641,605)	(58,090)
Attributable to:										
Equity Holders of the Parents	2,456,725	1,218,451	2,335,304	(2,142,900)	155,801	528,310	540,941	271,698	(1,698,267)	22,539
Non-Controlling Interest	400,306	426,719	183,821	39,863	253,219	336,158	139,878	122,406	56,662	(80,629)
	2,857,032	**1,645,170**	**2,519,125**	**(2,103,037)**	**409,020**	**864,468**	**680,819**	**394,104**	**(1,641,605)**	**(58,090)**
Capital Employed										
Stated Capital	5,331,775	5,331,775	5,331,775	5,331,775	5,331,775	5,331,775	7,871,564	7,724,139	7,724,139	7,724,139
Reserves	112,734	1,105,033	1,084,909	1,021,744	678,720	761,355	930,399	515,619	449,281	143,133
Retained Earnings/(Losses)	5,394,409	2,458,838	2,502,523	(46,358)	2,154,042	1,650,091	(963,749)	(1,369,019)	(1,463,267)	12,037
Non-Controlling Interest	1,952,016	2,488,377	1,704,149	1,601,598	1,610,303	1,610,057	1,055,156	988,420	682,124	433,400
	12,790,934	**11,384,023**	**10,623,356**	**7,908,759**	**9,774,840**	**9,353,278**	**8,893,370**	**7,859,159**	**7,392,276**	**8,312,709**
Assets Employed										
Non Current Assets Excluding Deferred Tax	6,259,073	8,135,518	7,022,625	9,979,514	12,177,586	10,367,516	8,149,191	5,709,160	6,607,653	8,291,740
Current Assets	17,217,636	17,998,515	15,737,556	11,720,579	12,202,483	12,075,674	11,781,223	8,019,309	6,380,048	5,060,516
Deferred Tax	68,484	272,217	132,225	122,749	81,878	143,559	256,090	68,974	75,646	24,342
	23,545,193	**26,406,250**	**22,892,406**	**21,822,842**	**24,461,948**	**22,586,749**	**20,186,504**	**13,797,443**	**13,063,347**	**13,376,598**
Liabilities										
Non Current Liabilities	1,148,121	2,725,875	2,050,068	2,318,087	3,025,479	2,036,469	2,530,592	1,403,367	1,090,278	1,018,061
Current Liabilities	9,606,137	12,296,351	10,218,982	11,595,996	11,661,629	11,197,002	8,762,542	4,534,918	4,580,793	4,045,828
	10,754,259	**15,022,226**	**12,269,050**	**13,914,083**	**14,687,108**	**13,233,471**	**11,293,134**	**5,938,285**	**5,671,071**	**5,063,889**
Key Indicators										
Basic Earnings/(Loss) Per Share (LKR)	6.88	3.41	6.54	(6.00)	0.44	1.48	1.54	0.78	(4.86)	0
Net Assets Per Share (LKR)	30.37	24.93	24.99	17.67	22.88	21.70	21.96	19.67	19.21	23

Details of the Group Properties 2023/ 24

Company	Property	Location	Extent	No of Buildings	Cost/Valuation
Lexinton Holdings (Pvt) Limited	Freehold Land	Colombo 08	17.15 Perches	1	145,675,000
	Freehold Buildings	Colombo 08	17,150 sq feet		184,325,000
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

GLOSSARY OF FINANCIAL TERMINOLOGY

ACCRUAL BASIS
Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED
Shareholders' funds plus minority interest and total debt

CONTINGENT LIABILITIES
A condition or situation existing at the reporting date due to past events, where the financial effect is not recognised, because:

1. The obligation is crystallised by the occurrence or non- occurrence of one or more future events, or
2. A probable outflow of economic resources is not expected, or
3. It is unable to be measured with sufficient reliability.

CURRENT RATIO
Current assets divided by current liabilities.

DEBT-EQUITY RATIO
Debt as a percentage of shareholders' funds, including minority interest.

Diluted Earnings/(Loss) Per Share (DPS) Profit/ (Loss) attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for options granted but not exercised

EBIT
Earnings before interest and tax (includes other operating income).

EARNINGS/(LOSS) PER SHARE
Net profit/(Loss) attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

INTEREST COVER
Consolidated profit before interest and tax over finance expenses.

MARKET CAPITALISATION
Number of shares in issue at the end of period multiplied by the market price at end of period.

NET ASSETS
Total assets minus current liabilities, minus long-term liabilities, minus minority interest.

NET ASSETS PER SHARE
Net assets as at the particular financial year divided by the number of shares in issue as at the current financial year end.

NET PROFIT MARGIN
Profit after tax divided by turnover inclusive of share of associate company turnover.

