



THE HIVE OF GROWTH & PROSPERITY

COLOMBO LAND AND DEVELOPMENT COMPANY PLC
ANNUAL REPORT 2024

THE HIVE OF GROWTH & PROSPERITY

Colombo Land and Development Company PLC (CLDC) stands as a dynamic ecosystem of progress, resilience, and shared success, mirroring an incomparable beehive, where each aspect of operations contributes to the sustainable growth of all stakeholders. Every element of our operations, strategic investments, tenant partnerships, and sustainable developments reflects the tireless synergy of a beehive, where each part contributes to a greater whole.

In 2024, CLDC continued its unwavering commitment to fostering sustainable urban growth, strengthening stakeholder value, and managing spaces that serve as catalysts for commerce and community. Our properties are more than just structures; they are vibrant hubs of innovation, productivity, and transformation, where businesses flourish and opportunities multiply.

Guided by a vision of long term prosperity, we remain focused on optimizing our portfolio, embracing sustainable practices, and nurturing the trust of those who form the core of our success. As we forge ahead, we celebrate our role as an epicenter of enduring progress, where ambition meets opportunity, and collective effort paves the way for a brighter tomorrow.



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ABOUT US

Incorporated on 8th December 1981 and listed on the Colombo Stock Exchange on 19th March 1986, Colombo Land and Development Company PLC (CLDC) has been a pioneering force in Sri Lanka's real estate and retail industry, spearheading mixed use development projects that drive urban transformation.

As a dynamic and forward-thinking enterprise, CLDC continues to build an ecosystem of progress, resilience, and shared success, with a steadfast commitment to sustainable growth. The Company's principal activities include the development and leasing of investment properties, notably at Liberty Plaza, which comprises retail spaces, office premises, apartments, a vibrant food court, premium advertising spaces, and vehicle parking facilities. Additionally, CLDC extends its operations to strategic parking solutions at its Pettah locations, reinforcing its presence in high value commercial zones.

Additionally, CLDC holds a prime commercial asset in Pettah's Central Business District, an area designated for ambitious future development. The Company's vision extends beyond conventional real estate to integrate sustainability into its investment strategy. Its fully owned subsidiary, Agri Spice (Pvt) Ltd., exemplifies this commitment by managing a 103 acre Mahogany, Rubber, and Alstoniya plantation in Avissawella, championing environmentally responsible growth.

Colombo Land Development Company operates on a legacy built on innovation, strategic expansion, and sustainability with a vision to shape Sri Lanka's urban landscape, creating long term value for its stakeholders while fostering a thriving and resilient future.

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.



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".

RESPONSIBLE STEWARDSHIP

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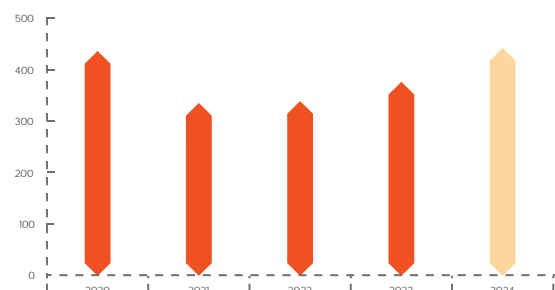
Board of
Directors



OPERATIONAL HIGHLIGHTS

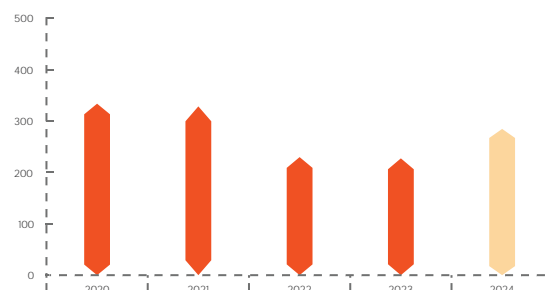
TURNOVER

Rs. Mn



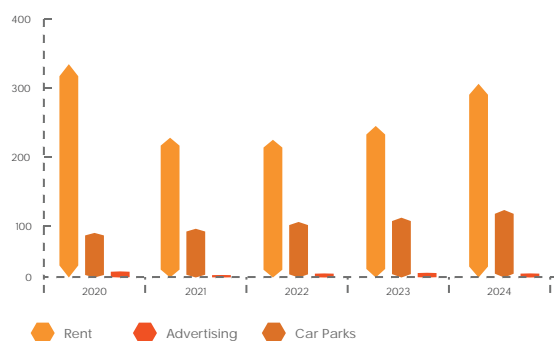
GROSS PROFIT

Rs. Mn

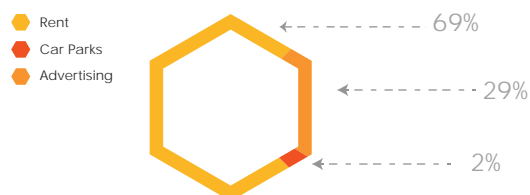


INCOME

Rs. Mn



REVENUE CONTRIBUTION



443

REVENUE (Rs. Mn)

95

PAT (Rs. Mn)

0.48

EPS (Rs.)

285

GROSS PROFIT (Rs. Mn)

14,179

TOTAL ASSETS (Rs. Mn)

8,415

EQUITY (Rs. Mn)



FINANCIAL HIGHLIGHTS

| | | Group | | | Company | | |
|------------------------------------|--------|--------|--------|----------|---------|--------|----------|
| Indicator | | 2024 | 2023 | Change % | 2024 | 2023 | Change % |
| OPERATING RESULTS | | | | | | | |
| Revenue | Rs. Mn | 443 | 377 | 18 | 187 | 168 | 11 |
| Result from Operating Activities | Rs. Mn | 285 | 220 | 29 | 128 | 113 | 13 |
| FV gain from Investment Properties | Rs. Mn | 393 | 583 | (33) | 104 | 123 | (15) |
| FV gain from Biological Assets | Rs. Mn | 4 | 5 | (21) | - | - | - |
| Finance cost | Rs. Mn | 199 | 306 | (35) | - | 0.6 | (100) |
| Profit before tax | Rs. Mn | 365 | 429 | (15) | 148 | 161 | (8) |
| Tax | Rs. Mn | 270 | 108 | 149 | 27 | 70 | (62) |
| Profit/(Losses) After tax | Rs. Mn | 95 | 321 | (70) | 122 | 91 | 34 |
| FINANCIAL POSITION | | | | | | | |
| Total Assets | Rs. Mn | 14,179 | 13,817 | 3 | 11,043 | 10,880 | 1 |
| Equity | Rs. Mn | 8,415 | 8,314 | 1 | 7,187 | 7,065 | 2 |
| Stated Capital | Rs. Mn | 342 | 342 | - | 342 | 342 | - |
| Net Assets Per share | Rs. | 42.10 | 41.60 | 1 | 35.96 | 35.35 | 2 |
| SHARE INFORMATION | | | | | | | |
| Earning/(Losses) per share | Rs. | 0.48 | 1.61 | (70) | 0.61 | 0.46 | 34 |
| Market capitalization | Rs. | 1,781 | 1,311 | 36 | 1,781 | 1,311 | 36 |
| Price Earnings Ratio | Times | 48 | 11 | 357 | 48 | 11 | 357 |
| Market Price – High | Rs.. | 23.70 | 25.00 | (5) | 23.70 | 25.00 | (5) |
| Market Price – Low | Rs. | 16.60 | 15.20 | 9 | 16.60 | 15.20 | 9 |
| Market Price – Last Traded | Rs. | 23.10 | 17.00 | 36 | 23.10 | 17.00 | 36 |
| Dividend Per Share | Rs. | - | - | - | - | - | - |
| Dividend Payout | % | - | - | - | - | - | - |
| RATIOS | | | | | | | |
| Return on Assets | % | 0.67 | 2.32 | (71) | 1.10 | 0.84 | 32 |
| Return on Equity | % | 1.13 | 3.86 | (71) | 1.70 | 1.29 | 32 |
| Current Asset ratio | Times | 0.37 | 0.40 | (8) | 0.92 | 0.61 | 51 |
| Debt to Equity | % | 16.76 | 17.55 | (4) | 19.54 | 20.49 | (4) |
| MANUFACTURED CAPITAL | | | | | | | |
| Investment Property | Rs. Mn | 13,799 | 13,434 | 3 | 8,063 | 7,958 | 1 |
| Biological Assets | Rs. Mn | 76 | 74 | 1 | - | - | - |
| Property, Plant & Equipment | Rs. Mn | 180 | 175 | 3 | 5 | 6 | (18) |

A portrait of a middle-aged man with short grey hair and glasses, wearing a grey pinstripe suit, white shirt, and striped tie. He is standing with his hands clasped in front of him. The background is a warm, out-of-focus orange and yellow bokeh.

CHAIRMAN'S REVIEW



DEAR STAKEHOLDERS,

It is my pleasure to welcome you to the 43rd Annual General Meeting of Colombo Land and Development Company PLC (CLDC). I take great pride in presenting our Annual Report and Financial Statements for the financial year ending 31st December 2024. This has been a year of measured optimism, underscored by steady recovery both locally and globally, reinforcing our foundation for sustained growth.

MACROECONOMIC LANDSCAPE IN 2024

The global economy in 2024 maintained a trajectory of stability, with several regions surpassing growth expectations. In Sri Lanka, the economy continued its gradual resurgence from previous adversities, with inflation stabilizing further and the rupee displaying resilience against major currencies.

Key sectors in the Sri Lankan economy recorded positive growth, supported by an improved external sector performance, a rebound in tourism revenues, and renewed investor confidence in financial markets. The Central Bank's strategic policies, particularly interest rate reductions, facilitated economic recovery. Notably, the economy grew by 5.0% in 2024, as reported by the Central Bank of Sri Lanka, compared to the 2.3% contraction witnessed in 2023. This marks the highest growth rate in seven years, with the industrial sector expanding by 11.0% and the services sector rebounding by 2.4%. The agricultural sector also showed marginal growth of 1.2%. The GDP per capita rose to USD 4,516, reflecting improved economic conditions.

Sri Lanka's improved economic fundamentals, driven by the stabilization of inflation and the strengthening of foreign exchange reserves, present a promising outlook for 2025. Moreover, foreign direct investment in key sectors, particularly real estate, tourism, and infrastructure, continued to show promising growth.

PERFORMANCE OF THE REAL ESTATE & RETAIL SECTORS

The real estate industry, which faced considerable headwinds in previous years, experienced a notable revival in 2024. Demand across residential, commercial, and mixed-use properties surged, propelled by reduced interest rates, a stable local economy, and increasing foreign investments, particularly from the Chinese-backed Port City initiative. Several previously stalled large-scale projects resumed development, further fueling sectoral growth. The demand for housing and retail spaces remained strong, buoyed by the rise in tourist arrivals, especially in Colombo and other key tourist destinations. The expansion of mixed-use developments and high-profile residential projects reflects renewed confidence in the real estate market.

Retail, which contributes approximately 30% to Sri Lanka's GDP, witnessed a resurgence across various subsectors. While inflationary pressures persist, the retail market demonstrated diversification, with new shopping malls and commercial outlets catering to diverse consumer segments.

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Key sectors in the Sri Lankan economy recorded positive growth, supported by an improved external sector performance, a rebound in tourism revenues, and renewed investor confidence in financial markets

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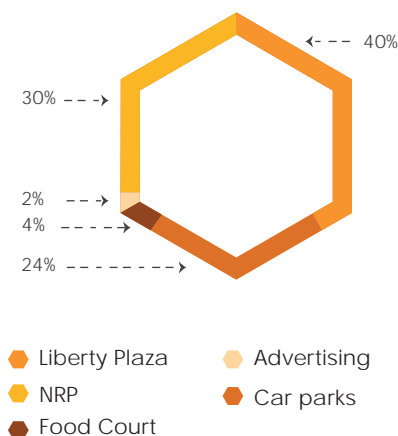
Liberty Plaza, a cornerstone of our asset portfolio, remained resilient, continuing to attract a loyal customer base and offering a dynamic retail environment, particularly in mobile accessories and fashion retail. Our enduring tenant relationships and sustained footfall have ensured positive operational results throughout the year.

FINANCIAL PERFORMANCE

CLDC recorded significant achievements in 2024. The group revenue reached Rs. 443 Mn, reflecting stable income streams from rental properties and car parks. Occupancy levels improved to 95%, the highest in three years. Our car park operations also saw a 13% rise in revenue, reflecting increasing urban mobility.

Despite these gains, interest costs still remained a challenge, amounting to Rs. 199 Mn. In the near future, in anticipation of interest rate stabilization, we will look for effective strategies to reduce loan balance as well as further strategies to improve our bottom-line.

REVENUE CONTRIBUTION



COMMITMENT TO SUSTAINABILITY AND GOVERNANCE

Sustainability remains integral to CLDC's business ethos. Our adherence to a robust Environmental, Social, and Governance (ESG) framework drives our efforts in energy efficiency and waste management, ensuring our operations remain environmentally responsible.

On the governance front, we have proactively aligned with the latest regulatory requirements introduced

by the Colombo Stock Exchange in 2023, ahead of the October 2024 implementation deadline. Our Board remains committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and long-term value creation for our stakeholders.

FUTURE OUTLOOK

The economic outlook for Sri Lanka remains positive despite residual challenges. The assurance brought forth by a stable government has led to for some key indicators such as strengthening foreign reserves, sustained tourism growth and stabilizing inflation to guide the nation on a path to continued recovery. Additionally, the International Monetary Fund assistance program and the easing of import restrictions further bolster economic resilience.

The real estate sector is poised to sustain its upward momentum, underpinned by favorable interest rate conditions and increasing demand for residential and commercial properties. CLDC remains focused on the development potential of our Pettah land project, with ongoing discussions with the Urban Development Authority progressing positively. This ambitious mixed-use development is set to deliver significant economic and commercial benefits to the business community.

As we step into the future, we remain confident in our ability to navigate the evolving business landscape, fostering sustainable growth while making meaningful contributions to Sri Lanka's economic progress.

ACKNOWLEDGEMENTS

I extend my sincere appreciation to my fellow directors for their invaluable guidance, to our dedicated senior management team, and to all our employees for their unwavering commitment and resilience. To our valued shareholders, I am grateful for your continued trust and support in CLDC.

With a steadfast vision and a strong strategic direction, we look ahead with confidence, prepared to capitalize on new opportunities and drive sustained success in 2025 and beyond.

"CLDC remains focused on the development of our Pettah land project, with ongoing discussions with the Urban Development Authority progressing positively"

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



CEO'S REVIEW





“

“Our strategic initiatives focused on increasing occupancy, optimizing costs, and enhancing tenant relationships, yielding positive results and positioning us for sustainable growth in the years ahead.”

”

DEAR STAKEHOLDERS,

The year 2024 marked a period of stability and economic resurgence for Sri Lanka. After several years of economic uncertainty, we experienced a more predictable political environment and a significant reduction in interest rates. These developments positively impacted business confidence and investment sentiment, fostering an environment conducive to growth. This shift in the macroeconomic landscape created new opportunities for companies, including Colombo Land and Development Company PLC (CLDC), to expand and strengthen their market presence.

At CLDC, we leveraged this improving economic climate to drive revenue growth and operational efficiency. Our strategic initiatives focused on increasing occupancy, optimizing costs, and enhancing tenant relationships, yielding positive results and positioning us for sustainable growth in the years ahead. With a renewed sense of optimism, we continue to strengthen our core business while exploring new avenues for long-term value creation.

OPERATING ENVIRONMENT

In 2024, Sri Lanka's economic environment saw notable improvements in key financial indicators. Interest rates fell to single-digit levels, providing much-needed relief to businesses and enabling greater access to credit under more favorable terms. Foreign exchange reserves stabilized, and the local currency remained relatively strong, contributing to a more predictable and stable business environment.

A decline in the cost of living further enhanced consumer spending power, allowing households to allocate a larger portion of their income toward discretionary spending. This shift directly benefited industries such as retail, food, fashion, and entertainment, ultimately supporting the success of our tenants at Liberty Plaza and other commercial spaces.

The steady improvement in consumer spending translated into higher footfall at Liberty Plaza, boosting the revenue of our retail tenants. Increased customer visits not only enhanced the financial performance of our tenants but also reinforced the value proposition of our properties as prime retail destinations. As a result, CLDC continues to be a key enabler of commercial success, offering an attractive platform for both locals and international brands.

OVERALL PERFORMANCE

The financial year 2024 was a transformational period for CLDC, marking a significant turnaround in our performance. Our revenue grew by 18% to Rs. 443 Mn, a substantial increase compared to the previous year. This growth was driven primarily by a higher occupancy rate of 95% and increased rental income from tenants. Our gross profit surged by 29%, supported by strategic cost saving measures, particularly in fixed costs such as electricity and operational expenses. Rental income increased by 20%, reflecting the strong demand for retail and commercial spaces within our portfolio. Additionally, our car park revenue grew by 13%, underscoring the continued relevance of our parking facilities in high-traffic locations.

A key milestone in 2024 was the 35% reduction in finance costs, achieved through the renegotiation of our primary loan facility of Rs. 1.35 billion at more favorable terms. This strategic financial restructuring allowed us to lower debt servicing costs, strengthen cash flow, and enhance financial stability. Additionally, we have proactively implemented measures to reduce the principal portion of our loan, which will deliver long term financial benefits by decreasing our overall debt burden. These financial achievements are a testament to our commitment to prudent fiscal management, operational efficiency, and long term value creation for our shareholders.

FUTURE OUTLOOK

Looking ahead, we remain focused on unlocking the full potential of our assets and strategic land holdings. One of our key priorities is the 13-acre land parcel in Pettah, a prime location with immense development potential. We continue to actively engage with stakeholders, including the Urban Development Authority (UDA), to accelerate the possibility for a dynamic mixed-use development project on this site. Currently, approximately three acres of this land are free of encumbrances and under our control, paving the way for future expansion and investment opportunities. Additionally, our 103-acre mahogany plantation, which has reached maturity of 23 years, presents an exciting opportunity for revenue generation.

The management is currently evaluating monetization strategies that will maximize returns from this valuable asset, further strengthening our financial position.

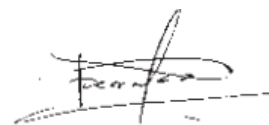
The financial year 2025 is expected to be another pivotal year for CLDC. Our strategic focus will center on:

- Further reducing financial liabilities to ensure a stronger balance sheet.
- Enhancing liquidity to position the company in a more cash rich state.
- Sustaining high occupancy levels to drive continued revenue growth from rental properties.
- Optimizing car park operations to improve efficiency and profitability.

With these strategic priorities in place, we are confident in maintaining steady revenue growth, operational efficiency, and long term financial stability.

APPRECIATION

As we reflect on our achievements in 2024, I would like to express My sincere appreciation to our Chairman and Board of Directors for their invaluable guidance and leadership. Their vision has been instrumental in steering the Company toward success. I also extend my gratitude to our management team and employees for their dedication, hard work, and unwavering commitment to excellence. Their contributions have been critical in overcoming challenges and driving CLDC's growth. To our stakeholders, I am deeply grateful for your continued trust and support. Your confidence in CLDC motivates us to strive for greater success and deliver sustained value. As we embark on another promising year, we remain committed to building on our successes, exploring new growth opportunities, and strengthening CLDC's position as a leading player in Sri Lanka's commercial real estate sector.



Mr. P S Weerasekera
Executive Director/Group CEO



BOARD OF DIRECTORS



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



Mr. P S Weerasekera
(Executive Director/Group Chief Executive Officer)



Mr. S A Ameresekere
(Executive Director)



Mr. Ng Yao Xing, Eugene
(Executive Director)



Mr. L B Kumudu Lal
(Non-Executive Director)



Mr. M C Withanaarachchi
(Non-Executive Director)



Mr. W A A Perera
(Independent Non-Executive Director)



Mr. P S Perera
(Independent Non-Executive Director)

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

With a legal career spanning nearly 40 years Mr. weerasooriya admitted to the bar in 1987 as an attorney-at-law. He joined the attorney general's department in 1988 as a state counsel. In 1993, he entered the private bar and successfully established a distinguished legal practice, handling a wide ranging array of cases.

He possesses an extensive experience spanning criminal law, bribery and corruption cases, industrial and labour disputes, customs and tax matters, civil and commercial litigation, arbitration, and human rights law. In his lengthy law career, he has appeared before magistrates' courts, district courts, civil, criminal, and commercial high courts, labour tribunals, the court of appeal, and the supreme court, handling a broad range of complex legal matters. He played a pivotal role in Sri Lanka's first acquitted money laundering case, and in proceedings involving financial crime and regulatory compliance.

He has represented leading local and global organisations, and private individuals in both criminal and civil litigation, including rights-based cases involving religious liberty and constitutional protections. He has mentored and trained over 100 junior lawyers, many of whom have ascended to prestigious judicial positions across every level of Sri Lanka's court system, currently serving as magistrates, district judges, high court judges, and justices of the court of appeal.

Mr. Weerasooriya has served on the Executive Committee of the Bar Association of Sri Lanka (BASL) for the terms 2020/21 and 2023/24 and was Chairman of the Lawyer-Police & Prisons Relations Committee from 2021 till 2023. He is a senior resource person for BASL seminars, workshops, and the national law conference, and a member of the Incorporated Council of Legal Education, where he contributes to legal education policy, student conduct, and ethics.

He was also a member of the Criminal Law Reforms Sub-Committee appointed by the cabinet under the Ministry of Justice. Since 2020, he has served as a member of the Disciplinary Committee Appointed by the former Chief of Justice Mr. Jayantha Jayasuriya PC, where he is tasked with conducting preliminary inquiries into complaints against members of the legal profession.

Mr. Weerasooriya is a consultant to Reb Mech (Pvt) Ltd, a leader in steel tower

manufacturing. He previously served as an Independent Non-Executive Director at Ascot Holdings PLC (now known as Lanka Reality Investments PLC), is a Director at SOS Children's Villages Sri Lanka, and a member of the disciplinary committee of Sri Lanka Cricket. His extensive experience in commercial and regulatory matters provides strategic leadership to Colombo Land and Development Company PLC, ensuring robust governance and growth.

Mr. P S Weerasekera
(Executive Director/Group Chief Executive Officer)

Mr. Weerasekera is a business strategist with over 31 years of experience specialising in the areas of corporate strategy, sales, marketing and sustainability. He has worked in a number of industries covering Insurance, FMCG, Advertising, Telecommunications, 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.

Directorships

Director/Group CEO
Agrispace (Private) Ltd, Anantya Global Solutions Company Ltd, Liberty Developers (Pvt) Ltd, Liberty Holdings Ltd

Independent Non-Executive Director
Amana Takaful PLC

Director
Wall Art (Pvt) Ltd

Mr. S A Ameresekere
(Executive Director)

Mr. Ameresekere 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. Mr. Ameresekere holds several key positions within the group, including directorships of all its listed

entities - Citrus Leisure PLC and its subsidiaries and HVA Foods PLC.

Mr. Ameresekere 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, including 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.

Directorships

Executive Chairman
George Steuart and Company Limited

Executive Director
Triad (Pvt) Ltd

Non-Executive Director
Citrus Leisure PLC, H V A Foods PLC, Hikkaduwa Beach Resort PLC, Waskaduwa Beach Resorts PLC

Director
Adpack Productions (Pvt) Ltd, Agrispice (Private) Limited, Anantya Global Solutions Company Limited, Asia Commerce Holdings Ltd, Ceylon Grid Services (Pvt) Ltd, Citrus (Pvt) Ltd, Divasa Equity (Pvt) Ltd, Divasa Real Estate (Pvt) Ltd, Emagewise (Pvt) Ltd, George Steuart Ethicals (Pvt) Ltd, George Steuart Aviation (Pvt) Ltd, George Steuart Capital (Pvt) Ltd, George Steuart Consumer (Pvt) Ltd, George Steuart Education (Pvt) Ltd, George Steuart Health (Pvt) Ltd, George Steuart Holidays (Pvt) Ltd, George Steuart Industries (Pvt) Ltd, George Steuart Insurance Brokers (Pvt) Ltd, George Steuart Investment (Pvt) Ltd, George Steuart Recruitments (Pvt) Ltd, George Steuart Solutions (Pvt) Ltd, George Steuart Telecom (Pvt) Ltd, George Steuart Travels Limited, George Steuat Optimize (Pvt) Ltd, Gree Lanka (Pvt) Ltd, H V A Holdings (Pvt) Ltd, Hardtalk (Pvt) Ltd, James Steuart (Pvt) Limited, Kites Global (Pvt) Ltd, Liberty Developers (Pvt) Ltd, Liberty Holdings Limited, Three Fifty At Union (Pvt) Ltd, Traidhot.com (Pvt) Ltd

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 and is experienced in property development partnerships with governments, property management and investments. He holds several directorships in the parent companies that oversees property development companies in Singapore, and other develop partnerships with government level ventures in Malaysia and in Sri Lanka.

Mr. L B Kumudu Lal

(Non-Executive Director)

Eng. (Mr.) Loku Bogahawattage kumudu Lal, Chairman of the Urban Development Authority (UDA), brings over 28 years of expertise in civil engineering, environmental engineering management, water and wastewater drainage, solid waste management, and project management, with significant international experience.

Eng. (Mr.) Kumudu Lal holds a master's degree in environmental engineering management and a bachelor's degree in civil engineering from the University of Moratuwa. He has held key positions, including Director and additional Secretary (project monitoring) at the Ministry of Water Supply, where he oversaw large-scale water and drainage projects valued at Rs. 450 Bn. His career also includes important leadership roles at the Colombo Municipal Council, where he served as Chief District Engineer for district office 04, managing administrative, financial, and infrastructure projects, including sewerage systems and road construction.

Eng. Kumudu Lal is a class 1 Engineer, a Chartered Civil Engineer, and a member of the Institute of Engineers, Sri Lanka (IESL). He possesses specialized knowledge in contract administration, procurement, and environmental management. He has made significant contributions to major projects, including the world bank-funded duplication road project and the greater Colombo Wastewater Management Project.

Directorships

Chairman

Urban Development Authority, Urban Investment & Development, Company (Pvt) Ltd

Non-Executive Director

On'all Holding PLC

Director

Ocean View Development (Pvt.) Ltd, Tea, Rubber & Coconut Estates (Control Of Fragmentation) Board, Urban Settlement Development Authority, Waters Edge Ltd, Lanka Rest House Ltd

Mr. M C Withanaarachchi

(Non-Executive Director)

Mr. M C Withanaarachchi holds a M.sc. Architecture in human settlements from Ketalic University Belgium and M.sc. Architecture from University of Moratuwa. He has also completed a B.sc. In built environment in architecture from University of Moratuwa. Mr. Withanaarachchi has over 21 years of experience in senior management of the Urban Development Authority. In addition, he holds professional experience as an associate member for both the Sri Lanka Institute of Architects and the Institute of Town Planners of Sri Lanka. Mr. Withanaarachchi was appointed as the Director General / Secretary of the Urban Development Authority (UDA)

Directorships

Lanka Electricity Company (Pvt) Ltd, Lanka Rest House Ltd, Road Development Authority, Urban Investment & Development Company (Pvt) Ltd, Waters Edge Ltd

Mr. W A A Perera

(Independent Non-Executive Director)

Mr. Perera is a Fellow Member of ACCA (UK), fellow member of CIMA (UK), Fellow Member of the CMA of Sri Lanka, Associate Member of the ICA of Sri Lanka, an Associate Member of the Institute of Bankers of Sri Lanka, Fellow Member of the Certified Professional Managers of Sri Lanka, and he has a MBA from the post graduate Institute of Management, and he has a post graduate diploma in diplomatic and world affairs. He was the former Chairman of ACCA Sri Lanka and was a governing council member of the Certified Management Accountants of Sri

Lanka and CIMA (UK) Sri Lanka division.

Directorships

Independent Non-Executive Director

Asia Capital PLC, Britex Holdings (Pvt) Ltd, George Stuarts Assets Management Ltd, Kelsey Developments PLC, Maskeliya Planation PLC, Medisurg International Ltd, Sascon Holdings Ltd, Sascon Property Developers Ltd

He also chairs the Nominations and Governance Committee and a Member of the Audit Committee, Related Party Transactions Review Committee and the Remuneration Committee of Maskeliya Plantation PLC,

Also chairs the Audit Committee and Related Party Transactions Review Committee and a member of the Nominations and Governance Committee and the Remuneration Committee of Kelsey Development PLC

Also chairs the Remuneration Committee and Audit Committee and a member of the Related Party Transactions Review Committee and the Nominations and Governance Committee of Asia Capital PLC.

Mr. P S Perera

(Independent Non-Executive Director)

Mr. P S Perera holds a Degree in Bachelor of Mechanical Engineering from the Auckland University of Technology, New Zealand and holds 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.

Directorships

Liberty Developers (Pvt) Ltd, Liberty Holdings Ltd, Anantya Global Solutions Company Ltd, Agrispice (Pvt) Ltd

SPEARHEADING URBAN TRANSFORMATION

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Our Value
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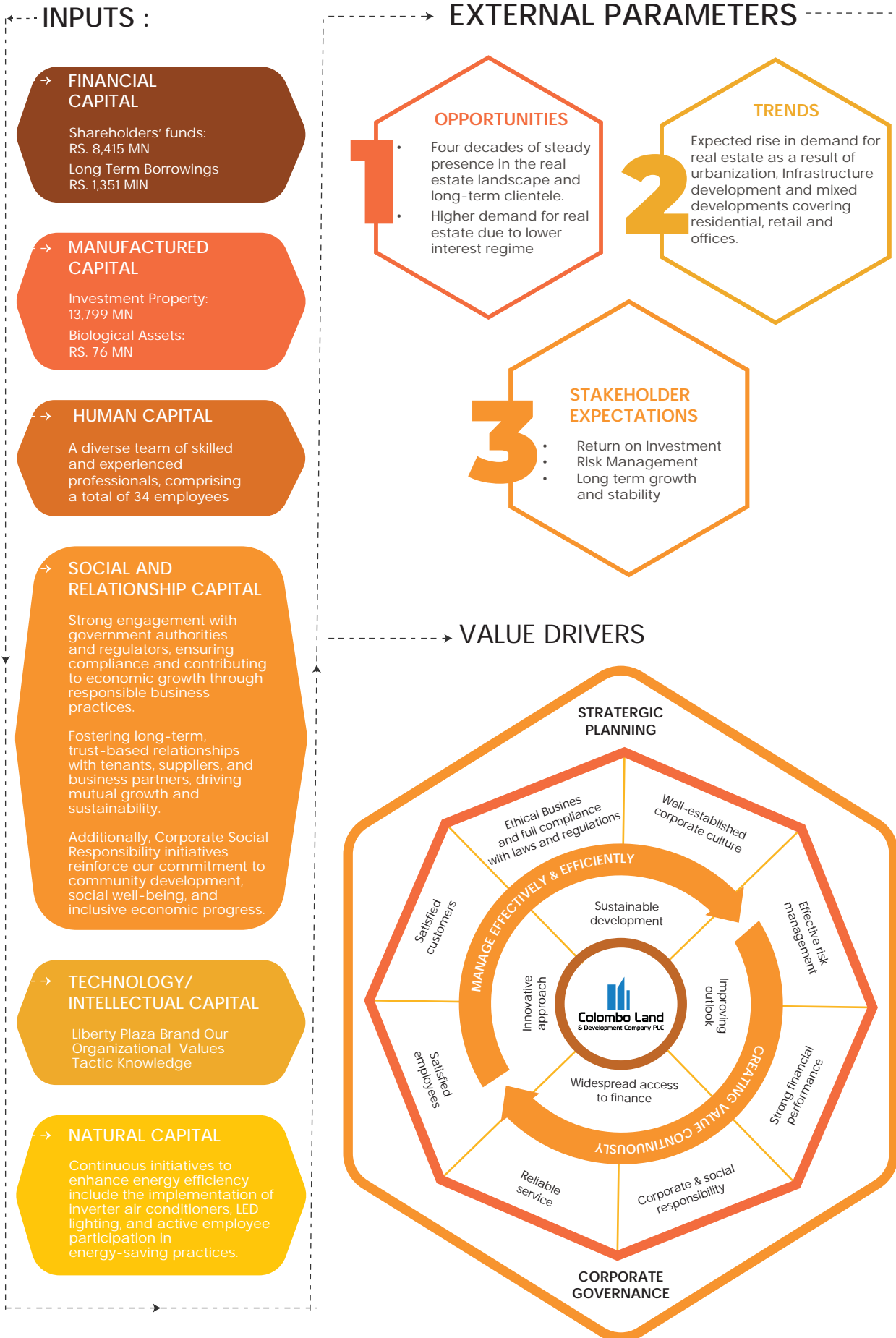
Sustainability
And
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Management
of Capital



OUR VALUE CREATION MODEL



OUTPUTS

SHAREHOLDERS

PAT Rs. - 95 Mn
EPS Rs. - 0.48

EMPLOYEES

Staff cost
Rs. 76 Mn

TENANT/ CUSTOMERS

Rental revenue
Rs. 334 Mn
Property service
income
Rs. 108 Mn

SUPPLIERS

Premises
maintenance and
value related
Rs. 53 Mn

COMMUNITY

Contribution for
CSR
Rs. 12,750

GOVERNMENT

Group has accumulated
tax losses of
Rs. 1,228 Mn
which can be utilised
against future taxable
income.



95%
Occupancy



65%
Longstanding
Tenants



173,392
SQFT.
Rentable Space



**OVER
350**

Car Park Slots and

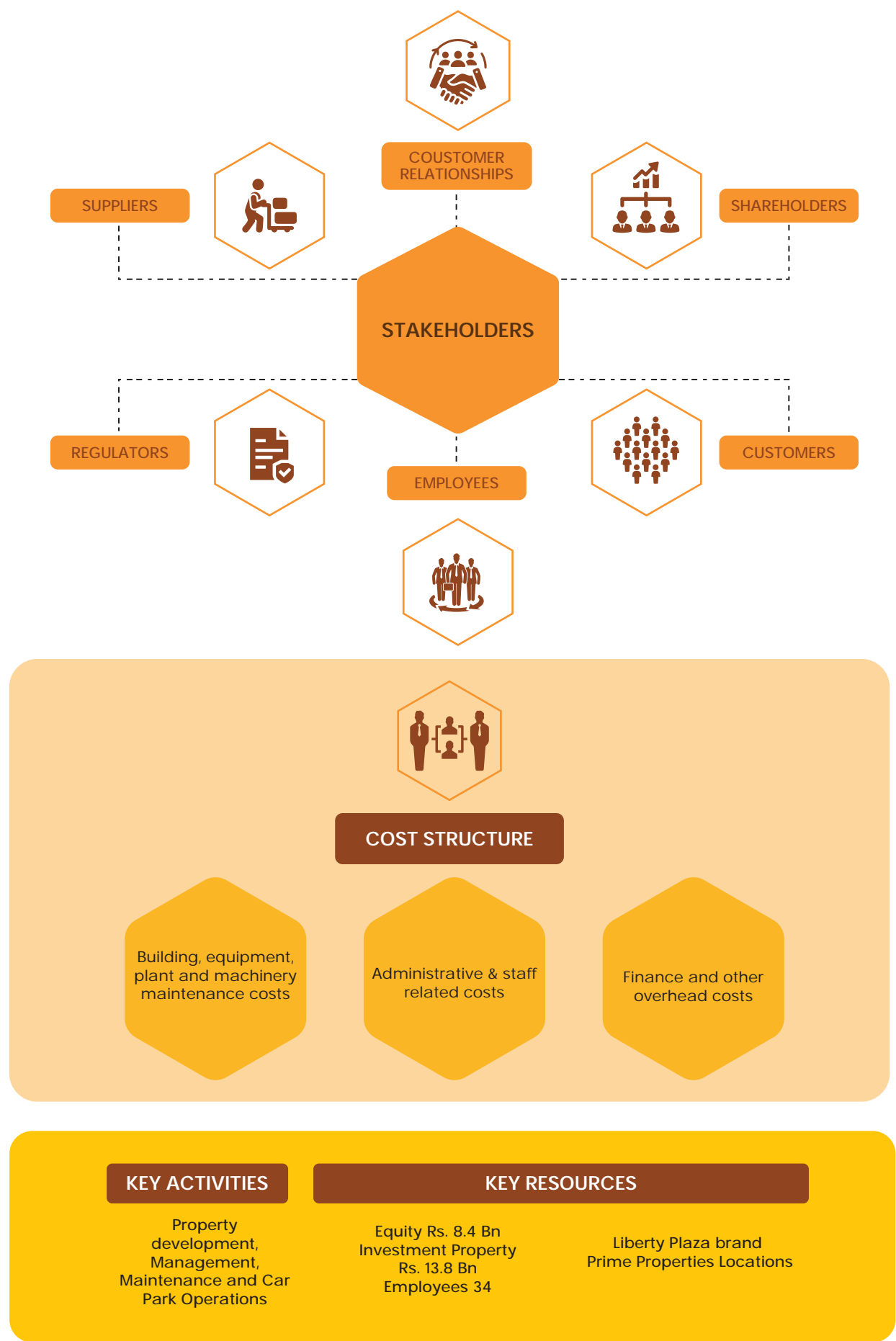
**OVER
2.75**

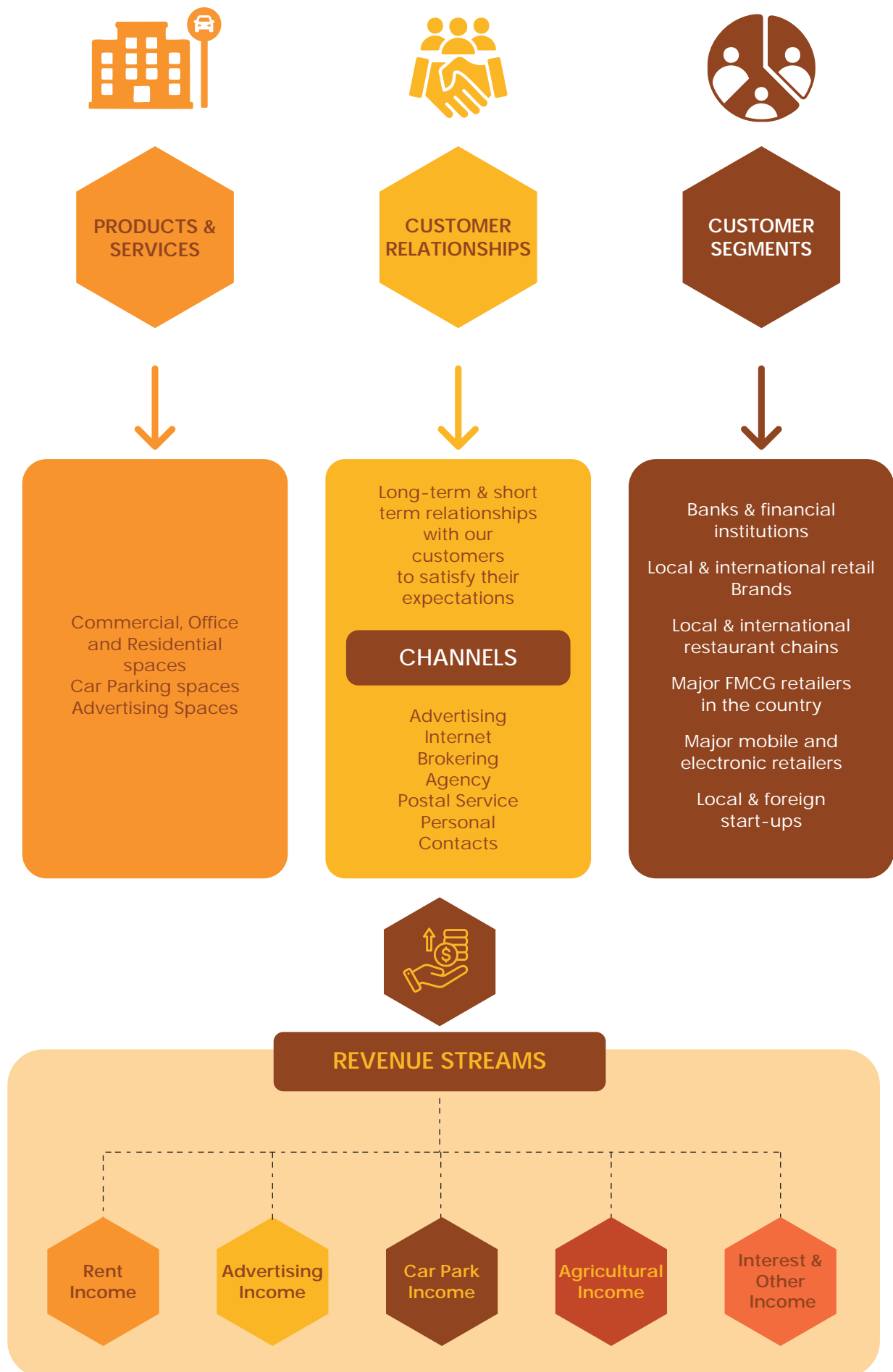
Acres Of Open Vehicle
Parking Area



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

OUR BUSINESS MODEL





STAKEHOLDER ENGAGEMENT

Mindful of the fact that our success and sustainable growth are deeply intertwined with the contributions and expectations of our stakeholders; we employ effective mechanisms to manage the expectations and impact of our business activities on both internal and external stakeholders. This approach allows Colombo Land and Development Company PLC to ensure long term value creation and business continuity.

Our stakeholders comprise a diverse group, including shareholders and investors, tenants, suppliers, employees, governmental and regulatory bodies, and the broader society. As a responsible corporate entity, we are committed to building and maintaining strong relationships with all stakeholders, fostering an environment of trust, transparency, and shared prosperity.

STAKEHOLDER ENGAGEMENT STRATEGY

To ensure effective engagement, we follow a structured strategic approach:



STAKEHOLDER IDENTIFICATION AND SEGMENTATION

We identify stakeholders who directly or indirectly influence or are impacted by our operations.

Stakeholders are categorized based on their relevance and significance to our business activities.



STRATEGIC ENGAGEMENT PLANNING

A structured engagement framework is developed to ensure meaningful and consistent interaction.

Engagement strategies are tailored to meet the specific needs and concerns of each stakeholder group.



DIVERSE COMMUNICATION CHANNELS

A combination of formal and informal channels are utilized to enhance accessibility and responsiveness.

These channels include regular meetings, investor briefings, tenant discussions, supplier dialogues, employee forums, regulatory consultations, and CSR initiatives.



PROACTIVE RESPONSIVENESS AND ISSUE RESOLUTION

We prioritize timely responses to stakeholder inquiries and concerns, ensuring prompt action within the shortest possible timeframes.

Constructive feedback mechanisms are in place to support continuous improvement in stakeholder relations.

| STAKEHOLDERS | EXPECTATIONS | IMPORTANCE | ENGAGEMENT PROCESS | COMPANY PLATFORMS |
|----------------------------|--|--|--|---|
| Investors/ shareholders | <ul style="list-style-type: none"> 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 business | <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 | <ul style="list-style-type: none"> Annual General Meeting Annual Report Interim Financial Statements Web uploading CSE announcements |

| STAKEHOLDERS | EXPECTATIONS | IMPORTANCE | ENGAGEMENT PROCESS | COMPANY PLATFORMS |
|---|---|--|--|---|
| | | | <ul style="list-style-type: none"> Strategies to ensure sustainable and ethical business growth Compliance with regulatory mandates and upholding internal controls and risk mitigation measures | |
| Tenants | <ul style="list-style-type: none"> Reasonable rentals High quality service standards Superior facilities Considerate credit facilities. | <ul style="list-style-type: none"> Salient source of revenue generation for the company | <ul style="list-style-type: none"> High quality modern commercial office space at an affordable rates Extending security, maintenance and customer service Offering grace periods for rental payments and concessionary rates due to tough business conditions Longstanding relationships with tenants to maximize shareholder returns | <ul style="list-style-type: none"> Customer feedback Meetings Resolving complaints and requests |
| Suppliers | <ul style="list-style-type: none"> Accommodate price fluctuations Transparent procurement process Payments made on time | <ul style="list-style-type: none"> 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"> 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 |

| STAKEHOLDERS | EXPECTATIONS | IMPORTANCE | ENGAGEMENT PROCESS | COMPANY PLATFORMS |
|--------------|--|--|--|---|
| Employees | <ul style="list-style-type: none"> • Career progression • Remuneration and benefits on par with industry • Occupational health and safety | <ul style="list-style-type: none"> • Key pillar of the organization 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 minimizing inconvenience to community • Internal paper recycling, energy saving lighting (LED) to promote efficient use of resources and to minimize waste. • Effective maintenance of AC system, generators, water supply etc. | <ul style="list-style-type: none"> • Media coverage • CSR activities |

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING ENVIRONMENT

In 2024, Sri Lanka's economy illustrated signs of recovery, recording a 5.0% growth in comparison to the 2.3% contraction witnessed in 2023. The expansion in the Industrial sector at 11.0% as well as the steady rebound in the services sector at 2.4% contributed to the GDP growth, which is the highest in seven years. The accommodation and transportation sectors also contributed positively, reflecting the resurgence of tourism. The agricultural sector grew marginally by 1.2%. The GDP per capita rose to USD 4,516, indicating improved economic conditions. This positive momentum provides a stable foundation for sustained growth and investment opportunities in the country.

INFLATION AND MONETARY POLICY

Headline inflation, as measured by the Colombo Consumer Price Index (CCPI), declined to 0.5% in August 2024, compared to 2.4% in July 2024, driven by lower food and non-food prices. Monthly inflation also recorded a decline of 1.85% in August, reflecting price reductions across multiple sectors. Core inflation, which excludes volatile food and energy prices, stood at 3.6% in August 2024, down from 4.4% in July 2024. The Average Weighted Prime Lending Rate (AWPR) followed a declining trend throughout 2024, reflecting easing monetary conditions. In November 2024, the monthly AWPR was 9.1%, reflecting a decrease of 283 basis points from 11.94% recorded in February 2024. Although specific figures vary across the period, the general trajectory indicates a significant reduction, improving credit affordability. However, despite these rate cuts, private sector credit growth showed a slow recovery, as reflected in the latest growth trends released by the Central Bank of Sri Lanka.

EXTERNAL SECTOR

Sri Lanka's external sector exhibited notable improvements in 2024. Earnings from merchandise exports stabilized, while expenditure on merchandise imports remained steady. Tourism earnings were

estimated at USD 3,169 Mn, with over 2 million tourist arrivals, demonstrating a strong rebound in the sector. Workers' remittances increased to USD 614 Mn in December 2024, up from USD 570 Mn in December 2023, providing crucial foreign exchange inflows. The country's gross official foreign reserves rose to USD 6.1 Bn by the end of 2024, compared to USD 4.4 billion at the end of 2023, supported by the Central Bank's substantial foreign exchange purchases. Meanwhile, the Sri Lankan Rupee displayed relative stability against major currencies, with moderate fluctuations observed throughout the year. Foreign investments in the Colombo Stock Exchange (CSE) recorded a net inflow, primarily driven by increased foreign participation in the primary market, reflecting renewed investor confidence.

FISCAL DEVELOPMENTS AND DEBT RESTRUCTURING

Sri Lanka's fiscal deficit stood at 5.0% of GDP in the first half of 2024, reflecting ongoing fiscal consolidation efforts. Tax revenue collections improved, supported by policy measures aimed at enhancing revenue mobilization. Meanwhile, external debt restructuring negotiations progressed, with policy measures in place to stabilize debt servicing and long-term sustainability.

OUTLOOK FOR 2025 AND BEYOND

The economic outlook for 2025 and beyond is expected to remain stable, with GDP growth continuing its positive trajectory following the 5.0% expansion in 2024. Inflation is projected to remain within a moderate range, contingent on global commodity price movements and domestic economic policies. The external sector is expected to strengthen, supported by steady remittances and export performance. However, sustained economic stability will depend on continued fiscal discipline, successful debt restructuring, and external sector resilience.

CONDOMINIUM MARKET TRENDS

The condominium market in Colombo witnessed varied price movements in Q3 2024. The Price Index for New Condominiums in Colombo stood at 235.7, reflecting a 17.8% year-on-year increase, although it recorded a 2.2% quarter-on-quarter decrease. The Condominium Property Sales Volume Index reached 105.9, showing a 34.2% year-on-year increase but a 25.1% decline from the previous quarter. The majority (49%) of condominium sales in Q3 2024 occurred in Colombo, followed by Gampaha and Kalutara. Sales outside the Western Province were minimal.

As at the second half of 2024, land prices in Colombo district rose by 7.7% (YoY). Meanwhile, the Land Valuation indicator (LVI) reached 236.8, principally driven by residential (+9.9%YoY), commercial (+9.4%YoY) and industrial (+3.9%). Meanwhile, in Q3 2024, condominium developments were primarily funded through pre-sale deposits, bank loans, and equity. Pre-sale deposits accounted for 35% of total funding, followed by bank loans and equity financing.

The majority of condominium purchases in Q3 2024 were made by Sri Lankan residents, although this category saw a slight decline from the previous quarter. Meanwhile, purchases by foreigners increased slightly. Industry data indicate that a majority of condominium sales ranged between Rs. 25Mn – Rs. 50Mn, with interest from foreign buyers increasing. Most condominium purchases were made for immediate occupancy, whereas purchases for future residence declined. There was also an increase in purchases for investment and rental purposes, indicating growing market confidence.

FUNDING AND BUYER TRENDS

During Q3 2024, condominium developments were primarily funded through pre-sale deposits, bank loans, and equity. Pre-sale deposits accounted for 35% of total funding, followed by bank loans and equity financing. The majority of condominium purchases in Q3 2024

were made by Sri Lankan residents, although this category saw a slight decline from the previous quarter. Meanwhile, purchases by foreigners increased slightly. Industry data indicate that most condominium purchases were made using personal funds, which illustrates strong market confidence. Most condominium purchases were made for immediate occupancy, whereas purchases for future residence declined. There was also an increase in purchases for investment and rental purposes, indicating growing market confidence. Additionally, market trends indicate that mid-range condominiums and rental properties present prime investment opportunities.

CONCLUSION

The real estate market in Colombo, particularly the condominium sector, has demonstrated strong growth in 2024 driven by rising demand and new project launches. The economic stabilization and accommodative monetary policy has provided support, though affordability constraints due to weak household incomes remain a challenge. Going forward, the market is expected to benefit from continued economic recovery, stable inflation, declining interest rates, and improved investor confidence, further strengthened by the successful debt restructuring, although policy uncertainty and fiscal constraints could pose risks to sustained growth.

ASKING PRICE TRENDS

Real estate asking prices in Colombo showed an upward trend in Q3 2024. The Asking Price Index for land in Colombo District increased by 23.0% year-on-year and 4.6% quarter-on-quarter.

House prices in Colombo increased by 5.3% year-on-year, with a marginal quarter-on-quarter rise of 1.1%. The Asking Price Index for condominiums showed a 5.0% year-on-year increase and a 1.5% quarter-on-quarter increase, suggesting steady but moderate price appreciation.

Meanwhile, overall trends indicate a land price surge of 23% year on year, along with a house price rise of 5.3%, indicating the competitive nature of the market offering opportunities for buyers and investors.

OFFICE AND RETAIL SPACE

The office real estate segment in Colombo maintained resilience during 2024, with Grade A office spaces reporting high occupancy rates.

In the retail sector, major shopping malls and high-street outlets experienced stronger footfall and sales during Q3 2024. Most A Grade malls attracted strong crowds, supported by rising consumer confidence, ease of importation of goods and the revival in tourism.



SUSTAINABILITY AND ESG INTEGRATION

Sustainable growth is integral to our business strategy - guiding our operational decisions, stakeholder engagements, and long-term value creation. We are committed to embedding Environmental, Social, and Governance (ESG) principles into our corporate framework, ensuring that our growth is aligned with responsible business practices, ethical governance, and environmental stewardship. Our Six Capital Management Approach enables CLDC to efficiently integrate and manage ESG considerations across financial, manufactured, intellectual, human, social & relationship, and natural capital, ensuring a balanced, sustainable, and resilient business model that drives long-term value creation.

ENVIRONMENT

CLDC integrates sustainability across all aspects of our business by combating climate change through energy-efficient solutions and responsible resource management, while also promoting sustainable energy adoption with LED lighting, inverter air conditioners, and solar energy exploration. The Company enhances environmental accountability through tenant engagement and sustainable property management, alongside encouraging responsible consumption via waste reduction, recycling programs, and paperless operations. We embed environmental sustainability driven policies to ensure that our operations minimize environmental impact while maximizing long-term stakeholder value.

SOCIAL

We are well-aware that long-term business success is deeply connected to the well-being of the communities we serve. Our Social commitment is centered on employee well-being, customer satisfaction, tenant engagement, and community development. We uphold fair and

equitable HR policies, offering comprehensive benefits, training programs, and workplace inclusivity to support employee growth and welfare. Our commitment to tenant and customer engagement ensures transparent lease agreements, high service standards, and digitalized communication for seamless interactions. Additionally, our CSR initiatives focus on education, sustainability, and social welfare, fostering partnerships that contribute to community well-being and economic development. Through these social sustainability efforts, CLDC strengthens relationships with employees, tenants, customers, and the broader community, fostering an inclusive, responsible, and sustainable business environment.

GOVERNANCE

As part of our ESG-centered business model, CLDC upholds the highest standards of integrity, transparency, and corporate ethics, reinforced by a zero-tolerance approach to bribery, fraud, and unethical practices. Our Anti-Bribery and Corruption Policy ensures compliance through robust governance frameworks, clear reporting mechanisms for confidential and retaliation-free disclosures, and comprehensive training programs for employees, suppliers, and business partners. We integrate strong corporate governance principles along with ESG principles to foster a sustainable, transparent, and responsible business environment, ensuring long-term resilience and value creation for all stakeholders.

MANAGEMENT OF CAPITAL

FINANCIAL CAPITAL

“

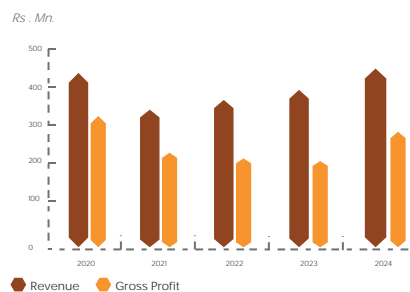
Colombo Land and Development Company PLC (CLDC) continues to uphold financial resilience by maintaining a robust revenue stream and optimizing our financial structure. In the face of evolving market conditions, CLDC has demonstrated a steady commitment to financial prudence, ensuring sustainable value creation for our stakeholders. ”



REVENUE

The Company's revenue for the year reached Rs. 443 Mn, reflecting stable income streams from rental properties and car parks. The diversified revenue sources continue to reinforce the company's position as a premier real estate entity in Sri Lanka.

REVENUE & GROSS PROFIT



PROFIT BEFORE TAX

CLDC recorded a profit before tax of Rs. 365 Mn, reflecting the company's resilience in navigating economic fluctuations and managing operational efficiencies effectively.

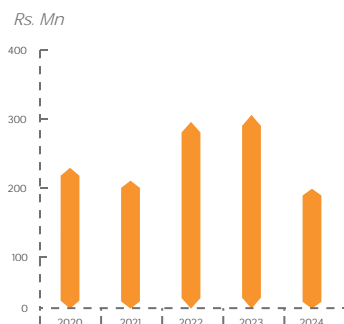
TAXATION

The taxation expense for the year stood at Rs. 270 Mn, comprising corporate tax obligations and regulatory compliance costs. The company remains committed to fulfilling its tax responsibilities while optimizing tax planning strategies.

FINANCE COST

Finance costs amounted to Rs. 199 Mn, influenced by interest expenses and other financial obligations. The Company remains focused on optimizing its capital structure to reduce borrowing costs and enhance financial efficiency.

FINANCE COST



CASH AND BORROWINGS

The company's total borrowings stood at Rs. 1,410 Mn, reflecting its strategic approach to liquidity management and financing obligations. Prudent financial management has ensured the company maintains a healthy balance between cash reserves and debt servicing.



NET ASSETS

CLDC's net asset position reached Rs. 8,415 Mn, reinforcing the company's long term value proposition. This reflects the accumulated retained earnings and investments made to enhance its property portfolio.

EARNINGS PER SHARE

Earnings per share (EPS) for the year was recorded at Rs. 0.48 a reflection of the Company's profitability performance and returns to shareholders.

PRICE EARNINGS RATIO

The Company's price earnings ratio stood at 48, signifying investor confidence and the relative valuation of CLDC's stock performance in the market.

RETURN TO EQUITY

CLDC achieved a return on equity (ROE) of 1%, demonstrating efficient utilization of shareholders' equity to generate earnings and enhance shareholder value.

GROSS PROFIT AND DIRECT COST

The company reported a gross profit of Rs. 285 Mn, indicating the efficiency of its revenue generating assets. The direct cost component was not explicitly available but remains a crucial factor in determining overall profitability.

ASSETS

The total Group asset base increased from Rs. 13.8 Bn in 2023 to Rs. 14.1 Bn in 2024. This is mainly due to the increase of investment properties.

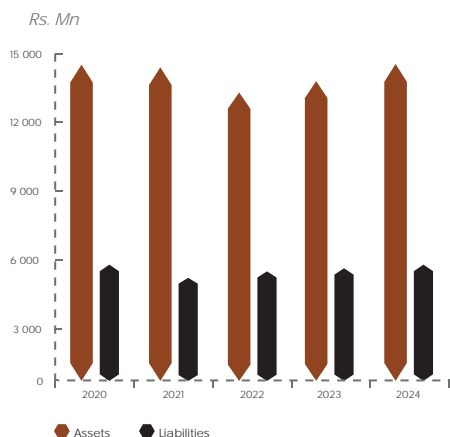
LIABILITIES

Total liabilities as at 31st December 2024 stood at Rs. 5.7 Bn when compared to Rs. 5.5 Bn in 2023.

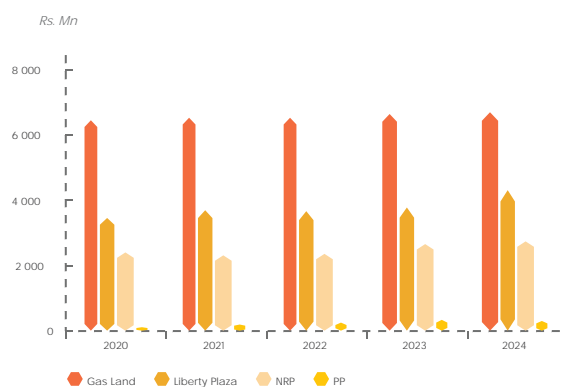
TOTAL EQUITY

Total equity stood at Rs. 8,415 Mn, representing the Company's strong financial foundation and its commitment to creating long-term value for stakeholders.

ASSETS & LIABILITIES



INVESTMENT PROPERTY



MANAGEMENT OF CAPITAL

MANUFACTURED CAPITAL

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Our Manufactured Capital is at the heart of our business operations – steering value creation through investment properties, commercial spaces, and infrastructure assets. As a real estate owner, developer, and operator, we remain committed to enhancing our properties, improving operational efficiency, and upgrading our assets to deliver a sustainable and high-value tenant and customer experience.”



FLAGSHIP PROPERTY LIBERTY PLAZA

As Sri Lanka's first modern shopping complex, Liberty Plaza remains a pioneer in the retail sector, adapting to changing consumer preferences and market dynamics. Over the years, continuous investments have ensured that Liberty Plaza remains relevant and competitive, offering a diverse range of retail brands, office spaces, and residential apartments. Well aware of the importance of preservation and timely maintenance, CLDC continues to uphold high standards of property management. Regular service contracts for janitorial, security, and maintenance ensure seamless operations, enhancing tenant and customer satisfaction.

| Business aspect | Highlights in 2024 |
|-----------------------------------|--|
| Property Portfolio Expansion | <ul style="list-style-type: none">CLDC continues to hold 83 retail outlets, 9 office spaces, and apartments within Liberty Plaza, covering a total of 173,392 sq. ft |
| Asset Valuation | <ul style="list-style-type: none">The property maintains a valuation of LKR 6.9 Bn, reinforcing its significance as a key asset within the portfolio. |
| Tenant Growth and Diversification | <ul style="list-style-type: none">A number of new tenants were added, further diversifying the brand mix and enhancing the shopping experience. |
| Property Enhancements | <ul style="list-style-type: none">Upgrades to common areas, lighting, and infrastructure to ensure a modern retail and work environment.Implementation of sustainability initiatives, including energy-efficient lighting and waste management systems. |



CAR PARKS

CLDC plays a crucial role in easing urban congestion by operating strategically located car parks at Liberty Plaza, People's Park, and Gas Land. These facilities provide safe and convenient parking solutions for city residents, shoppers, and businesses, supporting commercial activity in Colombo's Central Business District.

| Business aspect | Highlights in 2024 |
|----------------------------|---|
| Revenue Performance | <ul style="list-style-type: none">The Company generated a total revenue of Rs. 130 Mn from car park operations. |
| Technology Integration | <ul style="list-style-type: none">An upgraded car park management system introduced in 2023 increased operational efficiency, security, and customer convenience. |
| Sustainability Initiatives | <ul style="list-style-type: none">Plans are underway to enhance energy efficiency and introduce digital payment solutions to improve user experience. |

GAS LAND

Valued at LKR 6.8 Bn, Gas Land stands as the highest-value investment property within CLDC's portfolio. Spanning an area of over 2 acres the property serves as a key logistics and distribution hub, catering to traders, transporters, and businesses involved in the movement of goods within Colombo's commercial district. The Gas Land facility serves as a critical distribution hub for goods transported into Colombo, primarily by lorries and container trucks. With over 275,000 customers annually, the property continues to be a vital link in Sri Lanka's urban commercial network.

| Business aspect | Highlights in 2024 |
|-----------------------------|---|
| Increased Utilization | <ul style="list-style-type: none">A steady increase in new customers highlights its growing importance in Colombo's logistics and distribution ecosystem. |
| Infrastructure Improvements | <ul style="list-style-type: none">Efforts were made to enhance traffic flow management, security, and maintenance services to improve efficiency. |



PEOPLE’S CAR PARK

The People’s Car Park offers a total capacity of 176 vehicle parking slots and 100 motorcycle slots, providing a convenient and secure parking solution for commuters, shoppers, and businesses in the heart of Colombo’s commercial district.

People’s Car Park remains a key urban infrastructure asset, facilitating commercial activity in Colombo’s business district. The modernized parking system has significantly improved operational efficiency and user experience.

LOOKING AHEAD

Looking ahead, Colombo Land and Development Company PLC (CLDC) remains committed to enhancing tenant experiences by modernizing its retail, office, and residential spaces, ensuring a contemporary and high-value environment for businesses and residents alike. The company is also expanding its sustainability initiatives, with a focus on solar power integration, energy efficiency enhancements, and improved waste management practices to promote environmental responsibility. Additionally, leveraging technology remains a priority, enhancing building management, security, and customer service to improve operational efficiency. CLDC is also dedicated to maximizing asset utilization through strategic leasing, new tenant acquisitions, and infrastructure upgrades, strengthening its competitive positioning in the real estate sector. We are well-positioned to drive long-term growth and value creation for our stakeholders through consistent investment in our properties, implementation of modern infrastructure solutions, and prioritizing sustainability value creation for our stakeholders through consistent investment in our properties, implementation of modern infrastructure solutions, and prioritizing sustainability.

| Business aspect | Highlights in 2024 |
|------------------------|---|
| Smoother Operations | <ul style="list-style-type: none">Advanced parking technology continues to streamline vehicle movement and enhance service quality. |
| Solar Energy Potential | <ul style="list-style-type: none">Efforts were made to enhance traffic flow management, security, and maintenance services to improve efficiency. |



MANAGEMENT OF CAPITAL

INTELLECTUAL CAPITAL

“Our intellectual capital is a fundamental pillar in driving business growth, enhancing operational efficiency, and maintaining a competitive edge in Sri Lanka’s real estate sector. Our intellectual assets, including brand equity, proprietary knowledge, data-driven decision-making, innovation, and human expertise, continue to shape the company’s strategic direction and long-term sustainability.”



BRAND STRENGTH AND MARKET POSITIONING

CLDC’s reputation as a pioneer in Sri Lanka’s mixed-use real estate sector remains a significant driver of its competitive advantage. The Liberty Plaza brand, synonymous with premium retail, office spaces, and urban convenience, continues to attract high-quality tenants, shoppers, and investors. Through consistent brand positioning, marketing strategies, and tenant engagement efforts, CLDC strengthens its market presence and long-term business resilience.

Additionally, CLDC received a compliance award Compliance Award in the Land and Property category at the prestigious TAGS Awards Ceremony organized by the Institute of Chartered Accountants of Sri Lanka. This recognition underscores the company’s dedication to maintaining the highest standards of transparency, governance, and regulatory compliance in the real estate sector.

INNOVATION AND DIGITAL TRANSFORMATION

Recognizing the evolving real estate and retail landscape, CLDC remains committed to adopting technological advancements that enhance operational efficiency, customer experience, and asset management.

| Business aspect | Highlights in 2024 |
|--|--|
| System improvements to enhance security and efficient use of resources | <ul style="list-style-type: none">Upgraded security and facility management systems to enhance property safety, energy efficiency, and real-time monitoring. |
| Digitization of Tenant and Customer Engagement | <ul style="list-style-type: none">Expanded the use of digital platforms for leasing, tenant communication, and customer feedback collection to improve user experience and satisfaction. |
| Car Park System Modernization | <ul style="list-style-type: none">Further enhancement of automated car park systems to improve space utilization and streamline traffic flow at CLDC’s parking facilities. |

KNOWLEDGE MANAGEMENT AND HUMAN EXPERTISE

CLDC fosters a culture of continuous learning, industry best practices, and professional development of our employees and leadership team, ensuring that the Company remains agile and well-equipped to adapt to emerging market trends.

FUTURE OUTLOOK

Moving forward, CLDC will continue to invest in innovation, digital transformation, and brand enhancement to maintain its leadership in the Sri Lankan real estate sector. The Company's commitment to knowledge-driven growth, tenant-focused strategies, and sustainability integration positions it for sustained success and value creation in the years ahead.

| Business aspect | Highlights in 2024 |
|-----------------------------|--|
| Employee Development | <ul style="list-style-type: none">Creating a growth conducive environment where employees feel empowered to take charge of their growth, and the facilitation of necessary guidance. |
| Strategic partnerships | <ul style="list-style-type: none">Collaboration with industry experts, consultants, and regulatory bodies to enhance market intelligence, compliance, and business strategies. |
| Data-Driven Decision Making | <ul style="list-style-type: none">Leveraging market research, tenant insights, and financial analytics to optimize property performance and investment strategies. |



MANAGEMENT OF CAPITAL

HUMAN CAPITAL

“

Our employees play an integral role in the achievement of our strategic goals and maintaining strong relationships with stakeholders. As part of our human capital strategy, we continue to focus on talent development, employee engagement, well-being, and workplace inclusivity, ensuring a supportive and progressive work environment. ”



TEAM PROFILE

CLDC fosters a diverse, skilled, and experienced workforce committed to excellence. Our team comprises professionals across various age groups, expertise levels, and years of service, contributing to a well-rounded and dynamic organizational culture. Employee retention and growth remain a priority, with a strong emphasis on career development and job satisfaction.

HUMAN RESOURCE POLICIES

The challenges of recent years, including economic fluctuations and evolving industry dynamics, have reinforced the need for robust HR policies that prioritize employee engagement, well-being, and professional growth. These policies emphasize employee well-being and mental health support, foster workplace inclusivity and diversity, and provide enhanced benefits and support mechanisms to ensure a thriving and resilient workforce.

TALENT ACQUISITION AND RETENTION

CLDC's strong market reputation enables us to attract top-tier talent in the real estate and property management sector. Our onboarding

and retention strategy aligns with business needs, ensuring employees are equipped with the resources, mentorship, and career growth opportunities necessary to thrive.

ETHICAL LABOUR PRACTICES

CLDC upholds the highest ethical standards in employment by maintaining a strict stance against forced and child labour. We enforce a zero-tolerance policy on forced or compulsory labour, with no such cases recorded during the financial year. Additionally, CLDC remains fully compliant with legal regulations prohibiting child labour, ensuring that no individuals under the age of 18 are employed. To further uphold ethical labour practices, all suppliers and outsourced service providers are required to formally pledge adherence to child labour regulations before entering into agreements with the company.

EMPLOYEE ENGAGEMENT AND MOTIVATION

At CLDC, we believe that an engaged workforce leads to higher productivity, innovation, and long-term retention. To enhance engagement, we focus on:

- Placing employees in roles that align with their skills and aspirations, ensuring job satisfaction.
- Fostering leadership through mentorship and a strong Executive team.
- Clearly communicating corporate strategy, helping employees understand their role in the company's success for all employees.

PERFORMANCE MANAGEMENT

CLDC has implemented a structured performance management system that ensures fair and transparent evaluations



EMPLOYEE DEVELOPMENT

Continuous learning is at the heart of our talent retention strategy. As such, we focus on creating an environment where our employees are encouraged to explore their own potential and harness their agency in skill development for consistent professional and personal growth.



COMPETITIVE REMUNERATION AND BENEFITS

CLDC ensures that its remuneration practices remain competitive within the industry. Salaries are determined by role, experience, qualifications, and performance, while incentives are tied to productivity through our performance appraisal system. Additionally, we remain committed to the below;

- Complying with the National Minimum Wage of Workers Act No.03 of 2016.
- Employer contributions of 14% to the Employee Provident Fund (EPF) and 3% to the Employee Trust Fund (ETF).
- Gratuity benefits in accordance with the Payment of Gratuity Act No. 12 of 1983.



EMPLOYEE BENEFITS AND FACILITIES

CLDC extends a range of employee benefits and facilities to ensure a supportive and rewarding work environment:

Additionally, CLDC remains committed to providing competitive employee benefits that support financial security and workplace well-being. The Company offers a higher employer contribution of 14% to the Employee Provident Fund (EPF), ensuring long-term financial stability for our workforce. Employees receive annual salary increments linked to performance, along with performance-based bonuses, recognizing their contributions to the company's success. Additionally, overtime payments are provided for Non-Executive employees, while minor and maintenance staff receive free uniforms as part of workplace support. CLDC also extends compassionate gifts for funeral expenses, reinforcing its commitment to employee welfare during difficult times.

MATERNITY LEAVE AND WORK-LIFE BALANCE

Female employees at CLDC are entitled to 84 working days of paid maternity leave, ensuring a supportive work environment for working mothers.

Additionally, the Company promotes a healthy work-life balance through Five-day work weeks, Flexible working hours and Four days of leave for bereavement

GRIEVANCE MANAGEMENT

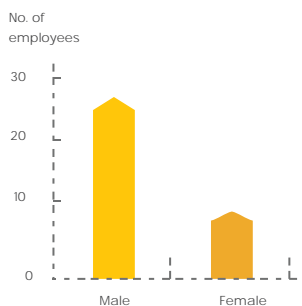
CLDC upholds a transparent and fair grievance management system, ensuring employees have access to multiple reporting channels, including confidential options. The Company maintains a strict policy of timely response to any grievances while supporting employees to continue working in a positive environment. No grievances related to labour or human rights were reported in this financial year.

| Benefits and facilities | CLDC approach |
|---|--|
| Medical Insurance and Workmen Compensation Policy | • Covers employees and their families (spouse and children) for general, surgical, and hospitalization needs. |
| Vehicle Allowance and Fuel Entitlement | • Provided based on employee category for official and personal transport needs. |
| Staff Loans and Festival Advances | • Financial support for education, house renovations, and other needs, with loans granted at nominal interest rates for up to 24 months. |

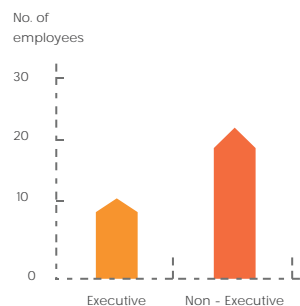
LOOKING AHEAD

As CLDC moves forward, the Company remains dedicated to building a resilient and engaged workforce by fostering continuous professional development and creating opportunities for employees to enhance their skills and grow within the organization. A strong emphasis is placed on enhancing employee benefits and workplace well-being, ensuring a supportive and rewarding environment. CLDC is also committed to fostering an inclusive, ethical, and performance-driven work culture, where fairness, integrity, and excellence define its operations. We continue to invest in our people through talent development, and workplace culture to ensure long-term success, while creating an environment where employees thrive, contribute, and grow alongside the Company's progress.

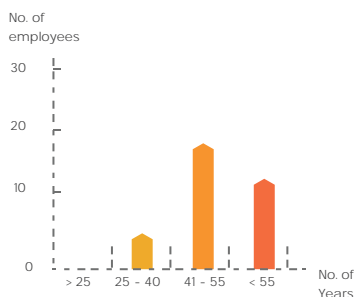
GENDER WISE



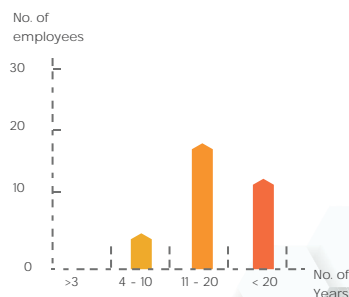
CADRE WISE



AGE DISTRIBUTION



YEARS OF SERVICE



MANAGEMENT OF CAPITAL

SOCIAL AND RELATIONSHIP CAPITAL

“
Social and relationship capital is a fundamental component of our business success, encompassing our stakeholders, business networks, and community interactions. We are committed to fostering strong, transparent, and mutually beneficial relationships with customers, tenants, suppliers, business partners, and the wider community. As such, we consistently engage with stakeholders to enhance trust, collaboration, and service excellence. This approach allows CLDC to strengthen our reputation and long-term sustainability.”



CUSTOMER FOCUS

Recognizing that our customers are at the heart of our operations, CLDC is dedicated to delivering superior customer experience while fostering a strong relationship with tenants and visitors.

We employ the below customer engagement strategies to deliver sustainable value to customers

CUSTOMER GRIEVANCE MANAGEMENT

CLDC encourages customers to provide feedback through multiple channels, including phone and digital platforms, with the assurance that all complaints will be handled promptly, fairly, and transparently. Every complaint is thoroughly evaluated and resolved, and customers are informed about the actions taken to address their concerns. Our proactive approach to resolving grievances ensure continuous improvement in service standards and reinforces tenant trust and satisfaction.

| Benefits and facilities | CLDC approach |
|--------------------------------------|---|
| Dedicated Sales and Marketing Team | <ul style="list-style-type: none">A trained team is assigned to address customer needs promptly and efficiently. |
| 24/7 Customer Support | <ul style="list-style-type: none">Ensuring continuous assistance to minimize delays or inconveniences. |
| Customer Privacy and Confidentiality | <ul style="list-style-type: none">All necessary measures are in place to safeguard tenant and customer information. |
| Transparent Leasing Process | <ul style="list-style-type: none">Clear terms and conditions are provided before tenancy agreements are signed, ensuring tenants fully understand their commitments and rights. |

OPTIMAL MAINTENANCE AND SAFETY

Ensuring well-maintained properties and a safe environment for tenants and visitors is a top priority at CLDC. Our rigorous maintenance strategy enhances property value, customer experience, and operational efficiency.

| Benefits and facilities | CLDC approach |
|--|---|
| 24/7 Professional Security Services | <ul style="list-style-type: none"> Our properties are covered by experienced security personnel, ensuring safety throughout the premises. |
| Comprehensive Janitorial Services | <ul style="list-style-type: none"> Outsourced professional cleaning teams maintain hygiene and cleanliness across all facilities. |
| In-House Accommodation for Support Staff | <ul style="list-style-type: none"> Ensuring round-the-clock availability of janitorial and security personnel. |
| Strict Safety Standards and Compliance | <ul style="list-style-type: none"> A safe working environment is maintained for employees, tenants, and visitors. |
| Third party service assurance | <ul style="list-style-type: none"> Reliable (Annual) maintenance contracts with third-party providers ensure the continuous operation and safety of lifts, |
| Comprehensive Insurance Policies | <ul style="list-style-type: none"> Covering industrial safety measures for enhanced employee and stakeholder protection. |

SUPPLIER RELATIONSHIPS

CLDC upholds ethical and transparent supplier relationships, ensuring all procurement activities align with corporate governance and value-for-money principles. The table below present our key supplier engagement strategies:

| Business aspect | Value created |
|-----------------------------------|---|
| Stringent Screening Process | <ul style="list-style-type: none"> All suppliers undergo a rigorous evaluation to maintain quality and cost efficiency. |
| Competitive Procurement Process | <ul style="list-style-type: none"> A minimum of three quotations are obtained before any repair or purchase, ensuring the best market rates. |
| Equal Opportunities for Suppliers | <ul style="list-style-type: none"> Open bidding opportunities are available for all registered suppliers, ensuring fair and transparent procurement. |
| Long-Term Service Agreements | <ul style="list-style-type: none"> Annual contracts are awarded to ensure uninterrupted service delivery and consistent quality. |

MARKETING AND COMMUNICATIONS

CLDC actively engages in strategic marketing and digital outreach to maintain strong connections with customers, investors, and stakeholders. The table below present our key marketing channels and implementation of strategies:

| Business aspect | Value created |
|-----------------------------------|---|
| Social Media Presence | <ul style="list-style-type: none"> Liberty Plaza's Instagram and Facebook platforms actively engage followers with updates on promotions, events, and tenant highlights. |
| Website and Digital Communication | <ul style="list-style-type: none"> The Company website serves as a central hub for stakeholder communication, including annual reports, investor relations, and company updates. |

CODE OF CONDUCT AND TENANT COMPLIANCE

To ensure a harmonious and well-regulated business environment, all tenants are required to adhere to the terms and conditions outlined in their tenancy agreements.

Our Tenant code of conduct incorporates the below:

Tenants must avoid obstructions in stairways and public spaces.

Respect for common areas: Tenants must avoid obstructions in stairways and public spaces.

Regulated Use of Appliances: Guidelines are provided for the safe use of gas and electrical appliances.

Controlled Repair and Renovation Work: Prior approval is required for any modifications, and no repairs are permitted at night to maintain a peaceful environment.

Business Etiquette and Professionalism: Tenants are expected to maintain professional conduct and avoid causing disturbances to others.

COMMUNITY ENGAGEMENT

CLDC Company actively engages in programs focused on community well-being, ensuring a positive impact on society. In 2024, we collaborated with Senaratne Insurance Brokers to organize a Blood donation campaign on behalf of the Sri Lanka Blood Bank. Employees from both organizations, tenants and other stakeholders took part in the programme.

LOOKING AHEAD

Moving forward, CLDC is committed to enhancing customer service through digital engagement, faster grievance resolution, and personalized support, while strengthening tenant relationships by modernizing facilities, security, and maintenance services. The Company also aims to expand supplier partnerships to ensure cost efficiency, quality control, and long-term sustainability. Additionally, leveraging digital marketing and social media will further strengthen Liberty Plaza's brand presence and commercial appeal. By continuously investing in stakeholder engagement, customer experience, and community partnerships, CLDC ensures sustained business growth and long-term value creation.



MANAGEMENT OF CAPITAL

NATURAL CAPITAL

“

We recognize that natural capital, including air, water, and other environmental resources — is fundamental to sustainable development. As a responsible corporate entity, we are committed to minimizing our environmental footprint, ensuring the efficient use of natural resources, and integrating sustainable practices across our operations. Through proactive energy conservation, waste management, pollution control, and responsible water usage, we continuously strive to reduce our impact on the planet while fostering a greener and more sustainable future. ”



REDUCTION IN CARBON FOOTPRINT

CLDC's 103-acre plantation, comprising Mahogany, Rubber, and Alstonia trees, plays a vital role in offsetting our carbon footprint. The plantation acts as a natural carbon sink, contributing to carbon sequestration while supporting biodiversity and sustainable land use.

ENERGY CONSERVATION

CLDC's 103-acre plantation, comprising Mahogany, Rubber, and Alstonia trees, plays a vital role in offsetting our carbon footprint. The plantation acts as a natural carbon sink, contributing to carbon sequestration while supporting biodiversity and sustainable land use.

Key energy saving measures:

- Optimized air-conditioning systems to ensure minimal energy waste.

- Replacement of fluorescent lights with energy-efficient LED lighting, significantly lowering electricity consumption.
- Phased-out inefficient machinery, replacing it with energy-saving equipment to enhance operational efficiency and minimize waste.
- Exploring renewable energy solutions, with feasibility assessments for solar power integration in commercial spaces.

WASTE MANAGEMENT AND RECYCLING

CLDC upholds responsible waste disposal practices through a structured reuse, recycle, and replenish approach, ensuring minimal environmental harm.

Key waste reduction strategies:

- Color-coded waste segregation bins for paper, glass, iron, plastic, and organic waste.



- Partnerships with third-party recyclers to ensure responsible food waste disposal by repurposing it as animal feed.
- Reduction in plastic usage across facilities by promoting sustainable alternatives.
- Encouraging tenants and employees to engage in waste minimization efforts.

POLLUTION CONTROL AND ENVIRONMENTAL COMFORT

Maintaining a healthy and comfortable environment for tenants, visitors, and employees is a key focus area. CLDC actively monitors and mitigates sound and air pollution to enhance the well-being of all stakeholders.

Key Pollution Control Initiatives:

- Noise reduction protocols – Soundproofing of air handling unit rooms to minimize disturbances.

- Tenant Code of Conduct – Established guidelines to reduce unnecessary noise emissions within premises.
- Enhanced ventilation systems – Ensuring optimal air circulation and indoor air quality for better health and hygiene.

RESPONSIBLE WATER CONSUMPTION

CLDC recognizes water as a valuable resource and implements responsible consumption practices across our facilities.

Tenant awareness programs to encourage conscious water usage.

Regular maintenance and inspections to prevent water leakage and wastage.

Exploring water conservation technologies, including low-flow fixtures and rainwater harvesting feasibility studies.

DIGITALIZATION AND PAPER REDUCTION

CLDC continues our transition toward a paperless operational model, reducing paper consumption through digital communication and electronic documentation.

Key digitization initiatives:

- Promoting electronic communication across departments and with stakeholders.
- Encouraging digital invoicing and reporting to minimize printed documentation.
- Leveraging cloud-based storage solutions to enhance efficiency while reducing paper waste.

LOOKING AHEAD

CLDC remains committed to expanding renewable energy solutions, with a strong focus on solar power adoption, while also enhancing waste reduction efforts through expanded recycling programs.

The company is dedicated to improving water conservation initiatives by integrating smart water management systems and further advancing digital transformation to achieve a fully paperless business environment. As such, CLDC aims to contribute to a greener, more resource-efficient future, ensuring that its business growth remains aligned with environmental responsibility.



RESPONSIBLE STEWARDSHIP

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Corporate Governance Report

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Report of the Board Audit Committee

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Report of the Board Remuneration Committee

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Nomination & Governance Committee

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Report of the Board Related Party Transaction Review Committee

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

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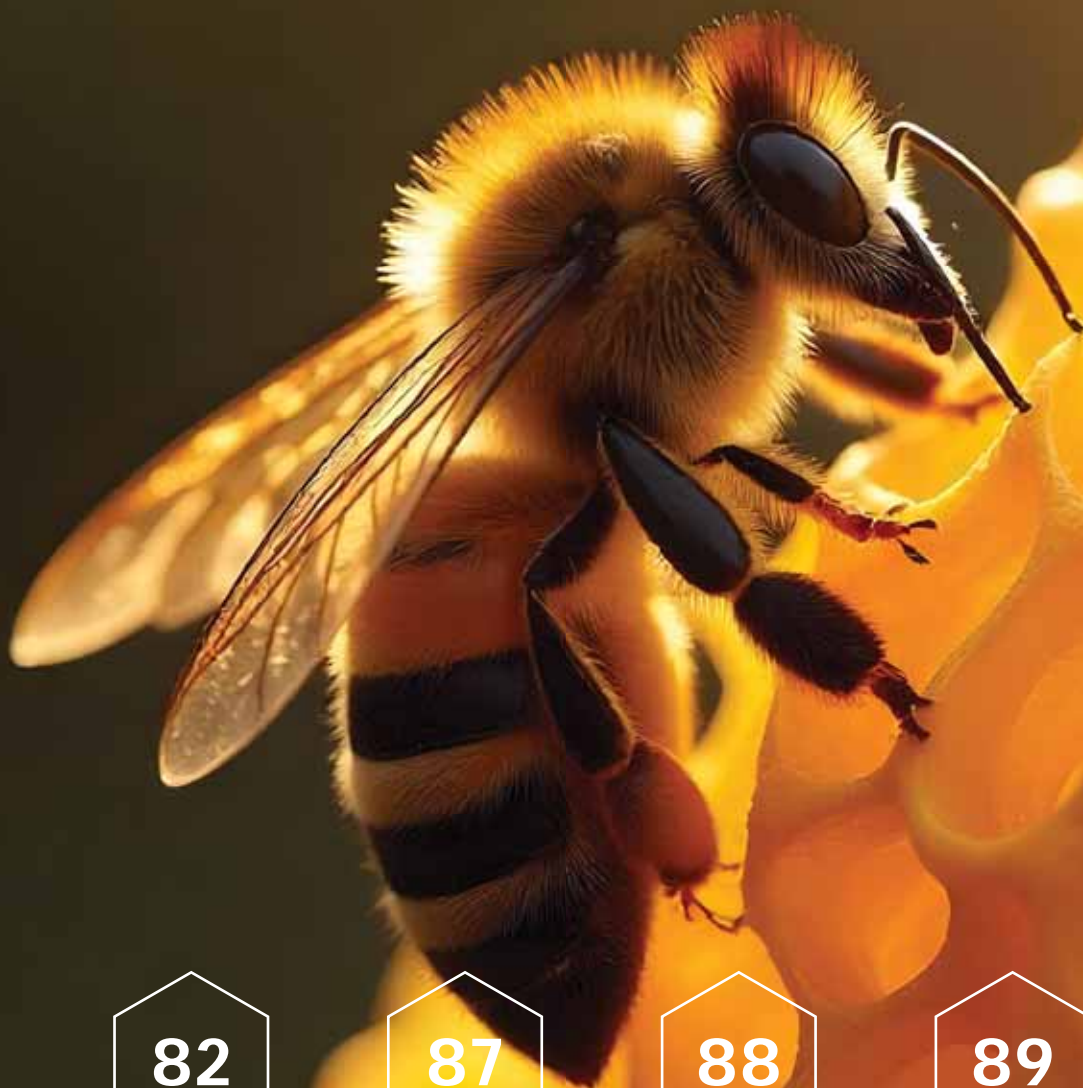
Statement of Directors' Responsibilities

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Chairman & Accountant Responsibility Statement

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Risk Management Report



CORPORATE GOVERNANCE REPORT

Corporate Governance Report

The Company aspires to adhere to the best practices in Corporate Governance by ensuring greater transparency, business integrity, professionalism and ethical values in the best interests of all stakeholders.

Board of Directors

The Board is the highest authority and it provides leadership to achieve the Company's strategic goals and compliance with generally accepted 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 collectively possesses diverse range of skills and competencies, including entrepreneurship, financial, legal, marketing and property development. They are all business leaders and professionals of high repute. Their profiles are given on pages 15 to 17.

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

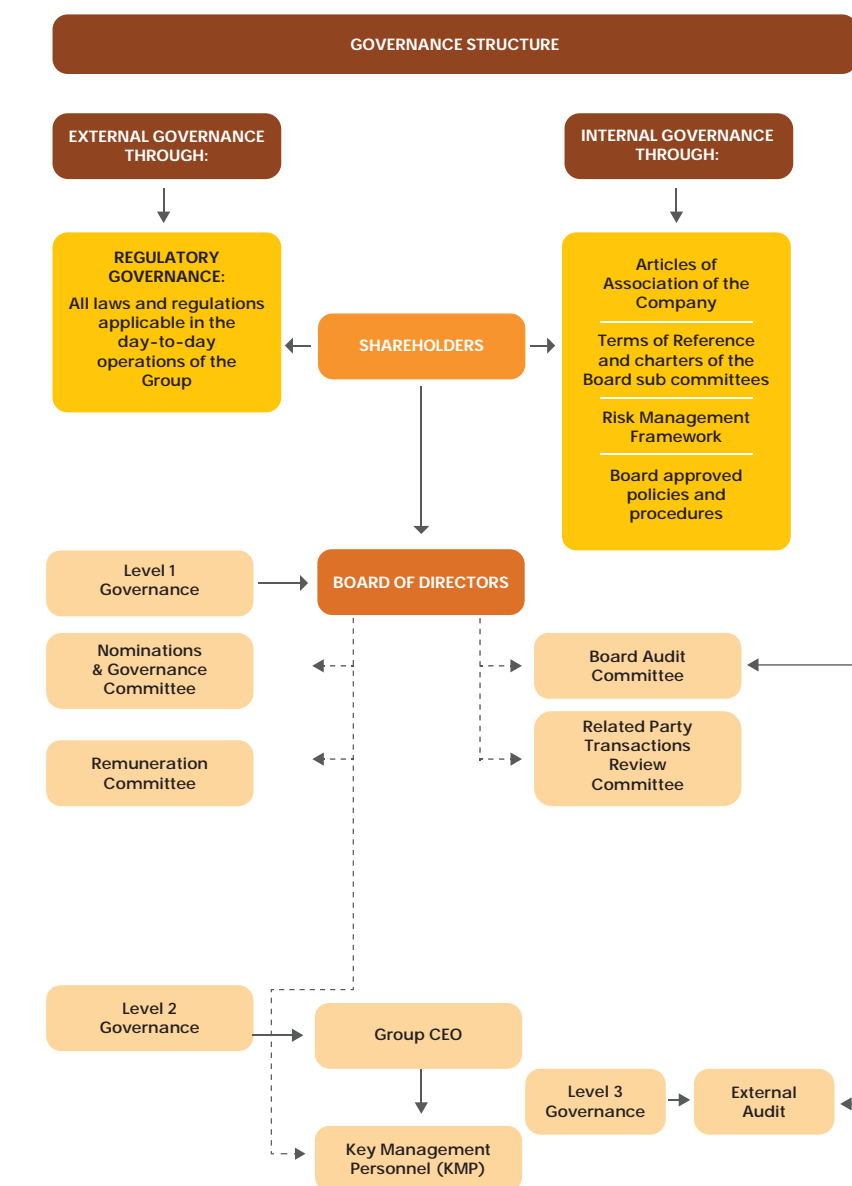
Independence of Directors

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

Based on the declarations submitted by Mr. M D A Weerasooriya, Mr. P S Perera and Mr. W A A Perera, are determined as 'Independent' in terms of Rule 9.8.5 of 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 as a matter of routine. Emergency/Special 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'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.

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

Board Sub-Committees

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

Current composition of Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee and appears on pages 76, 78, 79 and 80 respectively.

Meetings of Board Sub Committees

The 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 and the Nominations and Governance Committee to meet at least once year to review the re-appointment/re-election of current Directors.

The attendance at Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee and appears on pages 76, 78, 79 and 80 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, Remuneration Committee and the Nominations and Governance 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

| Category | Name | Eligibility | Attended |
|--------------------------------|--------------------------|-------------|----------|
| Independent Non – Executive | • Mr. M D A Weerasooriya | 4 | 4 |
| | • Mr. M D S Goonatilleke | 4 | 4 |
| | • Mr. P S Perera | 4 | 4 |
| | • Mr. W A A Perera | - | - |
| Non – Executive | • Mr. H A N D Herath | 3 | 3 |
| | • Mr. N P K Ranaweera | 2 | 2 |
| | • Mr. M C Withanarachchi | 2 | 2 |
| | • Mr. L B Kumudu Lal | 1 | 1 |
| Executive | • Mr. P S Weerasekera | 4 | 4 |
| | • Mr. S A Ameresekere | 4 | 4 |
| | • Mr. Ng Yao Xing,Eugene | 4 | 4 |

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 87 of this Report.

Compliance

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

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 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.

| 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. | 1 st October 2023 | Complied |

| RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|-----------------|---|--|------------------------------|----------------------|
| 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. | The Company has established and continues to review and maintain the policies on Matters relating to Board of Directors, Board Committees, Corporate Governance Nominations and re-election, Remuneration, Internal Code of Business Conduct and Ethics, Risk Management and Internal Control, Relations with Shareholders and Investors, Environmental, Social, and Governance Sustainability, Control and Management of Company Assets and Shareholder Investments, Whistleblowing, and Anti-Bribery and Corruption. | 1 st October 2024 | Complied |
| 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, Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committees are functioning effectively. | 1 st October 2024 | Complied |
| 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. | 1 st 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. " | 1 st October 2023 | Complied |

| LISTING RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|--------------------|--|--|--|-------------------------|
| 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. | 1 st October 2023 | Complied |
| 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. | 1 st 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. | 1 st October 2023 | Complied |
| 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. | 1 st 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 31 st December 2024, there were 8 directors, of whom three are independent Non - Executive directors. All Independent Non-Executive Directors have submitted their annual declarations confirming their independence. | 1 st October 2024 1 st October 2023 | Complied |

| RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|---------|---|--|------------------------------|----------------------|
| 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 are no Alternate Directors on the Board as of 31 st December 2024. | 1 st January 2024 | Complied |
| 9.10.1 | The 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. | 1 st October 2024 | Complied |
| 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. | 1 st October 2023 | Complied |
| 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. | There is a Nominations and Governance Committee in place with a written Terms of Reference. | 1 st October 2024 | Complied |
| 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. | 1 st 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" | 1 st October 2023 | Complied |

| RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|-------------------|--|--|------------------------------|----------------------|
| 9.12.6 | <p>"Functions and Composition of the Remuneration Committee</p> <ul style="list-style-type: none"> - 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, all are Independent non Executive Directors. Remuneration Committee Report provides required disclosures to this Annual Report." | 1 st October 2024 | Complied |
| 9.13.1 and 9.13.2 | 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." | 1 st October 2024 | Complied |
| 9.13.3 | <p>The members of the Audit Committee shall;</p> <ul style="list-style-type: none"> 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 | "Of the 3 members of the Audit Committee, all are independent non executive directors. No Executive Directors serve on the Audit Committee." | 1 st October 2024 | Complied |
| | 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. | Audit Committee meet at least once a quarter. There were 04 Audit Committee meetings held during the financial year ended 31 st December 2024. The attendance at the Audit Committee is given on 76 of the Annual report. | | |
| | An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. | Chairman of the Audit Committee is an independent Non Executive Director of the Board. | | |

| RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|---------|---|---|------------------------------|----------------------|
| | 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. | CEO and the Accountant attend the Audit Committee meetings by invitation. | 1 st October 2024 | Complied |
| | Where the parent and subsidiary is both listed the Audit Committee of the parent may be permitted to function as the Audit Committee of the subsidiary | Not applicable | | |
| | The Chairperson of the Audit Committee 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. | "The Chairperson of the Audit Committee is a Member of Institute of Chartered Accountants of Sri Lanka." | | |
| 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 76 | | 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. | 1 st October 2024 | Complied |
| 9.14.2 | 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. | "Of the 3 members of the Related Party Transactions Review Committee, two of whom 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 " | 1 st April 2024 | Complied |
| | 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. | Not applicable | 1 st October 2024 | |

| LISTING RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|--------------------|--|---|---------------------------------|-------------------------|
| 9.14.4 | The Related Party Transactions Review Committee shall meet at least once a calendar quarter. | There were 04 Related Party Transactions Review Committee meetings held during the financial year ended 31 st December 2024. The attendance at the Related Party Transactions Review Committee is given on 80 of the Annual report. | 1 st October 2024 | Complied |
| | Minutes of meetings are properly documented and communicated to the Board of Directors. The minutes of the Related Party Transactions Review Committee are tabled at the meetings of the Board of Directors on a periodic basis. | Minutes of the Related Party Transactions Review Committee are circulated to the Board every quarter. | | |
| | Members of the Related Party Transactions Review Committee to ensure they have or have access to adequate knowledge expertise and advice. | Committee seeks expertise and professional knowledge on matters need technical assistance. | | |
| | Where necessary, the Related Party Transactions Review Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Related Party Transaction Review Committee In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. | "Prior to entering into Non-recurrent related party transactions the board approved these transactions prior to Related Party Transactions Committee approval. " | | |
| | Interested Directors shall not vote on or shall not be present during the deliberations on the specific matter. | "Directors of the Related Party Transactions Review Committee are aware of their obligations " | | |

| LISTING RULE NO | CORPORATE GOVERNANCE REQUIREMENT | LEVEL OF COMPLIANCE | EFFECTIVE DATE OF COMPLIANCE | STATUS OF COMPLIANCE |
|--------------------|--|---|---------------------------------|-------------------------|
| 9.14.5 | 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 Related Party Transaction. | 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 Related Party Transaction. Directors are fully aware of their obligations in respect of conflict of interest. | 1 st October 2024 | Complied |
| | 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. | Related Party Transactions Review Committee has already set out guidelines deemed necessary for ongoing Related Party Transaction (if any) after assessing the nature of such transactions. | | |
| 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. | 1 st October 2024 | Not applicable. |

| 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 Corporate Information on inner back cover of this Report. |
| ii) | Principal activities of the entity and its subsidiaries during the year and any changes therein. | Complied with | Please refer page 82 of Annual report of the Board of Directors 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 151 of this Report. |
| iv) | The Public Holding Percentage | Complied with | Please refer page 153 of this Report. |
| 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 152 of this Report. |
| vi) | Information pertaining to material foreseeable risk factors of the entity. | Complied with | Please refer pages 89 to 91 of this Report. |
| 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 number of buildings of the entity's land holding and investment properties. | Complied with | Please refer page 123 of this Report |
| ix) | Number of shares representing the entity's stated capital. | Complied with | Please refer page 129 of this Report. |
| 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 151 and 152 of this Report |
| xi) | <p>Following ratios and market price information.</p> <p>1. Dividend per share</p> <p>2. Dividend payout</p> <p>3. Net asset value per share</p> <p>4. Market value per share</p> <p>Highest and the lowest value recorded.</p> <p>Value as at the end of the year.</p> | Complied with | Please refer page 08 of this Report. |

| RULE NO | SUBJECT | STATUS | REFERENCE |
|---------|--|----------------|---|
| xii) | Significant changes in the entity's or its subsidiary's' fixed asset and the market value of land, if the value differs | Complied with | Please refer Note 3 to the Financial Statement on page 118 to 126 of this Report. |
| xiii) | If during the year the entity has raised funds either through a public issue, right Issue and private placement. | Not Applicable | |
| xiv) | <p>EMPLOYEE SHARE OPTION SCHEMES.</p> <p>m. All Following information shall be disclosed in the Annual Report of the listed entity in respect of each ESOS;</p> <ul style="list-style-type: none"> • number of options granted to each category of employees, during the year. • total number of options vested but not exercised by each category of employees during the financial year. • total number of options exercised by each category of employees and the total number of shares arising there from during the financial year. • options cancelled during the financial year and the reasons for such cancellation. • a declaration by the Directors of the entity confirming that the entity or any of its subsidiaries has not directly or indirectly provided funds for ESOS. | Not Applicable | |

| SECTION | | 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 page 15 to 17 of this report. |
| A.1 Regular Board Meetings | Every public Company should be headed by an effective Board, which should direct, lead and control the Company. | Compliant | Board meets once every quarter, mainly to review the Company's performance and to determine whether its strategies and business practices are in line with the expectation of the Board. Individual attendance is given on page 46. |
| 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 CEO. The MD/CEO, together with the management team develops corporate strategies, annual budgets and action plans to implement corporate strategies on 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 |
| | Appointing the chair and the Senior Independent Director, if relevant | Not Applicable | |
| | Ensure that the MD/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 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 CEO and for other key managerial positions and are monitored continuously. |
| | Approving budgets and major capital expenditure. | Compliant | Budgets and capital expenditures which requires consent of the Board are being approved. |
| | Determining the matters expressly reserved to the Board and those delegated to the Management including the limits of authority and financial delegation. | Compliant | A Formal Delegated Authority Manual is being maintained, it overlooks the delegated operational functions and determine the matters delegated to the management. |
| | 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. |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| | Ensuring the availability of an Information Communication Technology (ICT) roadmap in line with the business strategy of the Company and monitoring the progress of implementation through the ICT dashboard. | Compliant | This is an integral part of our strategic plan and follow up is done at Board meetings. |
| | 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. The company has also issued a group policy that employees should comply with. |
| | 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. |
| | Recognized sustainable business development in corporate strategy, decisions and activities. | Compliant | The Board recognizes the necessity of sustainable business development in the corporate strategy, decisions and activities. Please refer sustainability report on pages 28. |
| | 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) which was adopted from the financial year 2013. 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 page 94 to 96. |
| | Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans, and related risks. | Compliant | This is continuously reviewed and monitored at the Board Review Committee meetings. |
| | Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company. | Compliant | Corporate reporting process (including financial and non-financial disclosures) follows a review process through the Board Audit Committee and the final reports are being approved by the Board. The Company issues and uploads quarterly and annual financial statements together with the relevant disclosures, on the CSE and company websites. |
| | 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. |
| 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 act in accordance with the laws in the country. The Board has permitted all Directors to seek independent professional advice. |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| A.1.4 Access to Advice and the Services of a Company Secretary | Advice and Services of the Company Secretary. | Compliant | The Company Secretary, who is an Attorney at - Law by profession, is accessible by any Director for the services of the Company. The Company Secretary advises the Board and ensures that matters concerning the Companies Act, Board procedures and other applicable rules and regulations are followed. |
| A.1.5 Independent Judgment of Directors | Bring Independent judgment on various business issues and standards of business conduct. | | 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 | <p>To ensure that the duties and responsibilities owned to the Company are satisfactorily discharged, the Directors attend quarterly Board meetings and discuss the matters. As far as possible the Company endeavors to circulate the Board papers amongst its members at least one week prior to each Board meeting in order to enable the Directors to analyze and call for additional information and clarifications.</p> <p>The number of meeting attended by each Director Is given on page 46.</p> |
| A.1.7 Calling for resolutions in the best interest of the Company | One third of Directors can call for a resolution to be presented to the Board where they feel it is in best interest to the Company to do so. | Compliant | |
| A 1.8 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 be divided responsibilities. | Compliant | The functions of the Chairman and CEO are clearly separated to ensure balance of power and authority |
| A.2.1 Separation of Roles Chairman and CEO | Disclosure required if the positions of the Chairman and the CEO are combined. | Not Applicable | The positions of the Chairman and CEO are separated. |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| 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.3.1 | <p>The Chairman should conduct board proceedings in a proper manner and ensure, inter-alia, that:</p> <ul style="list-style-type: none"> The agenda for Board meetings is developed in consultation with the CEO, directors and the company secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance, Sufficiently detailed information of matters included in the agenda is provided to Directors in a timely manner, All Directors are made aware of their duties and responsibilities and the Board and committee structures through which it will operate in discharging its responsibilities, The effective participation of both Executive and Non-Executive Directors is secured; all Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the company, All Directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusion of matters of corporate concern on the agenda. A balance of power between Executive and Non - Executive Directors is maintained. | <p>Compliant</p> <p>Compliant</p> <p>Compliant</p> <p>Compliant</p> <p>Compliant</p> | <p>Agenda Is developed in consultation with CEO</p> <p>Information is provided on timely manner to so Directors have adequate time to review and discuss.</p> <p>Relevant Board sub-committees are in place and the responsibilities of the same are specified.</p> <p>The Board includes Directors with diverse knowledge and expertise.</p> <p>Please refer the Directors list and details on page 15 to 17.</p> |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| | <ul style="list-style-type: none"> The views of Directors on issues under consideration are ascertained and a record of such deliberations reflected in the minutes. The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders. | Compliant | Matters discuss at the meetings are being properly minuted. |
| | | Compliant | Through the sub-committee reports and Risk Management Framework, information related to Company affairs are being obtained and analysed at the Board level. |
| 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. Mr. A A Perera is a qualified Accountant. Please refer profiles of Directors on pages 15 to 17 |
| 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. Five of them are Non - Executive Directors and three Directors are Executive Directors. Please refer Page 15 to 17 of the Profile of Directors. |
| A.5.1 | Presence of non- Executive Directors. | Compliant | Five of the eight Board Directors are Non-Executive Directors. |
| A.5.2 | Independent Directors. | Compliant | Three Non-Executive Directors are independent, which is in excess of one third of the Non-Executive Directors. |
| A.5.3 | Criteria to evaluate "Independence" of Non-Executive Directors. | Compliant | All three independent Non-Executive Directors meet the criteria for independence as per the code of best practices, corporate governance (code) and listing rules and free of business or other relationships that could moderately influence the exercise of their unfettered and independence judgment. |
| 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.5.6 | Appointment of an Alternate Directors by a Non-executive/ independent Directors. | Not Applicable | |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| A.5.7 | Appointment of Senior Independent Director | Not Applicable | Since the role of the Chairman and the CEO of the Company are separated, this requirement does not arise |
| A5.8 | Availability of the senior requirement does not arise 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 is necessary. |
| A.5.10 | Recording of concerns which cannot be unanimously resolved in Board minutes | Compliant | All concerns and observations of the Board members are duly recoded 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 | Managements responsibility to provide the Board with appropriate and timely information. | Compliant | 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 Secretary ensures that the agenda and Board papers to be tabled at Board meetings are prepared and circulated at least one week 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. |

| SECTION | | STATUS | COMPANY COMMITMENT |
|--------------------------------------|--|-----------|---|
| A.7.1 Nomination Committee | <p>A Nomination Committee comprising a minimum of three members should be established to make recommendations to the Board on all new Board appointments.</p> <p>The majority of the members of the committee shall comprise a maximum of three Non-Executive Directors and shall include at least two or one third (whichever is higher) of Independent Non- Executive Directors.</p> <p>The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board. If the Chairman of the Company is an Independent Non-Executive Director, he/ she should chair the Nomination Committee. In situations where a Senior Independent Director has been appointed, he/she should chair the Nomination Committee.</p> | Compliant | <p>Nomination committee include three directors and primary responsibility is to Providing recommendations for the Board appointments.</p> <p>The Committee is comprised of three members whom are all of Directors are Independent Non- Executive Directors.</p> <p>The Chairman of the Committee is an Independent Non-Executive Director</p> |
| A.7.2 Assessing Board Composition | <p>The Nomination Committee should annually assess Board-composition against pre-defined criteria of skill and knowledge requirements to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.</p> <p>The Committee should also consider diversity on the Board, including gender, age and any other factor relevant to the industry.</p> <p>The findings of such assessment should be considered when new Board appointments are considered and when incumbent Directors come up for re-election, including a process to determine that such proposed Board appointees are fit and proper.</p> | Compliant | <p>The assessment takes place annually prior to the AGM.</p> |

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| A.7.3 Succession plan for CEO and Key Management Personnel | The Committee should ensure that there is a succession plan for the Chief Executive Officer and for all Key Management Personnel (KMP) and determine the training and development requirements for those identified for succession. | Compliant | The Company reviews and maintains succession plans for the CEO, key management personnel, and annually. |
| A.7.4 Appointment of new Directors to the Board | <p>Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders:</p> <ul style="list-style-type: none"> • A brief resume of the Director; • The nature of his expertise in relevant functional areas; • The names of companies in which the Director holds Directorships or memberships in Board Committees; and • Whether such Director can be considered 'independent'. <p>Even if a Director is appointed as an Alternate Director, the disclosures stated above should be made.</p> | Compliant | Upon the new Directors are appointed, the company disclosed such information to CSE. |
| A.7.5 Appointment to the Nomination Committee | The Chairman and members of the Nomination Committee should be identified in the Annual Report. A separate section of the Annual Report should describe the work of the Nomination Committee including the process it has used in relation to Board appointments. | Compliant | Please refer Nomination Committee report on page 79. |
| A.7.6 | Terms of Reference for Nomination Committee are set out in place. | Compliant | Terms of Reference for Nomination Committee are in place. |
| A.8 Re Election | All Directors should be required to submit themselves for reelection at regular intervals and at least once in every three years. | Compliant | Please refer page 82 of the Annual report of the Board Directors on the affairs of the company. |
| A.8.1 | Appointment and re-election of Non-Executive Directors. | Compliant | Please refer page 82 of the Annual report of the Board Directors on the affairs of the Company. |
| A.8.2 | Election of Directors by the shareholders. | Compliant | Please refer page 82 of the Annual report of the Board Directors on the affairs of the Company. |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| A.8.3 | In the event of a resignation of a Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation. | Compliant | |
| A.9 Appraisal of Board Performance | Board should periodically appraise their own performance. | Compliant | The Board recognizes that it is necessary to periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged. The Board has a self-evaluation process in place that encourages all Directors to make a full and active contribution to the Board affairs. |
| A.9.1 | The Board should have in place a formal and rigorous process for annually reviewing the performance of the Board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities. | Compliant | The Board have a formal process for reviewing their performance. |
| A.9.2 | <p>The Board should also undertake an annual self- evaluation of its own performance and that of its Committees, Chairman, Non-Executive Directors, and Executive Directors.</p> <p>The evaluation of the Board and the Chairman should be carried out by each Director individually. Evaluation of Non-Executive Directors should be carried out individually by the Executive Directors and the Chairman. Evaluation of Executive Directors should be carried out individually by the Chairman and Non-Executive Directors.</p> <p>The Board should consider a periodic 360-degree appraisal of Executive Directors and other Key Management Personnel.</p> <p>The collective outcome should be compiled and made available to the Nomination Committee, which should consider the results of the evaluation and make recommendation to the Board on initiatives and actions required to improve the balance of skills, experience, independence, industry and company knowledge training of Directors, governance processes, strategy review and other factors relevant to its effectiveness.</p> | Compliant | The Board have a formal process for reviewing their performance. |
| A.9.3 | The Board should have a process to review the participation, contribution, and engagement of each Director at the time of re-election. | Compliant | The Board conducts this process. |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| A.10 Disclosure of information in respect of Directors | Shareholders should be kept advised of relevant details in respect of Directors. | Compliant | |
| A.10.1 | <p>The Annual Report should set out following information in relation to each Director:</p> <ul style="list-style-type: none"> • Name, qualifications and brief profile • The nature of his/her expertise in relevant functional areas • Immediate family and/or material business relationships with other Directors of the Company • Whether Executive, Non-Executive and/or Independent Director • Names of listed Companies in Sri Lanka in which the Director concerned serves as a Director • Names of other Companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies • Number/percentage of Board meetings of the Company attended during the year • The total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an Executive or Non-Executive capacity • Names of Board Committees in which the Director serves as Chairman or a Member and • Number/ percentage of committee meetings attended during the year. | Compliant | <p>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 15 to 17.</p> <p>Details of Directors interest in contracts are given on page 141.</p> <p>Details of related party transactions are provided on page 86.</p> <p>Details on Directors attendance and other sub committees are provided on pages 76, 78, 79 and 80.</p> |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| A.11 Appraisal of the CEO | The Board should be required, at least annually, to assess the performance of the CEO. | Compliant | Annually the Remuneration Committee and the Board assess the CEO's performance. |
| A.11.1 Target/ Goals for the CEO | At the commencement of every fiscal year, the Board in consultation with the CEO, should set, in line with the short, medium, and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the CEO during the year. | Compliant | Based on long term strategy annual objectives are fixed by the Board. |
| A.11.2 Evaluation of the performance of the CEO | The performance of the CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets were reasonable in the circumstances. | Compliant | Evaluations of achievement of set targets are reviewed annually by the Board. |
| Section B – Directors' remuneration | | | |
| B.1 Remuneration procedure | Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. To avoid potential conflicts of interest, no Director should be involved in deciding his/her own remuneration. | Compliant | The Board has established a Remuneration Committee to implement a formal and transparent process for developing remuneration policies. |
| B.2 Remuneration Committee | The level and makeup of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance ensuring the balance between short, medium, and long-term perspectives of the performance outcomes. | Compliant | |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| B.2.1 Remuneration committee purpose | The Board of Directors should set up a Remuneration Committee to make recommendations of remunerating the Chief Executive Officer, Executive and Non-Executive Directors, and guidelines for fair and transparent procedures for remunerating senior management, including post-employment benefits as well as terminal benefits. | Compliant | The Committee's purpose is to support the Board in overseeing compensation matters for the Company's Executive Directors, Corporate Management Team, and other designated employees. |
| B.2.2 Composition | Remuneration Committees should consist exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be independent. The Chairman should be an Independent Non-Executive Director and should be appointed by the Board. | Compliant | The Remuneration Committee is composed of three Independent Non-Executive Directors. For further details, please see page 78. |
| B.2.3 Remuneration of Executive Directors and Senior Management | The Remuneration Committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of Executive Directors and Senior Management and have access to professional advice from within and outside the Company, in discharging their responsibilities. | Compliant | The Remuneration Committee determines the compensation of the Executive Directors and may seek professional advice when necessary. |
| B.2.4 The level and make up of remuneration | <p>The Remuneration Committee should provide the packages needed to attract, retain, and motivate Executive Directors and the Chief Executive of the quality required but should avoid paying more than is necessary for this purpose and ensure that the process for Senior Management compensation is structured in the similar manner.</p> <p>The Board as a whole, or where required by the Articles of Association the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee, within the limits set in the Articles of Association. Where permitted by the Articles, the Board may delegate this responsibility to a sub-committee of the Board, which might include the CEO.</p> | Compliant | The Remuneration Committee decides the remuneration of the Executive Directors. |

| SECTION | | STATUS | COMPANY COMMITMENT |
|---|--|----------------|---|
| B.2.5 Design remuneration for long-term success | Executive Directors' remuneration should be designed to promote the short medium and long-term performance of the Company. | Compliant | Remuneration levels are structured to attract and retain top talent, supporting the long-term success and sustainability of the business. |
| B.2.6 Design the remuneration of the Executive Directors to promote long-term success of the Company | The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other Companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with improvement in performance. | Compliant | |
| B.2.7 Comparison of remuneration within the Group | The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or Group of which it is a part, especially when determining annual salary increases. | Not Applicable | |
| B.2.8 Performance based remuneration | The performance-related elements of based remuneration remuneration of the CEO and Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at the highest levels. | Compliant | A proper performance evaluation is conducted by the Remuneration Committee. |
| B.2.9 Executive share options | Executive share options should not be offered at a discount price. | Not Applicable | No Executive share option scheme offered during the year 2024. |
| B.2.10 Designing the remuneration | In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule G | Compliant | |
| B.2.11 Early termination of Directors | The Remuneration Committees should consider what compensation commitments (including pension contributions) their CEO and Executive Directors' contracts of service, if any, entail in the event of early termination | Complied | The Remuneration Committee considers such information in decision making on remuneration of the Directors. |

| SECTION | | STATUS | COMPANY COMMITMENT |
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| B.2.12 Early termination of Directors | Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. | Complied | A proper performance evaluation is conducted by the Remuneration Committee. |
| B.2.13 The level and make up of remuneration | The Board as a whole, or where required by the Articles of Association, the shareholders should determine the remuneration of Non- Executive Directors, including members of the Remuneration Committee. | Complied | The Board decides the remuneration of Non-Executive Directors. |
| B.2.14 Remuneration for Non-Executive Directors | Levels of remuneration for Non-Executive Directors should reflect the time commitment and responsibilities of their role, taking into consideration market practices which should be reviewed periodically. | Complied | Fee of Non-Executive Directors is determined by the time, commitment, and responsibilities of their role |
| B.2.15 Annual report disclosures | The Chairman and members of the Remuneration Committee should be listed in the annual report each year. | Complied | Please refer Page 78. |
| B.2.16 Terms of Reference | The Terms of Reference for Remuneration Committees are set out in Schedule H. | Complied | Please refer Page 78. |
| B.3 Disclosures of Remuneration | The Company's Annual Report should contain a statement of remuneration policy and details of remuneration of the Board as a whole. | Complied | Please refer Page 78. |
| B.3.1 Annual report disclosure on remuneration payment to Directors | The Annual Report should set out the names of Directors comprising the Remuneration Committee, scope, number of meetings held, and a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non- Executive Directors. | Complied | Please refer Page 78. |
| B.3.2 Annual report disclosure on remuneration payment to Senior Management and CEO | The Annual Report should also contain the number and aggregate remuneration of the Senior Management Personnel reporting directly to the CEO including that of the CEO, if he/she is not an Executive Director | Complied | A aggregate remuneration paid for year 2024 is Rs. 13.8 Mn (3 persons). |

| SECTION | | STATUS | COMPANY COMMITMENT |
|--|--|-----------|--|
| C. Relations with Share Holders | | | |
| C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of | Boards should use the AGM to communicate with shareholders and should encourage their participation. | Compliant | Please refer page 155 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 and related documents and other resolutions if any is 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. |
| 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. |

| SECTION | | STATUS | COMPANY COMMITMENT |
|------------------------------------|---|----------------|---|
| C 2.4 | The Company should disclose the contact person for such communications | Compliant | The Company Registrar 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 Registrar 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 | Person to be contacted on shareholders matters | Compliant | The Company Registrar can be contacted for shareholder matters. The Company Secretaries details are provide in this Report. |
| C 2.7 | Formulation of a process for responding to shareholders and disclosure on them. | Compliant | Upon receipt of instructions from the Board or other relevant channel, the Company Registrar respond as directed. |
| C.3 Major and Material Transaction | Disclosure of all material transactions including related party transactions. | Compliant | There is no major Transactions that required to disclose separately |
| 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 page 82. |
| D.1.3 | Statements by Directors and Auditors on responsibility for financial reporting. | Compliant | Page 94 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 are appearing in pages 26 to 43. |
| 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 2024. The declaration of the company as a 'going concern' is given in the Directors Report on page 46. |
| D.1.6 | Requirement to summon an Extraordinary General Meeting (EGM) to notify serious loss of capital. | Not applicable | |

| SECTION | | STATUS | COMPANY COMMITMENT |
|--|--|----------------|--|
| 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 80 to 81. |
| B.2.9 Executive share options | Executive share options should not be offered at a discount price. | Not Applicable | |
| 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 page 89 to 91. |
| | | | |
| D 2.4 | Audit Committee to ensure carrying out the reviews of the process and effectiveness of risk management and Internal Control. | Compliant | Audit committee review quarterly the effectiveness of risk management and internal control with Internal Auditors and 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 76 to 78. |

| SECTION | | STATUS | COMPANY COMMITMENT |
|---|---|-----------|--|
| D.3.2 | <p>Duties of the Audit Committee.</p> <p>Terms of reference of the Audit Committee.</p> | Compliant | The Audit Committee monitors and reviews the External Auditors independence, objectivity and the effectiveness of the audit process, taking into account the relevant professional and regulatory requirements. The Audit Committee operates with clearly defined terms of reference which are reviewed annually |
| D.3.3 | The Board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification | Compliant | The Audit Committee also conduct the risk function. |
| D.4 Risk Committee | <p>Disclosure of names of the members of the Risk Committee.</p> <p>The number of meetings held attendance of each directors.</p> <p>The scope of work and how its roles and responsibilities were discharged.</p> | Compliant | |
| 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 | |
| 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 | Directors should be required to disclose the extent to which the Company addresses to establish principles and practices of good corporate governance. |
| D.6.1 | Disclosure of compliance with the Corporate Governance Code. | Compliant | Page 47 to 75 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 jointly by the SEC and the CA Sri Lanka. |

| SECTION | | STATUS | COMPANY COMMITMENT |
|--|---|-----------|--|
| 2. Shareholders | | | |
| E. Institutional Investors | | | |
| E.1 Shareholder Voting | Every public Company should be headed by an effective Board, which should direct, lead and control the Company. | Compliant | Please refer the profile of the directors on page 15 to 17 |
| E1.1 | A listed company should conduct a regular and structured dialogue with shareholders. | Compliant | |
| E.2 Evaluation on Governance Disclosures | Institutional investors should be encouraged to give due weight to the relevant governance arrangements. | Compliant | |
| F. Other Investors | | | |
| F.1 Investing/ Divesting Decisions | Individual Shareholders are encouraged to seek independent advice on investing or divesting decisions. | Compliant | |
| F.2 Shareholder Voting | All Shareholders are encouraged to participate at Annual General Meeting and cast their votes. | Compliant | |
| G. Interest of Things and Cyber security | The Board review the IT environment through its Audit Committee. | Compliant | |
| 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 | Refer Sustainability Report on page 28. |

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. Further, the Committee reviews the company'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 company'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 9.13 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 comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee since 16th December 2024 is as follows:

| Name of the member | Position |
|------------------------|--|
| Mr. W A A Perera | Independent Non-Executive Director - Chairman of the Committee |
| Mr. M D A Weerasooriya | Independent Non-Executive Director - Member |
| Mr. P S Perera | Independent 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 | 3 | 3 |
| Mr P S Perera | 1 | 1 |

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 Board reviews the effectiveness of the system of financial controls for the period up to the date of signing the accounts.

The procedures in place to ensure compliance with mandatory 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 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 31st December 2025, 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, and have also considered the nature and scope of non-audit services provided by Messrs Ernst & Young.



Mr. W A A Perera
Chairman – Audit Committee

28th May 2025

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 comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee since 16th December 2024 is as follows:

| Name of the member | Position |
|------------------------|--|
| Mr. W A A Perera | Independent Non-Executive Director - Chairman of the Committee |
| Mr. M D A Weerasooriya | Independent Non-Executive Director - Member |
| Mr. P S Perera | Independent 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

During the year, Remuneration Committee met two times and the attendance of members are tabulated below:

Attendance of the Members – Remuneration Committee

| Name of the member | Eligibility to attend | Attended |
|------------------------|-----------------------|----------|
| Mr. M D S Goonatilleke | 2 | 2 |
| Mr. M D A Weerasooriya | 2 | 2 |
| Mr. H A N D Herath | 1 | 1 |
| Mr P S Perera | 1 | 1 |

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 141.



Mr. W A A Perera
Chairman – Remuneration Committee

28th May 2025

REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE

COMPOSITION OF THE COMMITTEE

The Nominations and Governance Committee was formed in September 2024 to comply with Rule No. 9.11 of the Listing Rules of the Colombo Stock Exchange. The Nominations and Governance Committee shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.

The composition of the Committee as at September 2024 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. P S Perera | Independent Non-Executive Director - Member |

The Committee was reconstituted with effect from 16th December 2024 and the composition of the Committee is as follows:

| Name of the member | Position |
|------------------------|--|
| Mr. W A A Perera | Independent Non-Executive Director - Chairman of the Committee |
| Mr. M D A Weerasooriya | Independent Non-Executive Director - Member |
| Mr. P S Perera | Independent Non-Executive Director - Member |

The Company Secretary acts as the Secretary to the Nominations and Governance Committee.

MEETINGS & ATTENDANCE

During the year the Nomination and Governance Committee met two times and the attendance are tabulated below:

Attendance of the Members – Nominations And Governance Committee

| Name of the member | Eligibility to attend | Attended |
|------------------------|-----------------------|----------|
| Mr. M D S Goonatileke | 2 | 2 |
| Mr. M D A Weerasooriya | 2 | 2 |
| Mr P S Perera | 2 | 2 |

ROLE OF THE COMMITTEE

The primary function of the Nominations and Governance Committee is to assist the Board in making recommendations on Board appointments with a view to maintaining a balance of skills, expertise and diversity on the Board

and its Sub-Committees. The Committee ensures compliance with the Code of Best Practice on Corporate Governance jointly set out by the Institute of Chartered Accountants of Sri Lanka and the Security and Exchange Commission of Sri Lanka.

As part of the ongoing succession planning activity, the Committee regularly reviews the structure, size and composition of the Board and its Sub-Committees to ensure that they continue to provide advice and guidance to the Board based on their collective knowledge and experience. To support the succession planning process, the skills requirement is regularly assessed to establish whether the Board and its Sub-Committees possess and maintain the skills required to deliver the strategy and objectives in the longer term, also considering the skills and experience that may potentially be lost with a retiring Non-Executive Director.

KEY FUNCTIONS OF THE COMMITTEE

- Reviewing Board and Board-level Committee structure, composition, and competencies.
- Recommending new appointments and re-election of Directors.
- Ensuring Governance-related legal and regulatory requirements of Directors to hold office.
- Overseeing Board and senior management succession plans.



Mr. W A A Perera
Chairman – Nominations
And Governance Committee

28th May 2025

REPORT OF THE BOARD RELATED PARTY TRANSACTIONS 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 favorable 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 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.

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee of Colombo Land and Development Company PLC comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee since 16th December 2024 is as follows:

| Name of the member | Position |
|------------------------|--|
| Mr. W A A Perera | Independent Non-Executive Director - Chairman of the Committee |
| Mr. M D A Weerasooriya | Independent Non-Executive Director - Member |
| Mr. P S Perera | Independent 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.favourable

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 | 2 | 2 |
| Mr M C Withanaarachchi | 2 | 2 |

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 80 of the Annual Report.



Mr. W A A Perera
Chairman – Related Party
Transactions Review Committee

28th May 2025

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 2024.

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 94 to 148.

AUDITORS' REPORT

The Report of the Auditors on the Financial Statements of the Company and its subsidiaries is given on pages 94 to 96.

ACCOUNTING POLICIES

The accounting policies adopted in preparation of the financial statements are given on pages 105 to 117 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 98.

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 15 to 17.

EXECUTIVE DIRECTORS

Mr. P S Weerasekera
Mr. S A Ameresekere
Mr. NG Yao Xing, Eugene

NON-EXECUTIVE DIRECTORS

Mr. L B Kumudu Lal
Mr. M C Withanaarachchi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. M D A Weerasooriya
Mr. W A A Perera
Mr. P S Perera

CHANGES IN THE DIRECTORATE

- Mr. Ng Heng Chye Clement, Alternate Director to Mr. NG Yao Xing, Eugene resigned with effect from 8th August 2024.
- Mr P S Perera was re-designated as an Independent Non-Executive Director 21st August 2024.
- Mr. M C Withanaarachchi was appointed as a Non-Executive Director with effect from 26th August 2024.
- Mr. N P K Ranaweera ceased to be a Non-Executive Director with effect from 26th August 2024.
- Mr. H A N D Herath resigned as a Non-Executive Director with effect from 1st October 2024.
- Mr. L B Kumudu Lal was appointed as a Non-Executive Director with effect from 20th November 2024.
- Mr. M D S Goonatilleke resigned as Independent Non-Executive Director with effect from 16th December 2024.
- Mr. W A A Perera was appointed as an Independent Non-Executive Director with effect from 16th December 2024.

RE-ELECTION/RE-APPOINTMENT OF DIRECTORS

Mr. P S Perera, shall retire in terms of Articles 86 and 87 of the Articles of Association, as a Director of the Company.

Messrs M C Withanaarachchi, L B Kumudu Lal and W A A 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 141.

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. 12,750 as a donation. There were no donations 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. 1,712,052/- is payable by the Company to the Auditors for the year under review comprising Rs. 1,320,000/- as audit fees and Rs. 392,052/- 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 138.

The Auditors have expressed their willingness to continue in office.

The Audit Committee at a meeting held on 9th May 2025 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 2024 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 follows:

| | As at 31.12.2024 | As at 31.12.2023 |
|--|---------------------|---------------------|
| 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. W A A Perera | Nil | Nil |
| Mr. P S Perera | Nil | Nil |
| Mr. M C Withanaarachchi | Nil | Nil |
| Mr. L B Kumudu Lal | Nil | Nil |

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. L B Kumudu Lal and Mr. M C Withanaarachchi serve 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 2,697 of shareholders registered as at 31st December 2024. (2,691 shareholders as at 31st December 2023).

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 151 to 153 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 2024, 34 persons were in employment (35 persons as at 31st December 2023)

RESERVES

A summary of the Group's Reserves is given in Note 11 to the Financial Statements on page 130.

PROPERTY, PLANT AND EQUIPMENT

Details and movements of property, plant and equipment are given under Notes 3 to the Financial Statements on pages 118 to 122.

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 2024 are given in Notes 5 and 8.2 to the Financial Statements on pages 126 and 129.

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

Based on the declarations submitted by the Independent Non-Executive Directors, the Board has determined that Mr. M D A Weerasooriya, Mr. W A A Perera and Mr. P S Perera are 'Independent' in terms of Rule 9.8.5 of the Listing Rules

BOARD SUB-COMMITTEES

An Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance 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

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee as at date is as follows:

Mr. W A A Perera - Chairman - Independent Non - Executive Director

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

Mr. P S Perera - Independent Non - Executive Director

REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee as at date is as follows:

Mr. W A A Perera - Chairman - Independent Non - Executive Director

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

Mr. P S Perera - Independent Non - Executive Director

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee comprises of three Non-Executive Directors, majority of whom are Independent.

The composition of the Committee as at date is as follows:

Mr. W A A Perera - Chairman - Independent Non - Executive Director

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

Mr. M C Withanaarachchi - Non - Executive Director

NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee comprises of three Non-Executive Directors, all of whom are Independent.

In terms of Section 9 of the Listing Rules of the Colombo Stock Exchange, the Board resolved to form the Nominations and Governance Committee of the Company on 19th September 2024.

Mr. M D S Goonatilleke - Chairman - Independent Non - Executive Director

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

Mr. P S Perera - Independent Non - Executive Director

The present composition of the said Committee is as follows:

Mr. W A A Perera - Independent Non - Executive Director

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

Mr. P S Perera - Independent Non - Executive Director

The Reports of the Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee and appear on pages 76, 78, 79 and 80.

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 2024.

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 no 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 2023, which requires additional disclosures in the Annual Report 2024 in terms of Section 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

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 2023, which requires additional disclosures in the Annual Report 2024 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 140 as follows:

| Name of the Related Party | Relationship | Nature of the Transactions(s) | Aggregate value of 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) |
|------------------------------|--------------|-------------------------------|--|---|--|
| Liberty Holdings LTD | Subsidiary | Intercompany | 69,076,141 | Equity 1%, Total Assets 1% | } General Terms & Conditions |
| Liberty Developers (PVT) LTD | Subsidiary | Intercompany | 459,488,699 | Equity 6%, Total Assets 4% | |
| Agrispice (PVT) LTD | Subsidiary | Intercompany | 2,418,748 | Equity 0%, Total Assets 0% | |

TAXATION

The tax position of the Company is given in Note 21 to the Financial Statements on page 138.

ENVIRONMENT, HEALTH AND SAFETY

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

ANNUAL GENERAL MEETING

The Forty Third (43rd) Annual General Meeting of the Company will be held on 30th June 2025 at Sri Sambuddhathwa Jayanthi Mandiraya, 4th floor, No.32, Sri Sambuddhathwa Jayanthi Mawatha, Colombo 05 and the Notice of Meeting appears on page 155. 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
28th May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

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 94 to 96 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 97 to 148, 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

28th May 2025

RESPONSIBILITY STATEMENT OF THE CHAIRMAN AND THE ACCOUNTANT

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 2024 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 2023 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 2024 were audited by Messrs Ernst & Young, Chartered Accountants, and their report appears on pages 94 to 96 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 76.

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 2025 have been paid, or where relevant, provided for

28th May 2025



Chairman



Accountant

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.
- 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.

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

RISK ENVIRONMENT

Considering the severity of the external economic environment and pandemic induced challenges during 2024, 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 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 Likelihood Impact | | Mitigation strategies | | |
| | | | | | |
| 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 | | | | | |
| 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">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 | | |
| 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 arising from new commercial and residential developments | 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 | U | M | <ul style="list-style-type: none">• he 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 standards• Regular 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. |

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1st Quarter - May 15th 2024

2nd Quarter - August 15th 2024

3rd Quarter - November 13th 2024

4th Quarter - February 28th 2025

ANNUAL REPORTS

2023 (Annual Report) 3rd June 2024

2022 (Annual Report) 31st May 2023

MEETINGS

42nd Annual General Meeting - 28th June 2024

41st Annual General Meeting - 23rd June 2023

INDIPENDENTE AUDITORS REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
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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 2024, 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 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group in accordance with the Code of Ethics 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

| Key Audit Matter | How our audit addressed the key audit matter |
|---|--|
| <p>Assessment of fair value of Investment Property</p> <p>As at 31 December 2024, the Group's Investment Properties carried at fair value amounted to Rs. 13,799 Mn, 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.393 Mn. The fair value of such properties was determined by an external valuer engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ol style="list-style-type: none"> the materiality of the reported fair value of investment properties and the significance of the fair value gain for the financial performance of the year; and the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the Income Approach and Market Approach. <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 2.3.11 and 4 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as market value per perch of land held, rental yield rates, rental rates and anticipated maintenance costs.</p> | <p>Our audit procedures included the following,</p> <ol style="list-style-type: none"> We evaluated the competence, capability and objectivity of the external valuer engaged by the Group. We read the valuation reports and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as value per perch of land held, rental yield rates, rental rates and anticipated maintenance costs and valuation techniques as relevant in assessing the fair value of each property. <p>We also assessed the adequacy of the related financial statement disclosures in notes 2.3.11 and note 4.</p> |

Partners: D.K. Hulangamuwa FCA, FCGA, LL.B (London), A.P.A. Gunadekera FCA, FCGA, Ms. Y.A. De Silva FCA, Ms. G.G.S. Manithunga FCA, W.K.B.S.P. Fernando FCA, FCGA, B.E. Wijesuriya FCA, FCGA, R.N. de Saunth ACA, FCGA, Ms. N.A. De Silva FCA, N.M. Sulaiman FCA, FCGA, Ms. L. K.H.L. Fonseka FCA, Ms. P.V.K.N. Sajewani FCA, A.A.J.R. Perera FCA, ACMA, N.Y.R.I. Fernando ACA, D.N. Ganage ACA, ACMA, C.A. Yalagala ACA, ACMA, Ms. P.S. Parinavitane ACA, ACMA, LL.B (Colombo), B. Vasanthan ACA, ACMA, W.D. P.L. Perera ACA

Principals: T.P.M. Rabeu FCGA, FCGA, MBA (USJ-SL), G.B. Goudan ACMA, D.L.B. Karanathilaka ACMA, W.S.J. De Silva BSc (Hons) - MS Mac - IT, V. Shanthivel B.Com (Sp)

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audit opinion on the accompanying financial statements.

Other information included in the Group's 2024 Annual Report

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

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

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

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

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

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

basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

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

Partners: D.K. Hulangamuwa FCA, FCMA LLB (London), A.P.A. Gunasekera FCA, FCMA, MSc, Y.A. De Silva FCA, MSc, G.G.S. Manatunga FCA, W.R.B.S.P. Fernando FCA, FCMA, FCCA, B.E. Wijesuriya FCA, FOMA, R.N. de Saorin ACA, FCMA, MSc, N.A. De Silva FCA, N.M. Sulathnan FCA, FCMA, MSc, L.K.H.L. Fonseka FCA, MSc, P.V.R.N. Sajewani FCA, A.A.J.R. Perera FCA, ACMA, N.Y.R.L. Fernando ACA, D.N. Gamage ACA, ACMA, C.A. Yalagala ACA, ACMA, MSc, P.S. Parsonswillane ACA, ACMA LLB (Colombo), B. Visanthan ACA, ACMA, W.D.P.L. Perera ACA

Principals: T.P.M. Ruberu FCA, FCCA MBA (US), SLA, G.B. Goodlan ACMA, D.L.B. Karanathilaka ACMA, W.S.J. De Silva BSc (Hons), MSc Mac - IT, V. Shaktivel B.Com (SP)

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- 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 4169.

28th May 2025
Colombo

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

Principals: T.P.M. Ruberu FCA FCCA MBA (US) LL.M., G.B. Goodlan ACMA, D.L.B. Karanathilaka ACMA, W.S.J. De Silva BSc (Hons) - MS Mac - IT, V. Shaktivel B.Com (SP)

A member firm of Ernst & Young Global Limited

STATEMENT OF FINANCIAL POSITION

| As at 31 st December | Notes | Group | | Company | |
|--|-------|----------------|----------------|----------------|----------------|
| | | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant & Equipment | 3a | 179,926,420 | 175,237,981 | 5,098,208 | 6,189,169 |
| Biological Assets | 3b | 75,516,930 | 74,440,000 | - | - |
| Investment Properties | 4 | 13,799,402,502 | 13,434,219,502 | 8,062,500,000 | 7,958,249,000 |
| Investments in Subsidiaries | 5 | - | - | 2,820,575,560 | 2,820,575,560 |
| | | 14,054,845,852 | 13,683,897,483 | 10,888,173,768 | 10,785,013,729 |
| Current Assets | | | | | |
| Inventories | 7 | - | 1,155,730 | - | - |
| Trade and Other Receivables | 6 | 117,743,274 | 110,367,938 | 150,087,865 | 90,904,014 |
| Financial Assets | 8.1 | 18,900 | 23,520 | 18,900 | 23,520 |
| Other Investments | 8.2 | 252,646 | 9,053,498 | 207,052 | 70,474 |
| Cash and Cash Equivalents | 9 | 6,252,483 | 12,684,830 | 4,029,192 | 4,082,712 |
| | | 124,267,303 | 133,285,516 | 154,343,010 | 95,080,720 |
| Total Assets | | 14,179,113,155 | 13,817,182,999 | 11,042,516,778 | 10,880,094,449 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Stated Capital | 10 | 341,602,342 | 341,602,342 | 341,602,342 | 341,602,342 |
| Revaluation Reserve | 11 | 114,142,625 | 108,400,805 | - | - |
| Retained Earnings | | 7,961,866,082 | 7,866,713,495 | 6,845,530,081 | 6,723,876,447 |
| Equity Attributable to Equity Holders of the Parent | | 8,417,611,049 | 8,316,716,642 | 7,187,132,423 | 7,065,478,789 |
| Non - Controlling Interest | | (2,501,523) | (2,492,523) | - | - |
| Total Equity | | 8,415,109,526 | 8,314,224,119 | 7,187,132,423 | 7,065,478,789 |

| As at 31 st December | Notes | Group | | Company | |
|---------------------------------------|-------|----------------|----------------|----------------|----------------|
| | | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Non-Current Liabilities | | | | | |
| Interest Bearing Loans and Borrowings | 12 | 1,351,000,000 | 1,351,000,000 | 1,351,000,000 | 1,351,000,000 |
| Deferred Tax Liabilities | 13 | 4,066,420,957 | 3,813,196,355 | 2,328,455,377 | 2,301,880,113 |
| Defined Benefit Obligations | 14 | 8,650,174 | 6,705,092 | 7,973,245 | 5,841,216 |
| Tenant Deposits | 16 | 3,083,100 | - | - | - |
| | | 5,429,154,231 | 5,170,901,447 | 3,687,428,622 | 3,658,721,329 |
| Current Liabilities | | | | | |
| Trade and Other Payables | 15 | 115,046,881 | 60,795,665 | 101,317,357 | 31,449,421 |
| Income Tax Liabilities | | 33,689,494 | 36,482,769 | 6,586,319 | 9,557,144 |
| Interest Bearing Loans and Borrowings | 12 | 59,363,127 | 107,781,605 | 53,481,198 | 96,539,194 |
| Tenant Deposits | 16 | 126,749,896 | 126,997,393 | 6,570,859 | 18,348,572 |
| | | 334,849,398 | 332,057,434 | 167,955,733 | 155,894,331 |
| Total Equity and Liabilities | | 14,179,113,155 | 13,817,182,999 | 11,042,516,778 | 10,880,094,449 |

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 105 through 148 form an integral part of the Financial Statements.

28th May 2025
Colombo

STATEMENT OF PROFIT OR LOSS

| Year Ended 31 st December | Notes | Group | | Company | |
|--|-------|---------------|---------------|--------------|--------------|
| | | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Revenue | 17 | 442,756,126 | 376,776,107 | 187,358,393 | 168,216,894 |
| Direct Expenses | | (157,607,060) | (156,336,773) | (59,588,527) | (55,464,811) |
| Net Rental Income | | 285,149,066 | 220,439,334 | 127,769,866 | 112,752,083 |
| Other Income and Gains | 18 | 29,085,767 | 34,778,356 | 4,970,575 | 8,547,610 |
| Change in value of Investment Properties | 4 | 393,171,635 | 582,847,201 | 103,902,624 | 122,911,501 |
| Fair Valuation of Biological Assets | | 3,761,190 | 4,772,658 | - | - |
| Selling and Distribution Costs | | (223,448) | (14,169,416) | (205,948) | (1,546,940) |
| Administrative Expenses | | (146,716,286) | (93,851,022) | (87,941,021) | (80,952,695) |
| Finance Cost | 19 | (199,154,159) | (305,780,389) | - | (563,566) |
| Profit/(Loss) Before tax | 20 | 365,073,765 | 429,036,722 | 148,496,097 | 161,147,993 |
| Income Tax Reversal/(Expense) | 21 | (269,772,258) | (108,209,745) | (26,654,038) | (70,156,852) |
| Profit /(Loss) for the year | | 95,301,507 | 320,826,977 | 121,842,059 | 90,991,141 |
| Attributable to: | | | | | |
| Equity Holders of the Parent | | 95,310,507 | 320,835,977 | 121,842,059 | 90,991,141 |
| Non-Controlling Interests | | (9,000) | (9,000) | - | - |
| Earnings/(Loss) Per Share | 22 | 0.48 | 1.61 | 0.61 | 0.46 |

The accounting policies and notes on pages 105 through 148 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

| Year Ended 31 st December | Notes | Group | | Company | |
|--|-------|-------------|-------------|-------------|-------------|
| | | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Profit/ (Loss) for the year | | 95,301,507 | 320,826,977 | 121,842,059 | 90,991,141 |
| Other Comprehensive Income | | | | | |
| Other comprehensive income not to be classified to profit or loss in subsequent periods | | | | | |
| Actuarial Gain/(loss) on Defined Benefit Plans | 14 | (237,023) | (1,459,944) | (262,578) | (1,343,374) |
| Net Gain/(Loss) on Financial Assets classified under FVOCI | | (4,620) | (1,680) | (4,620) | (1,680) |
| Deferred Tax attributable to actuarial gains on defined benefit obligations | | 92,723 | (435,201) | 78,773 | (403,012) |
| Revaluation Gain / (Loss) of the Property Plant and Equipment's | | 8,202,600 | 5,077,800 | - | - |
| Tax effects on Revaluation of Building | | (2,460,780) | (1,523,340) | - | - |
| Total of Other Comprehensive Income | | 5,592,900 | 1,657,635 | (188,425) | (1,748,066) |
| Total Comprehensive income for the year, net of tax | | 100,894,407 | 322,484,612 | 121,653,635 | 89,243,075 |
| Attributable to: | | | | | |
| Equity Holders of the Parent | | 100,903,407 | 322,493,612 | 121,653,635 | 89,243,075 |
| Non-Controlling Interests | | (9,000) | (9,000) | - | - |

The accounting policies and notes on pages 105 through 148 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

| Year Ended 31st December Group | Stated Capital | Revaluation Reserve | Retained Earnings | Non- Controlling Interest | Total |
|--|-------------------|------------------------|----------------------|---------------------------------|---------------|
| | LKR | LKR | LKR | LKR | LKR |
| As at 31st 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 | (9000) | 322,484,613 |
| As at 31st December 2023 | 341,602,342 | 108,400,805 | 7,866,713,495 | (2,492,523) | 8,314,224,119 |
| Profit / (Loss) for the Year | - | - | 95,301,507 | (9,000) | 95,292,507 |
| Other Comprehensive Income for the Year | - | 5,741,820 | (148,920) | - | 5,592,900 |
| Total Comprehensive Income For the Year | - | 5,741,820 | 95,152,587 | (9000) | 100,885,407 |
| As at 31st December 2024 | 341,602,342 | 114,142,625 | 7,961,866,082 | (2,501,523) | 8,415,109,526 |

STATEMENT OF CHANGES IN EQUITY

| For the year ended 31st December Company | Stated Capital LKR | Retained Earnings LKR | Total LKR |
|---|--------------------------|-----------------------------|------------------|
| As at 31st 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 31st December 2023 | 341,602,342 | 6,723,876,447 | 7,065,478,789 |
| Profit/(Loss) for the Year | - | 121,842,059 | 121,842,059 |
| Other Comprehensive Income for the Year | - | (188,425) | (188,425) |
| Total Comprehensive Income For the Year | - | 121,653,634 | 121,653,634 |
| As at 31st December 2024 | 341,602,342 | 6,845,530,081 | 7,187,132,423 |

The accounting policies and notes on pages 105 through 148 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

| | Notes | Group | | Company | |
|--|-------|---------------------|----------------------|-------------------|----------------------|
| Year Ended 31 st December | | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Cash Flows From / (Used in) Operating Activities | | 365,073,765 | 429,036,722 | 148,496,097 | 161,147,993 |
| Profit/(Loss) before Tax | | | | | |
| Adjustments for | | | | | |
| Depreciation | 3 | 4,596,952 | 4,367,620 | 2,173,753 | 1,858,724 |
| Dividend Income from Investments | 18 | - | - | (2,974,191) | (2,974,190) |
| Increase in fair value of Investments Property | 4 | (393,171,635) | (582,847,201) | (103,902,624) | (122,911,501) |
| (Profit) / Loss on disposal of Property, Plant & Equipment | 18 | (19,999) | - | - | - |
| (Profit) / Loss on disposal of Investment Property | 18 | (21,659,661) | (28,311,000) | - | - |
| Increase in fair value of Biological Assets | 3b | (3,761,190) | (4,772,658) | - | - |
| Finance Costs | 19 | 199,154,159 | 305,780,389 | - | 563,566 |
| Allowance for Doubtful Debts | 18 | (5,112,349) | 14,140,988 | (450,767) | 1,518,512 |
| Provision for Defined Benefit Plans | 14 | 2,227,768 | 1,833,206 | 2,064,160 | 1,671,810 |
| Operating Profit before Working Capital Changes | | 147,327,809 | 139,228,066 | 45,406,428 | 40,874,914 |
| (Increase) / Decrease in Inventories | | 1,155,730 | (4,650) | - | - |
| (Increase) / Decrease in Trade and Other Receivables | | (2,262,988) | 13,310,789 | (58,733,084) | 1,755,360,925 |
| Increase / (Decrease) in Tenant Deposits | | 2,835,603 | (9,952,254) | (11,777,713) | (69,000) |
| Increase / (Decrease) in Trade and Other Payables | | 54,242,220 | 27,529,430 | 69,867,934 | 18,815,043 |
| Cash Generated from Operations | | 203,298,373 | 170,111,381 | 44,763,565 | 1,814,981,882 |
| Finance Cost Paid | | (199,154,159) | (305,780,389) | - | (563,566) |
| Income tax paid | | (21,708,988) | (43,098,850) | (2,970,825) | (3,257,855) |
| Defined Benefit Plan Costs Paid | 14 | (519,709) | (1,186,313) | (194,709) | (1,186,313) |
| Net Cash From / (Used in) Operating Activities | | (18,084,483) | (179,954,171) | 41,598,031 | 1,809,974,148 |

The accounting policies and notes on pages 84 through 122 form an integral part of the Financial Statements.

| | Notes | Group | | Company | |
|---|-------|---------------------|---------------------|---------------------|------------------------|
| Year ended 31 st December | | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Cash Flows from / (Used in) Investing Activities | | | | | |
| Acquisition of Property, Plant & Equipment | 3a. | (1,082,792) | (349,650) | (1,082,792) | (246,150) |
| Improvement of Biological Assets | 3b | (446,633) | (427,343) | - | - |
| Proceeds from Sale of Property, Plant & Equipment | | 19,999 | - | - | - |
| Subsequent expenditure on Investment Property | 4 | (9,131,364) | (1,941,301) | (348,376) | (632,500) |
| Acquisition of Equity Shares | 5 | - | - | - | (1,940,299,214) |
| Investment Made in Unit Trust | 8.2 | 8,800,852 | (8,433,332) | (136,578) | 549,692 |
| Investment in Treasury Bills | 8.2 | - | 31,085,824 | - | 31,085,824 |
| Dividend Received on Investment | 18 | - | - | 2,974,191 | 2,974,190 |
| Disposal of investment Properties | | 58,779,661 | 60,000,000 | - | - |
| Disposal of Properties | 3a. | - | 380,550 | - | 380,550 |
| Disposal of Biological Assets | 3b | 3,130,892 | - | - | - |
| Net Cash Flows from / (Used in) Investing Activities | | 60,070,615 | 80,314,748 | 1,406,445 | (1,906,187,608) |
| 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 | (42,225,227) | - | (42,225,227) | - |
| Net Cash Flows from / (Used in) Financing Activities | | (42,225,227) | 84,450,455 | (42,225,227) | 84,450,455 |
| Net Decrease in Cash and Cash Equivalents | | (239,095) | (15,188,969) | 779,249 | (11,763,005) |
| Cash and Cash Equivalents at the beginning of the Year | 9 | (10,646,321) | 4,542,648 | (8,006,028) | 3,756,976 |
| Cash and Cash Equivalents at the end of the Year | 9 | (10,885,416) | (10,646,321) | (7,226,779) | (8,006,028) |

The accounting policies and notes on pages 105 through 148 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 2024 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 2024

were authorized for issue in accordance with a resolution of the board of directors on 28th May 2025.

BASIS OF PREPARATION AND OTHER MATERIAL ACCOUNTING POLICIES

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 2024. 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 | |
|---|--------------------------|-----------------------|----------------------|------|
| | | | 2024 | 2023 |
| Liberty Holdings Limited | Sri Lanka | 1994 | 100% | 100% |
| Liberty Developers (Private) Limited | Sri Lanka | 2012 | 100% | 100% |
| Agrispace (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 2024 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):

The Group is liable to pay gratuity in terms of the Gratuity Act No.12 of 1983.

The Group measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent actuary.

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.

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 recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

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 realized or intended to be sold or consumed in the normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realized 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 summarized in the following notes:

Disclosures for valuation methods, significant estimates and assumptions Notes 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 2024. (30% - 2023)

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.

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.

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 amortized 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 amortized cost and financial assets at fair value through OCI.

(a) Financial assets at amortized cost

The Group measures financial assets at amortized 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 to unspecified 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 amortized 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-recognized 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 recognized to the extent of the Group's continuing involvement in it.

Impairment of Financial Assets

The Group recognizes 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 recognized 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 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 recognized 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 amortized 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 derecognized as well as through the EIR amortisation process.

Amortized 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 recognized as an expense when incurred.

c. Revaluation

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized 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 recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized 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;

| Variable | Comment |
|-----------------------------------|---------------|
| Freehold Buildings | - 2% |
| Plant and Machinery | - 25% |
| agricultural | |
| Furnitures, Fixtures and Fittings | - 25% - 12.5% |
| Office Equipment | - 25% - 12.5% |
| 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 Attomia trees, which 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.

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

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

3.b. The main variables in DCF model concerns

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

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 recognizes 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 recognized, 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 2.3.7 Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. 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 recognized 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 recognized 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 derecognized 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.

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.

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.

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).

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 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 2024 carried out by Messrs Actuarial and Management Consultants (Private) Limited, actuaries.

However, as per the payment of

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 14% 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 17. Revenue from contracts with customers is recognized 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 recognized 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

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

• SLFRS 17 Insurance Contracts

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

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

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

Select as appropriate [The amendments are not expected to have a material impact on the Group / Company's financial statement OR The Group / Company is currently assessing the impact the amendments will have on current practice]

• Lack of exchangeability – Amendments to LKAS 21

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

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

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

The amendments are not expected to have a material impact on the Group's financial statement OR The Group is currently assessing the impact the amendments will have on current practice.

NOTES TO THE FINANCIAL STATEMENTS

3a. PROPERTY, PLANT & EQUIPMENT

3a.1 Group

3a.1.1 Gross Carrying Amounts - Group

| At Cost/Valuation | Balance As at 01.01.2024 LKR | Additions LKR | Revaluation LKR | Disposals/ Write-offs LKR | Balance As at 31.12.2024 LKR |
|------------------------------------|---------------------------------------|------------------|--------------------|---------------------------------|---------------------------------------|
| Land | 50,450,000 | - | - | - | 50,450,000 |
| Buildings | 118,414,756 | - | 8,202,600 | (2,343,600) | 124,273,756 |
| Plant & Machinery | 81,250 | - | - | - | 81,250 |
| Furniture and Fittings | 6,201,364 | - | - | - | 6,201,364 |
| Motor Vehicles | 533,384 | - | - | - | 533,384 |
| Office Equipment | 34,669,183 | 1,082,792 | - | - | 35,751,975 |
| Tools and Utensils | 1,236,051 | - | - | (140,500) | 1,095,551 |
| Media Wall | 34,268,474 | - | - | - | 34,268,474 |
| Total Gross Carrying Amount | 245,854,462 | 1,082,792 | 8,202,600 | (2,484,100) | 252,655,754 |

3a.1.2 Depreciation and Impairment

| At Cost/Valuation | Balance As at 01.01.2024 LKR | Charge LKR | Revaluation LKR | Disposals/ Write-offs LKR | Balance As at 31.12.2024 LKR |
|------------------------|---------------------------------------|------------------|--------------------|---------------------------------|---------------------------------------|
| Buildings | 153,572 | 2,367,600 | (2,343,600) | - | 177,572 |
| Plant & Machinery | 81,250 | - | - | - | 81,250 |
| Furniture and Fittings | 5,182,201 | 64,439 | - | - | 5,246,640 |
| Motor Vehicles | 533,384 | - | - | - | 533,384 |
| Office Equipment | 29,161,549 | 2,164,913 | - | - | 31,326,462 |
| Tools and Utensils | 1,156,417 | - | - | (140,500) | 1,015,917 |
| Media Wall | 34,268,474 | - | - | - | 34,268,474 |
| | 70,536,846 | 4,596,952 | (2,343,600) | (140,500) | 72,649,699 |

3a.1.3 Net Book Values

| At Cost | 2024 LKR | 2023 LKR |
|---|--------------------|--------------------|
| Land | 50,450,000 | 50,450,000 |
| Buildings | 124,096,184 | 118,261,184 |
| Plant & Machinery | - | - |
| Furniture and Fittings | 954,724 | 1,019,163 |
| Motor Vehicles | - | - |
| Office Equipment | 4,425,513 | 5,507,634 |
| Tools and Utensils | - | - |
| Media Wall | - | - |
| Total Carrying Amount of Property, Plant & Equipment | 179,926,420 | 175,237,981 |

3a.2 Company

3a.2.1 Gross Carrying Amounts

| At Cost | Balance As at 01.01.2024 LKR | Additions LKR | Disposals / Write-offs LKR | Balance As at 31.12.2024 LKR |
|--|---------------------------------------|------------------|----------------------------------|---------------------------------------|
| Furniture and Fittings | 3,200,368 | - | - | 3,200,368 |
| Office Equipment | 31,892,201 | 1,082,792 | - | 32,974,993 |
| Total Value of Depreciable Assets | 35,092,569 | 1,082,792 | - | 36,175,361 |

3a.2.2 Depreciation and Impairment

| At Cost | As at 01.01.2024 LKR | Charge LKR | Disposals/ Write-offs LKR | Balance As at 31.12.2024 LKR |
|------------------------|----------------------------|------------------|---------------------------------|---------------------------------------|
| Furniture and Fittings | 2,753,713 | 60,693 | - | 2,814,406 |
| Office Equipment | 26,149,687 | 2,113,060 | - | 28,262,747 |
| | 28,903,400 | 2,173,753 | - | 31,077,153 |

3a.2.3 Net Book Values

| At Cost | 2024 LKR | 2023 LKR |
|---|------------------|------------------|
| Furniture and Fittings | 385,962 | 446,655 |
| Office Equipment | 4,712,245 | 5,742,514 |
| Total Carrying Amount of Property, Plant Equipment | 5,098,208 | 6,189,169 |

3a.3

The fair value of land and buildings in the group was determined by means of a revaluation during the financial year 2024 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 31st December 2024. 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 2024 LKR | Net Carrying Amount 2023 LKR |
|----------------|-------------|--|---------------------------------------|---------------------------------------|
| Buildings | 43,041,000 | (15,205,560) | 27,835,440 | 28,696,260 |

3a.4

The significant assumptions used by the valuer are as follows :

| | 2024 LKR | 2023 LKR |
|------------------------------|------------------|------------------|
| Rental rates used | Rs. 221 p. sq.ft | Rs. 210 p. sq.ft |
| Anticipated maintenance cost | 35% of rentals | 35% of rentals |
| Yield/Discount rate | 6.5% p.a. | 6.5% p.a. |

3a.5

During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of Rs. 1,082,792/- (2023 - Rs. 349,650/-). Cash payments amounting to Rs.1,082,792/- (2023 - Rs. 349,650/-) 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 Rs. 1,082,792/- (2023 - Rs.246,150/-). Cash payments amounting to Rs. 1,082,792/- (2023 - Rs. 246,150/-) 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 Rs. 50,626,139/- (2023 - Rs. 49,505,382 /-) which are still in use.

3a.8

Property, Plant and Equipment of the Company includes fully depreciated assets having a gross carrying amounts of Rs. 29,046,326/- (2023 - Rs. aa28,186,235/-) which are still in use.

3b. BIOLOGICAL ASSET (GROUP)

| | Group | | | |
|--|-------------------------|-------------------------|-----------------------|----------------------|
| | Mahogany 2024 LKR | Attoniya 2024 LKR | Rubber 2024 LKR | Total 2024 LKR |
| Disposal during the year | | | | |
| Carrying value as at 01 st January | 54,831,991 | 19,269,945 | 338,065 | 74,440,000 |
| Additions during the year | 446,633 | - | - | 446,632 |
| Disposal during the year | - | (3,130,892) | - | (3,130,892) |
| Carrying value as at 31st December | 55,278,624 | 16,139,053 | 338,065 | 71,755,740 |
| Fair value gain/(loss) | 983,269 | 2,769,113 | 8,807 | 3,761,190 |
| Carrying value as at 31st December | 56,261,892 | 18,908,166 | 346,872 | 75,516,930 |

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 31st December 2024 is Rs. 75,516,930/-.

3b.2 Basis of Valuation

The group has valued its timber plantation at fair value less cost to sell. Timber plantations as at 31st December 2024 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

| | 2024 LKR | 2023 LKR |
|-------------------------------------|-------------|--|
| Discounted rates used by the Valuer | 13% | Maturity year 0 - 14.4% Maturity year 5 - 13.3% |
| Timber volume discount | -30% | -30% |

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.

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.

| | -10% | 10% |
|-----------------|------------|------------|
| Value of Timber | 67,970,000 | 83 070 000 |

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.

| | -1% | 1% |
|-----------------|------------|------------|
| Value of Timber | 76,030,000 | 75 020 000 |

4. INVESTMENT PROPERTY

| | Group | | Company | |
|---|-----------------------|-----------------------|----------------------|----------------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| As at 1 st January | 13,434,219,502 | 12,881,120,001 | 7,958,249,000 | 7,834,704,999 |
| Additions | | | | |
| - Subsequent expenditure on investment property | 9,131,364 | 1,941,301 | 348,376 | 632,500 |
| Net gain / (loss) from fair value adjustment | 393,171,635 | 582,847,201 | 103,902,624 | 122,911,501 |
| De-recognition of the Investment Properties | - | - | - | - |
| Disposal of the Investment Properties | (37,120,000) | (31,689,000) | - | - |
| As at 31st December | 13,799,402,502 | 13,434,219,502 | 8,062,500,000 | 7,958,249,000 |

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 - Group

| Property - 2024 | Extent | Value | Valuation Date | Method | Number of Buildings |
|-----------------|-------------------|----------------|----------------|-----------------------|---------------------|
| Liberty Plaza | 173,392 Sq. Ft. | Rs. 6,901.5 Mn | 31.12.2024 | Income | 1 |
| GAS Land | 2A - 3R - 13.25 P | Rs. 6,753.4 Mn | 31.12.2024 | Market Value | - |
| Peoples Park | 51,735 Sq.Ft | Rs. 267.6 Mn | 31.12.2024 | Income / Market Value | 1 |

| Property - 2023 | Extent | Value | Valuation Date | Method | Number of Buildings |
|-----------------|-------------------|----------------|----------------|--------------|---------------------|
| Liberty Plaza | 174,676 Sq. Ft. | Rs. 6,451.4 Mn | 31.12.2023 | Income | 1 |
| 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 | 1 |

Details of Investment Properties - Company

| Property - 2024 | Extent | Value | Valuation Date | Method | Number of Buildings |
|-----------------|-------------------|----------------|----------------|--------------|---------------------|
| Liberty Plaza | 46,972 Sq. Ft. | Rs. 1,062.3 Mn | 31.12.2024 | Income | 1 |
| GAS Land | 2A - 3R - 13.25 P | Rs. 6,753.4 Mn | 31.12.2024 | Market Value | - |
| Peoples Park | 51,517 Sq. Ft | Rs. 246.9 Mn | 31.12.2024 | Income | 1 |

| Property - 2023 | Extent | Value | Valuation Date | Method | Number of Buildings |
|-----------------|-------------------|----------------|----------------|--------------|---------------------|
| Liberty Plaza | 46,972 Sq. Ft. | Rs. 1,032.8 Mn | 31.12.2023 | Income | 1 |
| 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 | 1 |

4.3

The significant assumptions used by the valuer are as follows :

| | 2024 | 2023 |
|--|--|--|
| Rental rates used - for shop units | Rs. 230 - Rs. 1,617 p. sq.ft per month | Rs. 230 - Rs. 1,610 p. sq.ft per month |
| - for parking area | Rs. 510 p. sq.ft | Rs. 510 p. sq.ft |
| Anticipated maintenance cost | 20% - 35% of rentals | 20% - 35% 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) | 14.9 Mn | 14.75 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.

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 2024.

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.

| Group | | | | 2024 | 2023 |
|---------------------|-----------------------|------------------|-----------------|--|--|
| Increase /Decrease | | | | | |
| Capitalization Rate | Future rentals change | Maintenance cost | Per Perch value | Fair Value/Gain or (Loss) on Investment Property | Fair Value/Gain or (Loss) on Investment Property |
| -0.50% | | | | 591,400,000 | 674,780,498 |
| 0.50% | | | | (508,000,000) | (360,719,502) |
| | -5% | | | (73,600,000) | (219,019,502) |
| | 5% | | | 73,400,000 | 394,280,498 |
| | | -5% | | 506,900,000 | 597,680,498 |
| | | 5% | | (507,000,000) | (363,319,502) |
| | | | -5% | (334,270,000) | (334,270,000) |
| | | | 5% | 334,270,000 | 334,270,000 |

| Company | | | | 2024 | 2023 |
|---------------------|-----------------------|------------------|-----------------|--|--|
| Increase /Decrease | | | | | |
| Capitalization Rate | Future rentals change | Maintenance cost | Per Perch value | Fair Value/Gain or (Loss) on Investment Property | Fair Value/Gain or (Loss) on Investment Property |
| -0.50% | | | | 101,500,000 | 85,151,000 |
| 0.50% | | | | (87,900,000) | (72,949,000) |
| | -5% | | | (33,100,000) | (21,449,000) |
| | 5% | | | 32,900,000 | 20,051,000 |
| | | -5% | | 76,500,000 | 73,851,000 |
| | | 5% | | (76,700,000) | (73,849,000) |
| | | | -5% | (337,600,000) | (334,270,000) |
| | | | 5% | 337,700,000 | 334,270,000 |

4.9

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

| Group | Rental income Receivable | | | |
|-------|--------------------------|-------------|-----------|-----------|
| | <1 year | 1-2 Year | 2-3 Year | 3-4 Year |
| 2024 | 186,046,791 | 8,674,600 | 1,482,250 | - |
| 2023 | 380,757,135 | 248,999,753 | 6,697,500 | 5,023,125 |

| Company | Rental income Receivable | | | |
|---------|--------------------------|------------|----------|----------|
| | <1 year | 1-2 Year | 2-3 Year | 3-4 Year |
| 2024 | 38,630,703 | - | - | - |
| 2023 | 63,467,531 | 46,129,849 | - | - |

5. INVESTMENTS IN SUBSIDIARIES

| | Holding % 2024 | Holding % 2023 | At Cost 2024 LKR | At Cost 2023 LKR |
|---|-------------------|-------------------|------------------------|------------------------|
| Investments In Ordinary Shares | | | | |
| Liberty Holdings Limited | 100% | 100% | 1,805,717,568 | 1,805,717,568 |
| Agrispice (Private) Limited | 100% | 100% | 8,299,110 | 8,299,110 |
| Anantaya Global Solutions (Private) Limited | 70% | 70% | 700 | 700 |
| Liberty Developers (Private) Limited | 49% | 49% | 942,871,019 | 942,871,019 |
| | | | 2,756,888,397 | 2,756,888,397 |
| Investment In Preference shares | | | | |
| Liberty Holdings Limited (5.2) | | | 63,687,163 | 63,687,163 |
| Total Investments in Subsidiaries | | | 2,820,575,560 | 2,820,575,560 |

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.

6. TRADE AND OTHER RECEIVABLES

6.1 Summary

| | Group | | Company | |
|--|--------------|--------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Trade Debtors | 65,182,992 | 66,507,289 | 6,465,701 | 4,241,358 |
| Less: Allowances for Doubtful Debts (Note 6.2) | (8,603,811) | (21,519,968) | (1,817,139) | (2,245,222) |
| | 56,579,181 | 44,987,321 | 4,648,562 | 1,996,137 |
| Other Debtors - Related Parties (Note 6.3) | - | - | 133,646,339 | 55,782,038 |
| Loans Receivable from Related Parties (Note 6.4) | - | - | - | 9,374,052 |
| Prepayments | 3,816,472 | 3,230,382 | 2,348,943 | 1,779,500 |
| Staff Loans (Note 6.5) | 1,049,868 | 2,133,966 | 979,559 | 2,063,656 |
| Other Receivables | 56,297,753 | 60,016,269 | 8,464,463 | 19,908,632 |
| | 117,743,274 | 110,367,938 | 150,087,865 | 90,904,014 |
| 6.2 | | | | |
| Allowance for Doubtful Debts | | | | |
| As at 1 st January | 21,519,968 | 7,278,064 | 2,245,222 | 599,614 |
| Provision for Impairment | (12,168,214) | 14,241,904 | (428,083) | 1,645,608 |
| Write off | - | - | - | - |
| As at 31 st December | 8,603,811 | 21,519,968 | 1,817,139 | 2,245,222 |

6.3 Other Debtors - Related Parties

| | | Company | |
|---|--------------|-------------|-------------|
| | Relationship | 2024 LKR | 2023 LKR |
| Liberty Developers (Pvt) Ltd | Subsidiary | 75,445,552 | - |
| Liberty Holdings Limited | Subsidiary | - | - |
| Agrispace (Private) Limited | Subsidiary | 55,139,755 | 52,721,006 |
| Anantaya Global Solutions (Private) Limited | Subsidiary | 3,061,032 | 3,061,032 |
| | | 133,646,339 | 55,782,038 |

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.199,154,159 relating to the said loan has been service directly by Libert developers (Pvt) Ltd.Total interest paid during the year amounted to Rs.199,154,159

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 11.10% (2023 - 13.5%). Fair value of loans given to staff equals their carrying amount, as the impact of discounting is not significant.

6.6 Group

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

| | Past due but not impaired | | | | |
|------|---------------------------|------------|------------|------------|------------|
| | Total | Current | 31-60 days | 61-90 days | > 90 days |
| 2024 | 56,579,181 | 27,242,021 | 14,883,531 | 3,788,891 | 10,664,738 |
| 2023 | 44,987,321 | 27,196,445 | 13,058,963 | 2,785,743 | 1,946,171 |

6.6 Company

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

| | Past due but not impaired | | | | |
|------|---------------------------|-----------|------------|------------|-----------|
| | Total | Current | 31-60 days | 61-90 days | > 90 days |
| 2024 | 4,648,562 | 2,870,070 | 1,080,610 | 12,139 | 685,744 |
| 2023 | 1,996,137 | 1,003,625 | 680,650 | 311,862 | - |

7. INVENTORIES - Group

| | 2024 LKR | 2023 LKR |
|-------------|-------------|-------------|
| Inventories | - | 1,155,730 |
| | - | 1,155,730 |

8. FINANCIAL ASSETS CLASSIFIED UNDER FVOCI AND OTHER INVESTMENTS

8.1 Quoted Shares - Group/Company

| | Group | | Company | |
|---------------------------------|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| As at 1 st January | 23,520 | 25,200 | 23,520 | 25,200 |
| Disposals | - | - | - | - |
| Share Investment | - | - | - | - |
| Fair Value (Loss) / Gain | (4,620) | (1,680) | (4,620) | (1,680) |
| As at 31 st December | 18,900 | 23,520 | 18,900 | 23,520 |

8.2 OTHER INVESTMENTS

| | Group | | Company | |
|------------------------------|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Investment in Unit trusts | 252,646 | 9,053,498 | 207,052 | 70,474 |
| Investment in Treasury Bills | - | - | - | - |
| | 252,646 | 9,053,498 | 207,052 | 70,474 |

9. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT

9.1 Favourable Cash and Cash Equivalents Balance Cash and Bank Balances

| | Group | | Company | |
|------------------------|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Cash and Bank Balances | 6,252,483 | 12,684,830 | 4,029,192 | 4,082,712 |
| | 6,252,483 | 12,684,830 | 4,029,192 | 4,082,712 |

9.2 Unfavourable Cash and Cash Equivalents Balance Bank Overdraft

| | | | | |
|--|--------------|--------------|--------------|--------------|
| Bank Overdraft | (17,137,899) | (23,331,150) | (11,255,971) | (12,088,739) |
| Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement | (10,885,416) | (10,646,321) | (7,226,779) | (8,006,028) |

10. STATED CAPITAL

| Group/Company | 2024 | | 2023 | |
|----------------------------|-------------|-------------|-------------|-------------|
| | Number | LKR | Number | LKR |
| Fully Paid Ordinary Shares | 199,881,008 | 341,602,342 | 199,881,008 | 341,602,342 |

11. REVALUATION RESERVE

| | Group | |
|--|-------------|-------------|
| | 2024 LKR | 2023 LKR |
| As at 1 st January | 106,877,465 | 104,846,345 |
| Fair value increase on Property, Plant & Equipment | 5,741,820 | 3,554,460 |
| Deferred Tax effect | (2,460,780) | (1,523,340) |
| As at 31 st December | 110,158,505 | 106,877,465 |

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 2024 by an independent professional valuer.

12. INTEREST BEARING LOANS & BORROWINGS

12.1 Group

| | 2024 Amount Repayable Within 1 Year LKR | 2024 Amount Repayable After 1 Year LKR | 2024 Total LKR | 2023 Amount Repayable Within 1 Year LKR | 2023 Amount Repayable After 1 Year LKR | 2023 Total LKR |
|-----------------------|---|--|----------------------|---|--|----------------------|
| Bank Loans (12.3) | 42,225,227 | 1,351,000,000 | 1,393,225,227 | 84,450,455 | 1,351,000,000 | 1,435,450,455 |
| Bank Overdrafts (9.2) | 17,137,899 | - | 17,137,899 | 23,331,150 | - | 23,331,150 |
| | 59,363,127 | 1,351,000,000 | 1,410,363,126 | 107,781,605 | 1,351,000,000 | 1,458,781,605 |

12.2 Company

| | 2024 Amount Repayable Within 1 Year LKR | 2024 Amount Repayable After 1 Year LKR | 2024 Total LKR | 2023 Amount Repayable Within 1 Year LKR | 2023 Amount Repayable After 1 Year LKR | 2023 Total LKR |
|-----------------------|---|--|----------------------|---|--|----------------------|
| Bank Loans (12.3) | 42,225,227 | 1,351,000,000 | 1,393,225,227 | 84,450,455 | 1,351,000,000 | 1,435,450,455 |
| Bank Overdrafts (9.2) | 11,255,971 | - | 11,255,971 | 12,088,739 | - | 12,088,739 |
| | 53,481,198 | 1,351,000,000 | 1,404,481,198 | 96,539,194 | 1,351,000,000 | 1,447,539,194 |

12.3 Bank Loans

| | Balance As At 01.01.2024 LKR | Loan Obtained LKR | Capital on Due LKR | Over Provision of Interest LKR | Repayment LKR | Balance As At 31.12.2024 LKR | Current LKR | Non current LKR |
|-------------------------------------|---------------------------------------|-------------------------|--------------------------|---|------------------|---------------------------------------|----------------|-----------------------|
| National Development Bank PLC | 1,435,450,455 | - | - | - | (42,225,227) | 1,393,225,227 | 42,225,227 | 1,351,000,000 |
| | 1,435,450,455 | - | - | - | (42,225,227) | 1,393,225,227 | 42,225,227 | 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 | 1,351,000,000 | AWPLR + 2.5% p.a. subject to flow of 15% p.a. from 1 September 2023 31 st October 2024 and AWPLR + 2% p.a. from 1 November 2024 until the maturity | 16 Installments | Mar 2026 - Feb 2027 62Mn , Mar 2027 - Feb 2028 87Mn , Mar 2028 - Feb 2029 111Mn , Mar 2029 - Feb 2030 143Mn , Mar 2030 - Feb 2031 174 Mn , Mar 2031 - Feb 2032 212 Mn , Mar 2032 - Feb 2033 258 Mn , Mar 2033 - Jan 2034 303 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 |

13. DEFERRED TAX LIABILITIES

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

| | Group | | Company | |
|---|---------------|---------------|---------------|---------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| As at 1 st January | 3,813,196,355 | 3,734,128,977 | 2,301,880,112 | 2,235,027,764 |
| Deferred Tax impact on depreciation of Revalued Assets | 2,460,780 | 1,523,340 | - | - |
| Income Statement charge | - | - | - | - |
| Due to change in rate difference | - | - | - | - |
| Due to change in temporary difference | 250,856,546 | 77,108,837 | 26,654,038 | 66,449,336 |
| Deferred Tax impact on actuarial Gain on retirement benefit obligations | (92,723) | 435,200 | (78,773) | 403,012 |
| As at 31 st December | 4,066,420,957 | 3,813,196,355 | 2,328,455,377 | 2,301,880,113 |

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 st 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 st December 2023 | 27,487,880 | 8,273,137 | 3,858,674,647 | 3,894,435,664 |
| Charged to income statement | - | (740,412) | 257,973,237 | 257,232,826 |
| Charged to Other Comprehensive Income | 2,460,780 | - | - | 2,460,780 |
| As of 31 st December 2024 | 29,948,660 | 7,532,725 | 4,116,647,884 | 4,154,129,270 |

Deferred Tax Assets

| | Tax losses LKR | Defined Benefit Obligation LKR | Total LKR |
|---------------------------------------|-------------------|---|--------------|
| As of 31 st 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 st December 2023 | (85,157,028) | 3,917,721 | (81,239,308) |
| Credited to income statement | - | (6,376,281) | (6,376,281) |
| Charged to Other Comprehensive Income | - | (92,723) | (92,723) |
| As of 31 st December 2024 | (85,157,028) | (2,551,284) | (87,708,312) |

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 st 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 st December 2023 | 988,594 | 2,387,459,999 | 2,388,448,593 |
| (Reversed) / Charged to income statement | (120,398) | 30,840,000 | 30,719,602 |
| As of 31 st December 2024 | 868,196 | 2,418,299,999 | 2,419,168,195 |

Deferred tax Assets

| | Tax Loss | Defined Benefit Obligation LKR | Total LKR |
|---------------------------------------|--------------|-----------------------------------|--------------|
| As of 31 st 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 st December 2023 | (88,320,843) | 1,752,365 | (86,568,479) |
| Credited to income statement | - | (4,065,564) | (4,065,564) |
| Charged to Other Comprehensive Income | - | (78,773) | (78,773) |
| As of 31 st December 2024 | (88,320,843) | (2,391,973) | (90,712,817) |

The Company has not recognized deferred tax assets amounting to Rs.6,453,075/- (2023- 17,937,745), arising from carried forward tax losses as at 31st December 2024 amounting to Rs. 21,510,251/- (2023 - 59,792,483), 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. 368,191,230 /- (2023- Rs. 315,425,775/-), arising from carried forward tax losses as at 31st December 2024 amounting to Rs.1,227,304,100/- (2023 - Rs. 1,051,419,249/-), 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.

14. DEFINED BENEFIT OBLIGATION

| | Group | | Company | |
|--|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| As at 1 st January | 6,705,092 | 4,598,254 | 5,841,216 | 4,012,344 |
| Current service cost | 1,289,055 | 1,005,520 | 1,246,390 | 949,588 |
| Interest cost | 938,713 | 827,686 | 817,770 | 722,222 |
| Actuarial (Gain)/ Losses | 237,023 | 1,459,944 | 262,578 | 1,343,374 |
| Liability Transfer Between Parent and Subsidiary | - | - | - | - |
| Payments Made During The Year | (519,709) | (1,186,313) | (194,709) | (1,186,313) |
| As at 31 st December | 8,650,174 | 6,705,092 | 7,973,245 | 5,841,216 |

14.1 Post Employee Benefit Expense for

| | | | | |
|----------------------|-----------|-----------|-----------|-----------|
| Current service cost | 1,289,055 | 1,005,520 | 1,246,390 | 949,588 |
| Interest cost | 938,713 | 827,686 | 817,770 | 722,222 |
| | 2,227,768 | 1,833,206 | 2,064,160 | 1,671,810 |

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 31st December 2024. The principal assumptions used are as follows:

| | 2024 | 2023 |
|---|-----------|---------|
| Discount rate assumed (%) | 11.0% | 14.0% |
| Salary increase (%) | 10.0% | 12.0% |
| Staff turnover factor (%) | 5.0% | 5.0% |
| Expected Average Future Working Life of Employees | 5.3 Years | 6 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 |
| 2024 | | | | |
| Discount rate assumed | 8,321,477 | 9,006,223 | 7,697,716 | 8,269,592 |
| Further salary increase | 9,043,354 | 8,280,874 | 8,304,199 | 7,660,204 |

| | 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 |

14.4 Maturity analysis of the payment

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

| As at 31 st December | Group | Company |
|---------------------------------|------------------|------------------|
| | 2024 LKR | 2024 LKR |
| Within the next 12 month | 1,485,141 | 1,447,109 |
| Between 2-5 years | 4,147,200 | 4,013,440 |
| Beyond 5 years | 3,017,834 | 2,512,696 |
| Total Expected payments | 8,650,175 | 7,973,246 |

15. TRADE AND OTHER PAYABLES

Summary

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Trade Payables | 39,593,690 | 14,494,738 | - | - |
| Other Payables - Related Parties (15.1) | - | - | 53,337,948 | 18,087,015 |
| - thers (15.2) | 57,272,618 | 29,568,403 | 36,856,675 | 3,571,770 |
| Sundry Creditors Including Accrued Expenses | 18,180,573 | 16,732,524 | 11,122,734 | 9,790,634 |
| | 115,046,881 | 60,795,665 | 101,317,357 | 31,449,420 |

15.1 Other Payables - Related Parties

| Relationship | | 2024 LKR | 2023 LKR |
|--------------------------|------------|-------------|-------------|
| Liberty Holdings Limited | Subsidiary | 53,337,948 | 3,571,770 |
| | | 53,337,948 | 3,571,770 |

15.2 OTHER PAYABLE

| | Group | | Company | |
|---------------|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Other Payable | 57,272,618 | 29,568,403 | 36,856,675 | 18,087,015 |
| | 57,272,618 | 29,568,403 | 36,856,675 | 18,087,015 |

16 TENANT DEPOSITS

| | Group | | Company | |
|--|--------------|--------------|--------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| As at 1 st January | 126,997,393 | 136,949,646 | 18,348,572 | 18,417,572 |
| Deposits received during the period | 27,088,737 | 16,912,436 | 1,769,090 | 201,000 |
| Repayments made during the period | (24,253,134) | (26,864,691) | (13,546,801) | (270,000) |
| As at 31 st December (16,1) | 129,832,996 | 126,997,393 | 6,570,859 | 18,348,572 |

16.1 TENANT DEPOSITS

| | Group | | Company | |
|-----------------|---|--|---|--|
| | 2024 Amount Repayable Within 1 Year LKR | 2024 Amount Repayable After 1 Year LKR | 2024 Amount Repayable Within 1 Year LKR | 2024 Amount Repayable After 1 Year LKR |
| Tenant Deposits | 126,749,896 | 3,083,100 | 6,570,859 | - |
| | 126,749,896 | 3,083,100 | 6,570,859 | - |

17 REVENUE

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Income from Investment Properties(17.1) | 441,029,626 | 376,776,107 | 187,358,393 | 168,216,894 |
| Income from Biological Assets | 1,726,500 | - | - | - |
| | 442,756,126 | 376,776,107 | 187,358,393 | 168,216,894 |

17.1 Income from Investment Properties

| | Group | | Company | |
|---------------|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Liberty Plaza | 341,491,200 | 291,520,067 | 87,819,967 | 82,960,854 |
| GAS Land | 77,829,570 | 63,564,302 | 77,829,570 | 63,564,302 |
| Peoples Park | 21,708,857 | 21,691,738 | 21,708,857 | 21,691,738 |
| | 441,029,626 | 376,776,107 | 187,358,393 | 168,216,894 |

18 OTHER INCOME AND GAINS

| | Group | | Company | |
|--|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Dividend Income | - | - | 2,974,191 | 2,974,190 |
| Interest on Staff Loans | 144,600 | 244,823 | 130,968 | 236,041 |
| Overdue Interest on rentals due past | 21,401 | - | - | - |
| Sundry Income | 650,656 | 212,151 | 100,118 | 10,021 |
| Gain on disposal of Property Plant and Equipment's | 19,999 | - | - | - |
| Exchange Gain | 60,490 | - | 60,490 | - |
| Interest on Unit trust and Treasury Bills | 1,416,611 | 6,010,382 | 1,254,041 | 5,327,358 |
| Gain/(Loss) on investment property | 21,659,661 | 28,311,000 | - | - |
| Reversal of bad debt provision | 5,112,349 | - | 450,767 | - |
| | 29,085,767 | 34,778,356 | 4,970,575 | 8,547,610 |

19 FINANCE COST

| | Group | | Company | |
|--------------------------------|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Interest on Overdrafts | - | 11,814 | - | 11,814 |
| Interest on Loans & Borrowings | 199,154,159 | 305,216,823 | - | - |
| Loans Expenses | - | 551,753 | - | 551,753 |
| | 199,154,159 | 305,780,389 | - | 563,566 |

20. PROFIT/(LOSS) FROM CONTINUING OPERATIONS Stated After Charging /(Crediting)

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Included in Direct Expense | | | | |
| Depreciation | 978,623 | 873,827 | 978,623 | 869,744 |
| Included in Administrative Expenses | | | | |
| Employees Benefits including the following | 62,362,768 | 56,493,695 | 58,148,970 | 52,800,304 |
| - Defined Benefit Plan Costs - Gratuity | 2,227,768 | 1,833,205 | 2,064,160 | 1,671,809 |
| - Defined Contribution Plan Costs - EPF & ETF | 6,748,568 | 6,068,121 | 6,273,848 | 5,636,151 |
| Depreciation | 3,618,329 | 3,573,426 | 1,195,130 | 988,980 |
| Auditor's Fees | 3,853,143 | 2,772,000 | 1,712,052 | 1,320,000 |
| Included in Selling and Distribution Costs | | | 205,948 | 28,428 |
| Advertising and Promotional Expenses | 223,448 | 28,428 | - | 1,518,512 |
| Allowance for Doubtful Debts | - | 14,140,988 | | |

21 INCOME TAX

Income Statement

Current Income Tax

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Current Income Tax charge | 18,915,712 | 31,100,908 | - | 3,707,516 |
| | 18,915,712 | 31,100,908 | - | 3,707,516 |
| Deferred Income Tax | | | | |
| Deferred Taxation Charge (Note 13.1) | 250,856,546 | 77,544,037 | 26,654,038 | 66,852,348 |
| Income tax expense reported in the Income Statement | 269,772,258 | 108,644,945 | 26,654,038 | 70,559,864 |

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

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Accounting Profit before Tax from continuing operations | 365,073,765 | 429,036,722 | 148,496,097 | 161,147,993 |
| Other Income | 1,561,211 | 8,984,572 | 1,385,009 | 8,301,548 |
| Disallowed Expenses | 300,881,014 | 85,005,145 | 4,829,583 | 6,820,047 |
| Allowable Expenses | (787,477,616) | (774,493,837) | (116,428,453) | (140,982,299) |
| Statutory Profit/(Loss) | (119,961,626) | (251,467,397) | 38,282,236 | 35,287,289 |
| Statutory Income | 100,883,843 | 8,444,790 | 38,282,236 | 35,287,289 |
| Tax Losses utilized during the Year | (37,831,468) | (22,928,904) | (38,282,236) | (22,928,904) |
| Taxable Profit/(Loss) | 63,052,375 | (14,484,114) | - | 12,358,385 |
| Tax at 30% | 18,915,712 | 31,100,908 | - | 3,707,516 |
| Tax Effect on Accounting PBT | 18,915,712 | 31,100,908 | - | 3,707,516 |

21.2

| | | | | |
|--|---------------|---------------|--------------|--------------|
| Tax Losses | | | | |
| Tax Losses Brought Forward | 1,051,419,249 | 1,471,940,909 | 59,792,483 | 82,721,387 |
| Adjustments on Finalisation of Brought Forward | | | | |
| Tax Losses | - | - | - | - |
| Tax Losses Incurred During the Year | 214,167,083 | - | - | - |
| Tax Losses Utilised | (37,831,468) | (420,521,660) | (38,282,236) | (22,928,904) |
| Tax Losses Carried Forward | 1,227,754,864 | 1,051,419,249 | 21,510,247 | 59,792,483 |

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 2023, According to the Inland Revenue (Amendment) Act, No. 45 Of 2023. Furthermore, in relation to deferred tax which is calculated on the liability method as per LKAS 12 "Income Taxes", Deferred tax expenses of LKR.250,856,546 /- and LKR.26,654,038/- have been recognized for the Group and the Company respectively as at 31st December 2024.

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.

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| Amount Used as the Numerator: | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Profit/(Loss) for the Year | 95,301,507 | 320,826,977 | 121,842,054 | 90,991,141 |
| Net Profit(Loss) Attributable to Ordinary Shareholders for Basic Earnings/(Loss) Per Share | 95,310,507 | 320,835,977 | 121,842,054 | 90,991,141 |
| Number of Ordinary Shares Used as Denominator: | 2024 Number | 2023 Number | 2024 Number | 2023 Number |
| 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

23.1 Transaction with the parent and related entities

| | Subsidiaries | | Total | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2024 LKR | 2023 LKR | 2024 LKR | 2023 LKR |
| Nature of Transaction | | | | |
| As at 1 st January | 61,584,320 | 1,819,016,186 | 61,584,320 | 1,819,016,186 |
| Central Cost Allocated | 64,334,061 | 4,018,902 | 64,334,061 | 4,018,902 |
| Finance Charges | 199,154,159 | 372,958,449 | 199,154,159 | 372,958,449 |
| Expenses paid by others on behalf of the Company | (242,702,000) | (198,405,986) | (242,702,000) | (198,405,986) |
| Fund Transfers | 8,391,420 | 1,386,970 | 8,391,420 | 1,386,970 |
| Settlement of Liabilities | (13,427,760) | (65,176) | (13,427,760) | (65,176) |
| 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 31st December | 80,308,390 | 61,584,320 | 80,308,390 | 61,584,320 |

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 :

| | 2024 LKR | 2023 LKR |
|---|---------------|---------------|
| Loan amount as at 31 st December (Note 12.3) | 1,393,225,227 | 1,435,450,455 |
| Finance cost recorded under Related Party** | 199,154,159 | 305,216,823 |

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 | 2024 LKR | 2023 LKR |
|---------------------------------------|-------------|-------------|
| Short-term employee benefits | 30,165,000 | 29,899,360 |
| Post-employment benefits | 5,196,800 | 2,754,000 |
| | 35,361,800 | 32,653,360 |

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

| Other Transactions with Key Management Personnel Loans to Key Management Personnel | 2024 LKR | 2023 LKR |
|--|-------------|-------------|
| As at 1 st January | - | - |
| Loans repayments received | - | - |
| As at 31 st December | - | - |

24 ASSETS PLEDGED

The assets pledged as at 31.12.2024 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 31st December in 2024.

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 31st December 2024.

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 31st December 2024.

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 |
|-------------|--|-----------------------------------|
| 2024 | | |
| Borrowings | +10/-10 | 20,899,782 |
| 2023 | | |
| Borrowing | +10/-10 | 22,680,449 |

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.

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 31st December 2024 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 st December 2024 | 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) | 17,137,899 | 42,225,227 | 260,000,000 | 143,000,000 | 948,000,000 | 1,410,363,127 |
| Tenant Deposits (Note 16) | - | 126,749,896 | 3,083,100 | - | - | 129,832,996 |
| Trade and Other Payables (Note 15) | 115,046,881 | - | - | - | - | 115,046,881 |
| | | | | | | |
| Year ended 31 st 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 |
| | | | | | | |
| Company | | | | | | |
| Year ended 31 st December 2024 | 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) | 11,255,971 | 42,225,227 | 260,000,000 | 143,000,000 | 948,000,000 | 1,404,481,198 |
| Tenant Deposits (Note 16) | - | 6,570,859 | - | - | - | 6,570,859 |
| Trade and Other Payables (Note 15) | 101,317,357 | - | - | - | - | 101,317,357 |
| | | | | | | |
| Year ended 31 st 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 |

| | 2024 LKR | 2023 LKR |
|---|---------------|---------------|
| Interest Bearing Loans and Borrowings (Note 12) | 1,410,363,126 | 1,458,781,605 |
| Trade and Other Payables (Note 15) | 115,046,881 | 60,795,665 |
| Less: Cash and Cash Equivalents (Note 09) | (6,252,483) | (12,684,830) |
| Net debt | 1,519,157,524 | 1,506,892,445 |
| Equity | 8,415,109,526 | 8,314,224,119 |
| Capital and net debt | 9,934,267,050 | 9,821,116,559 |
| 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 31st December 2024 and 2023.

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 31st December 2024 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 31st December 2024:

| 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-24 | 13,799,402,502 | - | - | 13,799,402,502 |
| Financial Assets classified under FVOCI | | | | | |
| Quoted Equity Shares | 31-Dec-24 | 18,900 | 18,900 | - | - |
| Revalued Property, Plant and Equipment | | | | | |
| Land and Buildings | 31-Dec-24 | 174,723,756 | - | - | 174,723,756 |
| Biological Assets | | | | | |
| Plantation | 31-Dec-24 | 75,516,930 | - | - | 75,516,930 |

The fair value measurement hierarchy for assets as at 31st 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 |

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 |
| Agrispice (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.

29.2 Summarised financial information of subsidiaries

Agrispice (Private) Limited carries on, inter-alia, the business of cultivating plantations of teak and mahogany trees. The results, assets and liabilities of Agrispice (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 | | Agrispice (Private) Limited | | Anantaya Global Solutions (Private) Limited | | Liberty Developers (Private) Limited | |
|--|--------------------------|----------------------|-----------------------------|---------------------|---|--------------------|--------------------------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR |
| Current | | | | | | | | |
| Assets | 125,278,943 | 49,896,166 | 384,994 | 1,249,472 | 1,000 | 1,000 | 95,118,084 | 84,179,226 |
| Liabilities | 175,712,363 | 148,835,510 | 80,614,319 | 76,741,541 | 8,400,923 | 8,370,923 | 219,795,687 | 103,024,001 |
| Total current net assets | (50,433,419) | (98,939,343) | (80,229,325) | (75,492,069) | (8,399,923) | (8,369,923) | (124,677,602) | (18,844,775) |
| Non-current | | | | | | | | |
| Assets | 4,167,563,681 | 3,680,073,672 | 127,187,498 | 126,145,602 | - | - | 2,874,228,837 | 3,094,972,400 |
| Liabilities | 895,819,366 | 752,715,973 | 145,894 | 462,812 | - | - | 842,677,251 | 758,984,365 |
| Total non-current net assets | 3,271,744,315 | 2,927,357,699 | 127,041,604 | 125,682,790 | - | - | 2,031,551,587 | 2,335,988,036 |
| Net assets | 3,221,310,896 | 2,828,418,356 | 46,812,279 | 50,190,721 | (8,399,923) | (8,369,923) | 1,906,873,984 | 2,317,143,260 |
| Revenue | 109,435,511 | 91,524,941 | 1,726,500 | - | - | - | 153,239,952 | 125,931,682 |
| Profit/(Loss) before income tax | 546,625,574 | 69,522,653 | (3,450,499) | 465,489 | (30,000) | (30,000) | (326,576,392) | 173,321,462 |
| Income Tax | (159,442,305) | (32,650,359) | - | - | - | - | (83,692,886) | (5,402,533) |
| Profit/(Loss) after income tax | 387,183,270 | 36,872,294 | (3,450,498) | 465,489 | (30,000) | (30,000) | (410,269,278) | 167,918,929 |
| Other Comprehensive income/(expense) | 5,709,270 | 3,414,978 | 72,055 | - | - | - | - | - |
| Total comprehensive (loss)/income | 392,892,540 | 40,287,272 | (3,378,443) | 465,489 | (30,000) | (30,000) | (410,269,278) | 167,918,929 |

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DECADE AT A GLANCE

TEN YEAR SUMMARY (RS.'000)

| YEAR | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Turnover | 210,592 | 422,435 | 445,909 | 481,952 | 476,852 | 438,406 | 335,218 | 339,155 | 376,776 | 442,756 |
| Operating Income | 126,753 | 311,842 | 318,302 | 360,467 | 341,021 | 329,917 | 232,415 | 227,762 | 220,439 | 285,149 |
| Operating Expenses | (126,120) | (122,321) | (101,051) | (107,266) | (127,029) | (125,088) | (109,215) | (111,485) | (108,020) | (146,940) |
| Operating Profit/(Loss) | 2,032,404 | 745,287 | 4,096,402 | 726,069 | 807,372 | 407,897 | 269,115 | 326,047 | 734,817 | 564,228 |
| Non Operating Income | 4,324 | 7,567 | 16,627 | 4,786 | 1,479 | 2,211 | 7,135 | 3,947 | 4,773 | 3,761 |
| Net Finance Income/(Cost) | (64,433) | (234,312) | (243,367) | (215,061) | (235,510) | (232,371) | (207,492) | (291,922) | (305,780) | (199,154) |
| Profit/(Loss) Before tax | 1,967,971 | 510,975 | 3,853,035 | 511,008 | 571,862 | 175,526 | 61,624 | 34,125 | 429,037 | 365,074 |
| Income Tax | (611,135) | (203,730) | (1,110,643) | (82,673) | (239,357) | (116,320) | 562,336 | (765,259) | (108,253) | (269,772) |
| Profit/(Loss) after tax | 1,356,836 | 307,244 | 2,742,393 | 328,334 | 332,505 | 59,205 | 623,960 | (731,134) | 320,783 | 95,302 |
| Minority Interest | (32) | (105) | (894) | (617) | (20) | (21) | (9) | (9) | (9) | (9.00) |
| Profit for the year | 1,356,804 | 307,139 | 2,741,499 | 327,717 | 332,485 | 59,184 | 623,969 | (731,125) | 320,792 | 95,311 |

INVESTOR INFORMATION

COLOMBO LAND AND DEVELOPMENT COMPANY PLC MAJOR SHAREHOLDERS LIST AS AT 31ST DECEMBER 2024

| | NAME | 2024 | | 2023 | |
|----|--|--------------------|---------------|--------------------|---------------|
| | | NO. OF SHARES | % | NO. OF SHARES | % |
| 1 | MR. E.G. NG | 47,390,516 | 23.71 | 47,390,516 | 23.71 |
| 2 | HIKKADUWA BEACH RESORT PLC | 40,413,200 | 20.22 | 40,413,200 | 20.22 |
| 3 | MES URBAN DEVELOPMENT AUTHORITY OF SRI LANKA | 34,872,675 | 17.45 | 34,872,675 | 17.45 |
| 4 | BANK OF CEYLON A/C CEYBANK UNIT TRUST | 18,895,734 | 9.45 | 18,895,734 | 9.45 |
| 5 | MR. Y.T. NG | 6,006,876 | 3.01 | 6,006,876 | 3.01 |
| 6 | MR. E.S. NG | 4,945,716 | 2.47 | 4,945,716 | 2.47 |
| 7 | MR. Y..C. NG | 4,715,502 | 2.36 | 4,715,502 | 2.36 |
| 8 | MES K.P. HONG (DECEASED) | 2,251,625 | 1.13 | 2,251,625 | 1.13 |
| 9 | MR. K.V. HEWAVITARNE | 2,000,000 | 1.00 | 2,000,000 | 1.00 |
| 10 | MR. Y.H. NG | 1,920,000 | 0.96 | 1,920,000 | 0.96 |
| 11 | MR. T.G. THORADENIYA | 1,616,518 | 0.81 | 1,616,518 | 0.81 |
| 12 | MR. Y.K.D. NG | 1,605,600 | 0.80 | 1,605,600 | 0.80 |
| 13 | AMANA BANK PLC/MR. M.Z. MOHAMED GHOUSE | 1,536,000 | 0.77 | 1,536,000 | 0.77 |
| 14 | MR. C.W. VANDORT | 1,128,438 | 0.57 | 1,128,438 | 0.57 |
| 15 | SEYLAN BANK PLC/PHANTOM INVESTMENTS (PVT) LTD | 1,000,000 | 0.50 | 1,000,000 | 0.50 |
| 16 | ALLNATT INVESTMENTS (PRIVATE) LIMITED | 976,244 | 0.49 | 976,244 | 0.49 |
| 17 | SEYLAN BANK PLC./ NALAKA HARSHAJEEVA GODAHEWA | 944,511 | 0.47 | 944,511 | 0.47 |
| 18 | PEOPLE S LEASING AND FINANCE PLC/L.P.HAPANGAMA | 905,946 | 0.45 | 905,946 | 0.45 |
| 19 | CAPT. W. BAPTISTA | 824,231 | 0.41 | 824,231 | 0.41 |
| 20 | MR. A. LUKMANJEE | 762,509 | 0.38 | 762,509 | 0.38 |
| | | 174,711,841 | 87.41 | 174,711,841 | 87.41 |
| | OTHERS | 25,169,167 | 12.59 | 25,169,167 | 12.59 |
| | TOTAL | 199,881,008 | 100.00 | 199,881,008 | 100.00 |

ANALYSIS OF SHAREHOLDING AS AT 31ST DECEMBER 2024

RESIDENT

| TYPE | NO. OF SHARE HOLDERS (RESIDENT) | HOLDING (RESIDENT) | % (RESIDENT) |
|--------------|------------------------------------|-----------------------|----------------|
| Individuals | 2,487 | 21,888,950 | 10.9510 |
| Institutions | 170 | 107,365,321 | 53.7146 |
| Total | 2,657 | 129,254,271 | 64.6656 |

NON RESIDENT

| TYPE | NO. OF SHARE HOLDERS (NON RESIDENT) | HOLDING (NON RESIDENT) | % (NON RESIDENT) |
|--------------|--|---------------------------|------------------|
| Individuals | 38 | 70,462,383 | 35.2522 |
| Institutions | 2 | 164,354 | 0.0822 |
| Total | 40 | 70,626,737 | 35.3344 |

ANALYSIS OF SHAREHOLDERS AS 31ST DECEMBER 2024

| SHAREHOLDINGS | NUMBER OF SHAREHOLDERS (RESIDENT) | NO.OF SHARES (RESIDENT) | % (RESIDENT) |
|-------------------|--------------------------------------|----------------------------|-----------------|
| 1-1,000 | 1,598 | 485,825 | 0.2431 |
| 1,001-10,000 | 717 | 2,644,217 | 1.3229 |
| 10,001-100,000 | 279 | 8,598,748 | 4.3019 |
| 100,001-1,000,000 | 56 | 17,062,916 | 8.5365 |
| 1,000,001 & Over | 7 | 100,462,565 | 50.2612 |
| Total | 2,657 | 129,254,271 | 64.6656 |

| SHAREHOLDINGS | NUMBER OF SHAREHOLDERS (NON RESIDENT) | NO.OF SHARES (NON RESIDENT) | % (NON RESIDENT) |
|-------------------|--|--------------------------------|---------------------|
| 1-1,000 | 10 | 4,761 | 0.0024 |
| 1,001-10,000 | 12 | 33,970 | 0.0170 |
| 10,001-100,000 | 7 | 178,287 | 0.0892 |
| 100,001-1,000,000 | 4 | 1,573,884 | 0.7874 |
| 1,000,001 & Over | 7 | 68,835,835 | 34.4384 |
| Total | 40 | 70,626,737 | 35.3344 |

| SHAREHOLDINGS | NUMBER OF SHAREHOLDERS (TOTAL) | NO.OF SHARES (TOTAL) | % (TOTAL) |
|-------------------|-----------------------------------|-------------------------|-----------------|
| 1-1,000 | 1,608 | 490,586 | 0.2454 |
| 1,001-10,000 | 729 | 2,678,187 | 1.3399 |
| 10,001-100,000 | 286 | 8,777,035 | 4.3911 |
| 100,001-1,000,000 | 60 | 18,636,800 | 9.3239 |
| 1,000,001 & Over | 14 | 169,298,400 | 84.6996 |
| Total | 2,697 | 199,881,008 | 100.0000 |

DIRECTORS' SHAREHOLDING AS AT 31ST DECEMBER 2024

| NAME | NO. OF SHARES | % |
|--|------------------|------|
| 1 Mr. M D A Weerasooriya | Nil | Nil |
| 2 Mr. P S Weerasekera | | |
| Shares held in the following manner | | |
| DFCC Bank PLC / P S Weerasekera | 80,342 | 0.04 |
| 3 Ng. Yao Xing, Eugene | Nil | Nil |
| 4 Mr. S A Ameresekere | Nil | Nil |
| 5 Mr. P S Perera | Nil | Nil |
| 6 Mr. M C Withanaarachchi | Nil | Nil |
| 7 Eng. L B Kumudu Lal | Nil | Nil |
| 8 Mr. A A Perera | Nil | Nil |

SHARE PRICES FOR THE YEAR

| MARKET PRICE PER SHARE | AS AT 31.12.2024 | DATE | AS AT 31.12.2023 | DATE |
|-------------------------------------|---------------------|------------|---------------------|------------|
| 1 Highest during the year | 23.70 | 30/12/2024 | 25.00 | 24/03/2023 |
| 2 Lowest during the year | 16.60 | 30/01/2024 | 15.20 | 01/02/2023 |
| 3 As at end of year (Closing Price) | 23.10 | 31/12/2024 | 17.00 | 28/12/2023 |

| | AS AT 31.12.2024 | AS AT 31.12.2023 |
|---|------------------|------------------|
| Number of Transactions during the year | 4,098 | 5,011 |
| Number of Shares Traded during the year | 10,482,135 | 9,060,897 |
| Value of Shares Traded during the year | 212,178,658.20 | 180,106,817.70 |

PUBLIC HOLDING

| | |
|--|---------|
| Public Holding percentage | 38.5851 |
| Number of shareholders representing the above percentage | 2,693 |

Float adjusted market capitalization as at 31st December 2024

The Float adjusted market capitalization as at 31st December 2024– Rs. 1,781,570,752.50

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 Third (43rd) 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 30th June 2025 at 10.30 a.m for the following purposes:

1.0 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 2024 and the Report of the Auditors thereon.
- 1.2 To re-elect as a Director Mr. Pathirage Shakya 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 Mahinda Chandralal Withanaarachchi who retires in terms of Article 94 of the Articles of Association.
- 1.4. To re-elect as a Director Mr Loku Bogahawattage Kumudu Lal who retires in terms of Article 94 of the Articles of Association.
- 1.5. To re-elect as a Director Mr Weerakoone Arachchige Adrian Perera who retires in terms of Article 94 of the Articles of Association.
- 1.6. To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.
- 1.7. To authorize the Directors to determine donations for the year 2025 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 resolutions as Special Resolutions :

"IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:

- (i) by the deletion of Article 106 under the existing heading, 'Alternate Directors' in its entirety and to substitute therefore the following new Article 106

ALTERNATE DIRECTORS

- 106.(i) (a) Subject to the Statutes and other laws applicable in respect of the composition of the Board, a Director may, due to exceptional circumstances, by notice in writing under his hand delivered to the Secretary, nominate an individual to be appointed as an Alternate Director of the Company for a maximum period of one (1) year from the date of appointment to attend to the duties of the Director in his absence.
- (b) Such Alternate Director shall be entitled to receive notices of all meetings of Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and to exercise the rights of the appointer at meetings of the Board.
- (c) The attendance of any Alternate Director at any meeting, including a Board committee meeting, at which the appointer is absent, shall be counted for the purpose of quorum at such meeting.

- (ii) The appointment of an Alternate Director shall be subject to the approval of the Board.
- (iii) An alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company, nor be required to hold any Share qualification. However, the Board may reimburse an Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Board which he is entitled to attend, or as he may otherwise properly incur in or about the business of the Company. Alternatively, the Board may pay such allowances as it considers proper in respect of such expenses.
- (iv) An alternate Director shall (on his giving an address for such notice to be served on him) be entitled to receive notices of all meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in the absence of such appointer, due to the reasons stated in Article 106(i) hereof, including the signing of resolutions in writing to be passed by circulation under Article 102 hereof.
- (v) Subject to Article 106(i) hereof, an Alternate Director shall ipso facto cease to be an alternate Director on the occurrence of any of the following events:
 - (a) If his appointer ceases for any reason to be a Director. Provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
 - (b) If the appointment of the Alternate Director is revoked by his appointer by a notice in writing delivered to the Secretary;
 - (c) If the Board resolves that the appointment of the Alternate Director be terminated on a date determined by it prior to the completion of the period of one (1) year.
- (vi) A Director shall not vote on the question of the approval of an Alternate Director to act for him, or on the question of the termination of the appointment of such an Alternate under Article 106(v)(c). He shall also not be counted to determine the quorum at meetings when such matters are voted on.
- (vii) If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.
- (viii) If an Alternate Director is appointed to represent an Independent Non-Executive Director, such Alternate Director shall meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange.

- (ii) by the addition of following wordings at the end of Article 147

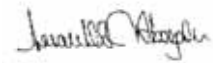
The Company may serve notice by electronic mail to an electronic mail account notified by the shareholder in writing or any other acceptable means, to the Company or to the Central Depository System (Pvt) Ltd. Where electronic mail is used, the document or notice shall be deemed to have been received by the shareholder upon the dispatch of same by the Company through electronic mail.

(iii) by the deletion of Article 153 in its entirety and to substitute therefore the following new Article 153

153. Any notice required to be or which may be given by advertisement shall unless otherwise require by statute be published in Sinhala, Tamil and English national daily newspapers. The Company may if so permitted by statute, publish any notice required to be given to the shareholders on the official website of the Company and/or on the official website of the Colombo Stock Exchange (if the company is listed on the Colombo Stock Exchange)."

By Order of the Board

COLOMBO LAND AND DEVELOPMENT COMPANY PLC



P W Corporate Secretarial (Pvt) Ltd

Director / Secretaries

28th May 2025

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 2025.

FORM OF PROXY

I/We* (NIC/Passport/Co. Reg. No.) of.....
being a shareholder / shareholders of Colombo Land and Development Company PLC hereby appoint
 (NIC/Passport 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 | or failing him* |
| Mr. S A Ameresekere | or failing him* |
| Mr. P S Perera | or failing him* |
| Mr. M C Withanaarachchi | or failing him* |
| Eng. L B Kumudu Lal | or failing him* |
| Mr. W A A Perera | |

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Forty Third (43rd) Annual General Meeting of the Company to be held on 30th June 2025 at 10.30 a.m. and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

| 1. Ordinary Business | | For | Against |
|----------------------|--|--------------------------|--------------------------|
| 1 | To re-elect as a Director Mr. Pathirage Shakya who retires in terms of Articles 86 and 87 of the Articles of Association. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | To re-elect as a Director Mr. Mahinda Chandralal Withanaarachchi who retires in terms of Article 94 of the Articles of Association. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | To re-elect as a Director Mr. Loku Bogahawattage Kumudu Lal who retires in terms of Article 94 of the Articles of Association. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | To re-elect as a Director Mr. Weerakoone Arachchige Adrian Perera who retires in terms of Article 94 of the Articles of Association. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 | To authorize the Directors to determine donations for the year 2025 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 (i) of the Notice of Meeting for the amendments to the Articles of Association. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | To consider and if thought fit to pass the Special Resolution set out under item 2.1 (ii) of the Notice of Meeting for the amendments to the Articles of Association. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | To consider and if thought fit to pass the Special Resolution set out under item 2.1 (iii) 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 Five

.....
 Signature of Shareholder/s

*Please delete what is inapplicable.

Notes:

1. A proxy need not be a shareholder of the Company
2. Instructions as to completion appear overleaf.

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 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 28th June 2025.
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.
6. In the case of joint holders the Form of Proxy must be signed by the first holder.

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. S A Ameresekere
Mr. Ng Yao Xing Eugene
Mr. L B Kumudu Lal
Mr. M C Withanaarachchi
Mr. W A A Perera
Mr. P S Perera

SECRETARIES

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

REGISTRARS

Central Depository Systems (Pvt) Limited
Ground floor, M&M Centre
341/5, Kotte Road
Rajagiriya

LAWYERS

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

AUDITORS

Ernst & Young
Chartered Accountants
201, De Saram Place, Colombo 10.

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
Liberty Developers (Pvt) Limited
Agrispice (Pvt) Limited
Anantya Global Solutions Company Limited

Concept & Designed by





Colombo Land

& Development Company PLC

250-3/8, Liberty Plaza, R A De Mel Mawatha, Colombo 03.

E- Mail: info@colomboland.com

Phone: +94 2575935 - 37