



PAINTING TOMORROW'S SUCCESS

COLOMBO LAND AND DEVELOPMENT COMPANY PLC
ANNUAL REPORT 2023





PAINTING TOMORROW'S SUCCESS

Our deliberate and visionary processes allow us to navigate even the harshest of conditions and that is why we end this year stronger, revitalised to excel in the coming year. Our journey to transcending the ordinary will always be woven into the very essence of our communities.

We try to journey into spaces that encompass the overall well-being of the landscape we operate in. After all, success is not only measured in square footage, but in the partnerships that we support. Our commitment to painting tomorrow's success begins with an unwavering dedication to innovation and design excellence.

CONTENT

OVERVIEW

08

Operational
Highlights

09

Financial
Highlights

10

Chairman's
Review

14

CEO's Review

17

Board of
Directors



10

CHAIRMAN'S
REVIEW



14

CEO'S REVIEW

MANAGEMENT DISCUSSION & ANALYSIS

22

Our Value
Creation Model

24

Our Business
Model

26

Stakeholder
Engagement

28

Management Discussion
& Analysis

30

Management of
Capital

GOVERNANCE

44

Corporate Governance Report

59

Report of the Board Audit Committee

61

Report of the Board Remuneration Committee

62

Report of the Board Related Party Transaction Review Committee

63

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

67

Statement of Directors' Responsibilities

68

Chairman & Accountant Responsibility Statement

69

Risk Management Report

FINANCIAL STATEMENTS

74

Financial Calendar

75

Independent Auditors' Report

78

Statement of Financial Position

80

Statement of Profit or Loss

82

Statement of Changes in Equity

84

Statement of Cash Flows

86

Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

126

Decade at a Glance

127

Investor Information

129

Glossary of Financial Terms

130

Notice of Meeting

131

Form of Proxy

ABOUT US

Incorporated as a limited company on 8th December 1981 and listed on the Colombo Stock Exchange on 19th March 1986, Colombo Land and Development Company (CLDC) PLC is a pioneer in mixed development projects in the real estate and retail industry in Sri Lanka. Its principal activities are the development and leasing out of investment property under operating leases at Liberty Plaza consisting of retail, office and apartments, Food court; leading advertising spaces; and renting of vehicle car parks at both Liberty Plaza and Pettah locations. The Group also holds commercial space unmatched in terms of strategic location and land extent in the Central Business District of Pettah, which has been earmarked for ambitious development. Reflecting its commitment to sustainable development through investments in environment-friendly sectors, its fully-owned subsidiary, Agri Spice (Pvt) Ltd., operates a 102-acre Mahogany, Rubber and Alstoniya plantation at Avissawella.

VISION

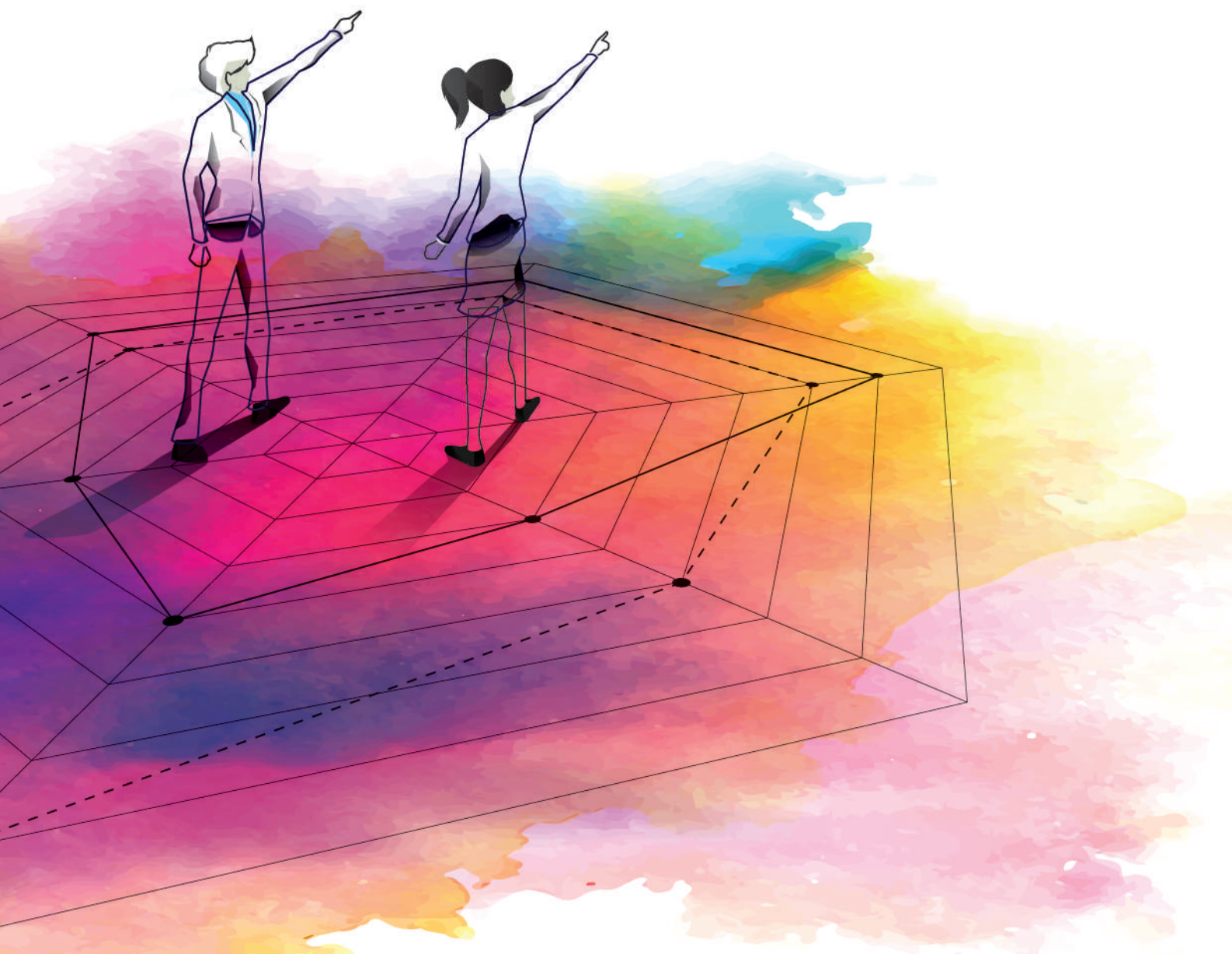
“TO BE RECOGNIZED AS A PIONEERING REAL ESTATE DEVELOPMENT AND INVESTMENT PROPERTY LEASING COMPANY THAT BENCHMARKS WORLD-CLASS REAL ESTATE CONCEPTS IN BUILDING SUSTAINABLE LANDSCAPES AND COMMUNITIES, THEREBY CREATING GREATER VALUE FOR OUR STAKEHOLDERS.”

VALUES

- **Futuristic:** We look beyond the present to deliver future value.
- **Superior:** We aim to exceed expectations in delivering superior quality, value and service.
- **Knowledgeable:** We strive to understand our markets and our customers' needs.
- **Connected:** Relationships mean everything to us; we connect and maintain a good rapport with all our stakeholders.
- **Passionate:** We love what we do. We believe in working with “all heart”.
- **Integrity:** We conduct ourselves in the highest ethical standards, demonstrating honesty and sincerity.
- **Conscious:** We respect our social and physical environment around us.

The background features a vibrant, multi-colored watercolor splash that transitions from yellow and orange at the top to blue and purple at the bottom. Overlaid on the right side of this splash is a geometric wireframe cube, rendered in black lines. The cube is tilted, and its edges are defined by solid lines, while its internal structure is suggested by dashed lines. Two small black dots are placed at specific vertices of the cube, one near the top and one near the bottom right.

PROGRESSIVE PURSUIT



OVERVIEW

08

Operational
Highlights

09

Financial
Highlights

10

Chairman's
Review

14

CEO's Review

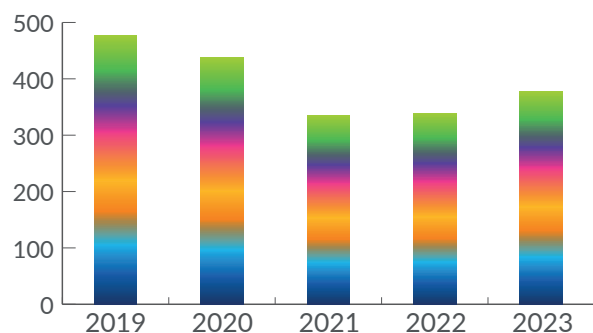
17

Board of
Directors

OPERATIONAL HIGHLIGHTS

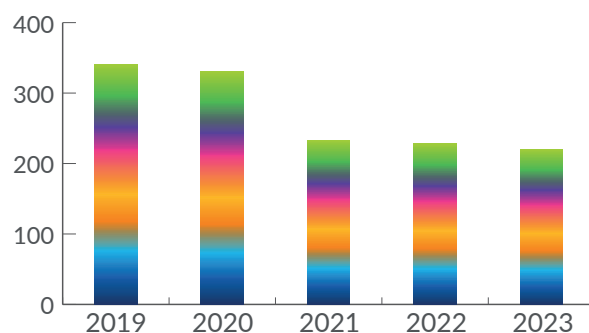
TURNOVER

Rs.Mn.



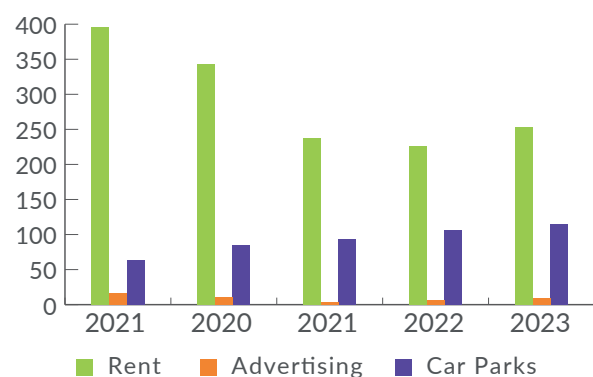
GROSS PROFIT

Rs.Mn.

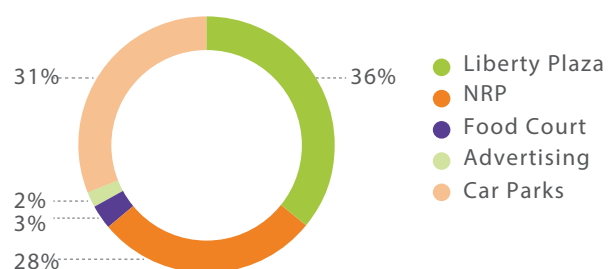


INCOME

Rs.Mn.



REVENUE CONTRIBUTION



377

REVENUE (Rs.Mn)



321

PAT (Rs.Mn)



1.61

EPS (Rs.)



220

GROSS PROFIT (Rs.Mn)



13,817

TOTAL ASSETS (Rs.Mn)



8,314

EQUITY (Rs.Mn)



FINANCIAL HIGHLIGHTS

Indicator		Group			Company		
		2023	2022	Change %	2023	2022	Change %
OPERATING RESULTS							
Revenue	Rs. Million	377	339	11	168	159	6
Result from Operating Activities	Rs. Million	220	228	(3)	113	116	(3)
FV gain from Investment Properties	Rs. Million	583	149	291	123	57	115
FV gain from Biological Assets	Rs. Million	5	4	21	-	-	-
Finance cost	Rs. Million	306	292	5	0.56	10	(95)
Profit before tax	Rs. Million	429	34	1,157	161	117	38
Tax	Rs. Million	108	765	(86)	70	330	(79)
Profit/(Losses) After tax	Rs. Million	321	(731)	(144)	91	(214)	(143)
FINANCIAL POSITION							
Total Assets	Rs. Million	13,817	13,306	4	10,880	10,608	3
Equity	Rs. Million	8,314	7,991	4	7,065	6,976	1
Stated Capital	Rs. Million	342	342	-	342	342	-
Net Assets Per share	Rs.	41.60	39.98	4	35.35	34.90	1
SHARE INFORMATION							
Earning/(Losses) per share	Rs.	1.61	(3.66)	(144)	0.46	(1.07)	(143)
Market capitalization	Rs.	3,398	3,138	8	3,398	3,138	8
Price Earnings Ratio	Times	10.56	(4.29)	(346)	36.96	(14.67)	(352)
Market Price – High	Rs.	25.00	37.00	(32)	25.00	37.00	(32)
– Low	Rs.	15.20	15.00	1	15.20	15.00	1
– Last Traded	Rs.	17.00	15.70	8	17.00	15.70	8
RATIOS							
Return on Assets	%	2.32	(5.49)	(142)	0.84	(2.01)	(141)
Return on Equity	%	3.86	(9.15)	(142)	1.29	(3.06)	(142)
Current Asset ratio	Times	0.40	0.71	(44)	0.61	25.95	(98)
Debt to Equity	%	17.54	16.97	3	20.49	19.40	6
MANUFACTURED CAPITAL							
Investment Property	Rs. Million	13,434	12,881	4	7,958	7,835	2
Biological Assets	Rs. Million	74	69	8	-	-	-
Property, Plant & Equipment	Rs. Million	175	175	-	6	8	(24)

CHAIRMAN'S REVIEW



On the whole, macroeconomic conditions in 2023 were characterized by optimism, with improvements in various economic indicators such as inflation, currency stability and external sector performance.



Mr. M D A Weerasooriya
Chairman - Independent Non Executive Director

I am pleased to welcome you to the 42nd Annual General Meeting of Colombo Land and Development Company PLC (CLDC) and to share with you the Annual Report and Financial Statements of the Group for the financial year ended 31st December 2023.

MACROECONOMIC CONDITIONS IN 2023

In 2023, the global economy exhibited signs of strength, with growth surpassing earlier projections. The Sri Lankan rupee appreciated against major currencies such as the US dollar, reflecting improved confidence in the country's economic prospects. This appreciation likely had implications for trade and foreign exchange reserves. Inflation in Sri Lanka (as per Colombo Consumer Price Index) experienced fluctuations. Starting at 51.7% in January 2023, inflation moderated significantly to 4.0% by December 2023.

The Sri Lankan economy showed signs of stabilization, driven by favourable conditions in the external sector. Increased earnings from tourism and enhanced domestic economic activity contributed to the overall improvement. Following setbacks in the previous year, the external sector exhibited signs of stability in 2023. Improved foreign exchange inflows and a strengthened balance of payment position contributed to the stabilization, leading to a stronger Sri Lankan Rupee.

On the whole, macroeconomic conditions in 2023 were characterized by optimism, with improvements in various economic indicators such as inflation, currency stability and external sector performance. In real terms, Sri Lanka's economy shrank 2.3% in 2023 (as per Census and Statistics Department), but the economy grew 4.5% in the fourth quarter. The economy appears to be on a path towards stabilization and recovery in 2024, supported by both domestic policy measures and favourable global economic trends.

REAL ESTATE & RETAIL SEGMENTS

The Sri Lankan property market came under severe pressure through the pandemic period followed by the economic crisis. With the visible recovery signs of Sri Lanka's economy, demand for residential, commercial, and mixed-use properties is on the rise, helped in no small measure by a rapid decline in interest rates. Additionally, progress on the Chinese-backed Port City will hopefully

CHAIRMAN'S REVIEW

attract a new wave of real estate investors to Sri Lanka. Several large-scale projects that were previously halted due to financial and operational challenges have resumed. The surge in tourist arrivals is fuelling demand for accommodations across all levels. Real estate remains attractive in the hedge against inflation and rising cost of living.

When it comes to retail, statistics show that approximately 30% of the national GDP is accounted for by the local retail sector as of 2022, with 10% of Sri Lankan households dependent on employment in the sector, which indicates it is a key employment generator. However, the retail sector has been severely impacted due to the import bans, devaluation of the rupee, inflation, higher cost of living, rising fuel costs and lack of disposable incomes, causing major issues in supply and demand. A number of new malls were launched over the last couple of years targeting different segments of customers with varied needs.

The mall has become the go-to destination for mobile phones and accessories, in addition to Uptown Kandy, a 60,000 sq ft clothing and accessories store, and other stores showcasing books, jewellery, teas, household goods, toys etc.

As a longstanding mall, Liberty Plaza has built its own loyal clientele and is directly not in competition with these newer malls. The mall has become the go-to destination for mobile phones and accessories, in addition to Uptown Kandy, a 60,000 sq ft clothing and accessories store, and other stores showcasing books, jewellery, teas, household goods, toys etc. There was a welcome increase in footfalls at the end of the last quarter just in time for the Christmas season, a trend that has been maintained since then. Liberty Plaza has a set of loyal tenants who have built up a base of loyal customers over the years who provide steady patronage.

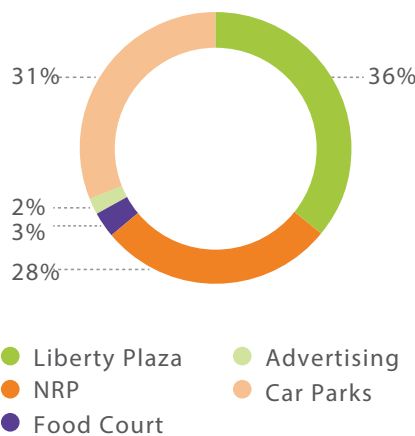
OVERALL PERFORMANCE

The group grew its Topline by 11% to Rs. 377 Mn as at 31st December 2023. On a positive note, occupancy touched 87% - the highest in the last 3 years.

Revenues of the Car parks owned by the company also grew by 9% as traffic improved over the previous year with greater mobility for people with easy access to fuel and so on.

Interest cost, which was a key concern, increased by 5% and stood at Rs. 306 Mn. This element impacts us the most as we have an outstanding loan which becomes more expensive to service. The majority benefit of lower interest charges was only felt in the last quarter. Nevertheless, we managed to reduce administration expenses by 6%

REVENUE CONTRIBUTION



by implementing a number of cost saving measures. However, we expect considerable finance cost savings next year as AWPLR has come down significantly.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The company adheres to an ESG framework to assess risks and opportunities relating to its operations. While evaluating its environmental impact through environmental stewardship, the company focuses on creating value for its stakeholders.

As a responsible corporate citizen, the Company remains aligned to all the mandatory rules and regulations for listed companies. New governance rules were released from the Colombo Stock Exchange in 2023, which have to be complied with by October 2024. The company is on track to adopting the regulations to be compliant within the given time-frame. The Board remains committed to strengthening the company's governance framework.



FUTURE OUTLOOK

The Sri Lankan economy by all accounts seems to have turned a corner, albeit many weaknesses remain. The International Monetary Fund (IMF) announced that it has reached a staff-level agreement with Sri Lanka regarding the next phase of financial assistance, granting access to \$337 million from the previously approved \$3 billion bailout allocated in 2023. Coupled with this news, lifting the import ban on most goods, strengthening of the rupee against the dollar and other currencies and record tourist arrivals month-on-month - we see positive signs. The real estate market and the construction industry are also showing an uptick as interest rates come down, although the impact of VAT in the real estate sector is to be seen. Disposable incomes are expected to come under less pressure and should indulge in retail therapy.

Meanwhile, the Board remains steadfast on pursuing opportunities for its Pettah land project and is making progress in discussions with stakeholders of the property and the Urban Development Authority. Our final

objective is to build a mixed development project in the location to benefit the local business community. Given the positive outlook for the country, we are working with investors and partners to take this project from the drawing board to reality, a dream we have nurtured for decades.

ACKNOWLEDGEMENTS

I am grateful to my fellow directors for their support and confidence in my leadership, ably supported by senior management and the entire team. I am also grateful to our shareholders for their continued support. We remain resilient and poised for a resurgent year ahead.

Mr. M D A Weerasooriya
Chairman - Independent Non
Executive Director

CEO'S REVIEW



Having built sound resilience over various periods of turmoil in the country in the past, Colombo Land and Development Company (CLDC) PLC managed to navigate the year with agility as always.



Mr. P S Weerasekera
Executive Director/Group CEO

Dear Stakeholder,

During 2023, the economy witnessed a modicum of improvement over a catastrophic previous year in which the nation's economy was driven to the brink. In comparison to the chaos and instability witnessed in the preceding year in the wake of the economic crisis, FY2023 was characterized by improved stability and signs of recovery in the economy, which has ignited hopes for a better 12 months ahead in FY2024.

OPERATING ENVIRONMENT

The persistent deficit of the overall government budget and the external current account, which was the root cause of the economic crisis showed signs of correction in 2023. Foreign exchange liquidity pressures eased due to the absence of large debt service payments, strong remittance flows and improved tourism earnings. After depreciating by 81% against the US Dollar in 2022, local currency appreciated by 11% from January to August 2023. However, disposable incomes remained under pressure for most of the year due to cost of living increases, as slower footfalls in malls around the city became a common sight. Fortunately, by the end of December 2023, shoppers were seen returning in droves, which augured well for our retail tenants' business prospects.

OVERALL PERFORMANCE & DEVELOPMENTS

Having built sound resilience over various periods of turmoil in the country in the past, Colombo Land and Development Company (CLDC) PLC managed to navigate the year with agility as always. Occupancy was maintained at an impressive 87% - the highest in the past three years - even though demand in the retail segment remained weak due to dwindling disposable incomes following the higher income taxes that came into force in January 2023.

The group grew its Topline by 11% to Rs. 377 Mn as at 31st December 2023 as against the corresponding period in 2022. Interest cost, which was a key concern, increased by 5% to reach Rs. 306 Mn. One of the key costs, service charges which are paid in respect to apartments, shops and offices held by the Company, increased by 40%, which had a direct impact on CLDC. Further, the Company derived income from its three car parks which saw an increase of 9%, as people became more mobile with the challenge of fuel shortages easing up. On a positive note, it became possible to increase rentals gradually at the time of renewals, which had not been possible in the last few years due to the pandemic and economic crisis. Rentals for some large spaces are yet to be regularized to pre-pandemic rates.

CEO'S REVIEW



However, certain factors weighed heavily on the Company's financial performance during the year under review, as the interest cost rise of 5% had a direct impact on the loan CLDC is servicing presently. Towards the latter part of Q3, loan conditions were renegotiated with the bank and as such the benefits will be seen in the FY 2024 in the form of reduced interest costs. In order to optimize operational efficiencies and prudent financial management, a group restructuring was implemented with a share/rights issue with Colombo Land & Development Company PLC, Liberty Holdings Ltd and Liberty Developers (Pvt) Ltd to settle outstanding balances. A slew of cost control measures were adopted to curb administration expenses which fell by a corresponding 5% and which will benefit the balance sheet in the next quarter.

Import restrictions on non-essential goods were relaxed in 2023, facilitating availability of goods for retail tenants. Import bans, weak rupee and non-availability of dollars for imports were factors that had impacted the retail industry and overall shopper sentiment. Family outings to the mall saw a sharp drop as a cost cutting measure. The high cost of fuel also had an impact on mobility.

Moreover, a number of new malls opened over the last couple of years but are targeted at a different segment. Liberty Plaza attracts a particular segment of the market and is not in competition with the newer malls. However, the Christmas season brought with it some cheer for tenants as they experienced sales rising, a welcome trend that has persisted into 2024 as well.

The retail sector is faced with a multitude of challenges including changing consumer preferences towards online shopping and e-commerce; maintenance and renovation costs; declining foot traffic; and vacancies among retail tenants within older malls can create a domino effect, leading to a decline in foot traffic and revenue. The key for older malls will be to remain relevant and adapt and evolve to become trusted community hubs, much like Liberty Plaza - a haven in the hustle and bustle of the city.

Generating goodwill, CLDC participated in the nutritional mid-day meal programme, 'No Hungry Kids', held in Janadhipathi Balika Vidyalaya and Sedawatta Siddhartha Madya Maha Vidyalaya schools which covered over 750 students.

FUTURE OUTLOOK

In the ultimate analysis, savvy investors know that real estate investments continue to be the definite hedge against inflation offer. And, all the indicators are pointing towards a rebound in the real estate market and construction industry. With interest rates coming down real estate will be an attractive proposition. Although the new Value Added Tax will impact real estate sector, with the dollar expected at Rs. 300, the cost of goods will come down and people will have more disposable income and indulge in luxuries. More disposable income translates into greater retail activity in malls.

A 103 acre plantation consisting of mahogany trees is also held by the Company as part of its holdings. After a period of 22 years the plantation is about to gain maturity. The management is in discussions to arrive at a decision that will enable it to derive the full benefit of this holding.

The Company spares no effort to engage with stakeholders in CLDC's 13-acre land parcel in Pettah and is hopeful that their cooperation and that of the Urban Development Authority (UDA) will help fast track our vision for a dynamic mixed development project at the site. Thus far, approximately three acres of the entire parcel is free of encumbrances and in the possession of the company.

There is an urgent need for mega transport hubs in the city to rationalize public transport and ease pressure on the number of vehicles on the road. The ambitious mixed development is expected to accommodate support services for commuters such as shopping, dining and lodging, while addressing needs of other demographics such as shop houses for traders, modern warehousing and logistics, a city medical centre/hospital, commercial spaces, recreational/garden spaces etc. The presence of a mega transport hub in Pettah will facilitate better infrastructure and uplift public transport on the same level as peer nations. The government can leverage on the emerging positive economic sentiment by accelerating such infrastructure projects.

With the economy improving and better business sentiments, mall traffic is expected to improve and also generate higher revenues for business owners. As a result, charging higher rentals is a definite possibility along with filling in available vacancies looking at this year's achievement and further aggressively marketing the spaces. The aim is to ensure the upkeep of the mall and buildings while updating equipment and facilities.

Going ahead, the management will maintain the right mix of tenants to ensure customers can find everything they need under one roof. Strategies are being drawn up to drive traffic to the mall with promotional activity and marketing to improve footfall; explore long term cost reduction by installing roof top solar panels and to leverage on car park automation systems for efficient management.

APPRECIATION

I take this opportunity to express my thanks to the Chairman and Board Members for their guidance and direction. The management team and staff have made a significant contribution to the company's profitability and wellbeing. We value our shareholders' unstinted support and thank all those who supported the company through the year whilst looking ahead with enthusiasm.

A handwritten signature in black ink, appearing to read 'P. S. Weerasekera'.

Mr. P S Weerasekera
Executive Director/Group CEO

BOARD OF DIRECTORS



Mr. M D A Weerasooriya

(Independent Non-Executive Director/Chairman)

Mr. Asoka Weerasooriya, Attorney-at-Law, is an old boy of Richmond College Galle. Having entered the Bar in 1987, he joined the Attorney General's Department of Sri Lanka in 1988 as a State Counsel where he went on to build a strong career in criminal justice. He entered the Private Bar in 1993. With a legal career spanning 35 years, he counts extensive experience in criminal law as well as other areas of the law – from bribery & corruption cases, industrial & labour disputes to customs & tax cases etc. He is recognized and highly respected as a senior Counsel within the legal fraternity of Sri Lanka.

He has been appointed as an Executive Committee Member of the Bar Association of Sri Lanka (23/24), and serves as a member of The Criminal Law Reforms Sub-Committee appointed by The Cabinet, under the aegis of The Ministry of Justice. In recognition of his contribution towards the legal profession, Mr. Weerasooriya has been re-appointed by The Chief Justice Jayantha Jayasuriya PC, as a Member of the Disciplinary Committee under the Judicature Act, which is entrusted with the process of conducting preliminary inquiries against members of the legal fraternity.

He is a key resource person for the BASL Seminars & Workshops and the National Law Conference. He is also the Chairman of the Lawyer - Police and Prisons Relations Committee (BASL Standing Committee). He also served as an Independent Non Executive Director at Ascot Holdings PLC from 2012-2018 (Now known as Lanka Reality Investments PLC).



Mr. P S Weerasekera

(Executive Director/Group Chief Executive Officer)

Mr. Padmesh Weerasekera is a business strategist with over 30 years of experience specialising in the areas of corporate strategy, sales, marketing and sustainability. He has worked in a number of industries covering insurance, advertising, telecommunications, FMCG, automotive, banking, logistics, travel, hospitality, real estate operating locally and internationally.

He was the Chief Executive Officer at George Steuart Consumer and served in senior leadership capacities in the past at Expolanka Holdings PLC, Janashakthi Insurance and Bates Asia. He is a Fellow of the Chartered Institute of Marketing, UK, Certified Management Accountant - CMA Australia and holds a MBA from the University of Wales - UK.

He is a recipient of the Brand Leadership Award at the World Brand Congress in 2011, CMO Asia Award in 2012 and Asia's Best Marketer Award in 2016, CMO Asia, Singapore.



Mr. S A Ameresekere

(Executive Director)

Sarva is the Group Chairman of George Steuart & Co., Sri Lanka's oldest business entity established in 1835. He plays a pivotal role in the management and strategic planning of the Group's diversified sectors including healthcare, tea exports, financial services, travel, leisure, industrial solutions and FMCG. Accordingly, Sarva holds several key positions within the Group, including directorships of all its listed entities - Citrus Leisure PLC and its subsidiaries and HVA Foods PLC.

Sarva also served as the Director / CEO of Triad (Pvt) Ltd, one of Sri Lanka's leading integrated communication entities up to early 2024, where he now remains as an Executive Director. The Triad group integrates a cluster of specialized communications companies that offer its clients an unmatched holistic and synchronized communication solution.

Qualified in both business and engineering, Sarva has extensive local and foreign exposure in diverse areas of business. He holds a Master's Degree in Engineering Management from the University of Southern California, Los Angeles and a Bachelor's Degree in Industrial and Operations Engineering from the University of Michigan, Ann Arbor.

BOARD OF DIRECTORS



Mr. Ng Yao Xing, Eugene

(Executive Director)

Ng Yao Xing, Eugene is a director from Singapore. He is a graduate of the Singapore Management University. He holds several Directorships in property development and management companies in Singapore and Malaysia. In addition, he oversees several technical and IT related startups in Singapore.



Mr. P S Perera

(Non-Executive Director)

Mr. P S Perera holds a degree in Bachelor of Mechanical Engineering from the Auckland University of Technology, New Zealand and is also currently completing a Master of Business Administration (MBA) from the Postgraduate Institute of Management, University of Jayewardenepura

Mr. Perera has experience in the telecommunications industry, encompassing production processes for mechanical and electrical fabrications in New Zealand. Currently, Mr. Perera plays a pivotal role in the management and business development of George Steuart Solutions, a company that offers industrial solutions in Sri Lanka. Having worked in both New Zealand and Sri Lanka, he has a sound global perspective and is well versed with navigating diverse professional environments.



Mr. N P K Ranaweera

(Non-Executive Director)

Mr. N.P. K Ranaweera holds a degree in Master of Science in Town and Country Planning from the University of Moratuwa.

He has also completed Post Graduate in Regional Planning from the University of Kelaniya and Urban Management from Erasmus University, the Netherlands respectively. He also holds a Bachelor of Science (BSc.) in Estate Management and Valuation from the University of Sri Jayewardenepura, Kotte.

Mr. N.P.K Ranaweera has engaged over 11 years of experience in Senior Management of Urban Development and Planning and further holds professional experience as a Corporate Member of the Institute of Town Planners of Sri Lanka (ITPSL M241) and is a Fellow Member of the Institute of Real Estate and Valuation, Sri Lanka (IREV 54).

Mr. Ranaweera was appointed as the Board Director / Secretary of the Urban Development Authority (UDA) and as a Board Director for Lanka Electricity Company Private Limited, Lanka Rest Houses Limited, Waters Edge Recreations Limited, Waters Edge Limited, Urban Settlement Development Authority, Urban Investment and Development Company, Road Development Authority.



Mr. H A N D Herath

(Non-Executive Director)

Mr. H A N D Herath holds a degree in Master of Business Administration (MBA) from the Postgraduate Institute of Management, University of Jayewardenepura.

He counts over 15 years of experience at Senior Management level 8 of which had been in the Hospitality Industry and Public Sector Institutions.

Mr Herath is a results oriented and a visionary leader with skills in the fields of Brand Management, Strategy Development, Project Management, Leadership Development, Marketing Management, Human Resource Management and Financial Planning.

Mr Herath was appointed as the Chairman of the Urban Development Authority (UDA) and Urban Investment & Development Company (Private) Limited (UNIDEP) and as the Director of Waters Edge Limited, Lanka Rest Houses Limited, Colombo Land and Development Company PLC, On'ally Holdings PLC, Urban Settlement Development Authority and Tea, Rubber & Coconut Estates (Control of Fragmentation) Board.



Mr. M D S Goonatilleke

(Independent Non-Executive Director)

Mr. Goonatilleke is a financial professional with over 30 years post qualification experience. He has held senior managerial positions in leading public, multinational and private companies during his career.

He is an Associate Member of the Institute of Chartered Management Accountants (U.K.), since 1987. He is a passed finalist of the Institute of Chartered Accountants (Sri Lanka). Mr. Goonatilleke has obtained a Post Graduate Diploma in Management from PIM of University of Sri Jayawardenapura as well. He currently serves as a Non-Executive Director of DSL Group of Companies.

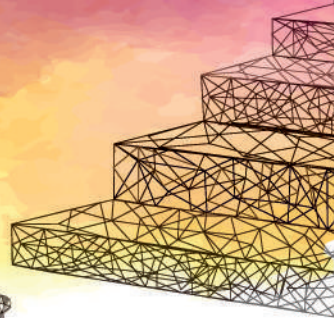


Mr. NG H C Clement

(Alternate Director to Mr. NG Yao Xing, Eugene)

Clement NG has over 20 years of management experience in multinational companies in Senior Executive roles. He holds an MBA with a double major in Finance and Marketing from the University of Western Australia.

STRATEGIC PURPOSE





MANAGEMENT DISCUSSION & ANALYSIS

22

Our Value
Creation Model

24

Our Business
Model

26

Stakeholder
Engagement

28

Management
Discussion &
Analysis

30

Management
of Capital

OUR VALUE CREATION MODEL

INPUTS:

FINANCIAL CAPITAL

Shareholders' funds:
RS. 8,314 MN
Long Term Borrowings
RS. 1,351 MIN

MANUFACTURED CAPITAL

Investment Property
13,434 MN
Biological Assets
RS. 74 MN

HUMAN CAPITAL

Mix skilled and experienced employees
Total of **35** employees

SOCIAL AND RELATIONSHIP CAPITAL

Government & Regulators
Long term relationship with tenants, suppliers and business partners

TECHNOLOGY/INTELLECTUAL

Brands Insights into adult consumers and market behaviour Access to world-class R&D capabilities

NATURAL CAPITAL

Ongoing efforts to improve energy efficiency through the use of inverter air conditioners, LED lighting and employee engagement

EXTERNAL PARAMETERS

1 OPPORTUNITIES

Being in the Business of realstate over four decades and build a long standing client tail

2 TRENDS

Demand for realstate increase due to lower interest cost

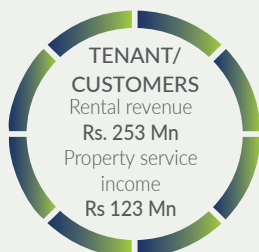
3 STAKEHOLDERS' EXPECTATIONS

Return on investment
Risk Management

VALUE DRIVERS



OUTPUT



87%

Occupancy



58%

Longstanding
Tenants



174,676

Sqft.
Rentable Space



OVER 350

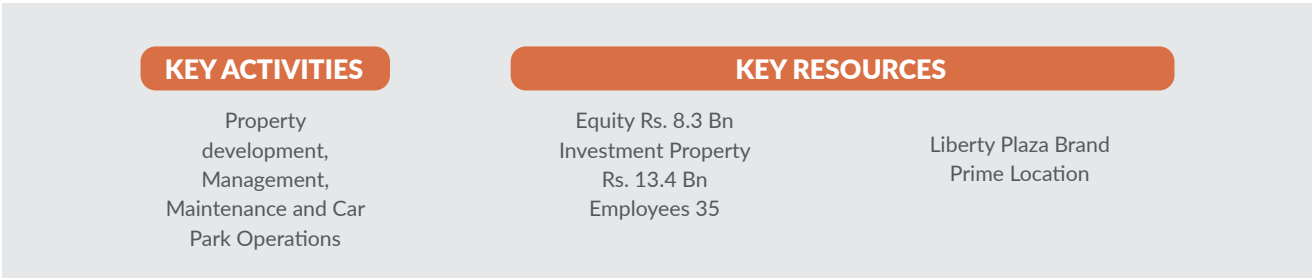
Car Park Slots and

OVER 2

Acres of open vehicle
parking area

IN EVERY STEP
WE TAKE, WE
ARE COMMITTED
TO CREATING
SUSTAINABLE
VALUE FOR
ALL OUR
STAKEHOLDERS

OUR BUSINESS MODEL





PRODUCTS & SERVICES



Commercial, Office
and Residential
spaces
Car Parking spaces
Advertising Spaces



CUSTOMER RELATIONSHIPS



Long-term & short
term relationships
with our customers
to satisfy their
expectations

CHANNELS

Advertising
Internet
Brokering Agency
Postal Service
Personal
Contacts



CUSTOMER SEGMENTS



Banks & financial
institutions
Local & foreign
start-ups
International retail
brands
Local & international
restaurant chains
Major FMCG retailers
in the country
Major mobile and
electronic retailers



REVENUE STREAMS

Rent
Income

Advertising
Income

Car Park
Income

Interest & Other
income

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT

At Colombo Land and Development Company PLC, we acknowledge the crucial contribution of both internal and external stakeholders to our achievements. Ensuring the careful management of how our business activities affect stakeholders is essential for maintaining our ongoing growth and development.

Our stakeholders include shareholders/investors, tenants, suppliers, employees, governmental/regulatory bodies, and the wider society. We place a high priority on actively engaging with each stakeholder group, nurturing relationships that generate mutual value. This strategy fosters a harmonious relationship between stakeholders and the company, fostering collective prosperity.

OUR STAKEHOLDER ENGAGEMENT APPROACH

- We categorize stakeholders who directly or indirectly influence our company's operations and are impacted by our business activities.
- Stakeholders are segmented based on their significance to our operations.
- We establish a strategic plan for engaging with stakeholders.
- We identify a variety of formal and informal channels for stakeholder interaction.
- We determine priorities for each stakeholder group and establish channels of communication accordingly.
- We aim to swiftly address any inquiries from stakeholders within the shortest feasible timeframes.

STAKEHOLDER PROCESS

Stakeholders	Expectations	Importance	Engagement Process	Company Platforms
Investors/ shareholders	ROI, Liquidity Good Governance, Risk Management, Shareholders' Confidence, Transparency	<ul style="list-style-type: none"> • Invest capital in the Company • Safeguard the ownership of the Company • Help to expand shareholder wealth 	<ul style="list-style-type: none"> • Accurate, clear and transparent communication is the key. All requested information is shared with this stakeholder group as deemed necessary and when asked for, in a timely manner. • Strategies to ensure sustainable and ethical business growth • Compliance with regulatory mandates and upholding internal controls and risk mitigation measures 	<ul style="list-style-type: none"> • Annual General Meeting • Annual Report • Interim Financial Statements • Web uploading/ CSE announcements
Tenants	Reasonable rentals, High quality service standards, Superior facilities, Considerate credit facilities	Salient source of revenue generation for the company	<ul style="list-style-type: none"> • High quality modern commercial office space at affordable rates • Extending security, maintenance and customer service • Offering grace periods for rental payments and concessionary rates due to tough business conditions • Nurture longstanding relationships with tenants to maximise shareholder returns 	<ul style="list-style-type: none"> • Customer feedback • Meetings • Resolving complaints & requests

Stakeholders	Expectations	Importance	Engagement Process	Company Platforms
Suppliers	Accommodate price fluctuations, Transparent procurement process, Payments made on time	Source of inputs needed to run the business operations	<ul style="list-style-type: none"> Adhere to procurement policies Negotiate with suppliers for best quality and price Optimal inventory management system to ensure delivery on time 	<ul style="list-style-type: none"> Supplier registration Meetings and discussions for better mutual understanding and cooperation
Government, legal and regulatory bodies	<ul style="list-style-type: none"> Total compliance with laws Fulfil regulations and formalities 	<ul style="list-style-type: none"> Regulators and policy makers that need to be complied with for sustainable business operations 	<ul style="list-style-type: none"> Fulfil compliance norms to the fullest Ensure good governance Audits and reviews of compliance and ensure all required standards are met, failing which could lead to loss of reputation 	<ul style="list-style-type: none"> Ensure staff fulfils business compliance needs by issuing circulars and conducting audits
Employees	<ul style="list-style-type: none"> Career progression Remuneration and benefits on par with industry Occupational Health & Safety 	<ul style="list-style-type: none"> Key pillar of the organisation to drive operations 	<ul style="list-style-type: none"> Fair HR policies for employee welfare Equal opportunity employer Extending loans and insurance Rewards and recognition 	<ul style="list-style-type: none"> Staff meetings, notices Engagement with management Employee bonding
Community	<ul style="list-style-type: none"> Responsible conduct of business Proper waste disposal Prudent use of resources 	<ul style="list-style-type: none"> The Company needs the society's approval to operate its business and run it as a responsible corporate citizen 	<ul style="list-style-type: none"> Responsible operations minimising inconvenience to community Internal paper recycling, energy saving lighting (LED) to promote efficient use of resources and to minimise waste. Effective maintenance of AC system, generators, water supply etc 	<ul style="list-style-type: none"> Media coverage CSR activities

MANAGEMENT DISCUSSION & ANALYSIS

VISION

"To be recognized as a pioneering real estate development and investment property leasing company that benchmarks world-class real estate concepts in building sustainable landscapes and communities, thereby creating greater value for our stakeholders."

VALUES

- **Futuristic:** We look beyond the present to deliver future value.
- **Superior:** We aim to exceed expectations in delivering superior quality, value and service.
- **Knowledgeable:** We strive to understand our markets and our customers' needs.
- **Connected:** Relationships mean everything to us; we connect and maintain a good rapport with all our stakeholders.
- **Passionate:** We love what we do. We believe in working with "all heart".
- **Integrity:** We conduct ourselves in the highest ethical standards, demonstrating honesty and sincerity.
- **Conscious:** We respect our social and physical environment around us.

ABOUT US

Incorporated as a limited company on 8th December 1981 and listed on the Colombo Stock Exchange on 19th March 1986, Colombo Land and Development Company (CLDC) PLC is a pioneer in mixed development projects in the real estate and retail industry in Sri Lanka. Its principal activities are the development and leasing out of investment property under operating leases at Liberty Plaza consisting of retail, office and apartments, food court; leading advertising spaces; and renting of vehicle car parks at both Liberty Plaza and Pettah locations. The Group also holds commercial property unmatched in terms of strategic location and land extent in the Central Business District of Pettah, which has been earmarked for ambitious development. Reflecting its commitment to sustainable development through investments in environment-friendly sectors, its fully-owned

subsidiary, Agri Spice (Pvt) Ltd., operates a 102-acre Mahogany, Rubber and Alstoniya plantation at Avissawella.

MACROECONOMIC ENVIRONMENT

The Sri Lankan economy entered a path towards recovery in 2023 following its deepest economic crisis encountered in the preceding year. The recovery was supported by rapid disinflation, improved external resilience, stronger fiscal balances and preserved financial system stability. The implementation of a suite of policy measures by the Government and the Central Bank and the structural reform agenda alongside the International Monetary Fund's Extended Fund Facility (IMF-EFF) arrangement reinforced overall macroeconomic stability. Having benefited from restored stability, the economy commenced transitioning to a growth trajectory.



Inflation that had peaked at an all-time high in September 2022 reverted to single-digit levels within a year and continued to remain in the vicinity of the target by end 2023. With the adoption of accommodative monetary policy stance by the Central Bank since mid-2023 and the decline in risk premia following the finalisation of the Domestic Debt Optimisation (DDO) operation, market interest rates including yields on government securities recorded a notable decline in 2023.


Credit to the private sector experienced a positive shift from mid-2023, ending the longest streak of monthly contractions. The external current account recorded a surplus in 2023 supported by a significant contraction

in the trade deficit amidst increased services exports and improved workers' remittances. Gross official reserves improved with the support of net purchases of foreign exchange by the Central Bank and financing support from multilateral partners.

Despite intermittent volatility, the Sri Lanka rupee recorded an overall appreciation in 2023, which broadly reflected the market behaviour and sentiments, as the Central Bank adopted a market-based exchange rate policy.

Notwithstanding a series of domestic and external shocks, the financial sector demonstrated its resilience stemming

from the proactive and prudent policies and greater crisis-preparedness. Amidst challenges, the banking sector, which dominates the financial sector, was able to maintain stability by preserving capital adequacy level, supported by the decline in risk weighted assets, while liquidity was maintained above the regulatory minimum. Total assets of the banking sector improved along with profitability, while credit risk as indicated by the Stage 3 loans ratio increased during 2023.



SRI LANKA'S PROPERTY MARKET EMERGED FROM A PROLONGED IMPACT OF THE PANDEMIC AND CRISIS TO OFFER AS SIGNS OF A WIDER ECONOMIC RECOVERY.

The fiscal performance in 2023 was commendable, driven by rigorous consolidation measures for revenue enhancement and expenditure rationalisation. The primary balance showed a surplus in 2023, while the overall budget deficit declined compared to previous year.

Inflation, which reached the historically highest level in September 2022, recorded a rapid disinflation process since then, reaching lower single-digit levels towards the end of 2023.

The Sri Lankan economy showed signs of rebound with a moderate contraction of 2.3% by end 2023 in comparison to a significant contraction of 7.3% observed in 2022. The gradual yet steady rebound in 2023 was evident, particularly in the second half of the year, during which the Gross Domestic Product (GDP) recorded positive growth rates. This was underpinned by renewed macroeconomic stability amidst softening inflation and easing of external sector pressures.

RESIDENTIAL APARTMENTS

In 2023, Sri Lanka's property market emerged from a prolonged impact of the pandemic and crisis to offer as signs of a wider economic recovery. Real estate reports indicate that demand for residential, commercial, and mixed-use properties, particularly in major cities such as Colombo, Kandy, and Galle is on the rise. Further, the promise of the Chinese backed Port City is expected to attract a set of real estate investors. Already some of the large scale projects which were halted due to financial and operational constraints have recommenced. The boom in the tourist inflows is further driving demand for all levels of accommodation.

OVERALL PERFORMANCE

Liberty Plaza

A number of new malls opened over last couple of years although they are not in direct competition with Liberty Plaza, which reports growing footfalls amidst more positive economic sentiments. Lower disposable incomes, import bans, weak rupee and non-availability of dollars for import were factors that had impacted the retail industry and shopper sentiment. Family outings to the mall had declined as a cost cutting measure coupled with the high cost of fuel. However, late December 2023 onwards witnessed a much more positive trend. Liberty Plaza witnessed an occupancy of 87% which is significant.

Car Parks

Traffic in the company's three car parks improved over the previous year by as much as 9% with greater mobility due to easy access to fuel. Both car parks owned and managed by the company performed well as they provide a much-needed services in the strategic business hubs in which they are located. A new parking system enhanced efficiency and services.

Plantation Segment

CLDC's fully-owned subsidiary, Agri Spice (Pvt) Ltd, operates a 102-acre Mahogany, Rubber, Tea and Alstoniya plantation at Avissawella, reflecting its commitment to sustainable development through investments in environment-friendly sectors.

MANAGEMENT OF CAPITAL



FINANCIAL CAPITAL



Decades of experience in managing real estate has built a strong inherent financial resilience which enables the achievement of strategic goals



The Financial Capital provides insights into how the Company is balancing its key priorities. The weakness in the operating environment persisted from the previous year which had witnessed the worst ever economic crisis in the nation's history. However, the second half of the FY2023/24 witnessed the conditions improving. Colombo Land and Development Company (CLDC) PLC leveraged on emerging opportunities to grow its revenue and maintain a healthy occupancy to end the year under review on a satisfactory note.

REVENUE

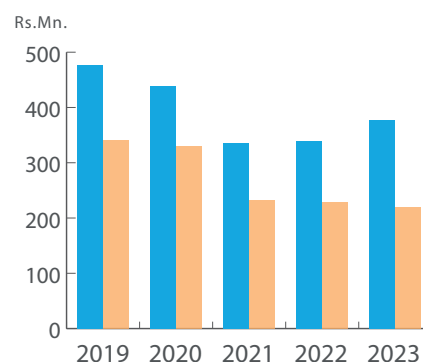
Despite the challenges in the wider economy, overall Group Revenue increased to Rs. 377 Mn in 2023 from Rs. 339 Mn in the previous year. The Company operates 3 car parks

which benefitted from increased vehicular traffic as revenue increased to Rs. 115 Mn in the year under review from Rs. 106 Mn in the previous year. Meanwhile, rental income for Liberty Plaza retail, commercial and residential spaces rose to Rs.253 Mn in 2023 from Rs. 226 Mn achieved in 2022.

GROSS PROFIT AND DIRECT COST

The Gross Profit of the Group decreased slightly by 3% from Rs. 228 Mn to Rs. 220 Mn mainly due to the electricity costs doubling during the year along with a steep rise in service charges by 57%.

REVENUE & GROSS PROFIT



FINANCE COST

The Finance Cost increased by 5% from Rs. 292 Mn to Rs. 306 Mn as a result of higher interest costs during the year. The Company has taken several steps to reduce the finance cost in the future.

PROFIT BEFORE TAX

Profit before Tax increased significantly by 1,157% from Rs. 34 Mn in 2023 to Rs. 429 Mn in 2022 as a direct result of an increase in the fair value of investment properties.

TAXATION

Despite fiscal reforms announced by the government during the year which raised taxes, income tax expenses for the financial year under review decreased to Rs.108 Mn from Rs.765 Mn in the year 2022. This is mainly due to lesser changes in deferred tax liability.

CASH AND BORROWING

The company's cash and short term investment dropped from Rs.41.9 Mn in 2022 to Rs. 21.7 Mn due to lesser short term investment in unit trust. Group borrowings increased to Rs. 1,458 Mn from Rs. 1,356 Mn as a result of the capitalization of borrowing cost.

NET ASSETS

Net Assets per share increased from Rs. 39.98 to Rs. 41.60.

EARNINGS PER SHARE

Earnings per share increased to Rs. 1.61 from last year's loss of 3.66 per share

PRICE EARNINGS RATIO

Price earnings ratio is 10.56 times in 2023 when compared to (4.29) times in the year 2022.

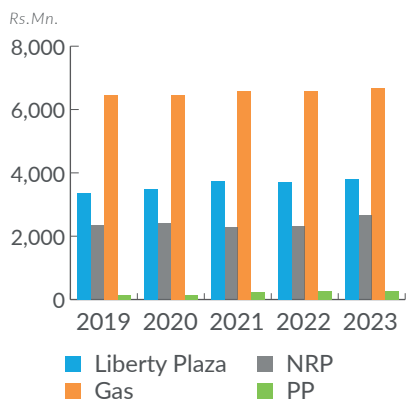
RETURN TO EQUITY

Return to Equity is 3.86% in the year under review when compared to the negative return of 9.15% in 2022.

ASSETS

The total Group asset base increased from Rs 13.3 Bn in 2022 to Rs. 13.8 Bn. in 2023. This is mainly due to the increase of investment properties.

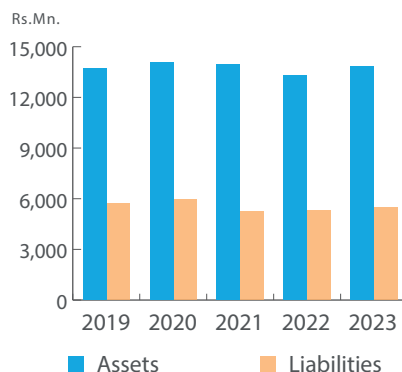
Investment Property - Group



LIABILITIES

Total liabilities as at 31st December 2023 stood at Rs. 5.5 Bn when compared to Rs. 5.3 Bn in 2022. This is mainly due to capitalization of interest costs during the year.

ASSETS & LIABILITIES



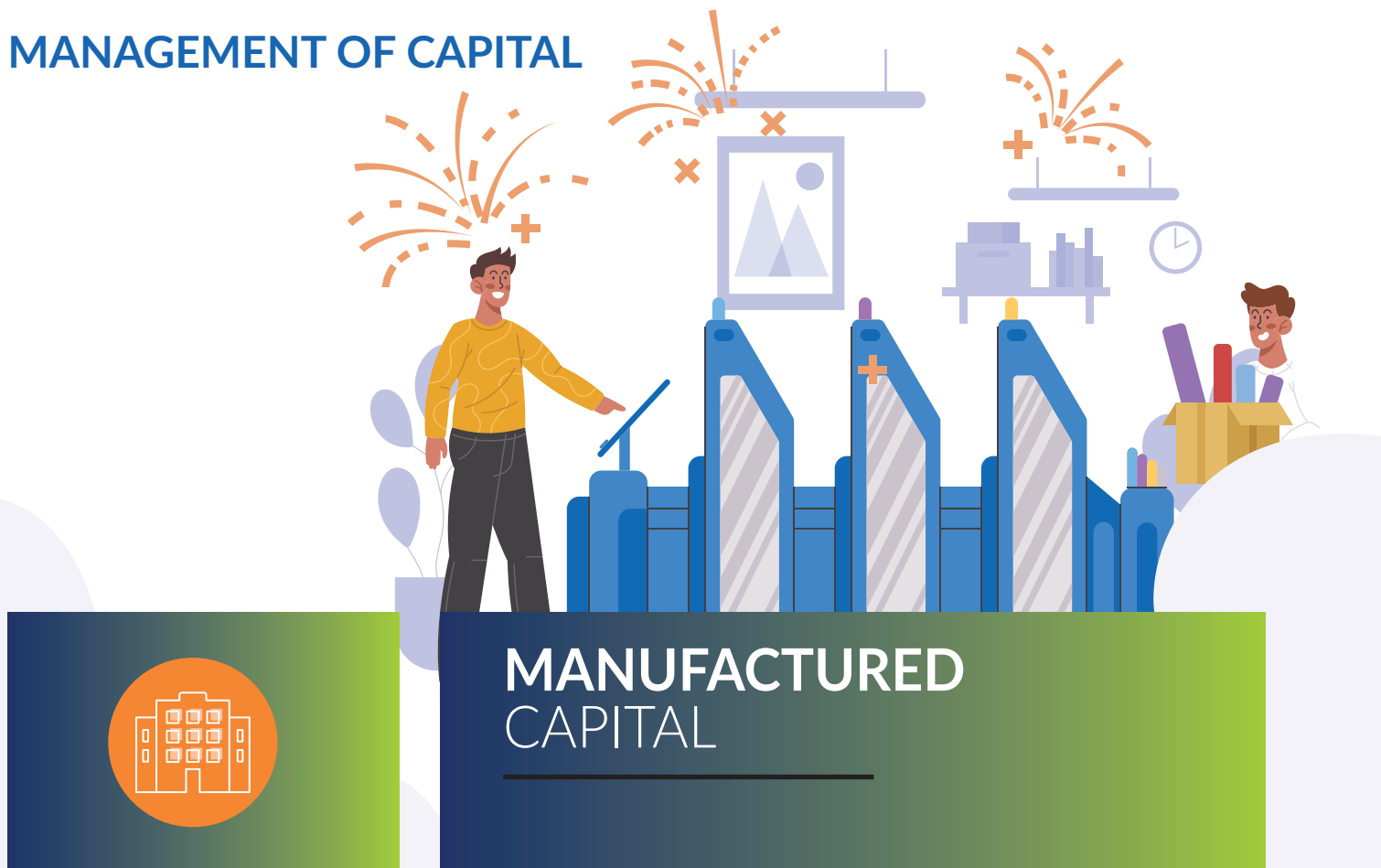
TOTAL EQUITY

The total equity increased to Rs. 8.3 Bn in 2023 from Rs. 7.9 Bn in the preceding year mainly due to an increase in retained earnings.

ACCOUNTING POLICIES

The Financial Statements contained in this report are prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) and meet the requirements of the Colombo Stock Exchange and the Companies Act No 07 of 2007.

MANAGEMENT OF CAPITAL



MANUFACTURED CAPITAL



Infrastructure is continually enhanced to elevate operational efficiency and deliver an unparalleled customer experience to remain competitive



Our manufactured capital comprises investment properties, which remains a core part of our customer value proposition, enabling us to reach new customers and providing visibility to support our brand. As a real estate owner, developer and operator, we remain committed to investing in upgrading our real estate assets for optimal performance.

FLAGSHIP PROPERTY - LIBERTY PLAZA

Despite being the nation's first modern shopping complex, Liberty Plaza has been successfully upgraded, the property, diversifying retail brands and tenants to offer a distinctive retail experience. Presently, the Group holds 83 shops and 9 office and apartments at Liberty Plaza covering 174,676 sq ft. The property value amounts to LKR 6.4 Bn



CLDC is committed to maintaining the properties through preservation and timely maintenance. During the year under review, several of its investment properties were renovated to attract new tenants and to maintain the reputation. The company maintains regular service contracts for janitorial, security and maintenance. Their performance is monitored stringently to ensure the services are on par with the high standards that tenants of Liberty Plaza have come to expect.

As a longstanding property, Liberty Plaza ensures smooth operations and maintains strong relationships with its tenants, most of whom have been associated with the property for years. The company was able to add a number of new tenants during the year to its portfolio of tenants, thereby offering a wider choice of products for customers.

CAR PARKS

CLDC performs a valuable service to city residents, offices and shoppers by operating the car parks at Liberty Plaza and two strategically located car parks People's Park and Gas Land in the heart of the city's business district. These car parks are a nodal point for commercial and light vehicles to park in a safe environment and support the business activities in the area. A new car park system was deployed to increase the effectiveness and operations of the car parks. During the year under consideration, a Revenue of LKR 115 Mn was generated from operating the car parks.

GAS LAND

Valued at LKR 6.7 Bn, Gas Land is the highest value investment property held by the group. The car park covering an area of



2A-3R-13.25P is chiefly used by traders as a distribution hub for goods transported into Colombo, mainly by lorries and container trucks. Presently, the car park attracts more than 275,000 customers per annum. Every year an influx of new customers is seen.

PEOPLE'S CAR PARK

The new car park system is enhancing the smooth operations that People's Car Park is known for. The roof top car park accommodates 176 vehicle parking slots and 100 motorcycle slots. The car park roof has been built with the capacity to house solar power panels as an avenue for additional revenue generation going ahead.

THE COMPANY WAS ABLE TO ADD A NUMBER OF NEW TENANTS DURING THE YEAR TO ITS PORTFOLIO OF TENANTS, THEREBY OFFERING A WIDER CHOICE OF PRODUCTS FOR CUSTOMERS.



MANAGEMENT OF CAPITAL



INTELLECTUAL CAPITAL



As a pioneer real estate developer, the company leverages on its knowhow and expertise to strengthen brand reputation



Our intellectual capital is comprised of our brand, knowledge, systems, procedures and protocols. Liberty Plaza is one of the strongest brands and iconic locations in Colombo, and the first and the oldest shopping complex in Sri Lanka, dating back to the 1980s.

Liberty Plaza still remains a valued brand and the premier shopping, office and apartment complex in the city as a result of its ability to reinvent its offerings and upgrade the premises to suit the evolving taste of its customers.

Retail has become a highly dynamic industry with frequent shifts in customer tastes, however Liberty Plaza has unfailingly kept pace with the latest trends.

BRAND EQUITY

Liberty Plaza is one of the strongest brands and iconic locations in Colombo, and the first and the oldest complex of shops, offices and apartments in Sri Lanka dating back to 1980s. The strength of the Liberty Plaza brand is evident in the longstanding list of leading retail local and global brands present in the mall; the reputed companies that operate from here and the longstanding apartment owners who enjoy an unparalleled location in the heart of the city.

DIGITALISATION

Liberty Plaza has enhanced its presence on digital channels and has migrated shops, offices and apartments on its premises to the high speed SLT fiber line, across 300 points, to offer a better service to its customers. The website is an important tool for prospective prospective tenants, advertisers and shoppers

to understand the ethos of the property and was re-launched with a more user-friendly and descriptive interface.

KNOWHOW & EXPERTISE

CLDC manages its Intellectual Capital by harnessing its technical knowhow and marketing expertise to ensure customer satisfaction, driving positive employee experiences and following transparent and robust internal processes and structures which drive sales and create value for all stakeholders.

AWARDS & AFFILIATIONS

Over the years, the company has amassed an array of recognitions and awards. In 2023, CLDC was awarded with a Compliance Award in the category of "Land & Property" at the TAGS Awards Ceremony organized by the Institute of Chartered Accountants of Sri Lanka.



Building a diverse and skilled team that thrives professionally and personally in an empowered work culture is the foremost priority



The employees at CLDC are a key resource and their knowledge and commitment help the organization to meet its strategic goals and nurture relationships with all stakeholders. The company strives to develop leadership and build a knowledge based team through training and recognition for a fulfilling professional career.

TEAM PROFILE

By cadre/gender/age/years of service/attrition

HR POLICIES

The challenging circumstances created by the global pandemic and the economic crisis in Sri Lanka required the company to further enhance its employee care policies. As a result, CLDC now reflects a corporate culture with a stronger human capital focus underscored by employee engagement

and support for their physical, mental and emotional wellbeing.

RECRUITMENT

The strong credentials enjoyed by CLDC in the real estate market enables the company to attract the right talent and after on-boarding, the new recruits are well supported by a strong talent retention strategy in alignment with business needs against a challenging macroeconomic backdrop.

FORCED LABOUR

The company is opposed to forced or compulsory labour in any form in its operations. No forced labour cases were recorded this financial year.

CHILD LABOUR

The law considers the minimum age of employment to be 18 years and above. The

company shuns child labour and has never in its history employed child labour over four decades of operations. Suppliers and outsourced service providers have to pledge their allegiance to no child labour before signing any agreements.

EMPLOYEE ENGAGEMENT

It is common knowledge that employees who feel connected to their organization work harder, stay loyal longer, and motivate others to do the same. At CLDC we understand that when employees are motivated and engaged, it unlocks their potential. To heighten employee engagement, the organization ensures that employees are placed in the right roles where they find their work motivating and challenging, which in turn hones their strengths. Companies also require a set of inspiring leaders for staff to look up to, which is apparent in the experience

MANAGEMENT OF CAPITAL



and reputation of our senior leadership and eminent board; while the corporate strategy has to be clearly explained to each employee and shown how they can develop with the future success of the company.

PERFORMANCE MANAGEMENT

A comprehensive performance management framework provides a fair and transparent review of employee performance. The framework helps understand employee's training needs and map career aspirations of the employee in tandem with corporate goals. All permanent and contract employees undergo an annual performance appraisal by supervisors. Staff performance is evaluated annually and scores are allocated for individual staff. Based on the overall performance, annual salary increases and bonuses are subsequently decided.

TRAINING AND DEVELOPMENT

A culture of continuous learning and professional development are at the core of our talent retention strategy. Having a team that is fully abreast of the latest trends and knowledge helps serve customers better and leverage on emerging opportunities. Employees are given all the tools they need to succeed in their careers while meeting organisational goals. They are provided with training programmes, career guidance, company loans for studies and mentoring.

REMUNERATION

CLDC's remuneration practices are on par with industry norms and competitive remuneration is extended to all employees and incentives are tied to performance, ascertained impartially by our performance appraisal scheme. Remuneration of

employees is entirely dependent on the role, experience, qualification and performance of the individual. CLDC abides by the National Minimum Wage of Workers Act No. 03 of 2016.

BENEFITS

The company extends competitive benefits to our staff including 14% of the basic salary to the Employee Provident Fund (EPF) and 3% to the Employee Trust Fund (ETF). As at the reporting period, the Group incurred a cost of LKR 6.6 Mn in terms of EPF and ETF. We regularly meet obligations on gratuity payable under the Payment of Gratuity Act No. 12 of 1983. The liability recognised as at the balance sheet date is LKR 6.7Mn.

FACILITIES

Permanent employees are eligible for the following facilities:

- Medical Insurance/Workmen Compensation Insurance Policy: This is a comprehensive insurance scheme which covers employees, spouse and their children's general, surgical and hospitalization needs.
- Vehicle Allowance: Based on the employee category, employees are entitled for vehicle allowance.
- Fuel Entitlement: Fuel entitlement based on the employee category is provided for official and personal transport needs.
- Staff Loans: Employees are assisted during financial hardships or when financial support is needed in instances such as house renovations, further education etc. Loans are granted at nominal interest rates for longer duration of 24 months.

- Festival Advance: This is provided to cover any costs that they may be incurred during festival celebrations.
- Higher employer contribution for EPF (14%)
- Free uniforms for minor staff and maintenance staff
- Gift of compassion for funeral of family members
- Annual salary increments in line with staff performance.
- Bonus based on company and staff members' performance.
- Overtime: Non-Executives category employees who work beyond the stipulated working hours will be paid overtime.

MATERNITY LEAVE

All female employees at CLDC are entitled to maternity leave. A female employee will be allowed a total of 84 working days maternity leave with full pay.

WELLBEING

As part of its efforts to create an environment that enables everyone to play an active role in the progress of the company, CLDC encourages and supports a healthy work-life balance for employees. Our goal is to facilitate work-life balance. Some of the advantages offered are: five working days, four days leave for funerals and flexible working hours.

GRIEVANCE MANAGEMENT

We believe it is important to be sensitive and understanding towards workplace grievances. Our aim is to ensure our people have access to relevant specialists and to various channels for help, including some which can be accessed anonymously.

Further, we believe in keeping our people informed of the status of their grievance resolution through each step of the process and responding within reasonable time frames. At the same time, where possible, we assist our people to continue working as usual while the grievance is being dealt with. There have been no incidents reported on grievance, related to labour and human rights for this financial year.



SOCIAL AND RELATIONSHIP CAPITAL



Stakeholder relationships are nurtured to enable sustainable growth for the organisation along with leaving a positive impact on the surrounding communities



Social and Relationship capital is an integral component of the value of our business and encompasses the business itself, various institutions associated with it, as well as the relationships with employees, communities and other stakeholders. Our aim is to nurture this capital by creating value for all stakeholders. The company's key stakeholders are customers, suppliers, business partners and communities.

CUSTOMER FOCUS

The company understands its responsibilities to customers and the communities within which it operates in order to sustain the business as we believe our impact extends beyond the workplace. Thus, we maintain a robust stakeholder engagement strategy that responds to customer needs. A trained dedicated sales and marketing team is

appointed to serve customer needs to ensure every customer need is attended to.

In addition, the customer support team is available on a 24x7 basis to minimize any delays or inconvenience. Any information requested by customers is delivered in a timely manner and a two-way dialogue is sustained for open communication. Further, safeguarding privacy and confidentiality of tenants is of vital importance and all the necessary measures are taken to ensure this. Clear terms and conditions of the tenancy agreement are provided prior to signing the agreement and the company will ensure that the tenants have read and understood the tenancy agreement prior to signing to promote a longstanding relationship.

CUSTOMER GRIEVANCES

The company encourages customers to make complaints if any directly or indirectly using telephone or web with the assurance that all complaints are handled without any bias. In addition, every complaint is addressed on a timely basis. After implementing or evaluation and taking corrective measures, the customer/s is kept informed about the action that has been taken by the company to address their concern. Our customers are at the heart of our operations and maintaining close relationships with tenants is our foremost endeavour.

OPTIMAL MAINTENANCE

Maintaining and enhancing the value of the company's assets is essential and the Company exerts an enormous effort to deliver consistent quality of maintenance for

MANAGEMENT OF CAPITAL



its tenants and customers visiting the Liberty Plaza mall, food court or car park. In addition, the following measures are taken to ensure a safe and hygienic environment:

- Outsourced professional security team is available at Liberty Plaza to cover the premises on 24 x7 basis
- Experienced security personnel covering the entire building and car parks
- Outsourced janitorial service to provide a better service to tenants and customers
- In-house lodging facilities for janitorial and security personnel to provide deliver the services at any given time
- Adhere to a set safety standard to ensure a safe working environment for all employees
- Obtaining of insurance policies relevant to industrial safety to ensure employee protection



SUPPLIER RELATIONSHIPS

Sustaining our reputation for ethical operations, we ensure a stringent screening procedure is followed along the entire value chain of our operations. Before purchasing and making any repairs to the premises we obtain at least three quotations and compare the cost and the work in order to obtain value for money to the company.

Open communication is maintained and regular engagement to ensure deliverables are met, grievances resolved and strong relationships are built. All procurements are done as per the company procurement policy. Equal opportunity is given to all registered suppliers to bid, and the company maintains a list of registered suppliers. There are no barriers to be a supplier to the company as each supplier will be treated equally. A desired trait in suppliers is a reputation for experience in maintenance. Annual service agreements are awarded to ensure uninterrupted service standards.

MARKETING COMMUNICATIONS

Liberty Plaza maintains an active social media account on Instagram and Facebook and continues to grow its followers. Regular marketing activities are carried out through Facebook and Instagram regarding promotions at the shopping mall to attract customers. This enables us to communicate our latest achievements and keep stakeholders updated about matters relevant to them. The website is used to

communicate information to stakeholders, including investor relations, as annual reports and quarterly results are also available on the website.

CODE OF CONDUCT

The company ensures that tenants read and understand the tenancy agreement prior to signing and abide by all the terms and conditions in the tenancy agreement. The company also ensures that tenants behave in a reasonable manner and do not create a disturbance which can be a nuisance to neighbours. Close attention is paid to ensure that tenants do not obstruct any stairways or common public areas, and guidance is provided for use of gas/electrical appliances. Any repairs require prior approval and are not allowed to be done at night.



NATURAL CAPITAL



Building the sustainability of this capital is a strong priority in order to ensure that future generations have access to natural resources



The term natural capital encompasses everything we derive from the natural environment, such as air, water and so on. CLDC makes proactive efforts to reduce its environmental footprint and ensure careful utilisation of natural resources to minimise the impact of its own operations as well as that of its property portfolios. The company takes the utmost care and consideration to ensure its operations do not have a negative impact on the planet by embedding sustainability in its systems and processes.

OUR SUSTAINABILITY COMMITMENT

As a company, we commit to operating in a way that minimises any negative impact on the environment for sustainable development. The company is committed to taking action to combat climate change,

promoting access to sustainable energy and advancing energy efficiency. We regularly evaluate management practices and that of tenants' operations to ensure no harm is being caused to the environment in any way. These concerns are outlined in the Code of Conduct.

CONSERVING ENERGY

The company undertakes the following measures to conserve energy.

- Optimal functioning of air-conditioning units.
- Replacing fluorescent lights with energy efficient LED lighting in keeping with the aim to reduce our carbon footprint.

- Inefficient machinery is replaced with energy efficient versions at regular intervals for optimising resource efficiency and to minimise waste.

WASTE MANAGEMENT

Apart from leveraging on the 'reuse, recycle and replenish' principle, the company:

- Disposes waste responsibly by recycling through waste segregation with colour-coded bins for paper, glass, scrapped iron, polythene and organic waste.
- Handing food waste to a third party for use as animal feed.
- Reduce plastic usage.

MANAGEMENT OF CAPITAL



SOUND POLLUTION

In its commitment to offer its tenants a pleasant and conducive environment:

- Noise emissions are strictly monitored to ensure the comfort and safety of persons in the vicinity by soundproofing all air handling unit rooms within the premises
- Code of conduct for tenants to follow to minimize inconvenience to others

CLEAN AIR

- The company ensures there is ample circulation of air and ventilation to ensure health and hygiene.

RESPONSIBLE WATER CONSUMPTION

Water is used responsibly in all our facilities by:

- Advising tenants to use water prudently
- Regular maintenance of taps and water outlets to ensure there is no water leakage

GOING PAPERLESS

The use of paper is controlled by recommending electronic communication as we work towards a paperless environment.

	Objective	Measures Taken
1	Energy efficiency	<ul style="list-style-type: none"> • Utilizing air handling units designed for optimal air conditioning function aids in reducing utility costs and enhancing energy efficiency. • Transitioning from fluorescent lights to energy-efficient LED lighting aligns with our commitment to minimizing our carbon footprint. • We regularly replace outdated or inefficient machinery with energy-efficient alternatives to maximize resource efficiency and minimize waste.
2	Waste Disposal	<ul style="list-style-type: none"> • CLDC is dedicated to promoting the principles of reuse, recycle, and replenish, fostering a culture of sustainability among our staff. • In cases where reuse is not feasible, we ensure responsible waste disposal through recycling. We implement waste segregation using color-coded bins for paper, glass, scrap iron, polythene, and organic waste. • Food waste is transferred to a third-party provider for repurposing as animal feed, contributing to the circular economy and reducing landfill waste.

	Objective	Measures Taken
3	Sound Pollution	<ul style="list-style-type: none"> • We meticulously monitor noise emissions to guarantee the comfort and safety of individuals nearby. This includes soundproofing all air handling unit rooms on the premises. • Tenants are provided with a code of conduct outlining guidelines to minimize disturbances and inconvenience to others.
4	Water Consumption	<ul style="list-style-type: none"> • We prioritize responsible water usage across all our facilities. • Tenants are encouraged to use water wisely through advisory measures. • Regular maintenance is conducted on all taps and water outlets to prevent water leakage and promote efficient usage.
5	Clean Air	<ul style="list-style-type: none"> • Through adherence to sustainable practices and unwavering dedication to the health and safety of our employees, tenants, and customers, the company upholds optimal air circulation, ventilation, and air quality in all its public spaces.
6	Reduce use of plastics and paper	<ul style="list-style-type: none"> • As a company dedicated to advancing various Sustainable Development Goals (SDGs), we regulate paper usage by advocating for electronic communication, fostering a transition towards a paperless environment. • We promote a reduction in plastic usage among both customers and staff by raising awareness about the detrimental environmental effects of plastics. To facilitate responsible disposal, we provide appropriate garbage cans for easy access. • Maintaining our premises free of plastic litter is a priority, and we ensure that all plastic waste is disposed of responsibly, with recycling initiatives wherever feasible.



EMERGING LEADERSHIP



GOVERNANCE

44

Corporate Governance Report

59

Report of the Board Audit Committee

61

Report of the Board Remuneration Committee

62

Report of the Board Related Party Transaction Review Committee

63

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

67

Statement of Directors' Responsibilities

68

Chairman & Accountant Responsibility Statement

69

Risk Management Report

CORPORATE GOVERNANCE REPORT

Our Governance Framework helps the Board of Directors to balance reconcile the interests of the company and its stakeholders to create shared value. Our value driven culture and robust governance structures ensure compliance with best practices in Corporate Governance.

BOARD OF DIRECTORS

The Board of Directors is ultimately responsible for the performance of the Company as it takes the lead in formulating strategy and ensuring its governance frameworks work well and comply with the highest corporate governance practices, the requirements under the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka.

COMPOSITION OF THE BOARD

The Board is considered to be of an optimal balance and mix of skills and experience encompassing entrepreneurship, financial, legal, marketing and property development. The distinguished Board Members are successful business leaders in their own right and command great respect in the corporate world. Their profiles are given on pages 17 to 19.

As at the reporting date, the Board comprised of three (03) Executive and five (05) Non-Executive Directors of whom two (02) are Independent.

INDEPENDENCE OF DIRECTORS

Each Non-Executive Director has submitted a Declaration of his independence or non-independence as required under the Listing Rules of the Colombo Stock Exchange.

Based on the declarations so submitted by the Non-Executive Directors, the Board has determined that Two (02) Non-Executive Directors namely Messrs M D A Weerasooriya and M D S Goonatileke are 'Independent' as per the criteria set out in the Listing Rules of the Colombo Stock Exchange.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The functions of the Chairman and the Chief Executive Officer are separate with a clear

distinction drawn between responsibilities, which ensure balance of power and authority. Mr M D A Weerasooriya serves as the Chairman and Mr. P S Weerasekera serves as the Group Chief Executive Officer.

BOARD MEETINGS

The Board meets formally every quarter while ad hoc meetings are held as and when necessary to maintain regular communication to discuss relevant business issues and any other matter directed to the Board which can be resolved by circular resolution, is decided by resolutions in writing.

The Board met four times during the year under review and the attendance of the Directors is as follows:

Category	Name	Eligibility	Attended
Non-Executive Independent	Mr. M D S Goonatileke	4	4
	Mr. M D A Weerasooriya	4	4
	Mr. P S Perera	1	1
Non-Executive	Mr. H A N D Herath	4	4
	Mr. N P K Ranaweera	4	4
	Mr. D S Jayaweera	3	3
	Mr. P S Weerasekera	4	4
Executive	Mr. S A Amerasekera	4	4
	Mr. Ng Yao Xing Eugene	4	4

The Board's functions include the assessment of the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations, review of management and operational information, adoption of annual and interim accounts before they are published, review of exposure to key business risks, strategic direction of business, approval of annual budgets, monitoring progress towards achieving the budgets, approvals relating to key appointments, sanctioning major capital expenditure etc.

BOARD SUB-COMMITTEES

The Board of Directors has formed three mandatory Sub Committees in compliance with the Listing Rules of the Colombo Stock Exchange.

Current composition of Audit Committee, Remuneration Committee and Related Party Transactions Review Committee appears on pages 59, 61 and 62 respectively.

MEETINGS OF BOARD SUB COMMITTEES

The Board Audit Committee and Related Party Transactions Review Committee meet quarterly with provisions to schedule additional meetings if required. The Remuneration Committee meets as and when necessary.

The attendance at Audit Committee, Remuneration Committee and Related Party Transactions Review Committee appears on pages 59, 61 and 62 respectively.

COMPANY SECRETARY

P W Corporate Secretarial (Pvt) Ltd acts as the Company Secretary. The Company Secretary maintains minutes of all Board, Audit Committee, Related Party Transactions Review Committee and Remuneration Committee meetings and attends to Shareholder related matters. The Company Secretary assists in ensuring the Board procedures are followed.

The Company Secretary is also responsible for timely circulation of information and papers related to Board and Sub - Committee meetings and advice on matter relating to corporate

governance, Board procedures, rules and regulations. All Directors have access to the advice and services of the Company Secretary.

INTERNAL CONTROLS

The Board is responsible for ensuring that the Company has adequate and effective internal controls in place.

COMPLIANCE WITH LAWS AND REGULATIONS

All necessary steps have been taken by the Board and the Management to ensure compliance with all relevant laws and regulations. The services of Lawyers, Auditors and other Consultants are obtained whenever it is necessary, to provide assurance to the Board in this respect.

GOING CONCERN

The Directors have reviewed the Company's budgets, capital expenditure requirements and future cash flows and are satisfied that the Company has sufficient resources to continue in operations for the foreseeable future.

Therefore, the Going Concern principle has been adopted in the preparation of the Financial Statements.

FINANCIAL REPORTING

The Board aims to provide and present a balanced assessment of the Company's position and prospects in compliance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and the relevant Statutes and has established formal and transparent processes for financial reporting and internal controls.

The Statement of Directors' Responsibilities for Financial Reporting is given on page 67 of this Report.

CORPORATE DISCLOSURE AND SHAREHOLDER RELATIONSHIP

The Company is committed to providing timely and accurate disclosure of all price sensitive information, financial results and significant developments to all shareholders, the Colombo Stock Exchange and where necessary, to the general public.

Shareholders are provided with Annual Report and, the Company disseminates to the market, Interim Financial Statements in accordance with the Listing Rules of the Colombo Stock Exchange.

The Annual General Meeting provides a platform for shareholders to discuss and seek clarifications on the activities of the Company and its subsidiaries.

COMPLIANCE

The Company has complied with Rule 9 of the Listing Rules of the Colombo Stock Exchange on 'Corporate Governance'

COMPLIANCE WITH THE CORPORATE GOVERNANCE RULES OF COLOMBO STOCK EXCHANGE

The Colombo Stock Exchange introduced a new set of Corporate Governance Rules in October 2023 with certain transitional provisions. The Company's adherence to and compliance with these regulations to be effective from 1st October 2024 are detailed below.

Listing Rule No.	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.1	Company shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity.	Commitment to corporate governance rules of the CSE is detailed herein.	1st October 2023	Complied
9.2.1	Company shall establish and maintain the 12 new policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website.	Company is currently reviewing the existing policies to be aligned with the new corporate governance requirement whilst some of the policies are being formulated.	1st October 2024	Company would be compliant on or before 1st October 2024
9.3.1 and 9.3.2	Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	The Board appointed, Remuneration Committee, Audit Committee and Related Party Transactions Review Committees are functioning effectively.	1st October 2023	Company would establish the Nominations and Governance Committee and be compliant on or before 1st October 2024
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Chairperson of the Company does not serve as the Chairman of any of the statutory board subcommittees.	1st October 2024	Complied

CORPORATE GOVERNANCE REPORT

Listing Rule No.	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.4.1	Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the CSE and/or the SEC.	Records of all shareholder meetings are maintained electronically by the Company Secretary. Copies of these records would be made available to CSE/SEC upon request.	1st October 2023	Complied
9.4.2	Communication and relations with shareholders and investors.	Company has an on-going process to communicate with shareholders and investors. Shareholders are encouraged to raise their concerns at shareholders meetings. Annual Report provides pertinent information of the company and future outlook of the company. The Accountant and the Company Registrars are entrusted to communicate with shareholders on matters concerning them. Details of contact persons are found in the Company's website.	1st October 2023	In terms of Rule 9.2.1, a policy on Relations with shareholders and investors would be in place by 1st October 2024.
9.5.1	Company shall establish and maintain a formal policy governing matter relating to the Board of Directors.	The Board of Directors comprise of a balance of Executive and Non- Executive Directors. Roles of the Chairman, and the Chief Executive Officer are held by two different persons. The CEO is an Executive Director and is a Member of the Board. The Board conducts self- assessment of board - performance annually whilst performance of the CEO is reviewed by the Board through the Remuneration Committee.	1st October 2023	A policy on matters relating to the Board of Directors would be in place on or before 1st October 2024.
9.6	The Chairperson of the Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Chairman of the Company is a Non-Executive Director. Roles of the Chairman and the Chief Executive Officer are held by two different persons.	1st October 2023	Complied
9.6.3	"The Company shall appoint an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties.	As the company is compliant with Rule 9.6, the appointment of Senior Independent Director is not necessary.	1st October 2023	Not applicable
9.7	Fitness of Directors and CEOs as per the criteria set out in the regulations.	All the Directors and the CEO have submitted written declarations confirming that they are complied with the fit and proper criteria set out in the regulations to hold their respective positions in the Company.	1st April 2024	Complied
9.8	Board Composition -Minimum of 5 Directors -minimum 2 or 1/3 of the directors whichever is high shall be independent directors.	As of 31st December 2023, there are 8 directors, of whom two are independent non-executive directors. All non executive directors have submitted their annual declaration confirming their independence or non independence.	1st October 2024 1st October 2023	Complied
9.9	Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.	There is an Alternate Director on the Board as of 31st December 2023.	1st January 2024	Not complied
9.10.1	Company shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold.	The determination of maximum number of directorships allowed for each board member will be made at the time of formulation of policy on matters relating to the Board of Directors.	1st October 2024	Will be compliant effective from 1st October 2024
9.10.2	The Company shall, upon the appointment of a new Director to its Board, or changes to the composition of Board Sub Committees, make an immediate Market Announcement in a manner set out in the regulation.	As and when there is a new appointment to the Board an immediate market announcement is made in compliance with Rule 9.10.2.	1st October 2023	Complied

Listing Rule No.	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.11	The Company shall have a Nominations and Governance Committee to maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board and have a written Terms of Reference.	Currently company does not have a Nominations and Governance Committee. However, steps are being taken to form a Nominations and Governance Committee by 1st October 2024.	1st October 2024	Company would establish a Nominations and Governance Committee on or before 1st October 2024
9.12	The Company shall have a Remuneration Committee that conforms to the requirements of these regulations and shall have a written Terms of Reference.	There is a Remuneration Committee in place with a written Terms of Reference.	1st October 2023	Complied
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors.	There is a Remuneration Policy for the remuneration of Executive Directors'. Directors' fees paid to the Non-Executive Directors are recommended to the Board by the Remuneration Committee. In determining the Board fees paid to Non-Executive Directors, the Remuneration Committee considers current market rates and the extent of contribution by each board member at board level.	1st October 2023	Complied
9.12.6	Functions and Composition of the Remuneration Committee -Comprise a minimum of 3 Directors out of which a minimum of 2 shall be independent - not consist of Executive Directors - Chairperson to be an Independent Director.	Of the 3 members of the Remuneration Committee, two are independent non executive directors. Remuneration Committee Report provides required disclosures to this Annual Report.	1st October 2024	Complied
9.13	Where the Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee shall additionally perform the Risk Functions set out in the regulations. The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Currently there is no separate risk committee formed. The Board has decided to entrust the scope of the Risk Committee to the Audit Committee. There is a written Terms of Reference for the Audit Committee.	1st October 2023	Complied
9.1.3.3	<ul style="list-style-type: none"> The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. 	<p>Out of 3 Non Executive Directors, 2 of them are independent Directors. No Executive Directors are on the Audit Committee.</p> <p>Audit Committee meet atleast once a quarter. There were 04 Audit Committee meetings held during the financial year ended 31st December 2023. The attendance at the Audit Committee are given on 59 of the Annual report.</p> <p>Chairman of the Audit Committee is an independent Non Executive Director of the Board.</p> <p>CEO and the Accountant attend the Audit Committee meetings by invitation.</p>	1st October 2024	Complied

CORPORATE GOVERNANCE REPORT

Listing Rule No.	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
	<ul style="list-style-type: none"> Where the parent and subsidiary are both listed the AC of the parent may be permitted to function as the AC of the subsidiary. The Chairperson of the AC shall be a Member of a recognised professional accounting body. Provided, however this Rule shall not be applicable in respect of Risk Committees where there is a separate Risk Committee and Audit Committee. 	<p>Not applicable.</p> <p>The Chairperson of the Audit Committee is a Member of Institute of Chartered Management Accountants (UK).</p>		
9.13.4	Functions and Annual Report Disclosures of the Audit Committee.	Functions of the Audit Committee during the financial year and the Annual Report Disclosures are given in the Report of the Audit Committee on page 59.	Until 1st October 2024, the Company shall at a minimum comply with previous Rules 7.10.6 (b) and (c) relating to the functions and disclosures in the Annual Report relating to the Audit Committee.	Complied
9.14.1	Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in the regulation.	Related Party Transactions Review Committee is in place.	1st October 2023	Complied
9.14.2	<ul style="list-style-type: none"> The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee. If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary. 	<p>Of the 3 members of the Related Party Transactions Review Committee, two are independent non executive directors. An independent non executive director (as at the date of this report) is the Chairman of the Related Party Transactions Review Committee.</p> <p>Not applicable.</p>	<p>1st April 2024</p> <p>1st October 2024</p>	<p>Complied</p> <p>Complied</p>
9.14.4	<ul style="list-style-type: none"> The Related Party Transactions Review Committee shall meet at least once a calendar quarter. Minutes of meetings are properly documented and communicated to the Board of Directors. The minutes of the RPTRC are tabled at the meetings of the Board of Directors on a periodic basis. Members of the RPTRC to ensure they have or have access to adequate knowledge expertise and advice. Where necessary, the RPTRC shall request the Board of Directors to approve the Related Party Transactions which are under review by the RPTRC. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. Interested Directors shall not vote on or shall not be present during the deliberations on the specific matter. 	<p>There were 4 Related Party Transactions Review Committee meeting during the year. These were held in each quarter. Minutes of the Related Party Transactions Review Committee are circulated to the Board every quarter. Committee seeks expertise and professional knowledge on matters need technical assistance.</p> <p>Prior to entering into Non-recurrent related party transactions the board approved these transactions prior to RPT Committee approval.</p> <p>Directors of the RPT are aware of their obligations.</p>	1st October 2023	Complied

Listing Rule No.	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.14.5	<ul style="list-style-type: none"> The Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions. 	The Committee reviews all RPT for each quarter.	1st October 2023	Complied
	<ul style="list-style-type: none"> In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) such proposed material changes shall also be reviewed by the RPTRC prior to the completion of the transaction. The RPTRC shall be provided with all the facts and circumstances of the proposed RPT by the senior management to facilitate the review of a RPT. Directors shall not participate in discussions where there is conflict except for the express purpose of providing information. Where necessary, a special committee to be created to review a proposed RPT. If a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate. 	<p>Not Applicable.</p> <p>Management is conversant with their responsibility to furnish required information to RPT Review Committee.</p> <p>Directors are fully aware of their obligations in respect of conflict of interest.</p> <p>RPTR committee may set out guidelines deemed necessary for ongoing RPT (if any) after assessing the nature of such transactions.</p>		
9.14.6	The Company shall obtain shareholders' approval by way of a Special Resolution for the Related Party Transactions as soon as the value of the transaction exceeds threshold limits as set out in the regulations.	During the year , there were no recurrent or non recurrent RPTs that required shareholders' approval by way of a special resolution.	1st October 2023	Not applicable.

CORPORATE GOVERNANCE REPORT

Compliance with Requirements of listing rule 7.6 of the Colombo Stock Exchange

Rule No.	Subject	Status	Reference
7.6 Contents of Annual Report			
	All listed entities must include in its Annual Reports and accounts, inter alia:		
i)	Names of persons who were directors of the entity during the year	Complied with	Please refer pages 17 to 19
ii)	Principal activities of the entity and its subsidiaries during the year and any changes therein	Complied with	Please refer pages 63 to 66 of the Annual Report of the Board of Directors Report on the affairs of the Company.
iii)	The names and the numbers of shares held by the 20 largest voting and non-voting shareholders and percentages	Complied with	Please refer page 127
iv)	The Public Holding percentage	Complied with	Please refer page 128
v)	A statement of each Director's holding and Chief Executive Officer's holdings in shares of the entity at the beginning and end of each year	Complied with	Please refer page 128
vi)	Information pertaining to material foreseeable risk factors of the entity	Complied with	Please refer pages 69 to 71
vii)	Details of material issues pertaining to employees and industrial relations of the entity	N/A	No material issues pertaining to employees and industrial relations.
viii)	Extents, locations, valuations and other number of buildings of the entity's land holding and investment properties	Complied with	Please refer page 103
ix)	Number of shares representing the entity's stated capital	Complied with	Please refer page 108
x)	A distribution schedule of the number of holders in each class of equity security and the percentage of their total holdings in the specified categories	Complied with	Please refer page 127
xi)	Following ratios and market price information. 1. Dividend per share 2. Dividend pay out 3. Net asset value per share 4. Market value per share highest and the lowest value recorded. Value as at the end of the year	Complied with	Please refer page 9
xii)	Significant changes in the entity or its subsidiary's fixed asset and the market value of land, if the value differs substantially from the book value	Complied with	Please refer Note 3 to 4 the Financial statement on page 98 to 104 of this report
xiii)	If during the year the entity has raised funds either through a public issue, Rights Issue and private placement	N/A	
xiv)	Information in respect of Employee Share Ownership or Stock Option schemes	N/A	
xv)	Disclosure pertaining to Corporate Governance practices In terms of Rules 9.10, 9.18.5c and 9.18.6c of Section 9 of the Rules	Complied with	Please refer pages 49 to 50
xvi)	Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower	Complied with	Please refer note 23 on page 117 for the related party

Compliance with the code of best practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (ICASL)

Section No.	Subject	Status	Company Commitment
1 The Company			
A Directors			
A.1 The Board	Every public company should be headed by an effective Board, which should direct, lead and control the Company	Compliant	The Company is headed by an effective Board. Please refer pages 17 to 19
A.1.1 Regular Board Meetings	Frequency of Board meetings (at least once every quarter)	Compliant	Regular Board meetings are held to review the Company's performance. Please refer page 44.
A.1.2 Board Responsibilities	Ensure formulation and implementation of a sound business strategy	Compliant	The Board assumes the primary responsibility for the overall success of the Company. The Board is involved in formulating the overall strategy and measuring, that it is implemented by the Group CEO. The Group CEO, together with the management team develops corporate strategies, annual budgets and action plans to implement corporate strategies on an annual basis. The corporate plan and annual budget are approved by the Board every year and achievement of the objectives set in the plan is monitored closely by the Board.
	Ensure that the CEO and the management team possess the necessary skills, experience and knowledge for effective implementation of the strategy	Compliant	The Board actively works to ensure that the Group CEO and the management team continue to have the right balance of skills, experience and knowledge necessary to discharge their responsibilities in accordance with the highest standards of governance.
	Adapt effective CEO and senior management succession strategy	Compliant	Succession plans are in place for the Group CEO and for other key managerial positions and are monitored continuously.
	Ensure that effective systems are in place to secure integrity of information, internal controls, business continuity and risk management	Compliant	Effective systems and procedures are in place to ensure the integrity of information, internal controls and information security. Such systems are continuously monitored by the management, external auditors and at times by independent experts.
	Ensure that the Company's activities are conducted in compliance with laws, regulations and ethical standards	Compliant	The Board has adopted a compliance policy to give direction to the management with regard to compliance activities.
	Ensure that all stakeholder interests are considered in corporate decisions	Compliant	The Board ensures that the interest of all stakeholders is considered and safeguarded in making corporate decision.
	Recognised sustainable business development in corporate strategy, decisions and activities	Compliant	The Board recognises the necessity of sustainable business development in the corporate strategy, decisions and activities.
	Ensure that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations	Compliant	The Company's accounting policies are fully in line with Sri Lanka Accounting Standards (SLFRS/LKAS). Further the accounting policies are reviewed annually to be in line with the changing business requirements and best practices in the industry. Please refer independent auditor's report given on pages 75 to 77.
	Fulfill other Board functions that are vital, given the scale, nature and complexity of the business concerned	Compliant	The Board takes all its decisions paying due attention to the interest of all stakeholders. The Board also intervenes when necessary, in any other function that is vital given the scale, nature and the complexity of the Company's business.

CORPORATE GOVERNANCE REPORT

Section No.	Subject	Status	Company Commitment
A.1.3 Compliance with Laws and Access to Independent Professional Advice	Act in accordance with the laws of the country and seek professional advice whenever required	Compliant	The Board acts in accordance with the laws in the country. The Board has permitted all Directors to seek independent professional advice.
A.1.4 Access to Advice and the Services of a Company Secretary	Advice and Services of the Company Secretary	Compliant	P W Corporate Secretarial (Pvt) Ltd who act as the company secretaries, are accessible by any Director for the services of the Company. The Company Secretaries advise the Board and ensures that matters concerning the Companies Act, board procedures and other applicable rules and regulations are followed. They also serve as the secretary to the Audit Committee, Related Party Transactions Review Committee and the Remuneration Committee.
A.1.5 Independent Judgment of Directors	Bring Independent judgment on various business issues and standards of business conduct	Compliant	All directors exercise independent judgment on decisions made by the board on issues of strategy, performance, resource allocation and the conduct of business.
A 1.6 Dedication of adequate time and effort to matters of the Board and the Company	Every Director should dedicate adequate time and effort to matters of the Board and the Company, to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged	Compliant	To ensure that the duties and responsibilities owed by the Company are satisfactorily discharged, the Directors attend Board meetings and discuss the matters. As far as possible the Company endeavors to circulate the board papers amongst its members prior to each Board meeting in order to enable the Directors to analyse and call for additional information and clarifications. The number of meetings attended by each Director is given on page 44.
A 1.7 Training and Continuous Development of Directors	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary	Compliant	All Directors in the Company are highly qualified and well experienced personalities. The Directors are also kept abreast of applicable legislation and regulations, changes to rules, latest trends, standards and codes as well as relevant regulatory changes and development.
A.2 Chairman and Chief Executive Officer	Chairman and CEO are two different positions and need to have divided responsibilities	Compliant	The functions of the Chairman and Group CEO are clearly separated to ensure the balance of power and authority.
A.2.1	Disclosure required if the positions of the Chairman and the CEO are combined	N/A	
A.3 Chairman's Role	The Chairman's role in preserving good Corporate Governance	Compliant	The Chairman is responsible for leading the Board and ensuring that it operates under the highest standards of governance.
A.4 Financial Acumen	Availability of sufficient financial acumen and knowledge to offer guidance on matters of finance	Compliant	The members of the Board, are knowledgeable and experienced individuals who can provide guidance on matters of finance. All Directors possess qualifications and/or experience in accounting and finance. Mr. M D S Goonatilke is a qualified Accountant. Please refer profiles of Directors on pages 17 to 19.
A.5 Board Balance	The Board should have a balance of Executive and Non-Executive Directors	Compliant	At the end of the year, the Board comprised eight Directors and 5 of them are Non-Executive, thereby promoting critical review and control. Please refer Pages 17 to 19 of the Profile of Directors.

Section No.	Subject	Status	Company Commitment
A.5.1	Presence of Non-Executive Directors	Compliant	Five of the eight Board members are Non-Executive, which is in excess of one third of the total number of Directors.
A.5.2	Independent Directors	Compliant	Two Non-Executive Directors are independent.
A.5.3	Criteria to evaluate "Independence" of Non-Executive Directors.	Compliant	Mr. M D A Weerasooriya qualifies against the criteria for independence as per Rule 7.10.4 of the Listing Rules and the Board; based on declarations submitted by the said Director has determined that he is an Independent Director. The Board has determined that the period of service of Mr. M D S Goonatilleke does not compromise his independence and objectivity in discharging his functions as a Director and therefore based on the declaration submitted by the said Director, has determined that Mr. M D S Goonatilleke shall nevertheless be "independent" as per the Listing Rules.
A.5.4	Annual Declaration of Non-Executive Directors	Compliant	All Non-Executive directors have submitted the declaration of independence or Non-Independence as per the Listing Rules of the Colombo Stock Exchange.
A.5.5	Annual determination of 'Independence' of Non-Executive Directors by the Board	Compliant	Please refer page 45 of this annual report for the determination on the Independence of each director.
A.5.6	Appointment of an Alternate Director by a Non-Executive/ Independent Directors	Not Applicable	
A.5.7	Appointment of Senior Independent Director	Working towards Compliance	
A.5.8	Availability of the Senior Independent Director for confidential discussions with other Directors	Not Applicable	
A.5.9	Responsibility of Chairman to hold meetings only with Non-Executive Directors	Compliant	The Chairman holds meetings with Non-Executive Directors whenever necessary.
A.5.10	Recording of concerns which cannot be unanimously resolved in Board minutes	Compliant	All concerns and observations of Board Members are duly recorded in the Minutes of the Meetings.
A.6 Supply of Information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties	Compliant	Financial and non-financial information are analyzed and presented to the board to make accurate decisions.
A.6.1	Management's responsibility to provide the Board with appropriate and timely information	Compliant	The management ensures that a set of timely accurate relevant and comprehensive information is provided to the Directors before the Board Meeting every quarter, with adequate time for them to review the same and prepare for discussions. All significant financial and non-financial information for the period are included in this analysis.
A.6.2	Preparation of minutes, agenda and Board papers prior to the Board meetings	Compliant	The Company Secretaries ensure that the agenda and Board papers to be tabled at Board meetings are prepared and circulated prior to the Board Meeting together with the minutes of the previous meeting.
A.7 Appointments to the Board	There should be a formal and transparent procedure for the appointment of new Directors to the Board	Compliant	All new appointments of the Board are made following a formal and transparent procedure.

CORPORATE GOVERNANCE REPORT

Section No.	Subject	Status	Company Commitment
A.7.3	Disclosure of details of new directors to shareholders	Compliant	All appointments of new directors are informed to the shareholders with sufficient details via immediate notification to the Colombo Stock Exchange..
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years	Compliant	Please refer page 63 of the annual report for details of re-election of Directors.
A.8.1	Appointment and re-election of Non-Executive Directors	Compliant	Please refer pages 63 to 66 of the Annual Report.
A.8.2	Election of Directors by the shareholders	Compliant	Please refer pages 63 to 66 of the Annual Report.
A. 9 Appraisal of Board Performance	Board should periodically appraise their own performance	Compliant	The Board recognises that it is necessary to periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.
A.10 Disclosure of Information of Directors	Shareholders should be kept advised of relevant details in respect of Directors	Compliant	
A.10.1	Disclosures on Directors in the annual report	Compliant	Required information with respect to Directors are disclosed in this annual report, where relevant. Names, qualifications and profiles, including expertise in relevant functional areas of all Board Members are provided on pages 17 to 19. Details of Directors interest in contracts are given on page 115. Details of related party transactions are provided on page 115. Details on Directors attendance and other sub committees are provided on pages 59, 61 to 62.
A.11 Appraisal of CEO	The Board should be required, at least annually, to assess the performance of the CEO	Compliant	The Remuneration Committee and the Board assess the Executive Directors and Group CEO's performance.
A.11.1	Setting annual target for CEO	Compliant	Based on long term strategy annual objectives are fixed by the Board.
A.11.2	Evaluation of the performance of the CEO	Compliant	Evaluations of achievement of set targets are reviewed annually by the Board.
B. Directors' Remuneration	Companies should establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration		
B.1.1	Presence of a Remuneration Committee	Compliant	A Remuneration Committee has been appointed and functions within agreed terms of reference. Please refer page 61. for the Remuneration Committee Report.
B.1.2	Composition of the Remuneration Committee	Compliant	Please refer pages 61. for details of the composition of Remuneration Committee.
B.1.3	Disclosure of the members of the Remuneration Committee in the Annual Report	Compliant	Member's responsibilities and other information in respect of the Remuneration Committee are disclosed on page 61.
B.1.4	Determination of remuneration of Non-Executive Directors	Compliant	The Remuneration payable to Non-Executive Directors is recommended by the Remuneration Committee and approved by the Board.

Section No.	Subject	Status	Company Commitment
B.1.5	Ability to consult the Chairman and/ or CEO and to seek professional advice by the committee	Compliant	The Committee consults the Chairman and the Group CEO, where necessary, has access to the professional advice from within and outside the Company.
B.2 Level and Makeup of Remuneration	The Levels of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully		
B.2.1	Remuneration packages of Executive Directors.		
B.2.2	Comparison of remuneration with other Companies	Compliant	The Remuneration Committee and the Board ensure that the Group CEO and Executive Directors are provided with an appropriate remuneration packages.
B.2.6	Designing performance based remuneration of Executive Directors	Compliant	Objectives for the CEO who is a Executive Director on the Board, are set at the beginning of the year to align his interests with those of the Company. Accordingly, his remuneration including the bonus is decided based upon the degree of achievement of such pre-set targets.
B.2.7 & B.2.8	Compensation commitments on early termination	Compliant	Termination of the Executive Director and Group CEO are governed by their contract of service/employment.
B.2.9	Remuneration of Non-Executive Directors.	Compliant	Non-Executive Directors are paid only on their attendance at meetings.
B.3 Disclosure of Remuneration	The Company's Annual Report should contain a statement of Remuneration policy and details of Remuneration of the Board as a whole	Compliant	The Remuneration Committee's Report which highlights the remuneration policy of the Company is give on page 61.
B.3.1	Disclosure of Remuneration	Compliant	The aggregate remuneration paid to the Group CEO and Non-Executive Directors is disclosed on page 118 of this report.
C. Relations with Shareholders			
C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meeting	Boards should use the AGM to communicate with shareholders and should encourage their participation	Compliant	Please refer page 130. for details of the Annual General Meeting.
C.1.1	Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting	Compliant	The Annual Report together with Notice of Meeting containing the Resolutions to be passed at the meeting and related documents are circulated to the shareholders at least 15 working days prior to the date of the AGM.
C.1.2	Separate Resolution to be proposed for each item	Compliant	The Company proposes separate resolutions on each item. So, shareholders are given the opportunity to vote separately on each item set out in the Notice of Meeting.
C.1.3	Use of Proxy Votes	Compliant	The Company has a mechanism to count all proxy votes to indicate to the Chairman the level of proxies lodged on each resolution and the number of votes for and against such resolution.
C.1.4	Availability of Chairmen of Board Committees at the AGM	Compliant	The Chairman of the Board ensures that the Chairmen of Board Sub- committees are present at AGM to answer any query by shareholders.
C.1.5	Summary of procedures Governing voting at the General Meeting	Compliant	The proxy form, which includes a summary of the procedures governing voting at the General Meetings, is circulated to all shareholders.

CORPORATE GOVERNANCE REPORT

Section No.	Subject	Status	Company Commitment
C.2	The Board should implement effective communication with shareholders	Compliant	The AGM and the Annual Report are the primary means of communication with shareholders. Additionally, the Company makes disclosures on material and price sensitive matters from time to time to the CSE for dissemination among the public.
C.2.1 C 2.2 C 2.3	Communication channel to reach shareholders Company's Communication policy and methodology	Compliant	All financial information are released to the shareholders through the Annual Report, Annual General Meeting, financial and other notices when required through the Colombo Stock Exchange and the Corporate website of the Company.
C 2.4	The Company should disclose the contact person for such communications	Compliant	The Company Secretaries will be the main contact person with regard to any public disclosures. Further the Accountant can also be contacted with regard to any clarifications on financial information published.
C 2.5	Process to make directors aware of major issues and concerns of shareholders	Compliant	The Company Secretaries maintain records of all correspondence received from shareholders and direct the same to the appropriate channel. If there are any major issues/or concerns raised by shareholders they are referred to the Board
C 2.6	Requirement for the Contact Person	Compliant	The Company Secretaries can be contacted for shareholder matters. The Company Secretaries details are provide in this Report.
C 2.7	Process of responding to shareholders Matters	Compliant	Upon receipt of instructions from the Board or other relevant channel, the Company Secretaries respond as directed.
C.3	Major and Material Transactions	Not Applicable	
D. Accountability and Audit			
D.1 Financial Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.		
D.1.1	Board responsibility for statutory and regulatory reporting.	Compliant	The Company presents its Financial Statements in line with Sri Lanka Financial Reporting Standards (SLFRS) and other applicable laws and regulations.
D.1.2	Declarations by Directors in the Directors' report.	Compliant	The Directors have made all required declarations in the Annual Report of the Board of Directors on the affairs of the Company which is given on pages 61 to 64.
D.1.3	Statements by Directors and Auditors on responsibility for financial reporting.	Compliant	Page 65. Contains the statement setting out the responsibility of the Board for the preparation and presentation of Financial Statements.
D.1.4	Management Discussion Analysis	Compliant	The Management discussion and analysis appear on pages 28 to 29.
D.1.5	Declaration by the Board on going concern of the business	Compliant	The Board after conducting necessary reviews and enquires decided to apply the 'going concern' assumption in preparing the Company's Financial Statements for the year 2023. The declaration of the Company as a 'going concern' is given in the Directors Report on page 65.
D.1.6	Requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital	Not Applicable	
D 1.7	Adequate and accurate disclosure of related party transactions	Compliant	The company has a related party transactions policy in place. This policy provides detailed procedures on identification of related parties and related party transactions. Details of the committee are presented in the Related Party transactions Review Committee report on page 62. Related party transactions are disclosed on page 117.

Section No.	Subject	Status	Company Commitment
D.2 Risk Management and Internal Control	Risk & Internal Controls.	Compliant	The Board maintains a sound system of risk Management and internal controls to safeguard shareholders' investments and the Company assets.
D.2.1	Directors to conduct an annual review of Risk Management and internal controls	Compliant	The Board has overall responsibility for the system of risk management and internal controls and has delegated some of these responsibilities to the Audit Committee
D.2.2	Robust assessment of the principal risks facing the Company	Compliant	Please refer risk management report on pages 69 to 71.
D.2.3	The need for an internal audit function	Not Applicable	
D.2.4	Audit Committee to ensure carrying out the reviews of the process and effectiveness of risk management and Internal Control	Compliant	The Audit Committee reviews the effectiveness of Risk Management and internal control with the Management
D.3	Audit Committee	Compliant	The Board has established formal and transparent arrangement for considering how they should select and apply accounting policies, financial reporting risk management and internal control principles and maintain an appropriate relationship with the Company auditors.
D.3.1	The Board should establish an Audit Committee	Compliant	Please refer Audit Committee Report on Pages 59 to 60.
D.3.2	Duties of the Audit Committee. Terms of reference of the Audit Committee	Compliant	The Audit Committee monitors and reviews the scope, results and effectiveness of the audit and the independence and objectivity of the External Auditors. It also ensures that the requirements of the Listing Rules of the Colombo Stock Exchange, issued in respect of financial reporting, are met.
D.3.3	Disclosure of names of the members of the Audit Committee. The number of meetings held and attendance of each Director. The scope of work and how its roles and responsibilities were discharged	Compliant	Names of Directors comprising the Audit Committee are set out on page 59 to 60 of the Annual Report.
D.4 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with 'related parties' in a manner that would grant such parties "more favorable treatment" than that accorded to third parties in the normal course of business	Compliant	The Board has appointed a committee to review Related Party Transactions and the committee has laid down procedures and policies to identify related party and track the transactions. The Committee meet every quarter to review the Related Party Transactions page 61 includes the Related Party Transaction Review Committee Report.
D.5	Code of Business Conduct & Ethics	Compliant	Companies must adopt a Code of Business Conduct and Ethics for Directors and Members of the Senior Management team and must promptly disclose any waivers of the code by Directors or others.
D.6	Corporate Governance Disclosure	Compliant	This requirement is met through the presentation of this report.
D.6.1	Disclosure of compliance with the Corporate Governance Code	Compliant	Pages 51 to 58 set out the manner and extent to which the Company has complied with the principles and provisions of the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.

CORPORATE GOVERNANCE REPORT

Section No.	Subject	Status	Company Commitment
2. Shareholders			
E. Institutional Investors			
E.1 Shareholder Voting	Should ensure institutional shareholders' voting intentions are translated into practice		
E1.1	A listed company should conduct a regular and structured dialogue with shareholders.		
E.2 Evaluation on Governance Disclosures	Institutional investors should be encouraged to give due weight to the relevant governance arrangements.		
F. Other Investors			
F.1 Investing/ Divesting Decisions	Individual Shareholders are encouraged to seek independent advice on investing or divesting decisions.		
F.2 Shareholder Voting	All shareholders are encouraged to participate at the Annual General Meeting and cast their votes.		
G. Internet of Things and Cybersecurity	The Board reviews the IT environment through its audit committee.		
H. Environment, Society and Governance (ESG)			
H.1.1 - H.1.5	Disclose the policies and procedures adopted to develop Environment, Society And Governance (ESG)	Compliant	

REPORT OF THE BOARD AUDIT COMMITTEE

REPORT OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee is approved by the Board of Directors and clearly defines the role and responsibilities of the Board Audit Committee and is periodically reviewed and revised by the Board. The Committee is responsible to the Board and reports its activities regularly. The main objective of the Board Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities in financial reporting, internal controls, internal and external audits.

FUNCTIONS OF THE BOARD AUDIT COMMITTEE

The Committee is empowered by the Board to monitor the integrity of the Financial Statements and review of significant reporting judgements contained therein to be in compliance with Sri Lanka Accounting Standards. It also reviews the Interim Financial and Annual Financial Statements, Internal controls and Risk Management measures. Further, the Committee reviews the Bank's compliance with legal and regulatory requirements and monitors the effectiveness of the internal audit function. It then makes recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor. It also reviews and monitors the external auditors' independence and objectivity and the effectiveness of the audit process. Finally, the Committee ensures that Bank's policies are firmly committed to the highest standards of good Corporate Governance Practices and operations conform to the highest ethical standards, in the best interest of all stakeholders. The Audit Committee's functions and scope are in compliance with the requirements of the Code of Best Practice on Audit Committee and it conducts its affairs in compliance with the requirements of the Code of Best Practice on Audit Committee. It is governed by the Audit Committee Charter. The terms of reference comply with the requirements of the Corporate Governance Rules as per section 7.10 of the Listing Rules of the Colombo Stock Exchange (CSE).

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of Colombo Land and Development Company PLC consist of three Non-Executive Directors of which two of them are Independent.

The composition of the Committee since 11th November 2022 is as follows:

Name of the member	Position
Mr. M D S Goonatilleke	Independent Non-Executive Director (Chairman of the Committee)
Mr. M D A Weerasooriya	Independent Non-Executive Director (Member)
Mr. H A N D Herath	Non-Executive Director (Member)

The External Auditors, Messrs Ernst & Young attended the Audit Committee meetings by invitation.

The Company Secretary functions as the Secretary to the Audit Committee.

The Chief Executive Officer, Accountant, and members of the Senior Management participate in meetings by invitation to provide financial information and details required for deliberations. The minutes of the meetings are made available to the Board of Directors for information and necessary action.

MEETING & ATTENDANCE

During the year, Audit Committee met four times and the attendance of members are tabulated below:

Attendance of the Members – Audit Committee

Name of the member	Eligibility to attend	Attended
Mr. M D S Goonatilleke	4	4
Mr. M D A Weerasooriya	4	4
Mr. H A N D Herath	4	4

FINANCIAL REPORTING

The Audit Committee duly the Board of Directors in discharging its responsibility for the preparation of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company in full accordance and conformity with regulations. The Committee reviewed the Company's interim and annual Financial Statements prior to the submission of the same to the Board. The Committee ensures the financial statements presented are reliable, consistent with the accounting policies adopted, free from material misstatements and compliant with the Sri Lanka Accounting Standards (SLFRS / LKAS) and the provisions of the Companies Act No.7 of 2007

INTERNAL CONTROLS, RISK MANAGEMENT AND GOING CONCERN

The Company's internal audit function and outsourcing of internal audits to independent professional accounting firms play a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The internal audit reports are made available to the Chairman, Managing Director, the Chairman of the Audit Committee and the Board. The Board reviews the effectiveness of the system of financial controls for the period up to the date of signing the accounts.

REPORT OF THE BOARD AUDIT COMMITTEE

The procedures in place to ensure compliance with mandatory banking and other regulatory requirements were under close scrutiny by the Committee. Audit Committee is responsible for reviewing the effectiveness of the internal controls as well as risk management procedure adopted by the company. The Committee also assesses the Company's ability to continue as a going concern in the foreseeable future.

REGULATORY COMPLIANCE

Procedures were in place to ensure compliance with statutory regulations. The Committee reviewed the quarterly compliance to ensure that the company has complied with all statutory requirements. Furthermore, the Committee monitors and evaluates letters received from regulatory institutions to ensure compliance.

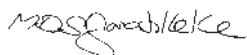
EXTERNAL AUDIT

The Company appointed Messrs Ernst & Young as the External Auditor and the Committee reviews the Independence, Performance and the Objective of External Auditors. The Committee has discussed all relevant matters arising from the interim and final audits, and the Auditors were provided with the opportunity to independently meet with the Committee without the CEO and Management Personnel being present and express their opinion on any matter. The auditors have assured that they have no cause to compromise their independence.

Regular communications were carried out with the engagement partner of Messrs Ernst & Young Chartered Accountants during the Audit Committee meetings. Further, the Committee communicates with the engagement partner regarding the matters that were referred to in the management letter, valuations and impairment of investment properties. The Audit Committee has recommended to the Board of Directors for the re-appointment of the Messrs Ernst & Young Chartered Accountants as Auditors of the Company for the financial year ending on 31 December 2023, subject to the approval of the shareholders at the Annual General Meeting.

INDEPENDENCE OF AUDITORS

To the extent that the Directors are aware and based on the declaration provided by Messrs Ernst & Young Chartered Accountants, the Auditors do not have any relationship with (other than that of the Auditors) or interest in, the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as at the Reporting Date. The Committee considered aspects such as the periodic rotation of the audit partner, with the last rotation taking place for the year ended 31 December 2022; and have also considered the nature and scope of non audit services provided by Messrs Ernst & Young.



Mr. M D S Goonatilleke

Chairman – Audit Committee

31 May 2024

REPORT OF THE BOARD REMUNERATION COMMITTEE

Remuneration Committee was established to ensure compliance with the requirements of Section 9.18.5 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities Exchange Commission of Sri Lanka.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee ("the Committee") is tasked with establishing and maintaining the remuneration policies of the Company as a whole. The policies have been designed in such a manner to reward, motivate and retain Company's executive team while maximizing the overall profitability of the organization in the long term.

TERMS OF REFERENCE:

The Remuneration Committee functions within agreed terms of reference and is committed to the principles of accountability, transparency and ensuring that remuneration structures are equitable and aligned with the performance of the company and its long-term interests and that of its shareholders.

The Committee determines the basis for revising the remuneration, increments, bonuses and other incentives to ensure that the total remuneration package is competitive.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee of Colombo Land and Development Company PLC consist of three Non-Executive Directors of which two of them are Independent.

The composition of the Committee since 11th November 2022 is as follows:

Name of the member	Position
Mr. M D S Goonatileke	Independent Non-Executive Director (Chairman of the Committee)
Mr. M D A Weerasooriya	Independent Non-Executive Director (Member)
Mr. H A N D Herath	Non-Executive Director (Member)

Both the Chief Executive Officer and the Accountant attend Committee meetings by invitation.

The Company Secretary functions as the Secretary to the Remuneration Committee.

MEETING & ATTENDANCE

The Committee did not met during the period under review.

REMUNERATION POLICY

The Remuneration Policy aims to attract, motivate and retain employees with the appropriate professional, managerial and operational expertise, necessary to achieve the objectives of the Company in a competitive environment. The focus of the Committee is to oversee and provide guidance for the implementation of its duties as per Terms of Reference. The Committee ensures that the remuneration structure of the Company is geared towards attracting and retaining talent.

The Remuneration Committee approves and recommends to the Board, the finalised proposals for the granting of increments to key senior level staff. All Non-Executive Directors receive a fee for serving on the Board and on the Sub-Committees as well. They do not receive any performance related incentive payments.

The Committee is satisfied with the salary review process in place. The annual evaluation of the Committee was performed in accordance with the Corporate Governance guidelines to ensure effectiveness and was deemed satisfactory. The aggregate remuneration paid to Executive and Non- Executive Directors is given on page 118.



Mr. M D S Goonatileke

Chairman – Remuneration Committee

31 May 2024

REPORT OF THE BOARD RELATED PARTY TRANSACTION REVIEW COMMITTEE

ROLE AND RESPONSIBILITIES

The principal function of the Committee is the review, verification and scrutiny of all transactions with Directors, Key Management Personnel, Shareholders and other Related Parties and to determine and ensure that they have not received more favourable consideration vis a vis the other Shareholders and Customers and that all dealings have been done in conformity with the Terms of Reference.

Wherever necessary, the Committee has the authority to obtain independent legal, financial & technical advice from competent authorities in such fields, to review transactions. Apart from obtaining Independent Specialists' advice wherever necessary, the Committee is empowered to access data and information pertaining to Related Parties as well as call for clarifications from the Management & Auditors (External & Internal) on any allied matter. In addition, the Committee shares information with the Board Audit Committee whenever necessary and appropriate to facilitate the Board Audit Committee to conduct its Statutory and Regulatory responsibilities with regard to Related Party Transactions.

During the year, all provisions contained in the Listing Rules of Colombo Stock Exchange were adhered to. The minutes of the meetings are submitted to the Board of Directors of the Company to aid decision-making. The objective of the Committee is to ensure that the interests of shareholders as a whole are considered when entering into related party transactions and that the Company is compliant with the requirements of the SEC code and CSE listing rules.

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Audit Committee of Colombo Land and Development Company PLC consist of three Non-Executive Directors of which two of them are Independent.

The composition of the Committee since 11th November 2022 is as follows:

Name of the member	Position
Mr. M D S Goonatilleke	Independent Non-Executive Director (Chairman of the Committee)
Mr. M D A Weerasooriya	Independent Non-Executive Director (Member)
Mr. N P K Ranaweera	Non-Executive Director (Member)

The Chief Executive Officer and the Accountant attends meetings by invitation.

The Company Secretary functions as the Secretary to the Related Party Transactions Review Committee.

MEETING & ATTENDANCE

During the year, Related Party Transactions Review Committee met four times and the attendance of members are tabulated below:

Attendance of the Members – Related Party Transactions Review Committee

Name of the member	Eligibility to attend	Attended
Mr. M D S Goonatilleke	4	4
Mr. M D A Weerasooriya	4	4
Mr. N P K Ranaweera	4	4

TERMS OF REFERENCE

The Related Party Transactions Review Committee is governed by 'Terms of Reference' approved by the Board of Directors and covers aspects relating to matters prescribed in the Listing Rules of the Colombo Stock Exchange.

Terms of reference of the Committee include the following:

- Review in advance all proposed Related Party Transactions of the Company except those explicitly exempted by the Code.
- Determine whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company.
- Update the Board of Directors on the Related Party Transactions of the Company on a quarterly basis.
- Review all Related Party Transactions in line with the regulatory requirements.
- Adopt policies and procedures to review Related Party Transactions of the Company and oversee existing policies and procedures.
- Make immediate market disclosure on any applicable Related Party Transactions as required under Section 9 of the Listing Requirements of the Colombo Stock Exchange.
- Make appropriate disclosures in the Annual Report on Related Party Transactions as per the regulatory guidelines in a timely and detailed manner.

DECLARATION

In terms of Rule 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange, a Declaration by the Board of Directors as an affirmative statement of the compliance with the Listing Rules pertaining to related party transactions is given on page 65 of the Annual Report.



Mr. M D S Goonatilleke

Chairman – Related Party Transaction Review Committee Committee

31 May 2024

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

The Directors of Colombo Land and Development Company PLC have pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company and its subsidiaries for the year ended 31st December 2023.

The information included in this report are in accordance with the requirements of Section 168(1) of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

GENERAL

Colombo Land and Development Company PLC is a public limited liability company which was incorporated under the Companies Ordinance (Cap.145) as a limited company on 8th December 1981 and listed on the Colombo Stock Exchange on 19th March 1986 and re-registered as per the Companies Act No.7 of 2007 on 3rd July 2008 under Registration No. PQ 173.

PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

The principal activities of the Company were the development and leasing out of investment property under operating leases and renting of vehicle parking.

The principal activities of subsidiary companies are renting out developed property, cultivating plantation of teak and mahogany trees, IT solutions, software development and e-marketing.

FINANCIAL STATEMENTS

The Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries, duly signed by two Directors on behalf of the Board are given on pages 75 to 124.

AUDITORS' REPORT

The Report of the Auditors on the Financial Statements of the Company and its subsidiaries is given on pages 75 to 77.

ACCOUNTING POLICIES

The accounting policies adopted in preparation of the financial statements are

given on pages 86 to 97 and are consistent with those of the previous period.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of Financial Statements of the Company and Group to reflect a true and fair view of the state of its affairs. A further statement in this regard is included on page 79.

DIRECTORS

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 17 to 19.

EXECUTIVE DIRECTORS

Mr. P S Weerasekera
Mr. S A Amerasekera
Mr. N G Yao Xing Eugene*

NON-EXECUTIVE DIRECTORS

Mr. P S Perera
Mr. H A N D Herath
Mr. N P K Ranaweera

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. M D A Weerasooriya
Mr. M D S Goonatilleke
*Alternate Director – Mr. N H C Clement

CHANGES IN THE DIRECTORATE

Mr. D S Jayaweera who served as a Non-Executive Director resigned with effect from 13th September 2023.

Mr. P S Perera was appointed as a Non-Executive Director with effect from 10th October 2023.

RE-ELECTION/RE-APPOINTMENT OF DIRECTORS

Mr. N P K Ranaweera retires by rotation at the conclusion of the Annual General Meeting in terms of Articles 86 and 87 of the Articles of Association and being eligible is recommended by the Directors for re-election.

Mr P S Perera shall retire in terms of Article 94 of the Articles of Association of the Company and being eligible is recommended by the Directors for re-election.

DIRECTORS' REMUNERATION

The Directors' remuneration is disclosed under key management personnel compensation in Note 23.2 to the Financial Statements on page 118.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transactions referred to in Note 23.2 to the Financial Statements, the Company did not carry out any transactions with any of the Directors. The Company carried out transactions during the year in the ordinary course of its business at commercial rates with the related entities of directors referred to herein. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

INTERESTS REGISTER

The Directors' Interest register is maintained by the Company and relevant disclosures are made in this report.

CORPORATE DONATIONS

During the year, the Company made Rs.0.11 Mn as a donation. There were no donation by the subsidiary Companies.

AUDITORS

Messrs Ernst & Young, Chartered Accountants served as the Auditors during the year under review and also provided non audit/ consultancy services. They do not have any interest in the Company other than that of Auditor and provider of other non-audit/ consultancy services.

A total amount of Rs. 3,524,086 is payable by the Company to the Auditors for the year under review comprising Rs. 1,320,000 as audit fees and Rs. 2,204,086 for non audit services.

Details of payments to Auditors of Subsidiary companies on account of audit fees and for permitted non audit services are set out in Note 20 to the Financial Statements on page 115.

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

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 29th May 2024 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

STATED CAPITAL

The Stated Capital of the Company as at 31st December 2023 was Rs 341,602,342/- represented by 199,881,008 Ordinary Shares. There were no changes in the Stated Capital of the Company during the year.

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company as at 31st December 2022 and 31st December 2023 are as follows.

Name of the member	As at 31.12.2023	As at 31.12.2022
Mr. M D A Weerasooriya	Nil	Nil
Mr. P S Weerasekera		
• Hatton National Bank PLC/P S Weerasekera	80,342	89,269
Mr. Ng Yao Xing	Nil	Nil
Mr. S A Ameresekere	Nil	Nil
Mr. M D S Goonatilleke	Nil	Nil
Mr. H A N D Herath	Nil	Nil
Mr. N P K Ranaweera	Nil	Nil
Mr. P S Perera	Nil	Nil
Mr. N H C Clement	Nil	Nil
<i>[Alternate Director to Mr. Ng Yao Xing]</i>		

Mr. S A Ameresekere serve as Director of Hikkaduwa Beach Resort PLC, which holds 40,413,200 shares constituting 20.219% of the shares representing the stated capital of the Company.

Mr. H A N D Herath and Mr. N P K Ranaweera serves as the Chairman and the Director General respectively, of the Urban Development Authority of Sri Lanka which holds 34,872,675 shares constituting 17.447% of the shares representing the stated capital of the Company.

SHAREHOLDERS

There were 2691 of shareholders registered as at 31st December 2023. (2,733 shareholders as at 31st December 2022).

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company and public holding as per the Listing Rules of the Colombo Stock Exchange are given on pages 127 to 128 under Investor Information.

EMPLOYMENT POLICY

The Company's employment policy is totally non-discriminatory which respects individuals and provides career opportunities irrespective of the gender, race or religion.

As at 31st December 2023, 35 persons were in employment (34 persons as at 31st December 2022)

RESERVES

A summary of the Group's Reserves is given in Note 11 to the Financial Statements on page 108.

PROPERTY, PLANT AND EQUIPMENT

Details and movements of property, plant and equipment are given under Notes 3 to the Financial Statements on pages 98 to 100.

LAND HOLDINGS

The Company's land holdings are referred to in Note 4 to the Financial Statements.

INVESTMENTS

Details of the Company's and Group's investments as at 31st December 2023 are given in Notes 5 and 8.2 to the Financial Statements on pages 105 and 107.

DIVIDENDS

The Directors do not recommend a dividend for the year under review.

MATERIAL FORESEEABLE RISK FACTORS

An on-going process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee.

There were no material issues pertaining to employees and industrial relations of the Company during the year

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or, where relevant provided for, except for certain assessments where appeals have been lodged.

CONTINGENT LIABILITIES

There were no material Contingent Liabilities as at the Reporting date.

EVENTS OCCURRING AFTER THE REPORTING DATE

There are no material events as at the date of the Auditors' Report which requires adjustments to, or disclosure in the Financial Statements.

CORPORATE GOVERNANCE

The Company has established systems and procedures for sound corporate governance.

The Board of Directors confirm that the Company is compliant with Section 9 of the Listing Rules of the Colombo Stock Exchange.

INDEPENDENCE OF DIRECTORS

Mr. M D A Weerasooriya qualifies against the criteria for independence as per Rule 9.18.4 of the Listing Rules and the Board, based on the declaration submitted by the said Director has determined that Mr. Weerasooriya is an Independent Director.

The period of service of Mr. M D S Goonetilleke exceeds nine years. However, the Board is of the view that the period of service of Mr. Goonetilleke does not compromise his independence and objectivity in discharging his functions as a Director and

therefore based on declaration submitted by the said Director, has determined that Mr. Goonatilleke shall nevertheless be "independent" as per the Listing Rules.

BOARD SUB-COMMITTEES

An Audit Committee, Remuneration Committee and a Related Party Transactions Review Committee function as Board sub committees, with Directors who possess the requisite qualifications and experience. The composition of the said Committees are as follows.

AUDIT COMMITTEE

Mr. M D S Goonatilleke - Chairman
Mr. M D A Weerasooriya
Mr. H A N D Herath

Remuneration Committee

Mr. M D S Goonatilleke - Chairman
Mr. M D A Weerasooriya
Mr. H A N D Herath

Related Party Transactions Review Committee

Mr. M D S Goonatilleke - Chairman
Mr. M D A Weerasooriya
Mr. N P K Ranaweera

The Reports of the Audit Committee, Remuneration Committee and Related Party Transactions Review Committee appear on pages 59, 61 and 63

DECLARATION - COMPLIANCE WITH RULE 9 OF THE LISTING RULES

The Directors declare that the Company is in compliance with Rule 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st December 2023.

TAXATION

The tax position of the Company is given in Note 21 to the Financial Statements on page 116.

RELATED PARTY TRANSACTIONS/DISCLOSURES DURING THE YEAR

Non-Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(1) of the Listing Rules

There were non-recurrent Related Party Transactions of which the aggregate value exceeds 10% of equity or 5% of total assets in the latest Audited Financial Statements as at 31st December 2022, which requires additional disclosures in the Annual Report 2023 in terms of Section 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange and is given in Note 23.1 to the Financial Statements on page 117/ as follows:

Name of the Related Party	Relationship	Value of the Related Party Transaction(s) entered into during the financial year	Value of Related Party Transaction(s) as a % of Equity and as a % of total Assets	Terms and Conditions of the Related Party Transaction(s)	The rationale for entering into the transaction(s)
Liberty Developers (Private) Limited	Subsidiary	1,885,742,038	Equity 23% Total Assets 14%	N/A	Share issue and payment for shares
Liberty Holdings Limited	Subsidiary	1,994,856,390	Equity 25%, Total Assets 15%	N/A	Share issue and payment for shares

Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(2) of the Listing Rules

There were recurrent Related Party Transactions of which the aggregate value exceeds 10% of the Company's Turnover as per the latest Audited Financial Statements as at 31st December 2022, which requires additional disclosures in the Annual Report 2023 in terms of Section 9.14.8(2) of the Listing Rules of the Colombo Stock Exchange and is given in Note 23.1 to the Financial Statements on page 117/ as follows:

Name of the Related Party	Relationship	Value of the Related Party Transaction(s) entered into during the financial year	Value of Related Party Transaction(s) as a % of Equity and as a % of total Assets	Terms and Conditions of the Related Party Transaction(s)	The rationale for entering into the transaction(s)
Agrispace (Private) Limited	Subsidiary	1,774,047	Equity 0% Total Assets 0%	N/A	Intercompany transactions
Liberty Developers (Private) Limited	Subsidiary	512,605,096	Equity 6%, Total Assets 4%	N/A	Intercompany transactions
Liberty Holdings Limited	Subsidiary	60,932,318	Equity 1%, Total Assets 0.5%	N/A	Intercompany transactions

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

ENVIRONMENT, HEALTH AND SAFETY

All the laws and regulations in this regard are strictly adhered to.

SPECIAL BUSINESS

The Directors have recommended amendment to the Articles of Association as stated in the Notice of Meeting. Accordingly, a special resolution is placed before the shareholders at the forthcoming Annual General Meeting to obtain shareholders' approval for the said amendment to the Articles of Association.

Acquisition of 107,144,434 shares of Liberty Developers (Pvt) Ltd by Colombo Land and Development Company PLC at Rs. 8/80 per share for cash consideration

Liberty Holdings Limited (LHL), being the Sole Shareholder of Liberty Developers (Pvt) Ltd (LDL) pertaining to the subject matter; where the Board in principle considered the necessity to infuse fresh capital to LDL, in a sum of Rs. 942,871,019/- for the purpose of settling the outstanding borrowings of Liberty Developers (Pvt) Ltd to CLDC. Upon obtaining an Independent Opinion from NDB Investment Bank Ltd (NDBIB), the Issue of Shares of 107,144,434 by LDL to CLDC at a price of Rs. 8/80 per share, was concluded on 19th December 2023.

The said transaction being a non-recurrent related party transaction exceeded the threshold for immediate disclosure as per the Listing Rules of the Colombo Stock Exchange (CSE), in terms of Rule 9.14.7(1) and the relevant disclosure was made to the CSE and the funds raised by LDL through issue of shares as aforesaid were utilized to settle the outstanding as at 30th November 2023 of the Loans obtained by LDL from CLND

Acquisition of 18,948,104 shares of Liberty Holdings Limited by Colombo Land and Development Company PLC at Rs. 52/64 per share for cash consideration

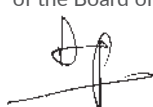
Colombo Land and Development Company PLC's (CLDC) fully owned subsidiary, Liberty Holding Limited (LHL) pertaining to the subject matter; where the Board in principle considered the necessity to infuse fresh capital to LHL in a sum of Rs. 997,428,195/- for the purpose of facilitating LHL to settle their outstanding borrowings to CLDC. Upon obtaining an Independent Opinion from NDB Investment Bank Ltd (NDBIB), the Issue of Shares of 18,948,104 by LHL to CLDC at a price of Rs. 52/64 per share was concluded on 19th December 2023.

The said transaction being a non-recurrent related party transaction exceeded the threshold for immediate disclosure as per the Listing Rules of the Colombo Stock Exchange (CSE), in terms of Rule 9.14.7(1) and the relevant disclosure was made to the CSE and the funds raised by LHL through issue of shares were utilized to settle the outstanding as at 30th November 2023 of the Loans obtained by LHL from CLND.

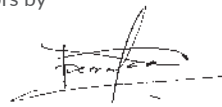
ANNUAL GENERAL MEETING

The Forty Second (42nd) Annual General Meeting of the Company will be held on 28th June 2024 at Sri Sambuddhathwa Jayanthi Mandiraya, 4th floor, No.32, Sri Sambuddhathwa Jayanthi Mawatha, Colombo 05 and the Notice of Meeting appears on page 130.

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



Chairman



Director/Group CEO



P W Corporate Secretarial (Pvt) Ltd

Secretaries

31 May 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the Financial Statements of the Company and its subsidiaries differ from the responsibilities of the Auditors.

The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Report of the Auditors given on pages 69 to 71 of the Annual Report.

As per the Sections 150(1), 151, 152(1) and (2), 153 (1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year and of the results of its operations for the financial year, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that they are in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of section 166(1) read together with sections 168(1)(b) and (c) and section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting.

The Directors consider that in preparing these Financial Statements set out on pages 72 to 118, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors are also confident that the Company has adequate resources to continue in operation and have applied the going

concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company and its subsidiaries maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and its subsidiaries.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiaries and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

Financial Statements prepared and presented in this report have been prepared based on Sri Lanka Accounting Standards (SLFRS/ LKAS) and are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

COMPLIANCE REPORT

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

The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for.

By Order of the Board

Colombo Land and Development Company PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

31 May 2024

CHAIRMAN & ACCOUNTANT RESPONSIBILITY STATEMENT

The Accounting Policies used in the preparation of the financial statements of the Colombo Land and Development Company PLC for the year ended 31st December 2022 are appropriate. There are no departures from the prescribed Accounting Standards in their adoption.

The Financial Statements of the company are in compliance with the requirements of The Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by The Institute of Chartered Accountants of Sri Lanka; the Companies Act No. 07 of 2007; the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995; The Listing Rules of the Colombo Stock Exchange; and The Code of Best Practice on Corporate Governance 2017 issued by The Institute of Chartered Accountants of Sri Lanka.

The Board of Directors and the management accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis in order that the financial statements reflect a true and fair view, the form and substance of transactions and that the Company's state of affairs are reasonably presented.

To ensure this, we have taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting other irregularities, which are reviewed, evaluated and updated on an ongoing basis. The Board of Directors has carried out an assessment on the ability of the company to continue as a going concern. We confirm that the company has adequate resources to continue operations in the foreseeable future and have adopted the 'going concern' basis in preparing these financial statements.

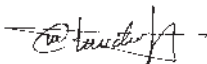
The financial statements of the Group for the year 2022 were audited by Messrs Ernst & Young, Chartered Accountants, and their report appears on pages 69 to 71 of this Annual Report.

The Board Audit Committee meets periodically with the internal audit team and the independent external auditor to review their audit plans, assess the manner in which the auditors are performing their responsibilities and to discuss their reports on internal controls and financial reporting issues. To ensure complete independence, the external auditor and the internal auditor have access to the members of the Board Audit Committee to discuss any matter of substance, details of which are given in the 'Board Audit Committee Report' on page 53.

We confirm that the company has complied with all applicable laws, regulations and prudential requirements and that there are no material non-compliances and that the financial statements in this Annual Report and all taxes, duties, levies and all statutory payments payable and all contributions, levies and taxes payable on behalf of and in respect of the employees of the company as at 31st December 2022 have been paid, or where relevant, provided for.



Chairman



Accountant

31 May 2024

RISK MANAGEMENT REPORT

The Board of Directors of Colombo Land and Development Company PLC which is primarily responsible for the integrated risk management initiatives has delegated its authority to the Risk Management Committee to review and assess the adequacy and effectiveness of the risk profile of the Company. The Committee was set up to have an overview and input into the Company's efforts relating to Risk Management. The Composition, Scope of the work and the Committee proceedings were based on the Terms of Reference of the Risk Management Committee adopted by the Board of Directors for the functioning of the Committee.

The Risk Management evaluates and manages potential risks in order to minimise the impact they could have on the Company. The Risk Management Committee follows a coordinated effort for application of resources to monitor and control the probability of avoidance or occurrence of unfortunate events to maximise shareholders' value.

INTEGRATED RISK MANAGEMENT POLICY

The Company's risk management policy dictates the risk management procedures that are in place as outlined below:

- The final responsibility to maintain a far-sighted and unified risk management process rests with the Board of Directors;
- Channels were introduced for the communication of risk policies to all relevant parties who follow reporting channels to alert situations of risk origination;
- Under the Integrated Risk Management Policy, the process is designed as risk-assuming functions, independent risk management and compliance functions, and also as external audit functions. All business operations of the company are executed by ensuring compliance with all legal and regulatory requirements connected with risk management;

- Risk management function is considered as an independent function from the risk assuming functions;
- Setting and defining the risk tolerant statement, risk limits, risk management functions, risk management policies are under the risk governance of the company;
- Quarterly Risk reports are discussed at Audit Committee Meetings and minutes of meetings submitted to the Board of Directors.

The risk management framework illustrates our approach to risk management, reflecting the risk management process, the structure in place to administer the process and sources of comfort with regard to its effectiveness.

RISK ENVIRONMENT

Considering the severity of the external economic environment and pandemic induced challenges during 2023, the Risk Management Committee had to evaluate risks on multiple levels, assess their potential impact and recommend strategies through which to mitigate them so as to safeguard shareholder wealth, Risk Rating & Mitigating strategies.

RISK MANAGEMENT REPORT

RISK RATING & MITIGATING STRATEGIES

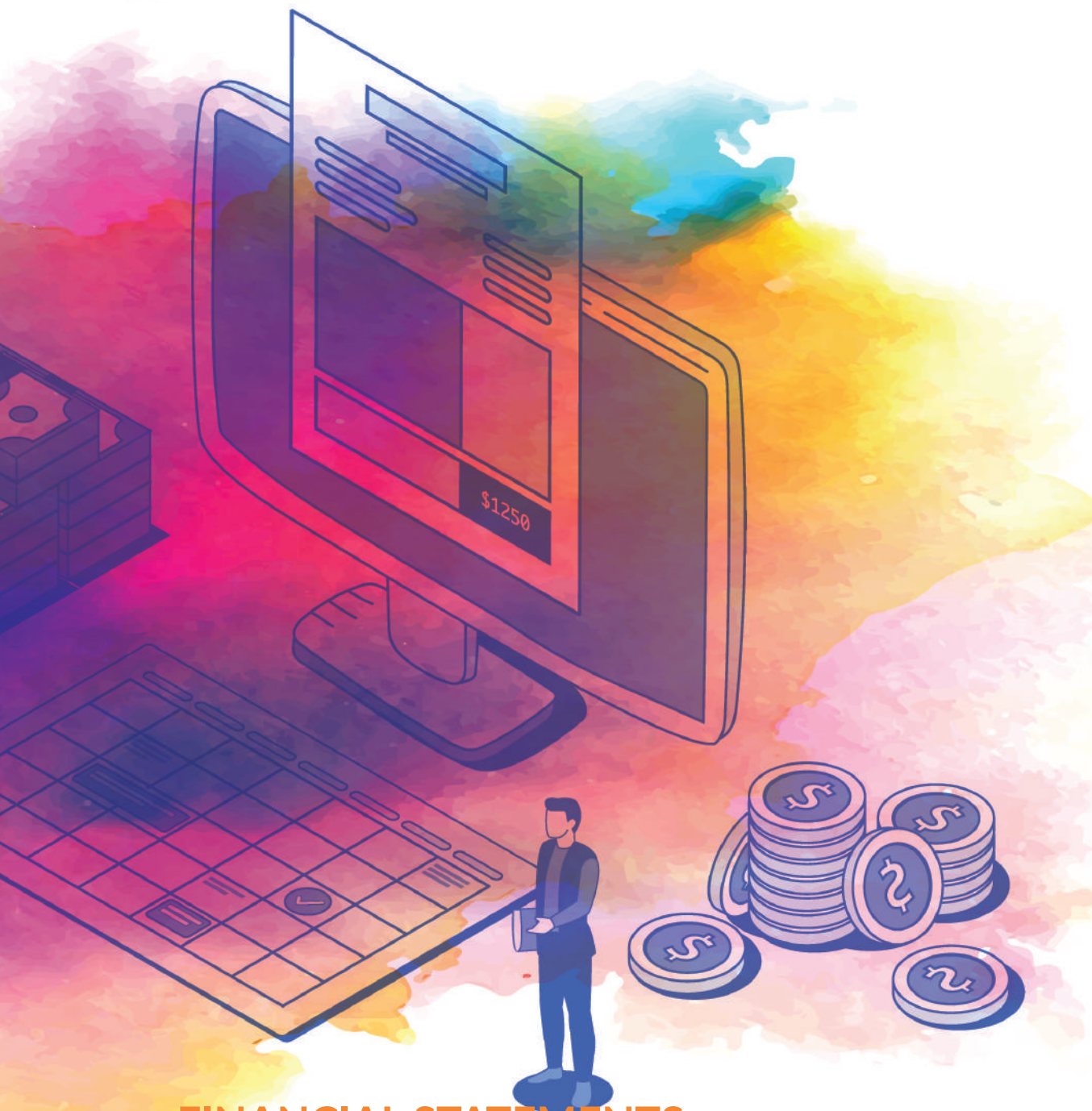
Likelihood Key	C = Certain	L = Likely	P = Possible	U = Unlikely	R =Rare
Impact Key	V = Very high	H = High	M = Medium	L = Low	

Risk	Risk Rating		Mitigation strategies
	Likelihood	Impact	
Strategic Risk			
Failure to meet strategic goals	U	M	<ul style="list-style-type: none">Function as per the business plan approved by the Board of DirectorsAnnual budget is approved by the Board of Directors prior to commencement of respective financial yearVariances are reviewed regularly
Natural Disasters and Fires			
Natural disasters and fires can damage the property of the company and thus have an overall negative impact on the company	P	L	<ul style="list-style-type: none">Insurance policies are taken to minimise the risk of such disastersUpgrading and servicing fire detection systemsMaking available fire extinguishers at strategic locations and regular servicing and refill.
Credit Risk			
Credit risk arises mainly when the company is unable to collect the rental dues from tenants on time	P	L	<ul style="list-style-type: none">A dedicated officer is in place to monitor the debtors regularly which will minimise the risk of default
Human Capital Risk			
Company will not be able to attract and retain qualified, experienced key staff	U	L	<ul style="list-style-type: none">Incorporate better working environmentContinuous training and development relating to staff
Loss of Key Customers			
Loss of key customers may have a significant impact on the performance of the company	L	H	<ul style="list-style-type: none">Established a better relationship with the tenants.Strong marketing team to attract new customers
Risk of Competition			
Risk arising from new commercial and residential developments	L	H	<ul style="list-style-type: none">Monitor the existing and new supply of commercial and residential developmentsAttract and retain customers by providing modern facilities and regular upgrading
Risk of Fraud			
Risk due to inadequate internal controls, process and systems which will lead to misappropriation of company's assets	R	L	<ul style="list-style-type: none">Implement different levels of authorisation and cross department recommendation process to eliminate fraud risk.
Interest Rates			
Risk of increasing the borrowing cost	R	L	<ul style="list-style-type: none">Monitoring and managing cash flows on a daily basisNegotiation of favorable rates and terms regarding the borrowings

Risk	Risk Rating		Mitigation strategies
	Likelihood	Impact	
Health & Safety			
Risk from threats to personnel, staff, tenants and general public at Liberty Plaza shopping complex	U	M	<ul style="list-style-type: none">The company complies with all Industrial Safety Requirements.The company performs proper training programmes and workplace safety practices. The company has obtained all required insurance covers reference to industrial safety by considering the safety of its employees, tenants and general public. During the current year, there were no workplace accidents recorded.Preventive maintenance programmes, potable water quality testing and air quality testing etc. are regularly carried out.
Brand & Reputation Risk			
Risk relating to the timely delivery and service standards	L	L	<ul style="list-style-type: none">Managing high quality service standardsRegular reviews of customer comments and feedback
Key Suppliers			
Loss of reputation due to delay in essential services managed by the group.	U	M	<ul style="list-style-type: none">Entered into comprehensive maintenance agreement for elevators, generators, chillers and other services, which are key.

The background of the entire image is a vibrant, multi-colored watercolor wash. The colors transition from a bright yellow and orange at the top, through a spectrum of red, pink, and purple, down to a deep blue and teal at the bottom. In the upper right quadrant, there is a stylized illustration of a woman in a dark dress holding a large, circular coin with a dollar sign on it. To her right are several stacks of money, depicted as rectangular blocks with dollar signs on their faces. The overall composition is artistic and modern.

UNPARALLELED PERFORMANCE



FINANCIAL STATEMENTS

72

Financial
Calendar

73

Independent
Auditors'
Report

76

Statement
of Financial
Position

78

Statement of
Profit or Loss

80

Statement of
Changes in
Equity

82

Statement
of Cash
Flows

84

Notes to the
Financial Statements

FINANCIAL CALENDAR

1st Quarter	15th May 2023
2nd Quarter	15th August 2023
3rd Quarter	15th November 2023
4th Quarter	29th February 2024

ANNUAL REPORTS

2023 (Annual Report)	31st May 2024
2022 (Annual Report)	31st May 2023

MEETINGS

- 42nd Annual General Meeting - 28th June 2024
- 41st Annual General Meeting - 23rd June 2023

INDEPENDENT AUDITORS' REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF COLOMBO LAND AND DEVELOPMENT COMPANY PLC Report on the audit of the financial statements

Opinion

We have audited the financial statements of Colombo Land and Development Company 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 December 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as

at 31 December 2023, 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 issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Partners: D K Hulanpamuwa 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 ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sejeevan FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

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

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT



Key Audit Matter

Valuation of Investment Properties

As at 31 December 2023, the Group's Investment Properties carried at fair value amounted to Rs. 13,434Mn, which represents 97% of the Group's total assets. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to Rs.582Mn.

The fair value of such properties as disclosed in Note 4, was determined by an external valuer engaged by the Group and was significant to our audit due to:

1. the magnitude of the asset balance and the significance of the fair value gain for the financial performance of the year; and
2. the use of estimates in the valuation techniques which require significant management judgement over assumptions used.

Significant assumptions used by management, include the market value per perch of land held, rental yield rates, rental rates and anticipated maintenance costs.

Other information included in the Group's 2023 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 for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

How our audit addressed the key audit matter

Our audit procedures included the following,

1. We evaluated the competence, capabilities and objectivity of the external valuer appointed by the management. We read the valuation report to obtain an understanding of the work of the valuer including valuation methodologies adopted for the determination of fair value of investment properties.
2. We assessed the appropriateness of the valuation methods used by the management and assessed the reasonableness of the range of values per perch of land, rental yield rates, forecasted rental rates and anticipated maintenance costs by comparing such with available industry data, taking into consideration comparability and other relevant market factors.

We also assessed the adequacy of the related financial statement disclosures in note 2.3.11 and note 4.

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 ethical requirements in accordance with the Code of Ethics regarding

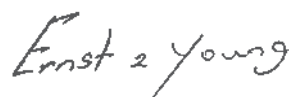
independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 1864.



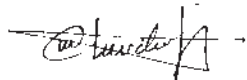
31st May 2024
Colombo

STATEMENT OF FINANCIAL POSITION

As at 31 December	Note	Group		Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	3a	175,237,981	174,638,336	6,189,169	8,182,294
Biological Assets	3b	74,440,000	69,240,001	-	-
Investment Properties	4	13,434,219,502	12,881,120,001	7,958,249,000	7,834,704,999
Investments in Subsidiaries	5	-	-	2,820,575,560	880,276,346
		13,683,897,483	13,124,998,338	10,785,013,729	8,723,163,639
Current Assets					
Inventories	7	1,155,730	1,151,080	-	-
Trade and Other Receivables	6	110,367,938	137,819,715	90,904,014	1,847,783,451
Financial Assets	8.1	23,520	25,200	23,520	25,200
Other Investments	8.2	9,053,498	31,705,990	70,474	31,705,990
Cash and Cash Equivalents	9	12,684,830	10,230,409	4,082,712	6,281,196
		133,285,516	180,932,394	95,080,720	1,885,795,837
Total Assets		13,817,182,999	13,305,930,732	10,880,094,449	10,608,959,476
EQUITY AND LIABILITIES					
Equity					
Stated Capital	10	341,602,342	341,602,342	341,602,342	341,602,342
Revaluation Reserve	11	108,400,805	104,846,345	-	-
Retained Earnings		7,866,713,495	7,547,774,344	6,723,876,447	6,634,633,372
Equity Attributable to Equity Holders of the Parent		8,316,716,642	7,994,223,031	7,065,478,789	6,976,235,714
Non - Controlling Interest		(2,492,523)	(2,483,523)	-	-
Total Equity		8,314,224,119	7,991,739,508	7,065,478,789	6,976,235,714

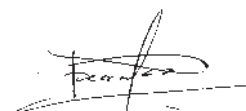
As at 31 December	Note	Group		Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	12	1,351,000,000	1,321,000,000	1,351,000,000	1,321,000,000
Deferred Tax Liabilities	13	3,813,196,355	3,734,128,977	2,301,880,113	2,235,027,764
Defined Benefit Obligations	14	6,705,092	4,598,254	5,841,216	4,012,344
		5,170,901,447	5,059,727,231	3,658,721,329	3,560,040,108
Current Liabilities					
Trade and Other Payables	15	60,795,665	33,345,873	31,449,420	12,634,380
Income Tax Liabilities		36,482,769	48,480,712	9,557,144	9,107,483
Interest Bearing Loans and Borrowings	12	107,781,605	35,687,762	96,539,194	32,524,219
Tenant Deposits	16	126,997,393	136,949,646	18,348,572	18,417,572
		332,057,434	254,463,993	155,894,330	72,683,654
Total Equity and Liabilities		13,817,182,999	13,305,930,732	10,880,094,449	10,608,959,476

These Financial Statements are in compliance with the requirements of the Companies Act No :07 of 2007.




Accountant

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



Director/Group CEO



Director

The accounting policies and notes on pages 86 through 124 form an integral part of the Financial Statements.

31 May 2024

Colombo

STATEMENT OF PROFIT OR LOSS

Year Ended 31 December	Note	Group		Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
Revenue	17	376,776,107	339,155,687	168,216,894	158,545,623
Direct Expenses		(156,336,773)	(111,393,651)	(55,464,811)	(42,454,365)
Net Rental Income		220,439,334	227,762,036	112,752,083	116,091,258
Other Income and Gains	18	34,778,356	56,658,587	8,547,610	26,657,964
Change in value of Investment Properties	4	582,847,201	149,163,652	122,911,501	57,178,050
Fair Valuation of Biological Assets		4,772,658	3,947,219	-	-
Selling and Distribution Costs		(14,169,416)	(11,479,083)	(1,546,940)	(1,138,911)
Administrative Expenses		(93,851,022)	(100,006,116)	(80,952,695)	(71,649,931)
Finance Cost	19	(305,780,389)	(291,921,600)	(563,566)	(10,376,404)
Profit/(Loss) Before tax	20	429,036,722	34,124,695	161,147,993	116,762,026
Income Tax Reversal/(Expense)	21	(108,209,745)	(765,258,782)	(70,156,852)	(330,466,547)
Profit /(Loss) for the year		320,826,977	(731,134,087)	90,991,141	(213,704,521)
Attributable to:					
Equity Holders of the Parent		320,835,977	(731,125,087)	90,991,141	(213,704,521)
Non-Controlling Interests		(9,000)	(9,000)	-	-
Earnings/(Loss) Per Share	22	1.61	(3.66)	0.46	(1.07)

The accounting policies and notes on pages 86 through 124 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December	Note	Group		Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
Profit/ (Loss) for the year		320,826,977	(731,134,087)	90,991,141	(213,704,520)
Other Comprehensive Income					
Other comprehensive income not to be classified to profit or loss in subsequent periods					
Actuarial Gain/(Losses) on Defined Benefit Plans	14	(1,459,944)	1,274,516	(1,343,374)	1,080,764
Net Gain/(Loss) on Financial Assets classified under FVOCI		(1,680)	(12,180)	(1,680)	(12,180)
Deferred Tax attributable to actuarial gains on defined benefit obligations		(435,201)	(410,465)	(403,012)	(324,229)
Revaluation Gain / (Loss) of the Property Plant and Equipment's		5,077,800	8,444,790	-	-
Tax effects on Revaluation of Building		(1,523,340)	(7,219,657)	-	-
Total of Other Comprehensive Income		1,657,635	2,077,004	(1,748,066)	744,355
Total Comprehensive income for the year, net of tax		322,484,612	(729,057,083)	89,243,075	(212,960,165)
Attributable to:					
Equity Holders of the Parent		322,493,612	(729,048,083)	89,243,075	(212,960,165)
Non-Controlling Interests		(9,000)	(9,000)	-	-

The accounting policies and notes on pages 86 through 124 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December	Stated Capital LKR	Revaluation Reserve LKR	Retained Earnings LKR	Non-Controlling Interest LKR	Total LKR
Group					
As at 31 December 2021	341,602,342	103,621,212	8,278,047,560	(2,474,523)	8,720,796,591
Profit / (Loss) for the Year	-	-	(731,125,088)	(9,000)	(731,134,088)
Other Comprehensive Income for the Year	-	1,225,133	851,871	-	2,077,004
Total Comprehensive Income For the Year	-	1,225,133	(730,273,217)	(9,000)	(729,057,084)
As at 31 December 2022	341,602,342	104,846,345	7,547,774,343	(2,483,523)	7,991,739,507
Profit / (Loss) for the Year	-	-	320,835,977	(9,000)	320,826,977
Other Comprehensive Income for the Year	-	3,554,460	(1,896,825)	-	1,657,636
Total Comprehensive Income For the Year	-	3,554,460	318,939,152	(9,000)	322,484,613
As at 31 December 2023	341,602,342	108,400,805	7,866,713,495	(2,492,523)	8,314,224,120

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023	Stated Capital LKR	Retained Earnings LKR	Total LKR
Company			
As at 31 December 2021	341,602,342	6,847,593,537	7,189,195,879
Profit/(Loss) for the Year	-	(213,704,520)	(213,704,520)
Other Comprehensive Income for the Year	-	744,355	744,355
Total Comprehensive Income For the Year	-	(212,960,165)	(212,960,165)
As at 31 December 2022	341,602,342	6,634,633,372	6,976,235,714
Profit/(Loss) for the Year	-	90,991,141	90,991,141
Other Comprehensive Income for the Year	-	(1,748,066)	(1,748,066)
Total Comprehensive Income For the Year	-	89,243,075	89,243,075
As at 31 December 2023	341,602,342	6,723,876,447	7,065,478,789

The accounting policies and notes on pages 86 through 124 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	Group		Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
Cash Flows From / (Used in) Operating Activities					
Profit/(Loss) before Tax		429,036,722	34,124,695	161,147,993	116,762,027
Adjustments for					
Depreciation	3	4,367,620	17,673,049	1,858,724	2,213,914
Dividend Income from Investments	18	-	-	(2,974,190)	(2,974,190)
Increase in fair value of Investments Property	4	(582,847,201)	(149,163,652)	(122,911,501)	(57,178,050)
(Profit) / Loss on disposal of Property, Plant & Equipment	18	-	(200,000)	-	(200,000)
(Profit) / Loss on disposal of Investment Property	18	(28,311,000)	(46,351,000)	-	(14,212,000)
Increase in fair value of Biological Assets	3b	(4,772,658)	(3,947,219)	-	-
Finance Costs	19	305,780,389	291,921,600	563,566	10,376,404
Allowance for Doubtful Debts		14,140,988	11,049,336	1,518,512	972,314
Provision for Defined Benefit Plans	14	1,833,206	1,374,473	1,671,810	1,287,132
Operating Profit before Working Capital Changes		139,228,066	156,481,283	40,874,914	57,047,550
(Increase) / Decrease in Inventories		(4,650)	(16,990)	-	-
(Increase) / Decrease in Trade and Other Receivables		13,310,789	12,070,503	1,755,360,925	(20,877,374)
Increase / (Decrease) in Tenant Deposits		(9,952,254)	(4,706,180)	(69,000)	(3,741,765)
Increase / (Decrease) in Trade and Other Payables		27,529,430	3,210,384	18,815,043	(3,753,488)
Cash Generated from Operations		170,111,381	167,038,998	1,814,981,882	28,674,923
Finance Cost Paid		(305,780,389)	(291,921,600)	(563,566)	(10,376,404)
Income tax paid		(43,098,850)	-	(3,257,855)	-
Defined Benefit Plan Costs Paid	14	(1,186,313)	(700,000)	(1,186,313)	(700,000)
Net Cash From / (Used in) Operating Activities		(179,954,171)	(125,582,602)	1,809,974,148	17,598,520

For the year ended 31 December	Note	Group		Company	
		2023	2022	2023	2022
		LKR	LKR	LKR	LKR
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant & Equipment	3a.	(349,650)	(1,168,582)	(246,150)	(975,257)
Improvement of Biological Assets	3b	(427,343)	(458,055)	-	-
Proceeds from Sale of Property, Plant & Equipment		-	200,000	-	200,000
Proceeds from Disposal of Investment Properties		-	682,800,000	-	547,000,000
Subsequent expenditure on Investment Property	4	(1,941,301)	(7,319,526)	(632,500)	(1,365,950)
Acquisition of Equity Shares	5	-	-	(1,940,299,214)	-
Investment Made in Unit Trust	8.2	(8,433,332)	19,155,014	549,692	19,155,014
Investment in Treasury Bills	8.2	31,085,824	(31,085,824)	31,085,824	(31,085,824)
Dividend Received on Investment	18	-	-	2,974,190	2,974,190
Disposal of investment Properties		60,000,000	-	-	-
Disposal of Properties	3a.	380,550	12,895,178	380,550	-
Net Cash Flows from / (Used in) Investing Activities		80,314,748	675,018,204	(1,906,187,608)	535,902,173
Cash Flows from/ (Used in) Financing Activities					
Proceeds From Interest Bearing Loans & Borrowings	12	84,450,455	-	84,450,455	-
Repayment of Interest Bearing Loans & Borrowings	12	-	(554,000,000)	-	(554,000,000)
Net Cash Flows from / (Used in) Financing Activities		84,450,455	(554,000,000)	84,450,455	(554,000,000)
Net Decrease in Cash and Cash Equivalents					
		(15,188,969)	(4,564,397)	(11,763,005)	(499,307)
Cash and Cash Equivalents at the beginning of the Year	9	4,542,648	9,107,045	3,756,976	4,256,284
Cash and Cash Equivalents at the end of the Year	9	(10,646,321)	4,542,648	(8,006,028)	3,756,976

The accounting policies and notes on pages 86 through 124 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 General

Colombo Land and Development Company PLC ("Company") is a public limited liability Company listed on the Colombo Stock Exchange and incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at No. 250 - 3/8, (3rd Floor) Liberty Plaza, R. A. De Mel Mawatha, Colombo 3.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were the development and leasing out of investment property under operating leases and renting of vehicle parking. The principal activities of the Subsidiaries are disclosed in Note 29.1 to the financial statements.

1.3 Consolidated Financial Statements

The Consolidated Financial Statements of the Group as at and for the year ended 31 December 2023 comprise the Colombo Land and Development Company PLC (Parent Company) and its subsidiaries (collectively, the "Group"), namely Liberty Holdings Limited, Liberty Developers (Private) Limited, Agrispice (Private) Limited and Anantaya Global Solutions (Private) Limited.

1.4 Parent Entity and Ultimate Parent Entity

Colombo Land and Development Company PLC does not have an identifiable parent of its own.

1.5 Date of Authorization for Issue

The Consolidated Financial Statements of Colombo Land and Development Company PLC for the year ended 31 December 2023 were authorized for issue in accordance with a resolution of the board of directors on 29 May 2024.

2.1 Basis Of Preparation

The Financial Statements have been prepared on a historical cost basis, except for investment properties and financial instruments FVOCI, that have been measured

at fair value. Biological assets have been measured at fair value less cost to sell.

The Consolidated Financial Statements are presented in Sri Lanka Rupees (Rs.), except when otherwise indicated. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency..

2.1.1 Statement of compliance

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these Financial Statements are in compliance with the Companies Act No. 07 of 2007.

2.1.2 Comparative Information

The accounting policies have been consistently applied by the Company and the Group and are consistent with those used in the previous year. The previous year figures and phrases have been rearranged wherever necessary to conform to current year presentation.

2.1.3 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries as at 31 December 2023. Control 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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and 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
- 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 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The consolidated financial statements of the Group include:

Company Name	Country of Incorporation	Year of Incorporation	% of equity Interest	
			2023	2022
Liberty Holdings Limited	Sri Lanka	1994	100%	100%
Liberty Developers (Private) Limited	Sri Lanka	2012	100%	100%
Agrispice (Private) Limited	Sri Lanka	2000	100%	100%
Anantaya Global Solutions (Private) Limited	Sri Lanka	2012	70%	70%

2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 25
- Financial risk management and policies Note 25
- Sensitivity analyses disclosures Notes 14 and 25

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 judgment that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

i. Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group, continue in operational existence for the foreseeable future.

The management has considered the potential downsides that the economic recession could bring to the business operations of the Group,

in making this assessment. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Group.

Therefore, the Consolidated Financial Statements continue to be prepared on the going concern basis.

ii. Owner Occupied Properties and Investment Property:

In determining if a property qualifies as Investment Property the Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services are significant, so that a property does not qualify as investment property.

iii. Fair value of Property, Plant and Equipment and Investment Property:

The Group carries its investment properties at fair value, with changes in fair value being recognized in the income statement. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2023 for investment properties and land and buildings. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model and market-based evidence was used, using comparable prices adjusted for specific market factors such as nature, location and condition of the property and comparable market data because of the nature of the properties. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognized in OCI.

Land and buildings were valued by reference to market-based evidence, the key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 4 and 27.

iv. Fair Valuation of Biological Assets

The fair value of managed timber determined based on discounted cash flow method using various financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the Note 3b.3 and 3b.4.

v. Defined benefit plans (pension benefits):

For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimation provided by the qualified actuary is used.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, excluding net interest (not applicable to the Group), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' in the Statement of Profit or Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

The gratuity liability is not externally funded. This item is stated under Defined Benefit Obligations in the Statement of Financial Position.

vi. Deferred Tax Assets:

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 recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.3 Summary of Significant Accounting Policies

2.3.1 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least

twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- It does not have a right at reporting date to defer the settlement of the liability by transfer of cash or other assets for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.2 Fair value measurement

The Group measures financial instruments such as non-financial assets such as investment properties, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 2.2, 3, 4 and 25
- Quantitative disclosures of fair value measurement hierarchy Note 25 and Note 27
- Property, plant and equipment under revaluation model Note 3a
- Investment properties Note 4
- Biological Assets Note 3b

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market

participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Board of Directors determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets classified under FVOCI.

External valuers are involved for valuation of properties. Involvement of external valuers is decided upon annually by the Board of Directors after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board of Directors decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Board of Directors analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board of Directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Board of Directors, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature,

characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above..

2.3.3 Foreign currencies

The Group's consolidated financial statements are presented in Sri Lanka Rupees, which is also the parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Differences are taken to profit or loss. 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 was determined.

2.3.4 Taxation

a. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations. Current income tax relating to items recognised directly in equity statement is recognized in equity and not in the statement of comprehensive income.

Current income tax relating to items recognized directly in equity is recognised 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.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments there on.

Liberty Developers (Private) Limited qualifies for a tax exemption period of 6 years under Sec 17 (A) of the Inland Revenue Act No. 10 of 2006 as amended by Inland Revenue (Amendment) Act No. 10 of 2012 subject to the condition that Rs. 300 Million investment is made in the project with in the project implementation period. For the above purpose, the years of Assessment shall be reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than 2 years reckoned from the date of commencement of commercial operations whichever is earlier as determined by the commissioner of Inland Revenue. The first year of commercial operations of Liberty Developers (Private) Limited began from September 2015.

Statutory tax rate applicable for Colombo Land and Developments Company PLC, Liberty Developers (Private) Limited and Liberty Holdings Limited is 30% for the year ended 31 December 2023. (30% - 2022)

In terms of an agreement entered into with the Board of Investment of Sri Lanka under section 17 of Board of Investment of Sri Lanka Law, No. 4 of 1978, Agrispice (Private) Limited is exempted from the provisions of the Inland Revenue Act, No. 24 of 2017 for a period of ten years reckoned from the year of assessment on which the Company commences its business. The date of first sale of its products/produce shall be deemed to be the date of commencement of its business.

NOTES TO THE FINANCIAL STATEMENTS

b. Deferred tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- i. where the deferred income tax liability 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; and
- ii. In respect of taxable temporary differences associated with investments in subsidiaries except where 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 income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets 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 assets and unused tax losses can be utilised except;

- i. where the deferred income 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; and
- ii. In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are only recognised 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 utilised.

The carrying amount of deferred income 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 income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised 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 recognised outside the income statement is recognised outside the income statement. Deferred tax relating to items recognised 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. Economic Service Charge (ESC)

As per the provisions of the Economic Service Charges Act No. 13 of 2006, ESC is payable on the liable turnover at specified rates. ESC paid is deductible from the income tax liability. Any unclaimed liability can be carried forward and set off against the income tax payable for further three years. ESC is abolished with effect from 1 January 2020.

d. Turnover Based Taxes

Turnover based taxes include Value Added Tax (VAT) and Nation Building Tax (NBT). The Company/Group pays such taxes in accordance with the respective statutes.

Turnover based taxes include Value Added Tax (VAT) and Nation Building Tax (NBT). The Company/Group pays such taxes in accordance with the respective statutes.

Revenue, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services 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 items as applicable and receivable and payable are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of other receivables and other payables in the Statement of Financial Position. NBT is abolished with effect from 1 December 2019. As per the Social Security Contribution Levy Act, No. 25 of 2022 (SSCL Act), any person carrying on the business of supplying financial services is required to pay Social Security Contribution Levy at the rate of 2.5% on the Value Addition attributable to financial services.

2.3.5 Borrowing Costs

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 an entity incurs in connection with the borrowing of funds.

2.3.6 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Finished goods: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3.7 Financial Instruments – Initial Recognition and Subsequent Measurement

(i) Financial Assets

Initial Recognition and Measurement

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent Measurement

From 1 January 2018, the Group classifies all of these financial assets in the measurement category of financial assets at amortised cost and financial assets at fair value through OCI.

(a) Financial assets 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 bank balances and short term deposits under current financial assets.

(b) Financial Assets classified under Fair Value through Other Comprehensive Income

The Financial Assets are reclassified under Equity Investments at Fair Value through OCI (FVOCI) under SLFRS 9 after assessing the business model that applies to the financial assets held by the Group. This category only includes the equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to classify upon transition. There is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

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 based on income approach that estimates the fair value by discounting projected cash flows in a discrete projection period to present value.

De-recognition

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that

NOTES TO THE FINANCIAL STATEMENTS

are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every

reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all

reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 365 days past due.

(ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of SLFRS 9 remains broadly the same as LKAS 39, are classified as financial liabilities at fair value through profit or loss, or at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities includes other payables, bank overdrafts, interest-bearing loans and borrowings and tenant deposits.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of 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 in finance costs in the Statement of Profit or Loss.

De-recognition

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.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

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 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 exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.3.8 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.9 Property, Plant and Equipment and Biological Assets

(i) Property, Plant and Equipment

a. Initial Recognition

All items of property, plant and equipment are initially recorded at cost.

The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its working condition for its intended use. Subsequent to the initial recognition as an asset at cost, revalued assets are carried at revalued amounts less any subsequent depreciation thereon. All other property, plant and equipment are stated at cost less accumulated depreciation and/

or accumulated impairment losses, if any. Accumulated depreciation is provided for, on the bases specified in (d) below.

Property, plant and equipment transferred from customers is initially measured at fair value at the date on which control is obtained.

b. Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance, is recognised as an expense when incurred.

c. Revaluation

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. At the date of revaluation, valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, 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.

d. Depreciation

Depreciation is calculated on straight line basis over the estimated useful lives of all Property, Plant and Equipment.

The principal annual rates of depreciation used by the Group are as follows;

Freehold Buildings	- 2%
Plant and Machinery agricultural	- 25%
Furnitures, Fixtures and Fittings	- 12.5%
Office Equipment	- 25%
Motor Vehicles	- 25%
Media Wall	- 25%

e. Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Biological Assets

Biological assets include Mahogany trees, rubber trees and Attonia tress, which that are intended to harvest at the end of maturity, but are however used to grow for harvesting agricultural produce from such Biological assets. Those Biological assets include managed timber trees.

Recognition and Measurement

The entity recognises the Biological assets when, and only when, the entity controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably. v

The managed timber trees are measured on initial recognition and at the end of each reporting period at fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using Discounted Cash Flow (DCF) method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity and various non- financial assumptions by an independent professional valuer.

The growth of the trees is determined by various biological features that are highly unpredictable. Any change to the assumptions will impact the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the note 3.b.

NOTES TO THE FINANCIAL STATEMENTS

The main variables in DCF model concerns

Variable	Comment
Currency valuation	Sri Lankan Rupees
Timber content	Estimate based on physical verification of girth, height and considering the growth of the each spices. Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with forestry plan of the Group.
Economic useful life	Estimated based on the normal life span of each spices by factoring the forestry plan of the Group.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfil in bringing the trees in to saleable condition.
Discount Rate	Discount rate reflects the possible variations in the Cash flows and the risk related to the biological assets.

2.3.10 Leases

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

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group considered whether;

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has right to obtain substantially all of the economic benefits of asset throughout the period of use; and
- The Group has right to direct the use of the asset. The Group has this right when it has decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;
 - The Group has right to operate the asset; or
 - The Group designated the asset in a way that predetermines how and for what purpose it will be used.

a. Group as the Lessee

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

(i) Right-of-use assets

The Group 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. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.3.8 Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised

by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset..

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b. Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over

the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.3.11 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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, 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, 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.

2.3.12 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, where 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, 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 finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

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

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by revised LKAS 19 – “Employee benefits” and resulting actuarial gain/ loss was recognized in full in the Other Comprehensive Income (OCI).

NOTES TO THE FINANCIAL STATEMENTS

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Key assumptions used in determining the defined retirement benefit obligations are given in Note 14.2 Any changes in these assumptions will impact the carrying amount of defined benefit obligations and all assumptions are reviewed at each reporting date. Interest expense and the current service cost related to the liability is recognized in profit or loss and actuarial gain or loss is recognized in other comprehensive income.

Accordingly, the employee benefit liability is based on the actuarial valuation as of 31 December 2023 carried out by Messrs Actuarial and Management Consultants (Private) Limited, actuaries.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

Funding Arrangements

The gratuity liability is not externally funded.

b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. These are recognized as an expense in the Statement of Profit or Loss as incurred.

The Group contributes 12% and 3% of gross emoluments of the employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.4 Statement of Profit or Loss

Revenue from contracts with customers

The Group is primarily involved in the development and leasing out of investment property under operating leases and renting of vehicle parking as detailed in Note 18. Revenue from contracts with customers is recognised when the service is provided to the customer at an amount that reflects the consideration to which the Group expects to be entitled in providing for those services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific criteria are used for the purpose of recognition of revenue.

a) Rental income

Rental income includes rental income from properties leased out to tenants under operating leases and income from providing car parking facilities. Rental income from operating leases is recognised on a straight-line basis over the lease term while car park income is recognised on an earned basis.

b) Interest Income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded 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..

c) Revenue in plantation industry

Revenue and profit or loss on sale of timber is recognised in the financial period of harvesting. Revenue is recorded at invoiced value net of brokerage, selling expenses and other levies related to turnover.

d) 3D designing income

3D design income recognised when the 3D services provided to its customers.

e) Dividends

Revenue is recognized when the Group's/ Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

f) Others

Other income is recognized on an accrual basis.

2.5 Operating segment and segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors collectively, who make strategic decisions.

The reportable segments derive their revenue primarily from the rental income which consists of “commercial unit income” and “car park income” and from 3D designing income. Although the 3D designing segment is a separate operating segment, it does not generate a material income to meet the quantitative thresholds required by SLFRS 8.

2.6 Cash Flows Statement

The Cash Flows Statement has been prepared by using the ‘In direct Method’ in accordance with LKAS 7 on Statement of Cash Flows, whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognized. Cash and cash equivalents comprise mainly cash balances and highly liquid investments of which original maturity of 3 months or less and net amount due from banks..

2.7 Standards Issued But Not Yet Effective

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

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies

to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

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

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

NOTES TO THE FINANCIAL STATEMENTS

3a. PROPERTY, PLANT & EQUIPMENT

3a.1 Group

3a.1.1 Gross Carrying Amounts - Group

	Balance As at 01.01.2023 LKR	Additions LKR	Revaluation LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2023 LKR
At Cost/Valuation					
Land	50,450,000	-	-	-	50,450,000
Buildings	115,624,756	-	5,077,800	(2,287,800)	118,414,756
Plant & Machinery	81,250	-	-	-	81,250
Furniture and Fittings	6,201,364	-	-	-	6,201,364
Motor Vehicles	533,384	-	-	-	533,384
Office Equipment	34,700,083	349,650	-	(380,550)	34,669,183
Tools and Utensils	1,236,051	-	-	-	1,236,051
Media Wall	34,268,474	-	-	-	34,268,474
Total Gross Carrying Amount	243,095,362	349,650	5,077,800	(2,668,350)	245,854,462

3a.1.2 Depreciation and Impairment

	Balance As at 01.01.2023 LKR	Charge LKR	Revaluation LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2023 LKR
At Cost/Valuation					
Buildings	129,572	2,311,800	(2,287,800)	-	153,572
Plant & Machinery	81,250	-	-	-	81,250
Furniture and Fittings	5,088,056	94,145	-	-	5,182,201
Motor Vehicles	528,531	4,853	-	-	533,384
Office Equipment	27,214,646	2,327,453	-	(380,550)	29,161,549
Tools and Utensils	1,156,417	-	-	-	1,156,417
Media Wall	34,258,555	9,919	-	-	34,268,474
	68,457,026	4,748,170	(2,287,800)	(380,550)	70,536,846

3a.1.3 Net Book Values

	2023 LKR	2022 LKR
At Cost		
Land	50,450,000	50,450,000
Buildings	118,261,184	115,495,184
Plant & Machinery	-	-
Furniture and Fittings	1,019,163	1,113,308
Motor Vehicles	-	4,853
Office Equipment	5,507,634	7,485,437
Tools and Utensils	-	79,634
Media Wall	-	9,919
Total Carrying Amount of Property, Plant & Equipment	175,237,981	174,638,336

3a. PROPERTY, PLANT & EQUIPMENT

3a.2 Company

3a.2.1 Gross Carrying Amounts

	Balance As at 01.01.2023 LKR	Additions LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2023 LKR
At Cost				
Furniture and Fittings	3,200,368	-	-	3,200,368
Office Equipment	32,026,601	246,150	(380,550)	31,892,201
Total Value of Depreciable Assets	35,226,969	246,150	(380,550)	35,092,569

3a.2.2 Depreciation and Impairment

	Balance As at 01.01.2023 LKR	Charge/ LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2023 LKR
At Cost				
Furniture and Fittings	2,667,397	86,316	-	2,753,713
Office Equipment	24,377,278	2,152,959	(380,550)	26,149,687
	27,044,675	2,239,275	(380,550)	28,903,400

3a.2.3 Net Book Values

	2023 LKR	2022 LKR
At Cost or Valuation		
Furniture and Fittings	446,655	532,971
Office Equipment	5,742,514	7,649,323
Total Carrying Amount of Property, Plant & Equipment	6,189,169	8,182,294

NOTES TO THE FINANCIAL STATEMENTS

3a.3 The fair value of land and buildings in the group was determined by means of a revaluation during the financial year 2023 by KPMG Real Estate & Valuation Services (Private) Limited, an independent valuer in reference to Market based evidence and DCF Model respectively. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31 December 2023. The surplus arising from the revaluation net of deferred taxes, was transferred to a revaluation reserve..

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

Class of Asset	Cost LKR	Cumulative Depreciation If assets were carried at cost LKR	Net Carrying Amount 2023 LKR	Net Carrying Amount 2022 LKR
Buildings	43,041,000	(14,344,740)	28,696,260	29,557,080

3a.4 The significant assumptions used by the valuer are as follows :

	2023 LKR	2022 LKR
Rental rates used	Rs. 210 p. sq.ft	Rs. 205 - 450 p. sq.ft
Anticipated maintenance cost:	35% of rentals	35% of rentals
Yield/Discount rate :	6.5% p.a.	6% - 6.5% p.a.

3a.5 During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of LKR.349,650/- (2022 - LKR.1,168,582/-). Cash payments amounting to LKR. 349,650/- (2022 - LKR.1,168,582/-) were made during the year for purchase of Property, Plant & Equipment.

3a.6 During the financial year, the Company acquired Property, Plant & Equipment to the aggregate value of LKR.246,150/- (2022 - Rs..975,257/-). Cash payments amounting to LKR.246,150/- (2022 - Rs. .975,257/-) were made during the year for purchase of Property, Plant & Equipment.

3a.7 Property, Plant and Equipment of the Group includes fully depreciated assets having a gross carrying amounts of LKR 49,505,382/- (2022 - LKR 45,543,733/-) which are still in use.

3a.8 Property, Plant and Equipment of the Company includes fully depreciated assets having a gross carrying amounts of LKR 28,186,235/- (2022 - LKR. 24,653,354/-) which are still in use.

3b. BIOLOGICAL ASSET (GROUP)

As at 31 December	Group			
	Mahogany	Attoniya	Rubber	Total
	2023 LKR	2023 LKR	2023 LKR	2023 LKR
Carrying value as at 01 January	56,030,285	12,862,560	347,156	69,240,001
Additions during the year	427,343	-	-	427,343
Carrying value as at 31 December	56,457,628	12,862,560	347,156	69,667,344
Fair value gain/(loss)	(1,625,637)	6,407,385	(9,091)	4,772,658
Carrying value as at 31 December	54,831,991	19,269,945	338,065	74,440,000

3b.1 Under LKAS 41, group has obtained a valuation for biological assets held by Agrispice Private Limited (Subsidiary), by KPMG Real Estate & Valuation Services (Private) Limited. As per the valuer's report, the estimated value of the biological assets as at 31 December 2023 is Rs. 74,440,000/-.

3b.2 Basis of Valuation

The group has valued its timber plantation at fair value less cost to sell. Timber plantations as at 31 December 2023 have been cultivated on the Land to the extent of approximately 40.4977 hectares.

The biological assets were valued by KPMG Real Estate & Valuation Services (Private) Limited using Discounted Cash Flow (DCF) method in ascertaining the fair value of timber.

3b.3 Key assumptions used in valuation

	2023	2022
Discounted rates used by the Valuer	Maturity year 0 - 14.4% Maturity year 5 - 13.3%	Maturity year 0 - 26.2% Maturity year 5 - 19.5%
Timber volume discount	-30%	-25%

The valuation, as presented in the external valuation model based on the DCF, takes into accounts the long term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisation value.

The biological assets of the group are mainly cultivated in owned lands. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants.

NOTES TO THE FINANCIAL STATEMENTS

3b.4 Sensitivity Analysis

Sensitivity Variation on Sales Price

Net Present Value of the Biological Assets as appearing in the Statement of Financial Position are sensitive to changes in the average sales price applied. Simulations made for timber show that an increase or decrease by 10% of the estimated future selling price has the following effect on the Net Present Value of the Biological assets.

	2023 LKR	2022 LKR
Value of Timber	-10% 67,700,000	10% 81,890,000

Sensitivity Variation on Discount Rate

Net Present Value of the Biological Assets as appearing in the Statement of Financial Position are very sensitive to changes in the discount rate applied. Simulations made for timber show that an increase or decrease by 1% of the estimated future discount rate has the following effect on the Net Present Value of the Biological assets.

	2023 LKR	2022 LKR
Value of Timber	-1% 75,170,000	1% 73,800,000

4. INVESTMENT PROPERTY

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
As at 1 January	12,881,120,001	12,858,981,000	7,834,704,999	7,793,948,999
Additions				
- Subsequent expenditure on investment property	1,941,301	7,319,526	632,500	1,365,950
Net gain / (loss) from fair value adjustment	582,847,201	149,163,652	122,911,501	57,178,050
De-recognition of the Investment Properties	-	(17,788,000)	-	(17,788,000)
Disposal of the Investment Properties	(31,689,000)	(116,556,177)	-	-
As at 31 December	13,434,219,502	12,881,120,001	7,958,249,000	7,834,704,999

- 4.1** Investment property consists of leasehold land and unsold commercial units given on Operating leases in buildings constructed on leasehold land at Pettah and Kolpetty which have been obtained from the Urban Development Authority under 99 year lease agreement commencing from the year 1981.

4.2 Details of Investment Properties

Property	Extent	Value	Valuation Date	Method
Group				
Liberty Plaza	174,676 Sq. Ft.	Rs. 6,451.4 Mn	31.12.2023	Income
GAS Land	2A - 3R - 13.25 P	Rs. 6,685.4 Mn	31.12.2023	Market Value
Peoples Park	51,945 Sq. Ft	Rs. 280.7 Mn	31.12.2023	Income
Company				
Liberty Plaza	46,972 Sq. Ft.	Rs. 1,032.8 Mn	31.12.2023	Income
GAS Land	2A - 3R - 13.25 P	Rs. 6,685.4 Mn	31.12.2023	Market Value
Peoples Park	51,517 Sq. Ft	Rs. 240 Mn	31.12.2023	Income

4.3 The significant assumptions used by the valuer are as follows :

	2023 LKR	2022 LKR
Rental rates used - for shop units	Rs. 230 – Rs. 1610 p. sq.ft per month	Rs. 85 – Rs. 2530 p. sq.ft
- for parking area	Rs. 510 p. sq.ft	Rs. 550 p. sq.ft
Anticipated maintenance cost:	20% - 35% of rentals	20% - 30% of rentals
Yield rate : for shop units & apartments	6% - 6.5% p.a.	6% - 6.5% p.a.
Yield rate : car park	7% - 10%	7% - 10%
Per Perch Value (Gas Land):	14.75 Mn	14.5 Mn

- 4.4** Fair value of the investment property is ascertained by annual independent valuations carried out by KPMG Real Estate & Valuation Services (Private) Limited. In determining the fair value the capitalisation of net income method, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate and make reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location.
- 4.5** The Company also has a legal right to receive the balance land 9A-2R-2P which the Company has no physical possession. The fair value of such land has not been accounted as land held for development under investment property due to the Company's inability to have physical possession of the land for development. The Company intends to recognise the fair value of any part of the land for which alternative land will be provided for development by the Urban Development Authority, as investment property.
- 4.6** Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.
- 4.7** The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

NOTES TO THE FINANCIAL STATEMENTS

- 4.8** Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of Investment Property, in respect of the year 2023.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate, growth rate and rate of maintenance cost (taken individually, while other variables are held constant) on the profit or loss and carrying value of Investment Property for the year.

Capitalization Rate	Increase /Decrease			2023	2022
	Future rentals change	Maintenance cost	Per Perch value	Fair Value/Gain or (Loss) on Investment Property	Fair Value/Gain or (Loss) on Investment Property
Group					
-0.50%				674,780,498	734,679,999
0.50%				(360,719,502)	(266,120,001)
	-5%			(219,019,502)	(251,863,001)
	5%			394,280,498	682,379,999
		-5%		597,680,498	653,279,999
		5%		(363,319,502)	(260,820,001)
			-5%	(334,270,000)	(328,582,000)
			5%	334,270,000	328,631,000
Company					
-0.50%				85,151,000	98,195,001
0.50%				(72,949,000)	(84,804,999)
	-5%			(21,449,000)	(24,547,999)
	5%			20,051,000	28,595,001
		-5%		73,851,000	72,295,001
		5%		(73,849,000)	(72,304,999)
			-5%	(334,270,000)	(328,582,000)
			5%	334,270,000	328,631,000

4.9 Rental income receivable under the operating lease agreement of investment property as follows,

	Rental income Receivable			
	<1 year	1-2 Year	2-3 Year	3-4 Year
Group				
2023	380,757,135	248,999,753	6,697,500	5,023,125
2022	201,663,895	139,050,161	109,812,045	-
Company				
2023	63,467,531	46,129,849	-	-
2022	37,706,551	33,162,813	30,399,245	-

5. INVESTMENTS IN SUBSIDIARIES

Company - Nonquoted	Holding % 2023 LKR	Holding % 2022 LKR	At Cost 2023 LKR	At Cost 2022 LKR
Investments In Ordinary Shares				
Liberty Holdings Limited	100%	100%	1,805,717,568	808,289,373
Agrispace (Private) Limited	100%	100%	8,299,110	8,299,110
Anantaya Global Solutions (Private) Limited	70%	70%	700	700
Liberty Developers	49%	-	942,871,019	-
			2,756,888,397	816,589,183
Investment In Preference shares				
Liberty Holdings Limited (5.2)			63,687,163	63,687,163
Total Investments in Subsidiaries			2,820,575,560	880,276,346

- 5.1** Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses.
- 5.2** The company has invested in 22,000,000 preference shares which are non cumulative and redeemable or non redeemable with a par value of Rs.10 per share at the option of the issuer /holder.

NOTES TO THE FINANCIAL STATEMENTS

6. TRADE AND OTHER RECEIVABLES

As at 31 December	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
6.1 Summary				
Trade Debtors	66,507,289	81,739,854	4,241,358	5,517,299
Less: Allowances for Doubtful Debts (Note 6.2)	(21,519,968)	(7,278,064)	(2,245,222)	(599,614)
	44,987,321	74,461,790	1,996,137	4,917,685
Other Debtors - Related Parties (Note 6.3)	-	-	55,782,038	1,096,917,902
Loans Receivable from Related Parties (Note 6.4)	-	-	9,374,052	722,098,284
Prepayments	3,230,382	1,631,928	1,779,500	1,522,839
Staff Loans (Note 6.5)	2,133,966	2,811,167	2,063,656	2,640,944
Other Receivables	60,016,269	58,914,830	19,908,632	19,685,797
	110,367,938	137,819,715	90,904,014	1,847,783,451
6.2 Allowance for Doubtful Debts				
As at 1 January	7,278,064	54,004,069	599,614	31,610,193
Provision for Impairment	14,241,904	10,919,790	1,645,608	972,314
Write off	-	(57,645,796)	-	(31,982,894)
As at 31 December	21,519,968	7,278,064	2,245,222	599,614

As at 31 December	Relationship	Group		Company	
		2023 LKR	2022 LKR	2023 LKR	2022 LKR
6.3 Other Debtors - Related Parties					
Liberty Holdings Limited	Subsidiary	-	-	-	1,042,909,912
Agrispace (Private) Limited	Subsidiary	-	-	52,721,006	50,946,958
Anantaya Global Solutions (Private) Limited	Subsidiary	-	-	3,061,032	3,061,032
		-	-	55,782,038	1,096,917,902

6.4 This represents a bank loan obtained by Colombo Land & Development Company PLC on behalf of Liberty Developers (Pvt) Ltd for the construction of new retail podium.

Interest of Rs.305,216,823 relating to the said loan has been service directly by Libert developers (Pvt) Ltd. Total interest paid during the year amounted to Rs.305,780,389.

6.5 Staff loans are due at the date of statement of financial position represent loans given to staff on fixed repayment terms and are unsecured. These loans are given at a concessionary rate of 14.21% (2022 - 13.5%). Fair value of loans given to staff equals their carrying amount, as the impact of discounting is not significant.

6.6 Group / Company

As at 31 December, the Age Analysis of Trade Receivables is as follows,

	Total	Current	Past due but not impaired		
			31-60 days	61-90 days	> 90 days
Group					
2023	44,987,321	27,196,445	13,058,963	2,785,743	1,946,171
2022	74,461,790	10,565,260	16,677,941	11,639,891	35,578,698
Company					
2023	1,996,137	1,003,625	680,650	311,862	-
2022	4,917,685	1,852,735	3,202,849	225,935	(363,835)

7. INVENTORIES - Group

	2023 LKR	2022 LKR
Inventories	1,155,730	1,151,080
	1,155,730	1,151,080

8. FINANCIAL ASSETS CLASSIFIED UNDER FVOCI AND OTHER INVESTMENTS

Quoted Shares - Group/Company	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
8.1 Financial Assets Classified Under FVOCI				
As at 1 January	25,200	37,380	25,200	37,380
Disposals	-	-	-	-
Share Investment	-	-	-	-
Fair Value (Loss) / Gain	(1,680)	(12,180)	(1,680)	(12,180)
As at 31 December	23,520	25,200	23,520	25,200
8.2 Other Investments				
Investment in Unit trusts	9,053,498	620,166	70,474	620,166
Investment in Treasury Bills	-	31,085,824	-	31,085,824
	9,053,498	31,705,990	70,474	31,705,990

NOTES TO THE FINANCIAL STATEMENTS

9. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

Components of Cash and Cash Equivalents

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
9.1 Favourable Cash and Cash Equivalents Balance				
Cash and Bank Balances	12,684,830	10,230,409	4,082,712	6,281,196
	12,684,830	10,230,409	4,082,712	6,281,196
9.2 Unfavourable Cash and Cash Equivalents Balance				
Bank Overdraft	(23,331,150)	(5,687,762)	(12,088,739)	(2,524,219)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	(10,646,321)	4,542,647	(8,006,028)	3,756,977

10. STATED CAPITAL

Group/Company	2023		2022	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares	199,881,008	341,602,342	199,881,008	341,602,342

11. REVALUATION RESERVE

Group	Group	
	2023 LKR	2022 LKR
As at 1 January	104,846,345	103,621,212
Fair value increase on Property, Plant & Equipment	3,554,460	8,444,790
Deferred Tax effect	(1,523,340)	(7,219,657)
As at 31 December	106,877,465	104,846,345

Revaluation reserve of the group includes revaluation of land owned by the subsidiary of Agrispice (Private) Limited valued on 31st December 2017 and building of the subsidiary of Liberty Holdings (Private) Limited valued on 31st December 2023 by an independent professional valuer.

12. INTEREST BEARING LOANS & BORROWINGS

	2023 Amount Repayable Within 1 Year LKR	2023 Amount Repayable After 1 Year LKR	2023 Total LKR	2022 Amount Repayable Within 1 Year LKR	2022 Amount Repayable After 1 Year LKR	2022 Total LKR
12.1 Group						
Bank Loans (12.3)	84,450,455	1,351,000,000	1,435,450,455	30,000,000	1,321,000,000	1,351,000,000
Bank Overdrafts (9.2)	23,331,150	-	23,331,150	5,687,762	-	5,687,762
	107,781,605	1,351,000,000	1,458,781,605	35,687,762	1,321,000,000	1,356,687,762
12.2 Company						
Bank Loans (12.3)	84,450,455	1,351,000,000	1,435,450,455	30,000,000	1,321,000,000	1,351,000,000
Bank Overdrafts (9.2)	12,088,739	-	12,088,739	2,524,219	-	2,524,219
	96,539,194	1,351,000,000	1,447,539,194	32,524,219	1,321,000,000	1,353,524,219

12.3 Bank Loans

	Balance As At 01.01.2023 LKR	Loan Obtained LKR	Capital on Due LKR	Over Provision of Interest LKR	Repayment LKR	Balance As At 31.12.2023 LKR	Current LKR	Non-current LKR
National Development Bank	1,351,000,000	84,450,455	-	-	-	1,435,450,455	84,450,455	1,351,000,000
	1,351,000,000	84,450,455	-	-	-	1,435,450,455	84,450,455	1,351,000,000

12.4 Details of Long Term Loans

Bank	Purpose	Revised Facility Amount	Interest	Grace Period	Repayment Terms	Security
NDB	Bank Loan Facility- Settlement of loans obtained from People's Bank, BOC & MBSL	1,940,000,000	AWPLR + 2.5% p.a. subject to flow of 15% p.a. From 1 September 2023, to 31 October 2024 AWPLR + 3% p.a. from 1 November 2024 until the maturity.	41 Installments	Mar 2025 - Feb 2026 62Mn , Mar 2026 - Feb 2027 87Mn , Mar 2027 - Feb 2028 111Mn , Mar 2028 - Feb 2029 143Mn , Mar 2029 - Feb 2030 174 Mn , Mar 2030 - Feb 2031 212 Mn , Mar 2031 - Feb 2032 258 Mn , Mar 2032 - Jan 2033 278 Mn , Feb 2033 25 Mn	1. Primary mortgage over the freehold immovable property (9 Units from Liberty Plaza Building Complex owned by CLDC) 2. Primary mortgage over the freehold immovable property (90 Units from Liberty Plaza Building Complex owned by LHL) 3. Primary mortgage over the Leasehold immovable property (1 Unit from Liberty Plaza Building Complex owned by CLDC) 4. Further and Additional Mortgage over the condominium Unit B2 owned by CLDC 5. Deeds of Renunciation for the above Mortgage Bonds

NOTES TO THE FINANCIAL STATEMENTS

13. DEFERRED TAX LIABILITIES

13.1 Gross Movement on the Deferred Tax Liabilities is as follows:

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
As at 1st January	3,734,128,977	3,004,546,411	2,235,027,764	1,904,236,987
Deferred Tax impact on depreciation of Revalued Assets	1,523,340	7,219,657	-	-
Income Statement charge	-	-	-	-
Due to change in rate difference	-	751,136,603	-	476,059,247
Due to change in temporary difference	77,108,837	(29,184,157)	66,449,336	(145,592,700)
Deferred Tax impact on actuarial Gain on retirement benefit obligations	435,200	410,463	403,012	324,229
As at 31st December	3,813,196,355	3,734,128,977	2,301,880,113	2,235,027,764

13.2 Deferred Tax Assets, Liabilities - Group

Deferred Tax Liabilities	Revaluation of Land and Building LKR	Capital Allowances for Tax purposes LKR	Fair Valuation of Investment Property LKR	Total LKR
As of 31 December 2021	18,744,883	7,089,976	3,080,263,995	3,106,098,854
Charged to income statement	-	1,711,122	700,919,502	702,630,624
Charged to Other Comprehensive Income	7,219,657	-	-	7,219,657
As of 31 December 2022	25,964,540	8,801,098	3,781,183,497	3,815,949,135
Charged to income statement	-	(527,961)	77,491,150	76,963,189
Charged to Other Comprehensive Income	1,523,340	-	-	1,523,340
As of 31 December 2023	27,487,880	8,273,137	3,858,674,647	3,894,435,664

Deferred tax assets	Tax losses LKR	Defined Benefit Obligation LKR	Total LKR
As of 31 December 2021	(102,597,641)	1,045,199	(101,552,442)
Credited to income statement	17,440,613	1,929,109	19,369,722
Charged to Other Comprehensive Income	-	362,563	362,563
As of 31 December 2022	(85,157,028)	3,336,871	(81,820,157)
Credited to income statement	-	145,649	145,649
Charged to Other Comprehensive Income	-	435,200	435,200
As of 31 December 2023	(85,157,028)	3,917,721	(81,239,308)

13.3 Deferred Tax Assets, Liabilities - Company

Deferred Tax Liabilities	Capital Allowances for Tax purposes LKR	Fair Valuation of Investment Property LKR	Total LKR
As of 31 December 2021	608,020	1,997,105,803	1,997,713,823
(Reversed) / Charged to income statement	255,352	324,175,731	324,431,083
As of 31 December 2022	863,372	2,321,281,534	2,322,144,906
(Reversed) / Charged to income statement	125,222	66,178,466	66,303,687
As of 31 December 2023	988,594	2,387,459,999	2,388,448,593

Deferred tax assets	Tax losses LKR	Defined Benefit Obligation LKR	Total LKR
As of 31 December 2021	(92,395,400)	(1,081,434)	(93,476,835)
Credited to income statement	4,074,557	1,960,908	6,035,465
Charged to Other Comprehensive Income	-	324,229	324,229
As of 31 December 2022	(88,320,843)	1,203,703	(87,117,141)
Credited to income statement	-	145,649	145,649
Charged to Other Comprehensive Income	-	403,012	403,012
As of 31 December 2023	(88,320,843)	1,752,365	(86,568,479)

The Company has not recognized deferred tax assets amounting to Rs. Nil/- (2022- Rs. 4,074,557/-), arising from carried forward tax losses as at 31 December 2023 amounting to Rs. Nil/- (2022 - Rs.13,581,854/-), due to the Company being unable to assess with reasonable certainty that taxable profits would be available to recover the asset in the foreseeable future.

The Group has not recognized deferred tax assets amounting to Rs. 252,620,772 /- (2022- Rs. 5,052,451/-), arising from carried forward tax losses as at 31 December 2023 amounting to Rs.842,069,239/- (2022 - Rs. 364,142,716/-), due to the Group being unable to assess with reasonable certainty that taxable profits would be available to recover the asset in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

14. DEFINED BENEFIT OBLIGATION

Gratuity	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
As at 1st January	4,598,254	5,198,297	4,012,344	4,505,976
Current service cost	1,005,520	1,374,473	949,588	1,287,132
Interest cost	827,686	-	722,222	-
Actuarial (Gain)/ Losses	1,459,944	(1,274,516)	1,343,374	(1,080,764)
Liability Transfer Between Parent and Subsidiary	-	-	-	-
Payments Made During The Year	(1,186,313)	(700,000)	(1,186,313)	(700,000)
As at 31st December	6,705,092	4,598,254	5,841,216	4,012,344

14.1 Post Employee Benefit Expense for

Current service cost	1,005,520	1,374,473	949,588	1,287,132
Interest cost	827,686	-	722,222	-
	1,833,206	1,374,473	1,671,810	1,287,132

14.2 The employee retirement benefit liability of the Company is based on the actuarial valuation carried out by Messrs. Acturial and management consultants (private) Limited, Independent actuarial specialists as at 31 December 2023. The principal assumptions used are as follows:

	2023	2022
Discount rate assumed (%)	14.0%	18.00%
Salary increase (%)	12.0%	12.5%
Staff turnover factor (%)	5.0%	5%
Expected Average Future Working Life of Employees	6 Years	9.7 Years

14.3 Sensitivity of Assumptions Used in the Actuarial Valuation

The Following table demonstrates the sensitivity to a reasonably possible changes in the key assumptions used along with all other variables which held constant in the employment benefit liability measurement.

The sensitivity reflected the sensitivity adjusted balance in Statement of Financial Position with the effect of the assumed key assumptions as,

14.3.1

	Group		Company	
	1% Increase LKR	1% Decrease LKR	1% Increase LKR	1% Decrease LKR
2023				
Discount rate assumed	6,428,812	7,005,868	5,607,071	6,094,771
Further salary increase	7,037,558	6,394,638	6,122,529	5,577,185
2022				
Discount rate assumed	4,345,352	4,877,201	3,788,350	4,258,769
Further salary increase	4,909,957	4,312,270	4,287,646	3,759,148

14.4 Maturity analysis of the payment

The following payments are expected on employee benefit plan - Gratuity in future years.

As at 31st December	Group	Company
	2023 Rs.	2023 Rs.
Within the next 12 month	1,488,230	1,115,302
Between 2-5 years	2,876,529	2,767,149
Beyond 5 years	2,340,333	1,958,764
Total Expected payments	6,705,092	5,841,216

15. TRADE AND OTHER PAYABLES

Summary	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Trade Payables	14,494,738	12,168,555	-	380,551
Other Payables - Related Parties (15.1)	29,568,403	5,597,852	18,087,015	4,274,818
- Others(15.2)	-	-	3,571,770	-
Sundry Creditors Including Accrued Expenses	16,732,524	15,579,467	9,790,634	7,979,012
	60,795,665	33,345,873	31,449,420	12,634,380

	Relationship	2023 LKR	2022 LKR
15.1 Other Payables - Related Parties			
Liberty Holdings Limited	Subsidiary	3,571,770	-
		3,571,770	-

NOTES TO THE FINANCIAL STATEMENTS

15.2 Other Payable

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Other Payable	29,568,403	5,597,852	18,087,015	4,274,818
Provision for Litigation (15.3)	-	-	-	-
	29,568,403	5,597,852	18,087,015	4,274,818

16. TENANT DEPOSITS

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
As at 1st January	136,949,647	256,655,827	18,417,572	137,159,337
Deposits received during the period	16,912,436	7,260,181	201,000	445,756
Repayments made during the period	(26,864,691)	(126,966,362)	(270,000)	(119,187,520)
As at 31st December	126,997,393	136,949,646	18,348,572	18,417,572

17. REVENUE

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Income from Investment Properties	376,776,107	339,155,687	168,216,894	158,545,623
	376,776,107	339,155,687	168,216,894	158,545,623

17.1 Income from Investment Properties

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Liberty Plaza	291,520,067	260,673,970	82,960,854	80,390,327
GAS Land	63,564,302	59,744,796	63,564,302	59,744,796
Peoples Park	21,691,738	18,736,921	21,691,738	18,410,500
	376,776,107	339,155,687	168,216,894	158,545,623

18. OTHER INCOME AND GAINS

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Dividend Income	-	-	2,974,190	2,974,190
Interest on Staff Loans	244,823	134,784	236,041	126,999
Overdue Interest on rentals due past	-	219,840	-	-
Sundry Income	212,151	690,283	10,021	211,964
Gain on disposal of Property Plant and Equipment's	-	200,000	-	200,000
Interest on Unit trust and Treasury Bills	6,010,382	8,932,811	5,327,358	8,932,811
Gain/(Loss) on investment property	28,311,000	46,351,000	-	14,212,000
Reversal of bad debt provision	-	129,869	-	-
	34,778,356	56,658,587	8,547,610	26,657,964

19. FINANCE COST

	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Interest on Overdrafts	11,814	41,206	11,814	41,270
Interest on Loans & Borrowings	305,216,823	290,588,448	-	9,043,187
Loans Expenses	551,753	1,291,946	551,753	1,291,946
	305,780,389	291,921,600	563,566	10,376,404

20. PROFIT/(LOSS) FROM CONTINUING OPERATIONS

Stated after Charging /(Crediting)	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Included in Direct Expense				
Depreciation	873,827	832,184	869,744	802,958
Included in Administrative Expenses				
Employees Benefits including the following	56,493,695	48,793,712	52,800,304	45,618,047
- Defined Benefit Plan Costs - Gratuity	1,833,205	1,374,472	1,671,809	1,287,132
- Defined Contribution Plan Costs - EPF & ETF	6,068,121	5,277,656	5,636,151	4,891,331
Depreciation	3,573,426	16,840,866	988,980	1,410,956
Auditor's Fees	2,772,000	2,503,192	1,320,000	1,140,000
Included in Selling and Distribution Costs				
Advertising and Promotional Expenses	28,428	168,997	28,428	166,597
Allowance for Doubtful Debts	14,140,988	11,049,336	1,518,512	972,314

NOTES TO THE FINANCIAL STATEMENTS

21. INCOME TAX

The major components of income tax expense for the years ended 31 December are as follows :

Income Statement	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Current Income Tax				
Current Income Tax charge	31,100,908	43,306,336	3,707,516	-
	31,100,908	43,306,336	3,707,516	-
Deferred Income Tax				
Deferred Taxation Charge (Note 13.1)	77,544,037	721,952,446	66,852,348	330,466,547
Income tax expense reported in the Income Statement	108,644,945	765,258,782	70,559,864	330,466,547

21.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

Income Statement	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Accounting Profit before Tax from continuing operations	429,036,722	34,124,695	161,147,994	116,762,027
Other Income	8,984,572	11,907,001	8,301,548	11,907,001
Disallowed Expenses	85,005,145	625,777,617	6,820,047	426,812,866
Allowable Expenses	(774,493,837)	(441,815,289)	(140,982,299)	(134,960,234)
Statutory Profit/(Loss)	(251,467,397)	229,994,024	35,287,289	420,521,660
Statutory Income	8,444,790	8,444,790	35,287,289	420,521,660
Tax Losses utilized during the Year	(22,928,904)	(72,311,921)	(22,928,904)	(420,521,660)
Taxable Profit/(Loss)	(14,484,114)	(63,867,131)	12,358,385	-
Tax at 24%	-	19,247,261	-	-
Tax at 30%	31,100,908	24,059,076	3,707,516	-
Tax Effect on Accounting PBT	31,100,908	43,306,336	3,707,516	-
21.2 Tax Losses				
Tax Losses Brought Forward	864,998,143	1,285,519,803	22,928,904	443,450,563
Adjustments on Finalisation of Brought Forward Tax Losses	-	-	-	-
Tax Losses Incurred During the Year	-	-	-	-
Tax Losses Utilised	(22,928,904)	(420,521,660)	(22,928,904)	(420,521,660)
Tax Losses Carried Forward	842,069,239	864,998,143	-	22,928,904

21.3 In terms of the Inland Revenue Act No 24 of 2017 The Colombo Land and Development Company PLC and It's subsidiaries are liable to pay tax at 30% with effect from 01st July 2022, According to the Inland Revenue (Amendment) Act, No. 45 Of 2022. Furthermore, in relation to deferred tax which is calculated on the liability method as per LKAS 12 "Income Taxes", Deferred tax expenses of LKR.77,544,037 /-and LKR.66,852,348/- have been recognized for the Group and the Company respectively as at 31st December 2023.

22. EARNINGS/(LOSS) PER SHARE

22.1 Basic Earnings/(loss) Per Share is calculated by dividing the net profit/(Loss) for the year attributable to ordinary shareholders (after deducting preference share dividends) by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

22.2 The following reflects the income and share data used in the Basic Earnings Per Share computation.

Amount Used as the Numerator:	Group		Company	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Profit/(Loss) for the Year	320,826,977	(731,134,087)	90,991,141	(213,704,520)
Net Profit(Loss) Attributable to Ordinary Shareholders for Basic Earnings/(Loss) Per Share	320,835,977	(731,125,087)	90,991,141	(213,704,520)
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Number of Ordinary Shares Used as Denominator:				
Number of Shares at the Beginning of the Year	199,881,008	199,881,008	199,881,008	199,881,008
Number of Shares at the End of the Year	199,881,008	199,881,008	199,881,008	199,881,008

23. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

23.1 Transaction with the parent and related entities

Nature of Transaction	Subsidiaries		Total	
	2023 LKR	2022 LKR	2023 LKR	2022 LKR
Nature of Transaction				
As at 1 January	1,819,016,186	973,385,836	1,819,016,186	973,385,836
Central Cost Allocated	4,018,902	41,234,172	4,018,902	41,234,172
Finance Charges	372,958,449	279,402,946	372,958,449	279,402,946
Expenses paid by others on behalf of the Company	(198,405,986)	(199,641,000)	(198,405,986)	(199,641,000)
Fund Transfers	1,386,970	-	1,386,970	-
Loans Receivable		722,098,284	-	722,098,284
Settlement of Liabilities	(65,176)	(438,240)	(65,176)	(438,240)
Preference share dividend	2,974,190	2,974,190	2,974,190	2,974,190
Settlement of Current A/c against LDPL Share Issue	(1,940,299,214)	-	(1,940,299,214)	-
As at 31 December	61,584,320	1,819,016,186	61,584,320	1,819,016,186

NOTES TO THE FINANCIAL STATEMENTS

Terms and Conditions :

Purchase/sales of services to related parties were made on the basis of the price lists in force with non related parties. Management Fees were made at agreed prices. Outstanding balance with related parties at balance sheet date are unsecured and interest free. Settlement will take place in cash.

The loan obtained on behalf of Liberty Developers (Private) Limited and interest reimbursement arrangement is as follows :

	2023 LKR	2022 LKR
Loan amount as at 31 December (Note 12.3)	1,435,450,455	1,351,000,000
Finance cost recorded under Related Party**	305,216,823	281,545,260

**Loan was obtained by Colombo Land and Development Company PLC on behalf of Liberty Developers (Private) Limited, and the interest pertaining to loan is reimbursed from the Liberty Developers (Private) Limited.

23.2 Transactions with Key Management Personnel of the Company or its Subsidiaries

The key management personnel of the Company are the members of its Board of Directors and that of its Subsidiaries.

Key Management Personnel Compensation	2023 LKR	2022 LKR
Short-term employee benefits	29,899,360	9,257,000
Post-employment benefits	2,754,000	-
	32,653,360	9,257,000

Loans obtained from Related Parties have been disclosed in Note 12.4 in these financial statements.

Other Transactions with Key Management Personnel	2023 LKR	2022 LKR
Other Transactions with Key Management Personnel		
Loans to Key Management Personnel		
As at 1 January	-	-
Loans repayments received	-	-
As at 31 December	-	-

24. ASSETS PLEDGED

The assets pledged as at 31.12.2023 have been disclosed in Note 12.4 to these financial statements.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables, and tenant deposits. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables and cash and short-term deposits that arrive directly from its operations. The Group also holds available-for-sale investments.

The Group is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the finance department under the policies approved by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include: loans and borrowings, deposits and AFS investments.

The sensitivity analyses in the following sections relate to the position as at 31 December in 2023 and 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates of the debt and all other factors remain constant as at 31 December 2023.

The analyses exclude the impact of movements in market variables on the carrying value of post-retirement obligations, provisions and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:

The statement of financial position sensitivity relates to derivatives and available-for-sale debt instruments.

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 at 31 December 2023 and 2022.

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 Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's exposure to the risk of changes in market interest rates relates to primarily to the Company's long-term debt obligations with floating rates. The Group manages its interest rate risk by daily monitoring and managing cash flows, keeping borrowings to a minimum, negotiating favourable rates on borrowings and deposits.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
2023		
Borrowings	+10/-10	22,680,449
2022		
Borrowing	+10/-10	20,618,590

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

NOTES TO THE FINANCIAL STATEMENTS

Equity price risk

The Group's listed equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

Credit Risk

Credit risk is the risk that a counterparty 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 for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. The Company has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Company does not monitor the credit quality of receivables on an on going basis.

Deposits refundable to tenants may be withheld by the Company in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

Financial instruments and cash deposits

The fair value of cash and cash equivalents at 31 December 2023 approximates the carrying value. There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Company holds accounts in a number of financial institutions.

Liquidity risk

The Company's finance department aims to maintain flexibility in funding by keeping committed credit lines available.

The Company's liquidity position is monitored on a monthly basis by the management and is reviewed quarterly by the Board of Directors. A summary table with maturity of financial liabilities is presented below. The amounts disclosed below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

The table below summarises the maturity profile of financial liabilities based on contractual undiscounted payments..

Group

Year ended 31 December 2023	On demand	1 to 12 Months	From 2 to 3 years	From 4 to 5 years	More than 5 Years	Total
Interest Bearing Loans and Borrowings (Note 12.1)	23,331,150	84,450,455	260,000,000	143,000,000	948,000,000	1,458,781,605
Tenant Deposits (Note 16)	126,997,393	-	-	-	-	126,997,393
Trade and Other Payables (Note 15)	60,795,665	-	-	-	-	60,795,665

Group

Year ended 31 December 2022	On demand	1 to 12 Months	From 2 to 3 years	From 4 to 5 years	More than 5 Years	Total
Interest Bearing Loans and Borrowings (Note 12.1)	5,687,762	30,000,000	238,308,000	394,968,000	687,724,000	1,356,687,762
Tenant Deposits (Note 16)	136,949,646	-	-	-	-	136,949,646
Trade and Other Payables (Note 15)	33,345,869	-	-	-	-	33,345,869

Company

Year ended 31 December 2023	On demand	1 to 12 Months	From 2 to 3 years	From 4 to 5 years	More than 5 Years	Total
Interest Bearing Loans and Borrowings (Note 12.2)	12,088,739	84,450,455	260,000,000	143,000,000	948,000,000	1,447,539,194
Tenant Deposits (Note 16)	18,348,572	-	-	-	-	18,348,572
Trade and Other Payables (Note 15)	31,449,420	-	-	-	-	31,449,420

Company

Year ended 31 December 2022	On demand	1 to 12 Months	From 2 to 3 years	From 4 to 5 years	More than 5 Years	Total
Interest Bearing Loans and Borrowings (Note 12)	2,524,219	30,000,000	238,308,000	394,968,000	687,724,000	1,353,524,219
Tenant Deposits (Note 16)	18,417,572	-	-	-	-	18,417,572
Trade and Other Payables (Note 15)	12,634,380	-	-	-	-	12,634,380

	2023 LKR	2022 LKR
Interest Bearing Loans and Borrowings (Note 12)	1,458,781,605	1,356,687,762
Trade and Other Payables (Note 15)	60,795,665	33,345,869
Less: Cash and Cash Equivalents (Note 09)	(12,684,830)	(10,230,409)
Net debt	1,506,892,445	1,379,803,223
Equity	8,314,224,119	7,991,739,508
Capital and net debt	9,821,116,559	9,371,542,730
Gearing ratio	15%	15%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments or disclosures in the Financial Statements.

27. FAIR VALUES

27.1 The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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:

- Variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.
- The fair values of the remaining financial assets classified under fair value through OCI are derived from quoted market prices in active markets.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2023 was assessed to be insignificant.

27.2 The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

The fair value measurement hierarchy for assets as at 31 December 2023:

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment Properties (Note 4)					
Properties	31-Dec-23	13,434,219,502	-	-	13,434,219,502
Financial Assets classified under FVOCI					
Quoted Equity Shares	31-Dec-23	23,520	23,520	-	-
Revalued Property, Plant and Equipment					
Land and Buildings	31-Dec-23	168,864,756	-	-	168,864,756
Biological Assets					
Plantation	31-Dec-23	74,440,000	-	-	74,440,000

The fair value measurement hierarchy for assets as at 31 December 2022:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value					
Investment Properties (Note 4)					
Properties	31-Dec-22	12,881,120,001	-	-	12,881,120,001
Financial Assets classified under FVOCI					
Quoted Equity Shares	31-Dec-22	25,200	25,200	-	-
Revalued Property, Plant and Equipment					
Land and Buildings	31-Dec-22	166,074,756	-	-	166,074,756
Biological Assets					
Plantation	31-Dec-22	69,240,001	-	-	69,240,001

There have been no transfers from level 1 and level 2 during the period.

28. COMMITMENTS AND CONTINGENCIES

28.1 Financial Commitments

The Company and Group do not have material financial commitments or contingent asset as of reporting date other than disclosures in note 4.5.

28.2 Contingencies

The Company and Group do not have significant contingencies as at the reporting date.

29. GROUP INFORMATION

29.1 The consolidated financial statements of the Group include:

Name	Group Holding	Company Holding	Principal Activity
Liberty Holdings Limited	100%	100%	Renting out developed property
Agrispace (Private) Limited	100%	100%	Cultivating plantation of teak and mahogany trees
Anantaya Global Solutions (Private) Limited	70%	70%	IT solutions, software development and e-marketing
Liberty Developers (Private) Limited	100%	100%	Renting out developed property

The above companies have been incorporated in Sri Lanka.

NOTES TO THE FINANCIAL STATEMENTS

29.2 Summarised financial information of subsidiaries

Agrispace (Private) Limited carries on, inter-alia, the business of cultivating plantations of teak and mahogany trees. The results, assets and liabilities of Agrispace (Private) Limited have been included in the consolidated financial statements of the Group using the purchase method. Anantaya Global Solutions (Private) Limited is in the business of providing IT solutions to the group.

Set out below are the summarised financial information for each subsidiary

	Liberty Holdings Limited		Agrispace (Private) Limited		Anantaya Global Solutions (Private) Limited		Liberty Developers (Private) Limited	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Current								
Assets	49,896,166	47,038,881	1,249,472	1,696,273	1,000	1,000	84,179,226	93,950,004
Liabilities	148,835,510	1,192,809,281	76,741,541	72,591,405	8,370,923	8,340,923	103,024,001	819,277,260
Total current net assets	(98,939,343)	(1,145,770,400)	(75,492,069)	(70,895,132)	(8,369,923)	(8,339,923)	(18,844,775)	(725,327,256)
Non-current								
Assets	3,680,073,672	4,190,068,684	126,145,602	120,981,644	-	-	3,094,972,400	2,685,262,400
Liabilities	752,715,973	745,736,321	462,812	352,002	-	-	758,984,365	753,581,831
Total non-current net assets	2,927,357,699	3,444,332,363	125,682,790	120,629,642	-	-	2,335,988,036	1,931,680,569
Net assets	2,828,418,356	2,298,561,963	50,190,721	49,734,509	(8,369,923)	(8,339,923)	2,317,143,260	1,206,353,313
Revenue	91,524,941	73,185,372	-	-	-	-	125,931,682	116,064,447
Profit/(Loss) before income tax	69,522,653	179,094,913	465,489	1,265,649	(30,000)	(30,000)	173,321,462	(262,967,957)
Income Tax	(32,650,359)	(189,901,124)	-	-	-	-	(5,402,533)	(244,891,111)
Profit/(Loss) after income tax	36,872,294	(10,806,211)	465,489	1,265,649	(30,000)	(30,000)	167,918,929	(507,859,068)
Other Comprehensive income/(expense)	3,414,978	1,266,678	-	-	-	-	-	-
Total comprehensive (loss)/income	40,287,272	(9,539,533)	465,489	1,265,649	(30,000)	(30,000)	167,918,929	(507,859,068)

FOSTERING SUCCESS



SUPPLEMENTARY INFORMATION

126

Decade at a
Glance

127

Investor
Information

129

Glossary of
Financial
Terms

130

Notice of
Meeting

131

Form of Proxy

DECADE AT A GLANCE

Ten Year Summary (Rs.'000)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Turnover	149,680	210,592	422,435	445,909	481,952	476,852	438,406	335,218	339,155	376,776
Operating Income	84,625	126,753	311,842	318,302	360,467	341,021	329,917	232,415	227,762	220,439
Operating Expenses	(97,241)	(126,120)	(122,321)	(101,051)	(107,266)	(127,029)	(125,088)	(109,215)	(111,485)	(108,020)
Operating Profit/(Loss)	257,979	2,032,404	745,287	4,096,402	726,069	807,372	407,897	269,115	326,047	734,817
Non Operating Income	1,094	4,324	7,567	16,627	4,786	1,479	2,211	7,135	3,947	4,773
Net Finance Income/(Cost)	(35,672)	(64,433)	(234,312)	(243,367)	(215,061)	(235,510)	(232,371)	(207,492)	(291,922)	(305,780)
Profit/(Loss) Before tax	222,307	1,967,971	510,975	3,853,035	511,008	571,862	175,526	61,624	34,125	429,037
Income Tax	(69,224)	(611,135)	(203,730)	(1,110,643)	(82,673)	(239,357)	(116,320)	562,336	(765,259)	(108,210)
Profit/(Loss) after tax	153,083	1,356,836	307,244	2,742,393	328,334	332,505	59,205	623,960	(731,134)	320,827
Minority Interest	(13)	(32)	(105)	(894)	(617)	(20)	(21)	(9)	(9)	(9)
Profit for the year	153,070	1,356,804	307,139	2,741,499	327,717	332,485	59,184	623,969	(731,125)	320,836

INVESTOR INFORMATION

LIST OF 20 MAJOR SHAREHOLDERS BASED ON THEIR SHAREHOLDINGS AS AT 31ST DECEMBER 2023

	Name	2023		2022	
		No. of Shares	%	No. of Shares	%
1	MR E.G. NG	47,390,516	23.709	47,390,516	23.709
2	HIKKADUWA BEACH RESORT PLC	40,413,200	20.219	40,413,200	20.219
3	URBAN DEVELOPMENT AUTHORITY OF SRI LANKA	34,872,675	17.447	34,872,675	17.447
4	BANK OF CEYLON A/C CEYBANK UNIT TRUST	18,895,734	9.453	18,895,734	9.453
5	MR Y.T. NG	6,006,876	3.005	6,006,876	3.005
6	MR E.S. NG	4,945,716	2.474	4,945,716	2.474
7	MR Y.C. NG	4,715,502	2.359	4,715,502	2.359
8	SEYLAN BANK PLC./ NALAKA HARSHAJEEVA GODAHEWA	2,509,511	1.256	2,509,511	1.256
9	MES K.P. HONG (DECEASED)	2,251,625	1.126	2,251,625	1.126
10	MR K.V. HEWAVITARNE	2,000,000	1.001	2,000,000	1.001
11	MR Y.H. NG	1,920,000	0.961	1,920,000	0.961
12	MR Y.K.D. NG	1,605,600	0.803	1,605,600	0.803
13	AMANA BANK PLC/MR. M.Z. MOHAMED GHOUSE	1,536,000	0.768	1,455,000	0.728
14	MR T.G. THORADENIYA	1,454,190	0.728	1,454,190	0.728
15	SEYLAN BANK PLC/PHANTOM INVESTMENTS (PVT) LTD	1,100,000	0.550	-	-
16	ALLNATT INVESTMENTS (PRIVATE) LIMITED	1,099,661	0.550	1,166,661	0.584
17	SANDWAVE LIMITED	983,927	0.492	-	-
18	CAP W. BAPTISTA	824,231	0.412	1,390,654	0.696
19	MR C.W. VANDORT	795,914	0.398	840,701	0.421
20	MR A. LUKMANJEE	762,509	0.381	737,509	0.369
		176,083,387	88.092	174,571,670	87.338
	OTHERS	23,797,621	11.908	25,309,338	12.662
	TOTAL	199,881,008	100.000	199,881,008	100.000

DISTRIBUTION OF SHAREHOLDING AS AT 31ST DECEMBER 2023

From	To	No. of Shareholders	No. of Shares	%
1	- 1,000	1,623	506,507	0.25
1,001	- 10,000	735	2,672,621	1.34
10,001	- 100,000	261	7,761,565	3.88
100,001	- 1,000,000	56	16,223,509	8.12
Over 1,000,000		16	172,716,806	86.41
		2,691	199,881,008	100.00

INVESTOR INFORMATION

ANALYSIS OF SHAREHOLDERS AS AT 31ST DECEMBER 2023

Category	No. of Shareholders	No. of Shares	%
Local Individuals	2,463	20,412,228	10.21
Local Institutions	183	107,326,362	53.70
Foreign Individuals	41	68,842,279	34.44
Foreign Institutions	4	3,300,139	1.65
Total	2,691	199,881,008	100.00

DIRECTORS' SHAREHOLDING AS AT 31ST DECEMBER 2023

Names of Directors	No. of shares	Percentage (%)
Mr. P S Weerasekera		
Shares held in following manner		
Hatton National Bank PLC/P S Weerasekera	80,342	0.04%
Mr. M D S Goonatilleke	Nil	Nil
Mr. Ng. Yao Xing, Eugene	Nil	Nil
Mr. S A Amerasekera	Nil	Nil
Mr. M D A Weerasooriya	Nil	Nil
Mr. H A N D Herath	Nil	Nil
Mr. N P K Ranaweera	Nil	Nil
Mr. P S Perera	Nil	Nil
Mr. Ng. Heng Chye Clement	Nil	Nil
(Alternate Director to Ng Yao Xing, Eugene)		

SHARE PRICES FOR THE YEAR

Market price per share	31.12.2023	Date	31.12.2022	Date
Highest during the period	Rs.25.00	24/03/2023	Rs.37.00	4/1/22
Lowest during the period	Rs.15.20	23/05/2023	Rs.15.00	30/12/2022
As at end of the period	Rs.17.00	28/12/2023 & 28/06/2023	Rs.15.70	30/12/2022

	31.12.2023	31.12.2022
No. of transactions	5,013	3,814
No. of Shares traded	9,060,924	6,067,637
Value of Shares traded (Rs.)	180,107,387.70	136,395,081.80

Public Holding

Category	
Public Holdings Percentage as at 31st December 2023	38.59%
Number of shareholders representing the above percentage	2,687

Float adjusted market capitalization as at 31st December 2023

The Float adjusted market capitalization as at 31st December 2023-Rs.1,311,112,675.00

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

GLOSSARY OF FINANCIAL TERMS

Earnings per Share

Profit/(Loss) attribute to ordinary shareholders for the year divided by the weighted average number of ordinary shares outstanding during the year.

Net Asset

Total Asset minus Liabilities

Net Asset per Share

Net Asset divided by number of shares

Dividend per Share

Total dividend divided by number of shares

Market Capitalisation

Number of ordinary shares in issue multiplied by market value per share

Asset Turnover Ratio

Total revenue divided by Total Assets

Capital Employed

Stated capital plus Reserves

Return on Capital Employed

Profit/(Loss) for the year divided by Capital Employed

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Forty Second (42nd) Annual General Meeting of Colombo Land and Development Company PLC will be held at Sri Sambuddhathwa Jayanthi Mandiraya, 4th floor, No.32, Sri Sambuddhathwa Jayanthi Mawatha, Colombo 05 on 28th June 2024 at 10.30 a.m for the following purposes:

1. Ordinary Business

- 1.1 To receive the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31st December 2023 and the Report of the Auditors thereon.
- 1.2 To re-elect as a Director Mr. N P K Ranaweera who retires by rotation in terms of Articles 86 and 87 of the Articles of Association.
- 1.3 To re-elect as a Director Mr P S Perera who retires in terms of Article 94 of the Articles of Association.
- 1.4 To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.
- 1.5 To authorize the Directors to determine donations for the year 2024 and up to the date of the next Annual General Meeting.

2. Special Business

- 2.1 To consider and if thought fit, to pass the following resolution as a Special Resolution:

"IT IS HEREBY RESOLVED to amend the Articles of Association of the Company, by deleting the existing Article 158 in its entirety and to substitute therefor the following new Article 158 as follows:

158. Notwithstanding anything to the contrary contained in the Articles of Association of the Company, so long as the Company is listed on the Colombo Stock Exchange, the Company shall comply with the Rules of the Colombo Stock Exchange and the Central Depository System, which shall be in force from time to time."

By Order of the Board

COLOMBO LAND AND DEVELOPMENT COMPANY PLC

P W Corporate Secretarial (Pvt) Ltd

Director / Secretaries

31 May 2024

Notes:

- 1) A shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a shareholder, to attend and vote instead of him/her. A Proxy may vote on a poll (and join in demanding a poll) but not on a show of hands.
- 2) A Form of Proxy is enclosed in this Report.
- 3) The completed Form of Proxy should be deposited at the Registered Office of the Company, 3rd Floor, Liberty Plaza, 250 R A De Mel Mawatha, Colombo 03, by 10.30 a.m on 26th June 2024.

FORM OF PROXY

*I/We.....
holder of NIC No..... of being a
Shareholder /Shareholders of Colombo Land and Development Company PLC do hereby appoint holder of NIC No
..... of or
failing him/her

- | | |
|-------------------------|-----------------|
| Mr. M D A Weerasooriya | or failing him* |
| Mr. P S Weerasekera | or failing him* |
| Mr. NG Yao Xing, Eugene | or failing him* |
| Mr. S A Ameresekere | or failing him* |
| Mr. M D S Goonatilleke | or failing him* |
| Mr. H A N D Herath | or failing him* |
| Mr. N P K Ranaweera | or failing him* |
| Mr. P S Perera | or failing him* |

as my/our* proxy to represent me/us to speak and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held on 28th June 2024 at 10.30 a.m. and any adjournment thereof and at every poll which may be taken in consequence thereof.

1 Ordinary Business

	For	Against
1. To re-elect Mr. N P K Ranaweera who retires in terms of Articles 86 and 87 of the Articles of Association, as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr P S Perera who retires in terms of Article 94 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
4. To authorize the Directors to determine donations for the year 2024 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

2 Special Business

	For	Against
1. To consider and if thought fit to pass the Special Resolution set out under item 2.1 of the Notice of Meeting for the amendments to the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this..... day of Two Thousand and Twenty Four

.....
Signature

- 1) *Please delete the inappropriate words.
2) 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 completed Proxy should be forwarded to the Company for deposit at the Registered Office of the Company, 3rd Floor, Liberty Plaza, 250 R A De Mel Mawatha, Colombo 03, by 10.30 a.m. on 26th June 2024.
3. The Proxy shall –
 - a. In the case of an individual be signed by the shareholder or by his 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 Attorney 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 Statute. (as applicable)
4. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided.
5. Please indicate with a 'X' in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.

CORPORATE INFORMATION

NAME OF THE COMPANY

Colombo Land and Development Company PLC
(Reg. No. PQ173)

REGISTERED OFFICE

3rd Floor, Liberty Plaza,
250, R. A. De Mel Mawatha,
Colombo 03.
Tel No. 011-2575935-7 Fax: 011-2573111
E-mail: info@colomboland.com

BOARD OF DIRECTORS

Mr. M D A Weerasooriya
Mr. P S Weerasekera
Mr. NG Yao Xing Eugene
Mr. S A Ameresekere
Mr. P S Perera
Mr. M D S Goonatilleke
Mr. H A N D Herath
Mr. N P K Ranaweera
Mr. N H C Clement (Alternate Director)
(Alternate Director to Mr. Ng Yao Xing, Eugene)

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road, Colombo 08.
Tel: 4640360

LAWYERS

Nithi Murugesu & Associates
Attorneys-at-law & Notaries public
28 (Level 2) W A D Ramanayaka Mawatha,
Colombo 02.

Capital Law Chambers & Corporate Consultants
Attorneys-at-law, Notaries Public,
11, Arcadia Gardens, Rosmead Place,
Colombo 07.

AUDITORS

Ernst & Young
Chartered Accountants
Rotunda Towers, No. 109, Galle Road, Colombo 03.

BANKERS

National Development Bank PLC
People's Bank
Nations Trust Bank PLC
Sampath Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon

SUBSIDIARY COMPANIES

Liberty Holdings Limited
Agrispace (Pvt) Limited
Anantya Global Solutions Company Limited
Liberty Developers (Pvt) Limited

Designed & produced by

emagewise

Printed by Printage (Pvt) Ltd