NET WORKING CAPITAL
Current assets minus current liabilities

OPERATING MARGIN
Operating profit as a percentage of total sales.

QUICK RATIO
Cash plus short-term investments plus receivables divided by current liabilities.

RETURN ON ASSETS
Profit after tax divided by the total assets.

RETURN ON CAPITAL EMPLOYED
Consolidated profit before interest and tax as a percentage of capital employed.

RETURN ON EQUITY
Profit/(Loss) attributable to shareholders as a percentage of shareholder's funds including minority interest.

SHAREHOLDERS' FUNDS
Total of stated capital, capital reserves and revenue reserves.

TOTAL DEBT
Long-term loans plus short-term loans and overdrafts.

TOTAL EQUITY
Shareholders' funds plus minority interest.

SUBSIDIARIES OF AMBEON HOLDINGS PLC

Subsidiary Companies	Directors as at 31st March 2024
Colombo City Holdings PLC No. 10, 5th Floor, Gothami Road Colombo 8 Tel: 011 5 700 000 Fax: 011 2 680 225 E-mail: info@ambeongroup.com	Mr. A W Atukorala Dr. K S Narangoda Mr. Y Kanagasabai Mr. N H D R Perera
Eon Tec (Private) Limited No. 10, 5th Floor, Gothami Road Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@eontec.lk	Mr. S E Gardiner (Chairman) Mr. A L Devasurendra Mr. R P Pathirana Mr. M S Hamzadeen Mr. P P Maddumage Dr. K S Narangoda Mr. F A Azhar (Alternate Director to Mr. M S Hamzadeen) Mr. C S Karunasena (Alternate Director to Mr. P P Maddumage)
Palla & Company (Private) Limited No. 10, 5th Floor, Gothami Road Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. A G Weerasinghe Mr. H C P Goonetilleke
Taprobane Capital Plus (Private) Limited No. 10, 5th Floor, Gothami Road Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109 Email: contact@taprobane.lk	Mr. Y Kanagasabai (Chairman) Mr. A G Weerasinghe Mr. E M M Boyagoda Dr. K S Narangoda

Sub-Subsidiary Companies	Directors as at 31st March 2024
Millennium I.T.E.S.P. (Private) Limited No. 48, Sir Marcus Fernando Mawatha Colombo 7 Tel: 011 7 484 000 Fax: 011 2 691 322 Email: info@millenniumitesp.com	Mr. S E Gardiner (Chairman) Mr. N M Prakash Mr. P D J Fernando Mr. Y Kanagasabai Mr. G S M Goonetilleke Mr. S R Wijetilaka Mr. M I Wijenayake Mr. Y I S Premarathne Dr. K S Narangoda
Millennium I. T. E. S. P. Singapore Pte Limited 531 A, Upper Cross Street # 04-95, Hong Lim Complex Singapore (051531)	Mr. N M Prakash Mr. G S M Goonetilleke Mr. Y I S Premarathne Mr. L Hao
MIT ESP Bangladesh Private Ltd. Ka 1/3, North Road, Kalachadpur, Baridhara, Dhaka	Mr. G S M Goonetilleke Mr. M I Wijenayake

Sub-Subsidiary Companies	Directors as at 31st March 2024
MIT ESP TRADING L.L.C. #3002-032, Al Moosa Tower 2 30th Floor – Sheikh Zayed Road Dubai United Arab Emirates	Mr. P D D Perera Mr. L V B De Mendis
Taprobane Investments (Private) Limited No. 10, Gothami Road Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109 E-mail: contact@taprobane.lk	Mr. H C P Goonetilleke Mr. K D H C J Perera Mr. L A Weerasinghe
Taprobane Wealth Plus (Private) Limited No. 10, Gothami Road Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109	Mr. A G Weerasinghe
Taprobane Securities (Private) Limited No. 10, Gothami Road Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. E M M Boyagoda (Chairman) Mr. N S Niles Mr. C A Kamaladasa
Lexinton Holdings (Private) Limited No. 10, Gothami Road Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. A G Weerasinghe
Lexinton Financial Services (Private) Limited No. 10, Gothami Road Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. A G Weerasinghe
Sherwood Capital (Private) Limited No. 10, 5th Floor, Gothami Road Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. S Palihawadana Mr. A L Devasurendra Dr. K S Narangoda Mr. L S Jayawardena Mr. D T S H Mudalige

NOTES

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held by way of electronic means on Friday, 13th September 2024 at 10.30 a.m. centered at the Boardroom of the Company at No. 10, Gothami Road, Colombo 8, via Audio/Video (Virtual AGM) Sri Lanka, for the following business:

1. To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31 March 2024 and the Report of the Auditors thereon.
2. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. E M M Boyagoda who has reached the age of 72 years (Resolution 1).

   "IT IS HEREBY RESOLVED that the age limit referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. E M M Boyagoda, who has reached the age of 72 years prior to the Annual General Meeting and that he shall accordingly be re-appointed."
3. 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 No. 27 (2) of the Articles of Association of the Company (Resolution 2).
4. 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 No. 27 (2) of the Articles of Association of the Company (Resolution 3).
5. 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 No. 27 (2) of the Articles of Association of the Company (Resolution 4).
6. 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 No. 27 (2) of the Articles of Association of the Company (Resolution 5).
7. 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 No. 27 (2) of the Articles of Association of the Company (Resolution 6).
8. 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 No. 27 (2) of the Articles of Association of the Company (Resolution 7).
9. 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 8).
10. To authorise the Directors to determine donations for charitable and other purposes for the year 2024/2025 as set out in the Companies' Donation Act [CAP147] (Resolution 9).
11. To consider any other business of which due notice has been given.

By Order of the Board Sgd.

BUSINESS INTELLIGENCE (PRIVATE) LIMITED
Sgd.
Secretaries
Colombo
16th August 2024

Notes:

1. A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.
2. A proxy need not be a shareholder of the Company.
3. Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.

FORM OF PROXY

I/We.....

holder of NIC No ..... of ..... being a

Shareholder/Shareholders of Ambeon Holdings PLC, do hereby appoint .....

.....holderofNICNo.....of.....

.....or failing him/her

Mr. D. T. S. H. Mudalige	or failing him,
Dr. K.S. Narangoda	or failing him,
Mr. E. M.Boyagoda	or failing him,
Mr. S. L. Sebastian	or failing him,
Mr. S. Kumar	or failing him,
Mr. C. T. Tsoi	or failing him
Mr. R. P. Sugathadasa	or failing him
Mr. D. M. Weerasekare	

as *my/our proxy to represent me/us and to speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 13th September 2024 at 10.30 a.m. via Audio/Video (Virtual AGM) and any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage;

		For	Against	Abstain
Resolution 1.	To re-appoint Mr. E M M Boyagoda who has reached the age of 72 Years.	☐	☐	☐
Resolution 2.	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 No. 27 (2) of the Articles of Association of the Company.	☐	☐	☐
Resolution 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 No. 27 (2) of the Articles of Association of the Company.	☐	☐	☐
Resolution 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 No. 27 (2) of the Articles of Association of the Company.	☐	☐	☐
Resolution 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 No. 27 (2) of the Articles of Association of the Company.	☐	☐	☐
Resolution 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 No. 27 (2) of the Articles of Association of the Company.	☐	☐	☐
Resolution 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 No. 27 (2) of the Articles of Association of the Company.	☐	☐	☐
Resolution 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 9.	To authorise the Directors to determine donations for charitable and other purposes for the year 2024/2025 as set out in the Companies' Donation Act [CAP147].	☐	☐	☐

Signed on this ..... day of.....2024. .....

Signature

a) * Please delete the inappropriate words.

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

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.

2. The Proxy shall –

    a. In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

    b. In the case of a company or corporate/statutory body either be under its common seal or signed by its Attorneys or by an Officer on behalf of the company or corporate/statutory body in accordance with its Articles of Association or the Constitution or the Statutes (as applicable).

3. Please indicate with a "X" how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.

3. To be valid, the completed Form of Proxy should be deposited with the Registered Office of the Company at No. 10, 5th Floor, Gothami Road, Colombo 8, Sri Lanka or must be emailed to agm2024@ambeongroup.com or by facsimile to +94 11 2680225 by 12.00 noon on Monday, 11th September 2024.

CORPORATE INFORMATION

Name of the Company
Ambeon Holdings PLC

Company Registration Number
PQ 26

Nature of Business
Investment Holding & Management Company

Legal Form
A Public Quoted Company with Limited Liability Company incorporated in Sri Lanka on 29 December 1910 and listed on the Colombo Stock Exchange on 01 January 1970.

Registered Office
No. 10, 5th Floor
Gothami Road
Colombo 8
Sri Lanka
Telephone: +94 11 5700700
Fax: +94 11 2680225
Email: info@ambeongroup.com
Web: www.ambeongroup.com

Secretaries & Registrars
Business Intelligence (Private) Limited
No. 8, Tickell Road
Colombo 8
Sri Lanka
Telephone: +94 11 2015900
Fax: +94 11 2015950, 2015960

Auditors
Ernst & Young
Chartered Accountants
Rotunda Towers
No 109, Galle Road,
Colombo 03
Telephone: +94 11 2463500

Bankers
National Development Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank