

ASIA  
CAPITAL  
PLC



*momentum for*  
**CHANGE**





# *momentum for* **CHANGE**

Change is never easy, but it is essential. During the financial year 2024/2025, Asia Capital PLC embraced transformation with clarity and courage. The company took bold internal steps to reset, rebuild and refocus. From streamlining operations to moving away from underperforming sectors, every action have strengthened our foundation and positioned us for sustainable growth.

While the year commenced amid challenges, strong progress in the latter part of the year, especially within the hospitality sector, brought a wave of positivity and forward movement.

Investments in infrastructure, enhanced operational processes and the pursuit of new opportunities have started to shape a more agile and confident future.

This report reflects our commitment to progress. It marks a shift from challenge to opportunity and from planning to progress. Asia Capital is ready to move forward with purpose, building strength through momentum and a clear commitment to change towards a brighter future.

# Contents

## Vision for Change

About Us	4
Vision   Mission   Values	5
Group Structure	6
Chairman's Statement	8
Managing Director's Review	10
Board of Directors	12

## Strategic Strokes

Stakeholder Engagement	17
Materiality Determination	20
Operating Environment	22

## Expanding our Palette

Asia Leisure	24
Stock Brokering	27
Group Financial Review	28

## Refining the Composition

Risk Management	30
Corporate Governance	31
Annual Report of The Board of Directors on the Affairs of the Company	37
Statement of Directors' Responsibilities	41
Audit Committee Report	42
Remuneration Committee Report	44
Related Party Transactions Review Committee Report	46
Nominations and Governance Committee Report	47

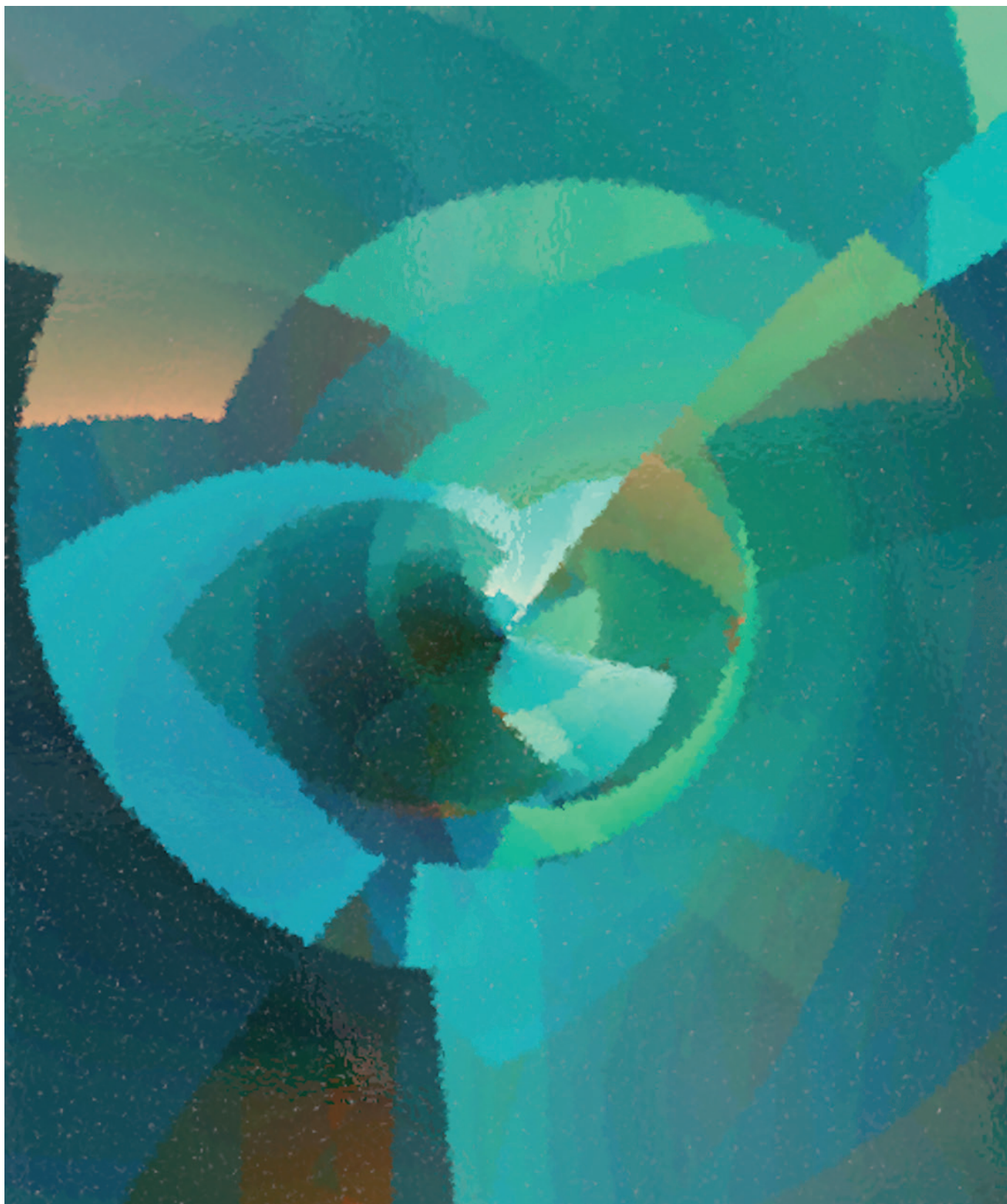
## Value of our Art

Independent Auditor's Report	49
Statement of Profit or Loss and Other Comprehensive Income	52
Statement of Financial Position	53
Statement of Equity Statement - Group	54
Statement of Cash Flows	55
Material Accounting Policy Information to the Financial Statements	56
Notes to the Financial Statements	61

## A Broader Landscape

Ten Year Summary	98
Glossary	100
Notice of the Virtual 33rd Annual General Meeting	102
Form of Proxy	103
Corporate Information	Cover Back Cover





# vision for change

Having emerged from challenging years, our new leadership has set renewed vision to restore stability, rebuild confidence, and drive long-term growth, guiding a journey defined by transformation, where challenges spark innovation and every step brings us closer to a stronger, more resilient future.

## About Us



*During its inception, Asia Capital PLC started with an emphasis on stock brokerage, swiftly expanding its business portfolio to cover a larger share of Sri Lanka's investment banking sector. We have made it our duty to take advantage of every opportunity the market presents since the day we first opened our doors. Thanks to a combination of our attention to our clients' demands and the expertise and experience gained in working in this business; we have developed a reputation that cannot be ignored.*

The footprint of our success as a diversified financial services provider dates back to our humble beginnings. Our continued investment in our resource pool, automation and core competencies has enabled us to sustain ourselves over several decades. Our continuous attention to a focused set of products and services to a wide array of investors has enabled us to better serve our client base across Sri Lanka.

Our objectives have not been scaled back, and they are supported by thorough investment research and a wide range of corporate investments. The dedicated group of professionals we have put together at Asia Capital PLC is crucial to realising our vision and completing our purpose by successfully putting our plans into action. They serve as the channel through which our organisation creates value for all of its stakeholders.

In the present, we engage in stockbroking, leisure activities and project management.

We are continually prepared to add new spheres to our ever-expanding tapestry of spheres that are in line with our diverse business aims. We receive frequent attention from investors, both local and foreign, for our distinctive, time-tested approaches to wealth creation. These successes demonstrate that our business is among the most active and growing ones in the industry in which we engage. For anybody seeking a trustworthy business partner who can continuously provide results better than expected, Asia Capital PLC is the finest choice.

We have endeavoured to find a balance between the display of comprehensive and relevant information and the report's simplicity, clarity, and readability, as the Corporate Reporting discussion increasingly focuses on increased coherence, relevance, and significance of the information offered in the Annual Report. The Group has actively pursued organic and inorganic expansion over the last ten years or more, which has

significantly increased the number of businesses within the Group and, as a result, the scope of the Report. As a result, Asia Capital PLC has concentrated more on automating its information gathering and reporting processes in an attempt to increase productivity, reliability, and accuracy.

Our philosophy centres on creating exceptional value and trusted partnerships. This congruence is embraced by a diverse team of professionals who count several years in the industry and are solution centric. The ability to give constructive advice is driven by broad and deep insight, display of ethical behaviour, rigour in conduct and the breadth and depth of our analysis. At Asia Capital, we focus on building long-term and trusted relationships with our stakeholders and uphold a philosophy that resonates with our Vision and Mission.

### Digital View



The Annual Report is available on our official website,  
[www.asiacapital.lk](http://www.asiacapital.lk)





## VISION

At Asia Capital PLC we have often chosen the road less travelled as we continue to strive towards achieving the unreasonable, the unattainable and even the impossible in value added investment and unmatched wealth creation services.

## MISSION

Delivering our commitments to stakeholders, while championing unmatched wealth creation services.

## VALUES

**LEARNING** To drive organisational development by encouraging a learning culture

**INNOVATION** To deliver innovation and value to every stakeholder we serve

**TEAMWORK** To encourage and emphasise teamwork across the Company

**ACCOUNTABILITY** To achieve the best results by holding ourselves responsible to deliver what we promise

**INTEGRITY** To hold ourselves to uncompromising standards of ethical, transparent and professional behaviour in all that we do

**RESPECT** To treat everyone with respect and dignity, nurturing the development of our people and rewarding performance

**CORPORATE CITIZENSHIP** To be environmentally responsible and socially committed to the welfare of the communities we impact

## Group Structure

Company	Board Of Directors	Relationship
1. Asia Leisure Holdings (Private) Limited	✖ Yudy Kanagasabai ✖ V. Siva Jr. ✖ K. Senathirajah ✖ V. J. Alahendra ✖ T. Watanabe (Alternate – Damitha Ratnayake) ✖ Raju Radha	Subsidiary
2. Asia Leisure (Private) Limited (under liquidation)	✖ Raju Radha	Subsidiary
3. Asia Tea Packaging (Private) Limited	✖ R. T. C. Gunaratna ✖ W. A. G. S. V. S. Perera ✖ D. C. Ratnayeke ✖ Raju Radha ✖ Stevenson Charles ✖ S. A. Abeyesinhe	Subsidiary
4. Asia Digital Entertainment (Private) Limited	✖ Valentine Jr Siva ✖ Raju Radha ✖ V. J. Alahendra	Subsidiary
5. Asia Leisure Travels (Private) Limited (under liquidation)	✖ S. A. Abeyesinhe ✖ Raju Radha ✖ S. Gunawijeya	Sub Subsidiary
6. Galle Beach (Private) Limited	✖ S. A. Abeyesinhe ✖ V. Siva Jr.	Subsidiary
7. River House (Private) Limited	✖ S. A. Abeyesinhe ✖ R. Gunarathna	Sub Subsidiary
8. River House Estate (Private) Limited	✖ S.A. Abeyesinhe ✖ V. Siva Jr.	Sub Subsidiary
9. Wadduwa Resorts (Private) Limited	✖ Yoshimichi Watanabe ✖ Osamu Miyoshi ✖ Toshiaki Tanaka ✖ Shigeki Hamaguchi ✖ Raju Radha ✖ V. Chandrasekhar ✖ Stevenson Charles ✖ Yudhishtan Kanagasabai	Subsidiary
10. Dickwella Hotels and Resorts (Private) Limited	✖ S.A. Abeyesinhe	Subsidiary
11. Forest Resorts Nuwara Eliya (Private) Limited	✖ Sandun Thushara	Subsidiary
12. Colombo City Land Development (Private) Limited	✖ Sandun Thushara	Subsidiary
13. Kosgoda Land Development (Private) Limited	✖ Sandun Thushara	Subsidiary
14. Beach Hotels and Resorts Mirissa (Private) Limited	✖ Sandun Thushara	Subsidiary



Company	Board Of Directors	Relationship
15. Galle Beach CC Trust (Private) Limited	<div>✗ Taro Ishizeki</div> <div>✗ Ruwinda Thiwanka Channa</div> <div>✗ R. Gunaratna</div> <div>✗ Yuji Saida</div> <div>✗ Raju Radha</div> <div>✗ V. J. Alahendra</div>	Associate
16. Strider Capital Asia (Private) Limited	<div>✗ Stevenson Charles</div> <div>✗ Chamaka Silva</div> <div>✗ Raju Radha</div>	Subsidiary
17. Asia Leisure Hotel Management (Private) Limited	✗ S. Thushara	Sub Subsidiary
18. Nuwara Eliya Hotels and Resorts (Private) Limited	✗ R.T.C. Gunaratne	Sub Subsidiary
19. 493 Talpe Lands (Private) Limited	✗ R.T.C. Gunaratne	Associate
20. Asia Leisure Academy (Private) Limited	✗ Viduranga Perera	
21. Asia Leisure Apartments (Private) Limited	<div>✗ R.T.C. Gunaratne</div> <div>✗ Chamaka Silva</div>	Sub Subsidiary
22. Asia Leisure Hills (Private) Limited	✗ R.T.C. Gunaratne	Sub Subsidiary
23. ACAP Stock Brokers (Pvt) Ltd	<div>✗ S.A. Abeyesinge</div> <div>✗ Raju Radha</div> <div>✗ V. J. Alahendra</div>	Sub Subsidiary
24. Kosgoda Beach Resorts (Private) Limited	<div>✗ Raju Radha</div> <div>✗ V. J. Alahendra</div>	Subsidiary

# Chairman's Statement



***"The past year has been a journey of resilience and renewal for our Group.***

***I remain confident that with continued focus, collaboration, and determination, we will sustain this momentum and create lasting value for all who place their confidence in us."***

## **Dear Stakeholders,**

The Group was able to demonstrate its resilience and strength, by swiftly adapting to challenges and capitalizing on opportunities to create value for its stakeholders. The Company recorded a Profit Before Tax of Rs 455 Mn for the period under review as against a loss of Rs 532 Mn incurred for the corresponding period. While there was progress on most fronts, a significant portion of these profits were driven by the sale of certain idle investments in hotel properties in both Sri Lanka and Maldives. It gives me great pleasure to present herewith the Annual Report and Audited Financial Statements of Asia Capital PLC and its subsidiaries for the year ended 31 March 2025.

The restructuring initiatives continued in the year under review as well, with ongoing efforts to streamline Group operations and rationalise staffing and entities within the group to enhance the Group's overall efficiency. A well-defined marketing strategy, prudent pricing, and effective cost management in operating expenses were key factors in achieving in driving growth. The hotel properties that were reopened during the latter part of the current financial year, began to drive top line. The stock broking arm too was able to sustain itself during the year under review.

## **OPERATING LANDSCAPE**

Sri Lanka's economy demonstrated consistent recovery throughout 2024, with the ongoing economic reform program yielding measurable progress. The GDP is estimated to have grown by an average of 5% during the year, largely supported by a resurgence in the industrial sector and robust growth in tourism-related services. Headline inflation remained in the low single digits, allowing for further monetary policy easing and continued declines in market interest rates. The successful conclusion of the debt restructuring process, along

with a stronger external sector, contributed to a rise in external reserves, thereby strengthening the stability of the Sri Lankan Rupee.

## **ORGANIZATIONAL REALIGNMENT AND GOVERNANCE STRENGTHENING**

Ethical leadership and governance form the basis of our value creation process at. A central theme of the past year was our initiative to streamline internal operations across the Group. We undertook a company-wide reassessment of structures, reporting lines, legacy investments and cost centers. Several redundant layers were removed, operational overlaps addressed, and clearer accountability mechanisms implemented.

At the same time, we re-emphasized governance and compliance as the cornerstones of our business model. Recognizing the heightened regulatory scrutiny both in capital markets and hospitality, the Board reinforced its



oversight responsibilities through strengthened audit, risk, and compliance practices. Internal policies were reviewed and updated, and risk assessment mechanisms are now more tightly integrated into operational planning

## LEISURE SECTOR

The tourist arrival has certainly improved with growing numbers. In that context, it is imperative that the focus be on attracting the right tourist as someone who respects culture, environment and values, and thus contributes meaningfully to our economy. As a destination, Sri Lanka is better positioned than ever — both politically and economically — to move forward and realize potential that the island so richly deserves. It is therefore essential that public and private sector stakeholders must work in harmony and united in purpose to take our destination to the next level.

Our properties, The Habitat and Tamarind Hill, grew their topline. Each of these properties continued to strengthen their unique positioning and improved in their financial performance in the concluded financial year. These properties, once under immense pressure, are now showing signs of a strong recovery. In the forthcoming year the company intends to refurbish two properties further and reopen Taprobana and River House which are located at Wadduwa and Balapitiya respectively. Currently, the Leisure Sector operates with a reduced inventory of 40 rooms. Following reopening of both Taprobana and River House, the sector will operate at its full capacity of 80 rooms.

We recognise the broader industry challenges that persist. The shortage of skilled personnel exacerbated by migration and global talent demand has prompted us to strengthen internal training and forge partnerships with hospitality institutions. Meanwhile, escalating utility costs have driven our focus on energy efficiency and innovative resource management. Looking ahead, Sri Lanka's national tourism targets 3 million arrivals and USD 5 billion in revenue by the end of 2025 are both ambitious and achievable. We are committed to contributing meaningfully by aligning our strategy with the pillars of resilience, sustainability, and innovation.

Our priorities remain centered on delivering exceptional guest experiences and creating enduring value for our stakeholders.

## STOCK BROKERING SECTOR

Sri Lanka's equity markets experienced cautious but positive movement during FY 2024/25. The All Share Price Index (ASPI) closed the year at 15,944.61 points, reflecting a modest 0.74% annual increase. The market's total Capitalisation reached Rs. 5.69 trillion, supported by recovery in banking, diversified financials, and capital goods sectors. Investor participation improved in the second half of the year, driven by exchange rate stability, reduced inflation, and improved macroeconomic indicators. The Colombo Stock Exchange (CSE) benefitted from increased trading volumes, a return of retail investors, and greater regulatory stability. Despite these positives, foreign investor participation remained limited, and the market continued to be sensitive to political and policy developments.

During the year under review, ACAP Stock Brokers achieved reasonable revenue growth, with core brokerage income increasing by approximately 45% year-on-year. This performance reflects proactive efforts to strengthen client engagement and market participation, despite challenging macroeconomic conditions. Strategic investments were made to support expansion, including the establishment of a new regional office in Ampara and recruitment of key talent. While these initiatives led to a temporary operating and net loss, they align with the company's growth-focused strategy. The company maintained a stable financial position, with modest growth in total assets and continued liquidity strength. The expansion of equity and liabilities further underscores the financial support behind strategic objectives.

Having said that, to be in line with the Group's restructuring plan, the Board of Directors have decided to dispose ACAP Stock Brokers (Private) Limited Company.

## ACKNOWLEDGEMENT

In conclusion, I take this opportunity to extend my appreciation to my colleagues on the Board for their unstinted support. I also take this opportunity to commend the Management Team and staff for their efforts to turn a challenging year into one of opportunity and growth. On behalf of the Board, I extend my sincere appreciation to Mr. Dhammika Swarnasinghe who resigned as a Director during the year and warmly welcome onboard Mr. A Perera, Mr B Emerson and MR G Shanmugam as Directors. The Board and I look forward to working closely with them. Finally, I wish to extend my appreciation to our valuable shareholders and stakeholders whose steady support has been the foundation on which we continue to grow.

On behalf of the Board and the Management, I wish to sincerely thank all our stakeholders, especially the regulatory institutions for their unwavering trust and support as we strategise to navigate this period of transformation. Our goal is to move forward towards a future defined by regained strength and prosperity, and the ongoing support of our investors, partners and regulatory authorities, will be instrumental in achieving this vision.



**Yudy Kanagasabai**  
Chairman

8th September 2025

## Managing Director's Review



***“Our journey is one of resilience and purpose, as we align our efforts to restore financial health and inspire confidence in the future.***

***Through commitment and collaboration, we are safeguarding value today while creating opportunities for generations ahead.”***

I am honored to address our stakeholders as the Managing Director of Asia Capital PLC and to provide an overview of our operational environment and internal advancements for the financial year 2024/25. In the year under review, we implemented several strategic initiatives that have positioned us for enhanced stability and growth. We faced various challenges in the ensuing process but with resilience, ACAP was able to move forward in a positive direction.

I am pleased to report that our leadership team, alongside our subsidiaries are strongly committed to enhancing accountability to our shareholders, partners, and stakeholders. Together, we have cultivated a shared commitment to restoring our financial health and stability, ensuring that shareholder investments are optimised and that our collective efforts align with our vision for the future needless to say that much more has to be done to get ACAP to its former status.

In response to the previously downcast financial performance, we adopted certain strategic changes to streamline our operations, making them leaner and more resilient to the challenges.

### NAVIGATING MACROECONOMIC WINDS

A steady economic climate further supported the sector's rebound. Inflation remained contained within a narrow band, while the decline in interest rates served as a favourable tailwind, easing financial pressures and supporting improved profitability across our operations.

Between April 2024 to March 2025, Sri Lankan economy grew at a reasonable pace, GDP growth was mainly driven by improvements in agriculture and services, notably, inflation

rates declined significantly, moreover, the Sri Lankan rupee remained stable against major currencies, driven by the efforts of the Central Bank to manage foreign exchange reserves, and interest rates which were cautiously adjusted to balance inflation with the need for economic growth, however attracting foreign direct investments remain a challenge.

In the tourism sector, there was a promising uptick in international arrivals, spurred by enhanced air connectivity and pent-up demand. Targeted marketing campaigns and improvements in the tourist sector further contributed to this recovery. However, challenges such as global economic uncertainties and high food price inflation persisted, impacting overall sector performance. The global economy is slowly recovering from the impacts of the pandemic, but uncertainties arising from the Ukraine and Gaza conflicts are posing significant challenges. This has led to a shift towards a multipolar world, which particularly affects smaller developing nations like Sri Lanka; and at present, the



task for political leaders is to navigate the balance between economic growth and social welfare amidst evolving geopolitics.

## STRATEGIC AND OPERATIONAL APPROACHES

The organization has initiated a comprehensive plan with achievable milestones to restore its previous standing. I must iterate that the group's heavy reliance on real estate and leisure sectors left it vulnerable to the pandemic and economic turbulence, resulting in negative financial performance. High staff turnover and migration of skilled workers further impacted our operations. Nevertheless, Asia Capital PLC has restructured its core businesses and management to align with the changing economic environment.

Moreover, the group successfully restructured bad debts, with banks agreeing to provide the necessary support, leading to positive outcomes in our recovery procedures. In view of the restructuring of the Group, the Board of Directors have decided to dispose ACAP Stock Brokers, post balance sheet.

Acknowledging the need for new capital to revitalize our tourism and leisure sector, our shareholders have generously committed the required funds, which will power our plans to rebrand and reposition our hotels.

The migration of skilled employees due to economic instability has prompted Asia Capital PLC to focus on upskilling its workforce and implementing advanced human resource capabilities. During the year, the group maintained the required staffing levels in line with operational needs despite necessary cutbacks.

## FUTURE OUTLOOK

With global travel on the rebound and Sri Lanka regaining its place among the world's most sought-after destinations, the outlook for 2025 remains decidedly upbeat. The first quarter of the year has already set a new benchmark for tourist arrivals, signalling a strong trajectory for the months ahead. An increase in international arrivals reflects not only growing traveller confidence but also

the country's consistent presence in top global destination rankings. This upward trend is underpinned by a unified industry effort to market Sri Lanka more effectively, alongside the entry of international hospitality brands which further elevate the destination's appeal.

According to the UN World Tourism Organisation, international tourist arrivals grew by 11% in 2024, recovering to 99% of pre-pandemic levels. In 2025, global arrivals are expected to increase by a further 3% to 5%, with resilience driven by strong demand in key markets. In Sri Lanka, arrivals rose by 38.1% in 2024, crossing 2 Mn visitors. Q1 of 2025 maintained positive momentum. The appreciation of the Sri Lankan Rupee and rising input costs present ongoing challenges, but the destination remains competitively positioned in global rankings.

Asia Capital PLC remains committed to navigating the evolving economic landscape with a strategic and cautious approach. We anticipate a gradual recovery in the market, fueled by recent developments that promise sustainable growth and value creation. Our focus will be on identifying and capitalizing on selective opportunities that align with our long-term objectives.

We are hopeful for the continued growth of the tourism sector, including exponentially growing tourist arrivals, which will help fuel our efforts to see a complete turnaround of the Group tourism and leisure sector. With increased international travel and enhanced marketing efforts, we expect new investment opportunities that can drive growth in related sectors.

We believe that with patience and strategic alignment of our corporate structure, we will emerge from this period of transition stronger than ever, ready to foster robust partnerships and drive growth in the dynamic financial landscape ahead, including the revitalized tourism sector. Looking ahead, the group aims to diversify its business portfolio with sustainable ventures. Asia Capital PLC remains receptive to new opportunities that create long-term value for its stakeholders.

## EXPRESSING GRATITUDE

I am grateful for the invaluable guidance and support of our Chairman, whose leadership has shaped our strategic direction. I also wish to thank the Board of Directors for their insights and stewardship throughout the year. To our business partners and investors, your trust and continued support, especially through the most challenging of times, have been vital. As we step into a new chapter with renewed optimism, I look forward to delivering stronger outcomes and creating shared value in the year ahead.

I extend my heartfelt gratitude to all our stakeholders for continuing to provide your support in various ways. To our shareholders, your confidence in our vision has enabled us to ensure operational viability and has reignited plans for future growth. To our dedicated staff, your resilience and hard work are vital to ensuring that we rebound strongly from the present position to a better financial and operational status. We also appreciate our board of directors for their insightful guidance, which has helped us navigate the challenges of the past year. Lastly, we acknowledge our banking partners for their collaboration and support, providing us with the financial stability we need. With the trust and assistance of all our stakeholders, we are confident in overcoming challenges and seizing new opportunities in the future.



**Raju Radha**  
Managing Director

8th September 2025

## Board of Directors



**MR. YUDHISHTRAN  
KANAGASABAI**

*Chairman*

Mr. Yudy Kanagasabai is a fellow member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). Counts over 35 years of experience at PricewaterhouseCoopers, Sri Lanka, and the Maldives, and Singapore, before he retired as the Senior Partner of PricewaterhouseCoopers Sri Lanka and the Maldives on 31st March 2017. Has served on several committees of the Institute of Chartered Accountants of Sri Lanka. As an Independent Non-Executive Director, he currently serves as the Chairman of the Board Audit Committee of Abans Finance PLC, Eswaran Brothers Exports (Private) Limited, Maingate (Private) Limited, Kelani Cables PLC and Arpico Insurance PLC. He also serves as an Independent Director at Cargills Bank PLC. He also the Chairman and Non executive Director of Asia Leisure Holdings (Pvt) Ltd and Wadduwa Beach Resorts (Pvt) Ltd

He has served on the Boards of several listed and private companies. He has also been a Commissioner of the Insurance Regulatory Commission of Sri Lanka.



**MR. RAJU RADHA**

*Managing Director*

Mr. Radha holds a B.Sc. Business Management degree from the University of London.

Mr. Radha has vast knowledge and experience in a number of business domains including Shipping, Logistics, Media, Property Development and Trading. He had been the Managing Director of Sea Services (Private) Limited, a Director of Greenlanka Shipping (Private) Limited and the Chairman of Vauxhall Shipping (Private) Limited.

Mr. Radha was the Founder Director of Radaan Media Works India Limited and a Director of Radaan Talent Factory.

Presently, Mr. Radha is the Managing Director of SAR Shipping (Private) Limited, SAR Maritime (Private) Limited, SAR Trading (Private) Limited and the Chief Operating Officer of Greenlanka Property Developer (Private) Limited.



**MR. S.S. BALASUBRAMANIAM**

*Director*

Mr. Balasubramaniam is the CEO of the corporate venture arm of the Qi Group of Companies, called Qi Capital. He holds various Board level positions including one in a chain of health food supermarkets in America called Down to Earth and a top tier hilltop village development in New Zealand, among others. Prior to his present role, he worked with PricewaterhouseCoopers in Malaysia and Australia.

Mr. Balasubramaniam is a fellow member of the Association of Chartered Certified Accountants. He has extensive experience in private equity, corporate restructuring, audit, advisory, transaction-related work in mergers and acquisitions and debt capital raising.


**MR. V. SIVA JR.**

*Director*

Mr. Siva is the Managing Partner of a boutique corporate finance firm based in Kuala Lumpur which he founded in 2005. The firm specialises in structuring large project financing deals and cross border financing. The firm also collaborates closely with regional private equity firms in securing bridge financing. He also has vast experience in Strategic Consulting with past engagements with many large conglomerates in Kuala Lumpur and Indonesia. He was also the former Group Corporate Planner of a public listed company on the Kuala Lumpur Stock Exchange.

He also served as Group Finance Director of a large oil palm plantation group in Malaysia. Mr. Siva Jr., formerly from Arthur Andersen & Co., Malaysia, has vast experience in corporate finance, strategy and performance management (balance scorecards) and capital markets. He holds a Bachelor of Accounting (Hons) degree from University Utara Malaysia and The Certified Public Accountant (CPA) qualification from the Malaysian Institute of Certified Public Accountants (MICPA).


**MR. S.A. ABEYESINHE**

*Director*

Mr. Abeyesinhe is a Director for Asia Capital PLC and also serves on the Boards of other subsidiaries of the Group.

He pursued his higher studies in both the United States and the United Kingdom after which he worked in financial markets in London. On his return to Sri Lanka he joined PricewaterhouseCoopers prior to joining Asia Capital PLC in June 2009. Mr. Abeyesinhe is a graduate of Harvard Business School.


**MR. STEVENSON CHARLES**

*Director*

Mr. Stevenson claims a remarkable 21-year tenure with International Group, where he presently assumes the role of Head of Internal Audit for the said Group. His breadth of experience spans diverse domains such as Business Strategy, Planning, Strategic Development, and more. With two decades entrenched in finance and accounting, Mr. Stevenson has navigated both public listed and private entities with finesse. Noteworthy among his past roles on different companies in different capacities such as Managing Director, Deputy Regional Director, Regional General Manager, and General Manager.



## Board of Directors



### **MR. A.D. ROSS**

*Director*

Mr. Ross holds a Bachelor of Arts in Accountancy and Law from Strathclyde University in Scotland. He is a member of the Institute of Chartered Accountants of Scotland and a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ross has over 30 years of experience in Accountancy and Finance. He is the Managing Director of Baker Tilly Hong Kong Limited (Certified Public Accountants), a member of the Asia Pacific Regional Board of Baker Tilly International, the Finance Director of Windy City International Limited (the operator of the Dan Ryan's Restaurant Group) and an Independent Executive Director on the Board of Global Tech (Holdings) Limited, which is listed on the Hong Kong Stock Exchange.



### **MR. A. PERERA** *(Date of Appointment - 25 March 2025)*

*Director*

Mr. Adrian Perera is a Fellow Member of ACCA (UK), Fellow member of CIMA (UK), Chartered Global Management Accountant, Fellow Member of the Certified Management Accountants of Sri Lanka, the National Management Accounting Body, Associate Member of the Institute of Chartered Accountants of Sri Lanka, an Associate Member of the Institute of Bankers of Sri Lanka, Life Member of the Association of Professional Bankers of Sri Lanka, Fellow and Founder Member of the Certified Professional Managers of Sri Lanka, Founder member of the Commonwealth Association of Accountants and he has a Master's degree in Business Administration from the Post Graduate Institute of Management, University of Sri Jayawardenapura, Executive Diploma in Business Administration from University of Colombo, Post Graduate Diploma in Diplomatic and World Affairs from BIDTI the National Diplomatic Training Institute and a Registered Company Secretary, member of the Sri Lanka Institute of Directors and have attended training programs locally and internationally extensively. He is the former Chairman of ACCA Sri Lanka and was a Governing Council Member of the Certified Management Accountants of Sri Lanka the National Management Accounting body and CIMA (UK) Sri Lanka division.

He has over 30 years' experience in Banking, Finance, Treasury, Hospitality, agriculture, Manufacturing and Information Technology, he was the Group CEO of Thinnvali Hotels (Jaffna) and Thinnai

Farms(Jaffna) and Director of Sascon Property Development Ltd & Sascon Holdings Pvt Ltd, Director/ Audit Committee Chairman of Britex Holding Ltd a construction material manufacturing Co with brands that have been in the market for over 50 years and former Director Corporate Affairs of OASIS Hospital Ltd now renamed as Kings Hospital Ltd. Previously he was the COO of EquiCapital Investment Ltd and was instrumental in setting up of the first overseas Investment for Lanka ORIX, the founder Chief Executive Officer of Lanka Rating Ltd former RAM Ratings Lanka, Director Kelsy Development Plc, Audit Committee Chairman and RPT Committee Member and George Stuarts Assets Management Ltd as Audit Committee Chairman and member of Investment Committee.

Charter Vice President Public Relations CIMA(UK) Sri Lanka division Toast Masters Club, was the Chairman of the CIMA Library Committee, Vice President and Assistant Treasurer of the Organization of Professional Association, which is an Association consisting of 48 Professional Associations was the chairman of Publicity and Journal Committee of CMA and a frequent paper presenter at the South Asia Federation of Accountants conferences in Sri Lanka, Bangladesh, Pakistan, India and Nepal and a frequent economic commentator of the future Sri Lankan economic landscape to the local media and Bloomberg.



**MR. R. B. R. EMERSON** (Date of Appointment – 25 March 2025)  
Director

Mr. Bradley Emerson is a seasoned professional with over four decades of expertise in banking, education, and strategic leadership. He holds an MBA from the University of Sri Jayewardenepura, is a Fellow of the Institute of Bankers (SL), and has an Advanced Diploma in Management Accounting from the Chartered Institute of Management Accountants (UK).

He is currently pursuing a Doctor of Business Administration (DBA). Mr. Emerson's banking career includes pivotal roles at Commercial Bank, Nations Trust Bank, and Pan Asia Bank, where he served as Deputy CEO. Notably, he played a transformative role in Pan Asia Bank's turnaround and rebranding. He also held a senior position at Bank of Oman, Bahrain, and Kuwait, overseeing central and branch operations. In 2007, Mr. Emerson joined CIMA-UK as Regional Director for South Asia and the Middle East, driving exponential growth in the CIMA brand across Sri Lanka and beyond. His leadership extended to the education sector as Executive Director of the Imperial Institute of Higher Education, where he introduced innovative MBA and DBA programs. An accomplished educator, Mr. Emerson lectures in Strategic Management and International Business and is a visiting faculty member at renowned institutions across South Asia. He is also a certified systemic team coach and founder of Business Athletes Pvt Ltd.



**MR. G. SHANMUGAM** (Date of Appointment – 25 March 2025)  
Director

Mr. Ganesan Shanmugam is an experienced business leader. He currently serves as a Director at Aramex (M) Sdn. Bhd., a role he has held since 2013, following his tenure as the Country Manager from 2011 to 2012. Prior to joining Aramex, he was the Managing Director at Avanti Worldwide Express Sdn. Bhd. from 2000 to 2010. Ganesan holds a Master of Business Administration (MBA) and a Bachelor of Science in Marketing from Southern Illinois University, Carbondale, Illinois, USA. With a robust skill set that includes Operations Management, Customs Regulations, Import, Export, and Supply Chain Optimization, he brings over two decades of expertise in driving operational efficiency and strategic growth.





# strategic strokes

Progress is never accidental; it is the art of strategy, executed with precision and purpose. Every decision we make is intentional, building confidence, creating value, and securing sustainable growth for our stakeholders.



# Stakeholder Engagement

Stakeholder Engagement enables Asia Capital PLC to proactively take into account the requirements and preferences of all parties with an interest in them. This helps build relationships, confidence, and buy-in for your business's most important activities. Stakeholder involvement, when done properly, can reduce possible risks and conflicts with stakeholder groups, including ambiguity dissatisfaction, misalignment, disengagement, and resistance to change.

## STAKE HOLDER ENGAGEMENT PROCESS

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Identification of Stakeholders	Plan	Engagement	Evaluate	Implement	Monitor
What decision they make?	Set objectives	Meetings	Brand Awareness	Revise timelines	Feedback
Do they affect daily operations?	Tailoring strategies	Marketing Materials	Strong engagement	Use different models	Assessment Matrix
How are they affected by ACAP?	Market research	Social Media	Responsiveness	Action Plan	Communication

## OUR STAKEHOLDERS CONSIST OF EMPLOYEES, SHAREHOLDERS, BUSINESS PARTNERS, CUSTOMERS, GOVERNMENT, LOCAL COMMUNITIES, SUPPLIERS AND VENDORS AND THE GENERAL PUBLIC / PROFESSIONAL BODIES / MEDIA INSTITUTIONS.

Employees	Shareholders	Business Partners
<b>Our Commitment</b>	<b>Our Commitment</b>	<b>Our Commitment</b>
We support a strong communication culture that gives workers many avenues to easily and confidentially connect with their superiors when needed. We also encourage staff members to routinely interact with their managers. A busy social event schedule has also been established by the Group with the intention of promoting closer relationships and improved communication.	We always provide shareholders with a fair picture of the Group's operations. Every company activity is done to enhance the value generated in terms of rising share prices, rising profits, and dividend payments.	In order to develop long-lasting, mutually advantageous business alliances that are consistent with the Group's strategic goal, we continuously concentrate on forming and fostering strategic relationships both domestically and abroad.
<b>Areas of Interest</b>	<b>Areas of Interest</b>	<b>Areas of Interest</b>
<ul style="list-style-type: none"> <li>✗ Career advancement</li> <li>✗ Compensation and perks</li> <li>✗ Employment equality</li> <li>✗ Secure working conditions</li> <li>✗ Business performance</li> <li>✗ Job security and the group's long-term viability</li> </ul>	<ul style="list-style-type: none"> <li>✗ Dependability of finances</li> <li>✗ Potential for growth</li> <li>✗ Business model sustainability</li> <li>✗ Cost management</li> <li>✗ Corporate management</li> <li>✗ Framework for risk management</li> <li>✗ Company standing</li> <li>✗ Timeliness, openness, and transparency of disclosures</li> </ul>	<ul style="list-style-type: none"> <li>✗ Liquidity and stability of the economy</li> <li>✗ Prospects for business</li> <li>✗ Business model sustainability</li> <li>✗ Marketability of brands</li> <li>✗ Market share</li> <li>✗ Corporate ethics and management</li> <li>✗ The provision of accurate, dependable, and timely progress data</li> </ul>
<b>Engagement Methods</b>	<b>Engagement Methods</b>	<b>Engagement Methods</b>
<ul style="list-style-type: none"> <li>✗ Solitary consultations</li> <li>✗ Four times annually</li> <li>✗ Workshops on knowledge sharing</li> <li>✗ yearly performance evaluations</li> </ul>	<ul style="list-style-type: none"> <li>✗ Direct Communication During the AGM</li> <li>✗ Annual report</li> <li>✗ Interim Financial reports</li> <li>✗ Regular updates via discussion forums, social media, organization websites, and press releases</li> <li>✗ Information released to Colombo Stock Exchange (CSE)</li> </ul>	<ul style="list-style-type: none"> <li>✗ In-person interactions</li> <li>✗ Business website</li> <li>✗ Annual report</li> <li>✗ Interim Financial reports</li> <li>✗ Regular presentations and reports</li> </ul>

## Stakeholder Engagement

Customers	Government	Local Communities	Media Institutions
Our Commitment	Our Commitment	Our Commitment	Our Commitment
We firmly believe in establishing lasting, mutually beneficial relationships with our clients by fusing their dynamic value proposition with top-notch customer service, tailored communication, and one-on-one conversation.	By maintaining open lines of contact with regulators and cooperating closely with those who make policy decisions, we are always ready to provide a progressive operating environment. In order to actively engage in idea and insight exchange with professionals in the industry, we also actively participate in national and international consultative forums and information sharing sessions.	Through a variety of direct communication opportunities, we embrace corporate social responsibility by supporting the regional communities in and around each of our hotel properties; assisting them in integrating into the larger business model; ensuring their rights are upheld; and supporting their efforts to protect the environment.	In our opinion, it is in the best interests of the Company to constantly foster respectful and cordial relationships with all other stakeholders, including the general public, professional organizations to which the Company is connected, and media organizations.
Areas of Interest	Areas of Interest	Areas of Interest	Areas of Interest
<ul style="list-style-type: none"> <li>✗ Service excellence and dependability</li> <li>✗ Costing</li> <li>✗ Innovation and technology</li> <li>✗ Corporate branding and reputation</li> <li>✗ Having access to trustworthy and unbiased information</li> </ul>	<ul style="list-style-type: none"> <li>✗ legal compliance</li> <li>✗ The tax system</li> <li>✗ Committees for governance</li> </ul>	<ul style="list-style-type: none"> <li>✗ Social welfare and economic growth</li> <li>✗ Construction of community infrastructure</li> <li>✗ Maintenance of ecosystems</li> <li>✗ Emergency aid</li> </ul>	<ul style="list-style-type: none"> <li>✗ Business performance</li> <li>✗ Creation of jobs</li> <li>✗ Community building</li> <li>✗ Brand recognition and standing</li> <li>✗ Integrity in business</li> </ul>
Engagement Methods	Engagement Methods	Engagement Methods	Engagement Methods
<ul style="list-style-type: none"> <li>✗ Meetings</li> <li>✗ News articles</li> <li>✗ Business website</li> <li>✗ Social networking sites</li> <li>✗ Press releases with ads</li> </ul>	<ul style="list-style-type: none"> <li>✗ Private consultations</li> <li>✗ Discussions on knowledge-sharing</li> <li>✗ Participating in forums for business and industry</li> </ul>	<ul style="list-style-type: none"> <li>✗ Community welfare initiatives</li> <li>✗ Attending community-sponsored activities</li> </ul>	<ul style="list-style-type: none"> <li>✗ News articles</li> <li>✗ Social media and the company website</li> <li>✗ Literature</li> <li>✗ CSR programs</li> <li>✗ Publicity and advertising campaigns</li> </ul>

Stakeholder involvement in strategic planning is essential. Our stakeholders must comprehend our mission, goals, and strategy in order for them to support our business. Furthermore, it's critical that Asia Capital PLC's strategic direction is supported by and shared by our key stakeholders in order for us to act as champions and support the realization of your mission and vision.

### EMPLOYEES

Employees of Asia Capital PLC have a "unique position among stakeholders" due to their intimate integration with the organization. However, employees essentially constitute the business: they

are often the most significant aspect or "resource" as they represent the company to other stakeholders, and act on its behalf. People often make major investments in their employment, such as relocating to a new location, altering their interpersonal ties, and continuing their education. Our Employees are often the face of our organization. They are the individuals who manufacture the goods or deliver the services to the clientele. Employees have a significant impact on the success of Asia Capital PLC.

Our actions as a company influence their economic well-being and job satisfaction. Their interest as stakeholders in our company is not just related to their

remuneration package and job security, but also to their job satisfaction. Because they believe they are valued team members, satisfied and content employees will perform better and engage nicely with each other and our clients.

### SHAREHOLDERS

Shareholders of Asia Capital PLC participate in activities in direct and indirect ways. They choose the directors, including the chief executive officer and the chief financial officer, who select and oversee top officials. Through the stock market, they indirectly influence the business.

## SHAREHOLDERS RESPONSIBILITIES

Meditating and selecting the authority they would provide the board of directors, such as the right to appoint and dismiss them from their positions.

Making decisions on instances the directors have no power over, including making changes to the company's constitution.

Examining and approving the company's financial statements.

## BUSINESS PARTNERS

As we carry out our duties, make plans for the future, and increase our knowledge of goods, developments, and trends, business partner relationships serve as crucial links and resources. When a product or service evolves or when a new product or service is required, developing ties with potential business partners may be helpful. We consistently focus on creating and developing strategic relationships both locally and internationally in order to create long-term, mutually beneficial business alliances that are compatible with the strategic purpose of the Group.

## CUSTOMERS

Our Customers are the individuals who will ultimately determine whether Asia Capital PLC is successful or not. Customers will remain loyal to a brand they like. Customers will, however, just go to a competitor if a company doesn't consistently meet their demands. The impact on the company will be severe.

Customers have an interest in a business doing well because they want the following:

- ✖ quality products and services
- ✖ low prices
- ✖ value for money

Customers can influence how a business operates by:

- ✖ deciding whether or not to purchase the product or use the service
- ✖ affecting an organization's reputation by word of mouth

## GOVERNMENT

Governments are our stakeholders in a variety of initiatives. Governments have a responsibility to provide our businesses with services, and in providing such services, we see the government as a proxy stakeholder for the citizens themselves. Governments may alter tax rates, create new laws, or raise expenditures in ways that have an impact on our businesses. We are continually prepared to create a progressive working environment thanks to our strong collaboration with individuals who make policy choices and open lines of communication with regulators. We also actively participate in national and international consultative forums and knowledge-sharing sessions in order to actively engage in the idea- and insight-sharing process with experts in the sector.

## LOCAL COMMUNITIES

A local community is a collection of socially engaged individuals who live in the same area. Intention, belief, resources, preferences, wants, dangers and a variety of other circumstances may be present in human communities and are often shared, which may have an impact on the individuals' identities and levels of cohesiveness. Through a variety of direct communication opportunities, we embrace corporate social responsibility by supporting the regional communities in and around each of our hotel properties, assisting them in integrating into the larger business model, ensuring their rights are upheld, and supporting their efforts to protect the environment.

We are concerned about the neighbourhood's infrastructure, ecology, and the effect the enterprise will have on local employment and wealth. The amount of employment in a municipality is often influenced by nearby businesses. We embrace corporate social responsibility by assisting the local communities in and around each of our hotel properties in integrating into the larger business model, ensuring their rights are upheld, and supporting their environmental protection efforts. We do this through a variety of direct communication opportunities.

## SUPPLIERS AND VENDORS

Vendors buy goods and services to resell them to Asia Capital PLC. Our Suppliers play a crucial role in the operation of our company. In order to satisfy our final customers, suppliers are crucial when considering pricing, product quality, and on-time delivery. Another important factor to take into account while picking vendors is reliability. Reliable vendors fulfil orders promptly and according to our requirements.

## GENERAL PUBLIC/ PROFESSIONAL BODIES

We believe that maintaining polite and cordial relationships with all other stakeholders, such as the general public, professional organizations with which the Company is involved, and media organizations, is in the Company's best interests.



# Materiality Determination

The materiality part of an integrated report would consist of the disclosure of information regarding issues that have a substantial impact on a company's capacity to produce value over time, whether in the short-, medium-, or long-term. By identifying, assessing, and narrowing down processes and concerns, as well as by identifying people responsible for governance and other important responsibilities, materiality in an organization is assessed. Strategic planning and risk assessment both include engaging with stakeholders as part of daily operations. Line managers and department leaders are held accountable for attaining goals and objectives. To bring their performances into conformity with the company strategy direction, key performance targets and tolerance limits are defined.

## ACAP ON MATERIALITY

When dealing with policies, processes, internal controls, and managing situations of material concern, Management is required to act in a responsible, open, and ethical manner. Procedures are regularly reviewed to align with environmental changes. Continuous environmental screening is carried out to identify events of materiality in all aspects. Responsibility is assigned to senior managers to address and resolve grievances arising from the grievance procedure and information channels set in place. Since our solutions and stakeholder input may sometimes have an impact on the substantive concerns, we continuously prioritize them based on stakeholder feedback and expanding business trends in the relevant sectors. At Asia Capital PLC, we use a simple

yet effective methodology to determine materiality. New standards offer practical areas of clarity when determining what matters in respect to specific challenges. In order to produce results, we monitor performance and attempt to effectively connect with our stakeholders.

## MATERIALITY FRAMEWORK

In the context of environmental, social, and corporate governance (ESG), materiality refers to the efficacy and financial relevance of a particular metric within the context of Asia Capital PLC. The material framework is currently described as what is significant to us, what directly and indirectly affects objectives and decision-making, and which factors have the most impact on the development and sustainability of our business.

## MATERIALITY ASSESSMENT TABLE

Aspect	Stakeholders with materiality Issues	Relevance	Significance	Risks	Opportunity	How we Manage
Revenue & Profitability	All	High	Enables growth & value	Macro-economic changes in finances	Reduce operating costs	Put the right strategies in place
Rewards & Recognition	Employees	Moderate	Improves productivity	Profitable growth & compliance	Growth and Productivity	Employee Appraisals.
Loyalty programs	Customers	High	Retain customers	Higher costs	Positive reviews	Seasonal Offers
Stocks	Share Holders	Moderate	Higher investments	Low share value to the economic crisis.	Increase Capital	Offer competitive dividends
Brand	Customers	High	Recognition and awareness	Competition	Increase Sales	Marketing & promotions
Community Engagement	Local communities	Low	Improved CSR engagements	Costs	Increase reputation	CSR
Financial performance	All	High	ROI	Inflation	Increase profits	Cost Management
Compliance	Employee	Moderate	Discipline	Employees Turnover	Maintain business ethics.	Human Resource Management
Media Institutions	All	Low	Exposure	Brand Image	More reach	Advertising
General Public	All	Low	Perception	Overall business	Opinion	All departments
Waste Management	All	Low	Cleanliness	Maintenance	Go Green	Regular audit of the premises

Aspect	Stakeholders with materiality Issues	Relevance	Significance	Risks	Opportunity	How we Manage
Water Management	All	Low	Supply of water	Maintenance	No water shortages	Maintenance of the water pipelines
Health & Wellbeing	All	High	Productivity	Fitness	Living and working healthy	Awareness programs
Impact of Tourism	Tourist & Leisure Business	High	Turnover	Profits	Global recognition	Promote Sri Lanka Tourism
Economic Stability	All	High	Business	Overall Operations	Manage our business resources	Keep our costs low.
Information Security	Data protection	High	Information systems	Data security breaches	Keep Cyber threats away	Firewalls

## MATERIALITY GRID

No.	Materiality Topic	Importance to Stakeholders	Influence on the Business Success
1	Revenue & Profitability	High	High
2	Loyalty programs	Low	Medium
3	Brand	High	High
4	Rewards & Recognition	Medium	High
5	Stocks	Medium	Medium
6	Compliance	High	High
7	Community Engagement	Medium	Low
8	Media Institutions	Low	Medium
9	General Public	Low	High
10	Waste Management	Medium	Medium
11	Water Management	Medium	Medium
12	Health & Wellbeing	Medium	Medium
13	Impact of Tourism	Medium	High
14	Economic Stability	High	High
15	Information Security	Medium	High

# Operating Environment

## SRI LANKAN TOURISM SECTOR

2024 saw Sri Lanka's tourism sector achieving a notable revival. This represents a substantial step forward in recovery from the recent economic, financial, and social crises. Sri Lanka registered approximately 2.05 million international tourist arrivals, representing a 38% increase over 2023. A combination of factors such as the steady improvement of global travel conditions, targeted international marketing campaigns, and expanded air connectivity with key source markets drove this resurgence.

An estimated USD 3.17 billion in revenue was generated by tourism – a 53.2% increase over the previous year – highlighting the sector's critical role as a major contributor to the economy.

The hospitality industry continues to evolve, shaped by changing traveler expectations, increasing digital integration, and a growing emphasis on experiential and sustainable tourism. While the market remains volatile, the outlook remains cautiously optimistic. Adoption of data-driven strategies and agile responsiveness to emerging trends will be essential in navigating the future. Consequently, Asia Leisure Hotels remains committed to real-time monitoring of macroeconomic and industry developments, ensuring continued agility and competitiveness.

The first half of the year saw a strong surge with 1.01 million tourist arrivals, indicating a 61.6% increase over the corresponding period in 2023. January and February stood out as record-breaking months, more than doubling the arrival numbers of the previous year due to peak season travel and successful promotional efforts. However, as the year progressed, the pace of growth reduced, reflecting both the seasonal nature of tourism and heightened competition from alternative destinations.

Despite these encouraging results, the industry has yet to fully return to the heights achieved prior to the crisis, particularly compared to the record levels of 2018. Persistent challenges such as global economic uncertainties, evolving traveler preferences, and competition from other regional tourism hubs continue

to influence the sector's performance. Nonetheless, 2024 marked a year of renewed optimism for Sri Lanka's tourism industry, laying a strong and promising foundation for sustained growth in the coming years.

## NATIONAL ECONOMY

Sri Lanka's economy demonstrated a robust recovery in 2024, fueled by international financial aid and structural reforms, exhibiting clear signs of stabilization after the severe financial downturn in 2022. The recovery momentum that began in the third quarter of 2023 continued into 2024, with an estimated 5% growth.

This growth was primarily driven by a resurgence in the industrial sector, particularly the construction industry, and robust performance in the services sector. The services sector grew by 2.6%, supported by strong performance in IT programming services and tourism-related service sectors, including accommodation, food and beverage services, and transport. With GDP per capita increasing to \$4,516, enhanced confidence in the domestic market is likely to propel consumer spending, particularly in tourism, by encouraging more domestic travel and greater expenditure on hospitality and leisure services.

Economic confidence was bolstered by the stabilization of the exchange rate, buildup of foreign reserves, and deflationary trend in inflation towards the end of 2024. However, sustaining this progress will require ongoing structural reforms, disciplined fiscal management, and measures to strengthen the export sector, as elements of volatility and uncertainty still remain.

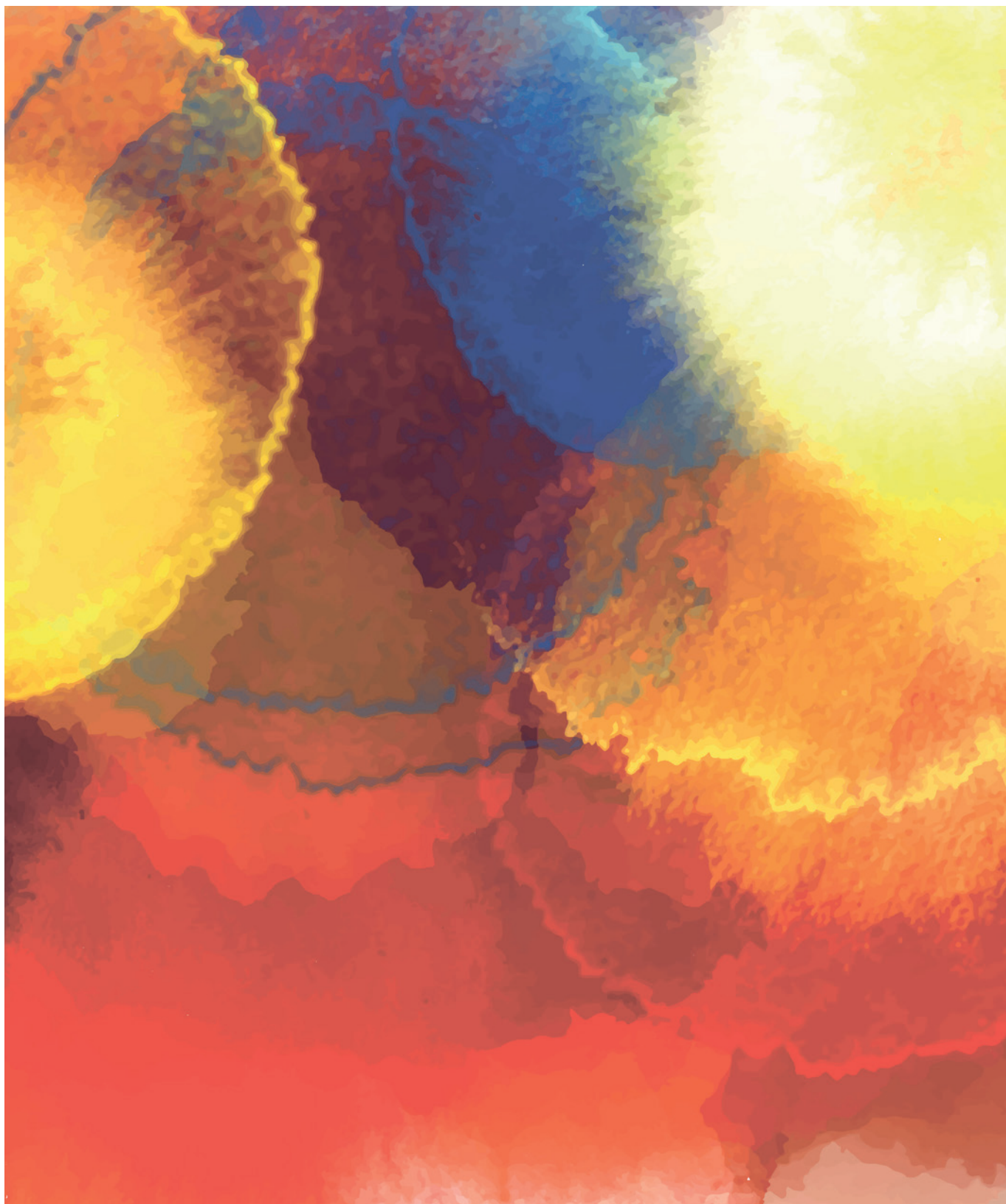
## POLITICAL STABILITY AND GOVERNMENT POLICIES

The political environment during 2024–2025 has provided a stable and supportive backdrop for economic recovery and growth in tourism. Government policies focused on enhancing infrastructure, improving visa processes, and promoting Sri Lanka as a safe and attractive destination have strengthened investor and traveler confidence. Strategic initiatives

aimed at sustainable tourism, investment incentives for hospitality and SME development, and proactive regulatory support have encouraged growth across the sector. The emphasis on transparent governance, political stability, and continued structural reforms during this period has played a key role in fostering long-term resilience in both the tourism and wider economic landscape.

Overall, 2024 was a year of significant recovery and optimism for Sri Lanka. Tourism demonstrated strong growth with 2.05 million international arrivals, generating USD 3.17 billion in revenue, while the national economy rebounded with 5% GDP growth. Although the industry has not yet returned to pre-crisis peak levels, these results highlight the resilience and potential of Sri Lanka's tourism and hospitality sectors. Continued focus on innovation, sustainability, and strategic responsiveness will be key to achieving long-term, sustainable growth.





# expanding our palette

In an ever-evolving market, expanding our palette reflects our commitment to innovation and diversification. By offering a wider range of solutions, we empower our clients and shareholders with stronger portfolios, richer choices, and enduring confidence.



## Asia Leisure

*In 2025, Sri Lanka's tourism industry continued its upward trajectory, following the strong revival that began in 2023. The country recorded over 2.05 million international arrivals in 2024, reflecting a significant 38% increase compared to the previous year. By the middle of 2025, the country had already welcomed approximately 1.25 million visitors, placing it firmly on track to surpass its target of 2.5 million arrivals by year-end. This steady recovery reaffirms Sri Lanka's reputation as one of South Asia's most attractive travel destinations, celebrated for its rich cultural heritage, breathtaking landscapes, and warm, authentic hospitality.*

completing a phase of refurbishments and continuing with enhancements, enjoyed a smooth run in hosting destination weddings and private events.

Customized wedding packages, tailored to both local and overseas clientele, proved successful in driving revenue and increasing brand visibility.

In contrast, Taprobana remained temporarily closed throughout the year to facilitate ongoing renovation and repositioning. This property will undergo significant upgrades aimed at enhancing long-term asset value and aligning with the Group's broader brand strategy.

While this momentum presents an optimistic outlook, global economic volatility and geopolitical tensions remain ongoing challenges. Uncertain macroeconomic conditions in key source markets have the potential to impact travel budgets and consumer behavior. Nevertheless, Sri Lanka continues to benefit from resilient regional demand, particularly from India, Russia, and neighboring South Asian countries. The ability of the tourism industry to respond swiftly to evolving market trends particularly the growing preference for sustainable, wellness-focused, and experience-led travel will be essential to ensuring continued progress.

Sri Lanka's positioning in the global tourism landscape is further supported by infrastructure development, improved air connectivity, and targeted promotional campaigns. These efforts, backed by both public and private sector collaboration, continue to build traveler confidence and enhance the overall visitor experience.

### GROUP PERFORMANCE OVERVIEW

Asia Leisure's operations for year under review reflect both the challenges and opportunities within a transforming tourism landscape. During the year, Habitat and Tamarind Hill remained fully operational and continued to perform steadily. Habitat maintained consistent occupancy across its 28-room inventory, with positive guest feedback highlighting its service standards and location appeal. Tamarind Hill, after





Financially, the Group made notable progress in restructuring its bank debt and optimizing operational expenses. With the support of shareholders and key financial institutions, Asia Leisure successfully renegotiated loan terms and secured more favorable repayment timelines. These financial measures have strengthened the Group's balance sheet and ensured the necessary liquidity to continue its refurbishment and growth plans.





## Asia Leisure



### OPERATIONAL DEVELOPMENTS

Despite interim cost controls, staffing levels were maintained in accordance with operational requirements, ensuring service consistency across functioning properties. Habitat successfully resumed operations in September 2024 following enhancements, while Tamarind Hill continued its operations seamlessly, offering an elevated guest experience through its refreshed product and services.

These discussions are aligned with the Group's commitment to improving operational efficiency, elevating service quality, and accelerating future growth. Early outcomes from these negotiations have been encouraging and indicate strong potential for strategic partnerships that can enhance guest experiences and drive long-term value.

### STRATEGIC DIRECTION AND PORTFOLIO TRANSFORMATION

Asia Leisure continues to implement a clear transformation strategy, with a focus on repositioning its existing properties to cater to high-value niche travel segments. Significant capital investments initiated have begun to materialize, with a strong emphasis on design upgrades, brand repositioning, and guest-centric experiences. The Group's strategy includes converting Tamarind Hill into a boutique villa, designed to attract discerning travelers seeking luxury, privacy, and tailored hospitality.

Taprobana is being repositioned as a premier wedding and banqueting venue, leveraging its beachfront location and expansive event spaces to meet the increasing demand for destination celebrations, including weddings, corporate gatherings, and social events celebrations.

In parallel, Asia Leisure is actively responding to global tourism trends such as wellness tourism, experiential travel, and curated local experiences. Dedicated guest packages and services are being designed to meet these growing demands, ensuring the Group's offerings remain competitive and relevant. The Group's commitment to responsible tourism also remains at the core of its brand, with initiatives that support community engagement and environmental conservation. This strategy not only enhances operational flexibility but also ensures scalable and sustainable growth.

### HIGHLIGHTS FOR 2026

Looking ahead, the outlook for Sri Lanka's hospitality sector remains positive. The island's increasing global visibility, combined with improved access, favorable government policies, and rising demand for differentiated travel experiences, positions it as a key tourism market in the region. Asia Leisure is well-positioned to benefit from this momentum.

Having completed a successful phase of debt restructuring and secured renewed interest from shareholders, the Group enters the next financial year with a strengthened financial position and a clearly defined growth roadmap. Continued investments in product development, brand enhancement, and market-driven repositioning will enable Asia Leisure to deliver exceptional value to guests and stakeholders alike in the year ahead.



## Stock Brokering

Positive developments in the domestic macroeconomic environment, including greater foreign currency stability, declining inflation, and a rebound in domestic and foreign investor confidence, have supported the performance in the CSE.

The prevailing low-interest rate regime has enhanced the relative attractiveness of equities, encouraging a shift in investor preference from fixed income instruments to capital market investments. These conditions present a favourable opportunity for the stockbroking arm of the Group to capitalise on, against the backdrop of increased market activity and investor engagement. ACAP Stock Brokers will focus on leveraging this momentum through enhanced client advisory services, digital platform optimisation, and broadening market access. Possible factors that could dampen investor sentiment include uncertainties surrounding domestic policy reforms, geopolitical tensions, and inconsistencies in policy implementation.

During the year in review, ACAP Stock Brokers maintained robust momentum in top-line growth, with core brokerage revenue growing by approximately 45% year on year. This is indicative of the concerted efforts of the team in developing client relationships and deepening market participation, especially in a year characterized by mercurial investor sentiments and macroeconomic headwinds. The growth in the revenue base puts the company in a strategic position to continue to grow in the future, notwithstanding the evolving market dynamics.

However, during the period there was a corresponding high growth in operating expenses, primarily due to intended investments in business development, recruitment of talent, and the establishment of a new regional office in Ampara. The opening of the new branch in Ampara was a key milestone in this regard, with the focus on securing unharnessed regional market opportunities. Due to these planned investments, the company recorded an operating loss and a corresponding net loss for the year, thereby reversing the small profitability seen in the previous period. Although this outcome reflects the cost of growth, it

is aligned with our long-term strategy of sustainable scaling.

From a balance sheet viewpoint, ACAP Stock Brokers has maintained a healthy financial position, as reflected in the marginal increase in total assets year over year. The expansion in current assets reflects sound management of liquidity, whereas the expansion in equity and liabilities indicates the financial backing that supports our strategic objectives. Despite this year's adversity faced in regards to profitability, the groundwork established by growth and investment in infrastructure is anticipated to generate value in future years, thereby positioning the company for a recovery in profitability and sustained growth.

Looking ahead, ACAP Stock Brokers is dedicated to pursuing a strategy of operational excellence and controlled expansion. Now that important infrastructure has been established and the regional footprint has grown, attention will turn to increasing cost effectiveness, developing digital capabilities, and broadening the range of services offered in order to better serve a larger clientele. We are certain that the strategic foundation established throughout the year will allow for a return to profitability, putting the business in a position to take advantage of new possibilities in the capital markets and make a significant contribution to the long-term value development of the Group.

Be that as it may, the Company entered into negotiations with a potential buyer to disposed of the Stock Brokering entity subject to regulatory approval.

# Group Financial Review

## GROUP REVENUE

Our consolidated group revenue for the financial year ended on March 31, 2025, remains static. The Habitat and Tamarind Hill were fully operational from November 2024 and the revenue represents five months' operations. The said properties closed in December 2023 for refurbishment. Following partial refurbishment, the occupancy and the average room rate improved. Taprobana remains closed for the entire financial year, and is likely to be reopened before 1 April 2026 as a premier wedding and banqueting venue.

The Stockbroking company, ACAP Stockbrokers (Private) Limited operated during the financial year and did contribute to the Group revenue. The robust momentum in top-line growth, with core brokerage revenue growing by approximately 45% year on year, was a result of efforts made in developing client relationships. The Board of Directors decided to dispose the ACAP Stock Brokers (pvt) Ltd, post balance sheet in line with the re-structuring plan of the Group.

## NON OPERATIVE INCOME

Following extensive negotiations, between the Company and Belluna Co. Ltd. an amicable settlement was reached in determining the price at which the investments to be sold. By an agreement on February 2025, the Company and Belluna mutually agreed to terminate and cancel all MOUs entered into in respect of the three minority hotel investments. The final settlement was agreed at LKR 783 Mn.

## COSTS

Stringent cost measures continued to be introduced to curtail expenditure without affecting the quality of service rendered to clients. Finance cost continues to exert a significant pressure on the bottom-line. Since the Balance Sheet date the company has taken steps to reschedule overdue loans and overdrafts.

The Company intends to merge all non-operating entities post the balance sheet date. In this context, all long outstanding balances had been identified,

the recoverability assessed, and balances deemed irrecoverable expensed to the income statement.

## ASSETS

The Group was able to dispose of its minority stake in Belluna related hotels which the Company got as sweat capital for a consideration of LKR 783 Mn during the course of the financial year. The price was agreed after extensive deliberation taking into consideration the cash offer which was beneficial for the Group in the current scenario. Part of the consideration was discharged by transferring of two apartments at an aggregate value of LKR 196 Mn. The value of these properties have been disclosed as investment properties in the balance sheet as at 31st March 2025.

Following the sale, there was no significant change between the total assets as at the two balance sheet dates at the Group Level. There was also no significant change in total assets at entity level.

Following the sale, the Company had a net asset position of LKR 41 Mn as at 31 March 2025 as against a net liability position of LKR 22 Mn as at 31 March 2024. The Group also reported a net asset liability position of LKR 49 Mn as at 31 March 2025 as against the net liability position of LKR 127 Mn as at 31 March 2024.

During the year, Asia Leisure (Private) Limited is in the process of being liquidated. The Liquidation Order was made on 8th January 2025 by the Commercial High Court. Following this order, the investment made by the Company in Asia Leisure (Private) Limited and all dues from the Company being liquidated was impaired in the books of the Company and the relevant subsidiary companies.

## DEBTS

It is pertinent to note that one of our shareholders continued to settle the outstanding loan commitments to the commercial bank, on behalf of the Company, under a restructured repayment scheme. Part of the proceeds from the sale of the minority stake in Belluna, amounting

to LKR 450 Mn was used to settle the Rupee component of the loan given by a Shareholder Company.

The said shareholder also agreed to convert LKR 697 Mn of short term debt as a non-current liability for which the repayment period had not yet been specified. The shareholder company continues to meet both the Group's and the Company's operational expenditure and capital expenditure as and when they fall due.





# refining the composition

Every element of our strategy, governance, and operations is evaluated and enhanced, refining the composition to optimise efficiency, unlock potential, and deliver enduring impact in a dynamic market.

# Risk Management

The Group's risk and opportunity landscape is shaped by the political, economic, social, technological and environmental context in which it operates. Sound risk management enables the Group to adapt to rapidly evolving operating conditions, supporting informed-decision making during volatile periods. The Group's operating landscape is increasingly dynamic, thereby underscoring the importance of a proactive and agile approach towards risk management, which can drive long-term value creation through building a more resilient operating model.

On the domestic front, Sri Lanka's economy stabilized following critical structural and policy reforms although the medium to long-term growth is predicated on sustained structural reforms and successful debt restructuring. The period under review saw the Group's risk profile change due to economic conditions and risk associated with legal matters. Asia Capital took a proactive stance in monitoring emerging risks that had the potential to impact its financial performance, stability, business continuity, and supply chain in the long run.

Risk management is ingrained in all the Group's processes and is perceived as the responsibility of every individual within the Group, recognizing its crucial role in long-term growth and sustainability. Recognizing that venturing into risks is an integral aspect of any business endeavor, the Group endeavors to conduct its operations in a socially responsible manner, striking a balance between its objectives and the risks it is willing to undertake. With this in mind, the Group heightened its focus on identifying and mitigating risks, necessitating a proactive approach and the establishment of an effective risk management framework that encompasses the entire organization.

## RISK RESPONSIBILITY

The Board of Directors hold ultimate responsibility for ensuring that the Group's risks are identified and mitigated effectively. The Board is supported by the Audit Committee which reviews the effectiveness of the Group and its subsidiaries' risk profiles and internal control systems on a quarterly basis. The Audit Committee also carries out

its responsibilities in managing the risk management framework by ensuring the implementation of a sound internal control systems as well as policies which will mitigate risks endured by the Group. In addition, the Audit Committee is the leading authority in ensuring that the risk and internal control strategies are shared across the Group, whilst simultaneously creating awareness amongst employees.

## RISK MANAGEMENT PHILOSOPHY

The Group acknowledges that risk management is a collective responsibility shared by all members of the Group. As a result, risk management is seamlessly woven into every facet of the Group, encompassing crucial areas such as strategy formulation, business development, business planning, capital allocation, investment decisions, internal control, and day-to-day operations.

## RISK ASSESSMENT, GOVERNANCE AND STRUCTURE

The Group divides the process of assessing risks into three components: initial risk assessment, current risk assessment, and future risk assessment. Utilizing a risk assessment platform, the Group is able to prioritize potential risk exposure and evaluate the impact of risks. By conducting risk assessments, the Group gains insights into significant aspects and identifies indicators that signal potential risks. The ultimate responsibility for authorizing the risk management strategy and approving the necessary policies and processes lies with the Board. Both the Group Management Committee and the Audit Committee have vital roles in overseeing and implementing risk management practices. At the Group level, a dedicated team focused on risk and compliance ensures effective supervision. While the Board adopts a bottom-up approach, ensuring comprehensive oversight of the entire risk management process, the ultimate responsibility remains with the Board itself. The Audit Committee is responsible for escalating relevant matters to the respective Board. Subsequently, key risk factors are addressed at the Group level.



# Corporate Governance

## BOARD GOVERNANCE HIGHLIGHTS - 2024

### Appointments

- ✖ Appointment of Mr. A Perera as an Independent Non-Executive Director, w.e.f. 25 March 2025
- ✖ Appointment of Mr. R B R Emerson as an Independent Non-Executive Director, w.e.f. 25 March 2025
- ✖ Appointment of Mr. G Shanmugam as an Independent Non-Executive Director, w.e.f. 25 March 2025

### Resignations

Resignation of Mr. D. Swarnasinghe w.e.f. 3 Oct 2024

## POLICIES

All policies were updated during the year ensuring compliance with Section 9.2.1 of the updated Listing Rules of the CSE. Updated policies are available on our corporate website at <http://www.asiacapital.lk/governance/>

Sub-Committee	Composition	Mandate
<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>✖ Mr. A Perera (Chairman)</li> <li>✖ Mr. R. B. R. Emerson</li> <li>✖ Mr. G. Shanmugam</li> <li>✖ Mr. S. S. Balasubramaniam</li> <li>✖ Mr. S. Charles</li> </ul>	Support the Board in ensuring the integrity of financial statements, management of business risks, internal control and compliance, and conduct of business.
<b>Remuneration Committee</b>	<ul style="list-style-type: none"> <li>✖ Mr. A Perera (Chairman)</li> <li>✖ Mr. R. B. R. Emerson</li> <li>✖ Mr. G. Shanmugam</li> <li>✖ Mr. S. S. Balasubramaniam</li> <li>✖ Mr. D.A.S.D.A. Abeyesinhe</li> </ul>	Responsible for determining the framework and policy on the terms of engagement and remuneration of the Chairman, the Board of Directors, the Leadership Team and the Management staff of the Company.
<b>Related Party Transactions Review Committee</b>	<ul style="list-style-type: none"> <li>✖ Mr. R. B. R. Emerson (Chairman)</li> <li>✖ Mr. A Perera</li> <li>✖ Mr. G. Shanmugam</li> <li>✖ Mr. S. S. Balasubramaniam</li> <li>✖ Mr. S. Charles</li> </ul>	Review and provide recommendations on Related Party Transactions in line with the Listing Rules and Code of Best Practice on Related Party Transactions.
<b>Nominations and Governance Committee</b>	<ul style="list-style-type: none"> <li>✖ Mr. R. B. R. Emerson (Chairman)</li> <li>✖ Mr. G. Shanmugam</li> <li>✖ Mr. S. S. Balasubramaniam</li> </ul>	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 Chairman holds the ultimate responsibility for governance and the Group Managing Director being responsible for execution and operational performance. A clear division of roles and responsibilities exists between the Chairman and the Managing Director. This division enables balanced oversight - thus preventing flawed decisions and management errors, enhanced board independence - thereby avoiding possible abuse and conflict of interest, clear division of responsibilities - that facilitates strategic oversight and improved compliance. This segregation results in no Director having unfettered powers in the Board decision-making process thereby strengthening the Board's effectiveness and ensuring objective decision making in the discharge of duties.

## Corporate Governance

### STATEMENT OF COMPLIANCE

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
<b>9.1</b>	<b>Applicability of Corporate Governance Rules</b>		
	The Company to publish a statement confirming the extent of compliance with the Corporate Governance Rules in the Annual Report	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	✓
<b>9.2</b>	<b>Policies</b>		
9.2.1	Establish and maintain the following policies, and disclose its existence and details of implementation on the website	<ul style="list-style-type: none"> <li>✗ Policy on matters relating to the Board of Directors</li> <li>✗ Policy on Corporate Governance,</li> <li>✗ Nominations and re-election</li> <li>✗ Policy on Shareholder and Investor</li> <li>✗ Communications</li> <li>✗ Policy on Remuneration</li> <li>✗ Policy on Board Subcommittees</li> <li>✗ Policy on Corporate Disclosures</li> <li>✗ Policy on Anti-bribery and Corruption</li> <li>✗ Policy on Internal Code of Conduct</li> <li>✗ Policy on ESG</li> <li>✗ Policy on control and management of company assets and shareholder investments</li> <li>✗ Policy on whistle blowing</li> <li>✗ Policy on risk management and internal controls</li> </ul>	
9.2.2	Waivers and exemptions from compliance with the Code of Business Conduct and Ethics	At present there are no waivers and exemptions granted.	✓
9.2.3	Disclosures in the Annual Report on policies	The existence of the policies on the website is disclosed in the Annual Report	✓
9.2.4	Policies above to be made available to shareholder upon request	The existence of the policies on the website is disclosed in the Annual Report	✓
<b>9.3</b>	<b>Board Committees</b>		
9.3.1 / 9.3.2	Following Board Committees to be established and Company to be compliant with the composition, responsibilities and disclosure requirements set out in the Rules:	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	✓
	Board Committees - Composition, Responsibilities and Disclosures	Please refer the Board Subcommittee Reports for details.	✓
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1	The Chairman does not serve as the Chair in any of the Board Subcommittees.	✓

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
<b>9.4</b>	<b>Principles of Democracy in shareholder dealings</b>		
9.4.1	<p>Maintain records of all resolutions and information pertaining to its adoption.</p> <p>The Company Secretary maintains records of all shareholder resolutions and requisite information and is able to provide extracts of such resolutions to the SEC and CSE if required.</p>	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings. This year, the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	✓
9.4.2	(a) policy on effective communication and relations with shareholders and investors the and disclose the existence of the same in the Annual Report and the website of the Company.	All policies are implemented and the availability of the same is disclosed on website.	✓
	(b) Company shall disclose the contact person for such communication.		✓
	(c) The shareholder communications and relations policy shall include a process to make all directors aware of major issues and concerns of shareholders and this process to be disclosed in Annual Report and website.		✓
	<p>The Company Secretary keeps the Board apprised of major issues and concerns raised by the shareholders to ensure that they are addressed in an appropriate manner keeping in line with the corporate values of the Company. Shareholder correspondences on major issues are handled by the Chairman with the concurrence of the Board/the CEO as appropriate.</p>		
	(d) Shareholder meetings conducted virtually/in hybrid mode to comply with Guidelines issued by CSE.	The Company will adhere to the guidelines issued by CSE on conducting virtual/ the hybrid shareholder meetings. The AGMs which were held virtually adhered to the guidelines.	✓
	Company ensures that virtual shareholder meetings are conducted in compliance with the Guidelines issued by the CSE as incorporated in the Articles of Association of the Company.		
<b>9.5</b>	<b>Policy on Board related matters</b>		
9.5	Company to establish and maintain a policy governing matters relating the Board of Directors covering the requisites in 9.5.1	All policies are implemented and the formal availability of the same is disclosed on the to website.	✓
<b>9.6</b>	<b>Chairperson &amp; CEO</b>		
9.6.1	Chairperson of the Company should be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same person.	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO are not held by the same person.	✓
9.6.3	If Chairperson and CEO are the same person; or if the Chairperson and CEO are close family members or related parties, Company to appoint a Senior Independent Director (SID) and comply with the requirements in 9.6.3	The need to appoint a SID has not arisen.	✓

## Corporate Governance

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
<b>9.7</b>	<b>Fitness of Directors &amp; CEOs</b>		
9.7.1/ 9.7.2/ 9.7.3/ 9.7.4/ 9.7.5	<p>Company to ensure that the Directors and CEO and the persons recommended by the Nominations and Governance Committee are at all times, fit and proper persons as per the criteria in 9.7.3. Company to obtain declarations from all directors and CEO on an annual basis confirming their fitness and propriety.</p> <p>The Company Secretary obtains declarations from the Directors on an annual basis.</p> <p>Disclosures in the Annual Report</p>	<p>The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and CEO meet the fitness and propriety criteria under the Listing Rules. The Board Nominations and Governance Committee makes recommendations to the Board on the appointment of a new director or when a director is coming up for re-election/reappointment at the AGM.</p> <p>Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria as at the date of confirmation as set out in Section 9.7.3 (a), (b), and (c) of Listing Rules were obtained.</p>	✓
<b>9.8</b>	<b>Board Composition</b>		
9.8.1	Minimum number of Directors shall be 5.	The Company has complied with the requirement as at the reporting date. The Board as at the reporting date comprised of Ten (10) Directors.	✓
9.8.2	Minimum number of Independent Directors shall be 2 or 1/3rd of the The total number of Directors (whichever is higher). Any change to be rectified within 90 days.	The Company is in compliance with the requirement as at the reporting date. Board at the end of the reporting date comprised of three (3) Independent Non-Executive Directors.	✓
9.8.3/ 9.8.4/ 9.8.5	<p>Criteria for determining independence</p> <p>The Company Secretary obtains declarations from the Directors on an annual basis. In view of these Rules, a declaration confirming each Director's independence in the form prescribed in the Listing Rules has been included in these annual declarations from 2023 onwards.</p>	<p>The Company complied with the criteria for determining independence of a Director</p> <p>Each Independent Non-Executive Director submitted a signed and dated declaration of independence against the criteria specified in the Listing Rules</p>	✓
<b>9.9</b>	<b>Alternate Directors</b>		
9.9	Companies to follow the requirements laid down in 9.9 when appointing Alternate Directors and incorporate such requirements in the Company's Articles of Association.	The Company does not have alternate Directors at present	Not Applicable
<b>9.10</b>	<b>Director Disclosures</b>		
9.10.1	Company to disclose policy on the maximum number of directorships allowed to be held by a Director. If such number is exceeded, an explanation to be provided in the Annual Report	None of the Directors hold more than 20 Board positions at the balance sheet date.	✓
9.10.3	Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Any changes to the committee compositions have been duly disclosed.	✓
9.10.4	Disclosures in relation to Directors	Please refer the Directors profiles and the Corporate Governance Report for details	✓



Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
9.11	Nominations and Governance Committee	The Board Nominations and Governance Committee was formed on March 2025.	✓
	Composition, functions, and annual report disclosures	The composition and the functions are given in the Nominations Committee Report	✓
<b>9.12</b>	<b>Remuneration Committee</b>		
9.12	Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules. In view of the revised Listing Rules.	The composition, Terms of Reference and functions are given in the remuneration committee report.	✓
<b>9.13</b>	<b>Audit Committee</b>		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	The functions of the audit committee include an identification of assessment of risk with mitigate actions required	✓
9.13.1	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	The composition, Terms of Reference and functions are given in the audit committee report.	✓
<b>9.14</b>	<b>Related Party Transactions Review Committee (RPTRC)</b>		
9.14.1	Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14.	The composition, Terms of Reference and functions are given in the RPTRC committee report.	✓
9.14.2/ 9.14.3	Functions and Composition of the RPTRC  Comprise a minimum 3 directors out of which 2 shall be independent may include executive directors chairperson to be an independent director  Where parent and subsidiary are both listed the RPTRC of the parent may be permitted to function as the RPTRC of the subsidiary		✓
9.14.4	Frequency of meetings shall be at least quarterly	The committee met only once during the financial year.	
	Minutes of meetings are properly documented and communicated to the Board of Directors. The minutes of the RPTRC to be tabled at the meetings of the Board of Directors on a periodic basis.	Minutes of meetings are documented in detail. The minutes of the RPTRC will be tabled at the meetings of the Board of Directors on a periodic basis.	✓
	Members of the RPTRC to ensure they have or have access to adequate knowledge expertise and advice. The RPTRC ensures this through this being enshrined in the Terms of Reference of the RPTRC, the members being aware of the same exercises this right as and when needed	The Committee ensures that they have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. The Committee is empowered to seek appropriate professional and expert advice from a qualified person.	✓
	Where necessary, the RPTRC shall request the Board of Directors to approve the Related Party Transactions (RPT's) which are under review by the RPTRC. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant RPT's.	Where necessary, the Committee will request the Board of Directors to approve the related party transaction which has been reviewed by the Committee.	✓

## Corporate Governance

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
	Interested directors shall not vote on or be present during the deliberations on the specific matter. Interested directors did not vote on or participate in any discussions during deliberations on the interested matters in 2023.	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required.	✓
9.14.5	Review of RPT's by the RPTRC Company to obtain shareholder approval by Special Resolution for the RPTs specified in 9.14.6	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Annual Report disclosures in relation to Related Party Transactions	Please refer Related Party Transactions Review Committee Report and the disclosure under Related Party Transactions in the notes to the financial statements.	✓
9.14.9	Acquisition and Disposal of substantial assets from/to related parties to be done with shareholder approval as per Rule 9.14.9.	There were no acquisition and disposal of substantial assets from/to related parties during the Financial Year.	✓
9.16	Additional disclosures	Annual Report of the Board of Directors on the affairs of the Company for the disclosures.	✓

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

The Board of Directors take pleasure in presenting the Annual Report of the Company, together with the, Audited Consolidated Financial Statements for the year ended 31st March 2025, that includes and covers the Audited Financial Statements, Chairman's Review, Corporate Governance Commentary, and all other relevant information for the year ended 31 March 2025.

The information table on the level of compliance to the Listing Rules provided by the CSE appearing in pages 31 to 36 and Share Information section on pages 39 to 40 form part of this Report of the Board of Directors.

## PRINCIPAL ACTIVITIES

Asia Capital PLC is a holding Company that owns, directly or indirectly, investments in the numerous Companies constituting the ACAP Group and provides services to its Group Companies. The Group consists of a portfolio of diverse business operations. The main subsidiaries and equity accounted investees of Asia Capital PLC are listed on pages 70 to 75.

## FINANCIAL STATEMENTS

The Directors are of the view that the income Statement, Balance Sheet, Statement of changes in equity, Cash Flow Statement, Significant Accounting Policies, and Notes thereto appearing on pages 52 to 96 have been prepared in conformity with the Sri Lanka Accounting Standards and the requirements of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

## REVIEW OF OPERATIONS

The Chairman's Review on pages 8 to 9 of this report provides an overall assessment of the financial performance and financial position of the Company and describes in detail its affairs, and important events for the year. A detailed analysis of the operations and financial results is contained in the Management Discussion and Analysis on pages 24 to 28 in this report.

## DISCLOSURES

The Annual Report of the Company fulfils the disclosure requirements of the Sri Lanka Accounting Standards (SLFRs/ LKASs), Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

## AUDITORS REPORT

The Auditor's Report on the Financial Statements is given in pages 49 to 51.

## ACCOUNTING POLICIES

The accounting policies adopted in the preparation of Financial Statements are given in pages 56 to 60.

## DIVIDENDS

No dividends were declared as at 31st March 2025

## FINANCIAL RESULTS

	Group		Company	
For the year ended 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit/(Loss) for the Year Before Tax	464,924	(532,836)	155,187	(279,572)
Taxation	(115,231)	(316)	(92,851)	-
Profit/(Loss) for the Year After Tax	349,693	(533,152)	62,336	(276,961)
Non-Controlling Interest	(30,683)	(76,858)	-	-
Profit Attributable to Equity Holders of the Company	380,376	(456,294)	62,336	(276,961)

\* Total comprehensive income for 2025 is LKR 351,275,000 and for 2024 LKR 26,043,000

## PROPERTY, PLANT AND EQUIPMENT

An analysis of the Property, Plant and Equipment of the Company is disclosed in Note 12 of the Financial Statements on pages 65 to 67.

## STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was Rs. 1,498,498,000.

## DONATIONS

There were no donations made during the year

## CAPITAL COMMITMENTS

There were no material Capital Commitments as at 31 March 2025.



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

## LIABILITIES AND PROVISIONS

The Board of Directors have taken all steps to ensure adequate provisioning has been made. The basis adopted for provisioning is disclosed on page 56 to 60 to the Financial Statements. As at the date of the Report, the Directors are not aware of any circumstances, which would render inadequate the amounts provided for in the Financial Statements

## STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge and belief, all statutory payments in relation to all relevant regulatory and statutory authorities have been paid. A statement of compliance by the Board of Directors in relation to statutory payments is included in the Statement of Directors' Responsibilities on page 41.

## CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at 31st March 2025, except as disclosed in Note 34 to the Financial Statements.

## EVENTS AFTER THE REPORTING PERIOD

There were no material events that occurred after the reporting date that require adjustment to or disclosure in the Financial Statements other than for the sale of the ACAP Stock Brokering business operation and the rationalization of dormant companies.

As of the date of signing the accounts approval of the Regulator for the proposed sale is pending (Refer Note 42).

## GOING CONCERN

The Company continues to be funded by a shareholder company, Fast Gain International Limited, that continues to meet the Group's operating expenditure, capital expenditure and loan repayments. The funding received from the shareholder company is summarized below.

Funds Received	31 March 2025 LKR Mn
Year ended 31 March 2025	575
Year ended 31 March 2024	477
Year ended 31 March 2023	89
Year ended 31 March 2022	810
Year ended 31 March 2021	211
<b>Total</b>	<b>2,162</b>

The Board of Directors are confident that the shareholder company will continue to meet the Group's obligations as and when it falls due until the Group is able to generate cash from operations and sustain itself indefinitely into the future. Negotiations are ongoing to identify the proportion of the loan that requires to be

converted to equity. For the reasons mentioned above the financial statements have been prepared on the basis of the Company being going concern.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risk faced by the Company. The Directors review this process through the Audit Committee.

## THE BOARD OF DIRECTORS

The Board of Directors of the Company consisted of 10 members as at 31 March 2025. (profiles of the Directors are disclosed in pages 12 to 15 of the Annual Report). Following changes took place in the Board composition since the last Annual Report.

Name	Change	Effective Date
Mr. D. Swarnasinghe	Resigned	03 Oct 2025
Mr. A. Perera	Appointed	25 Mar 2025
Mr. R. B. R. Emerson	Appointed	25 Mar 2025
Mr. G. Shanmugam	Appointed	25 Mar 2025

## DIRECTORS RETIRING (AT THE ANNUAL GENERAL MEETING)

In accordance with the Articles of Association of the Company, it was resolved that Mr R B R Emerson, Mr A Perera, Mr G Shanmugam and Mr A D Ross retire from the Board of Directors by rotation at the next Annual General Meeting and being eligible, be proposed for re-election.

Mr R B R Emerson, Mr A Perera, Mr G Shanmugam and Mr A D Ross who were appointed as Directors come up for re-election at the next Annual General Meeting.

## INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

In accordance with the Listing Rule No. 9.8.3 of the CSE, the Directors determined that Mr. Adrian Perera, Mr. Bradley Emerson and Mr. Ganesan Shanmugam as Independent Directors, based on declarations made by them according to Appendix 9A of the Listing Rules of the CSE.

## DIRECTORS' INTERESTS REGISTER

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

## DIRECTORS REMUNERATION

Directors remuneration and other benefits of directors are stated in the Note 9 on page 63 of the Financial Statements.

## DIRECTORS' INTERESTS IN SHARES

Except for Mr D A S D A Abeysinghe who held 36,077 as at 31 March 2025, none of the other Directors held any shares in the Company during the reporting period.

## DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors had a direct or indirect interest in any contracts or proposed contracts with the Company other than as disclosed in Note 33 on pages 82 to 85 of the Financial Statements.

## SHAREHOLDERS INFORMATION

The distribution and analysis of shareholdings were as follows;

	As at 31st March 2025			As at 31st March 2024		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 to 1,000 Shares	5,245	765,045	0.58	5,325	801,410	0.61
1,001 to 10,000 Shares	721	2,261,607	1.72	756	2,394,968	1.80
10,001 to 100,000 Shares	154	4,618,651	3.52	203	5,076,194	3.86
100,001 to 1,000,000	23	5,098,937	3.88	23	1,998,100	1.52
Over 1,000,000 Shares	4	119,633,131	91.09	03	118,019,148	92.21
<b>Total</b>						

	As at 31st March 2025			As at 31st March 2024		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	6,102	27,440,014	20.89	6155	27,439,904	20.89
Non-Resident	45	103,890,136	79.11	47	103,890,246	79.11
<b>Total</b>	6,147	131,330,150	100	6,202	131,330,150	100

	As at 31st March 2025			As at 31st March 2024		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individual	6,024	117,991,913	89.84	6,073	118,792,399	90.45
Institutional	123	13,338,237	10.16	129	12,537,751	9.55
<b>Total</b>	6,147	131,330,150	100	6,202	131,330,150	100

Serial	Name	As at 31st March 2025	
		No. of Shares	%
1	Mr. Vijayeswaran S Vijayaratham	94,039,467	71.61
2	Mr. Vijayaratham Vilvarajan	14,200,000	10.81
3	Fast Gain International Limited	9,779,681	7.45
4	Associated Electrical Corporation LTD	1,613,983	1.23
5	Mrs. Sukumali Mahesika Wannakuwatte	501,000	0.38
6	Mr. Reshan Henry Ratnayake	280,000	0.21
7	Citizens Development Business Finance PLC/Buddhika Vishwajith Amarasinghe	227,644	0.17
8	Mr. Mohammed Zainulabdeen Mohammed Rizvi	224,000	0.17
9	Mr. Mohamed Favaz Abdeen	212,000	0.16

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

Serial	Name	As at 31st March 2025	
		No. of Shares	%
10	Mr. Jagath Priyadarshana Walawege	200,000	0.15
11	Mr. Ranasinghe Arachchige Thusitha Priyantha Perera	198,550	0.15
12	DFCC Bank PLC/Mr. C. R. Perera	189,802	0.14
13	Mr. Deshraam Ramachandran	183,860	0.14
14	LOLC Finance PLC/M.K.C. Perera	179,070	0.14
15	Mrs. Andrea Jacqueline Dhanapala	168,469	0.13
16	Abbiani Holdings (PVT) LTD	155,000	0.12
17	Dr. Chandrasekara Alwishewa	150,000	0.11
18	Mr. Tuan Shirazi Salim	147,607	0.11
19	Mr. Adikaram Mudiyansele Dushan Kasun Adikaram	140,883	0.11
20	Mr. Mohamed Hanif Aslam Kamil	138,502	0.11
<b>Sub Total</b>		<b>122,929,518</b>	<b>93.60</b>
<b>Others</b>		<b>8,400,632</b>	<b>6.40</b>
<b>Grand Total</b>		<b>131,330,150</b>	<b>100.00</b>

## PUBLIC SHAREHOLDING

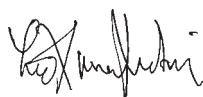
The Company had not met the public float requirements as required as at 31 March 2025.

A resolution relating to their reappointment and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

## ANNUAL GENERAL MEETING

The notice of the 33rd Annual General Meeting is on page 104.



**Yudy Kanagasabai**  
Chairman / Director



**Raju Radha**  
Director

## AUDITORS

The Financial Statements for the year ended 31st March 2025 have been audited by Messrs. BDO Partners (Chartered Accountants) who offer themselves for reappointment. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company. The Auditors Messrs. BDO Partners, Chartered Accountants were paid LKR 1,996 Mn (For Group LKR 2,831) as Audit fees by the Company.



**P.R. Secretarial Service (Private) Limited,**  
Secretaries

8th September 2025

# Statement of Directors' Responsibilities

This Statement sets out the responsibilities of the Board of Directors in relation to the Financial Statements of the Company and the Group. The responsibility of the Auditors, in relation to the Financial Statements, is set out in the Independent Auditor's Report on pages 49 to 51.

The Companies Act No. 7 of 2007 requires the Directors to prepare and present Financial Statements for each financial year, giving a true and fair view of the state of affairs of the Company as at the end of the financial year, and the profit or loss of the Company and the Group for the financial year, and place them before a General Meeting of Shareholders. The Financial Statements comprise of the Statement of Financial Position as at 31 March 2025, the Statements of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended and Accounting Policies and Notes thereto.

Accordingly, the Board of Directors confirms that the Financial Statements of the Company give a true and fair view of the:

- ✖ financial position of the Company as at 31 March 2025; and
- ✖ financial performance of the Company for the financial year ended 31 March 2025.

The Directors are required to ensure that, in preparing these Financial Statements:

- ✖ The appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- ✖ Financial Statements are presented in accordance with Sri Lanka Accounting Standards (SLFRSs/ LKASs) and all applicable standards as relevant, have been followed;

- ✖ Judgments and estimates have been made which are reasonable and prudent;
- ✖ Provides the information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors are also required to ensure that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and to that Financial Statements presented comply with the requirements of the Companies Act. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate, to enable them to form their audit opinion in accordance with Sri Lanka Auditing Standards (SLAuS). The Financial Statements were audited by BDO Chartered Accountants, the Independent External Auditors. To ensure complete independence, the Independent External Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance. The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and the Group, and all other known statutory dues as were due and payable by the Company as at the balance sheet date have been paid or, where relevant provided for, except as specified in Note 34.2 to the Financial Statements covering contingent liability.



**Adrian Perera**  
Director



**Raju Radha**  
Managing Director

8th September 2025



# Audit Committee Report

## ROLE OF THE AUDIT COMMITTEE

The individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Company Secretaries act as the secretary to the Audit Committee. The Chairman and Managing Director, Senior Accountant and Accountants of all subsidiary companies attend all the meetings of the Committee by invitation.

Other members of the Board as well as the External Auditors are invited to participate where it is appropriate. The proceedings of the Audit Committee are reported to the Board of Directors at the Board Meetings.

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to the integrity of the financial statements of the Company and the Group, thus it is responsible for;

- ✖ Recommend appointment, re-appointment dismissal, service period and audit fee of the external auditors.
- ✖ The Audit Committee shall establish and maintain a direct communication channel with the external auditors.
- ✖ Resolve any issues regarding financial reporting between the management and the external auditor.
- ✖ Pre-approve all auditing and non-audit services performed by the external audit firm and internal audit service providers.
- ✖ Seek any information it requires from employees or external parties relating to investigations.
- ✖ Meet with the management, and external auditors as necessary to carry out the assigned duties.
- ✖ Assessing the Company's internal control and risk management systems.
- ✖ Assessing the independence and adequacy of performance of External Auditors.

- ✖ Ensuring that an effective internal audit function is in place and monitoring the internal audit activities.
- ✖ Ensuring that there is a mechanism for the confidential receipt, retention and treatment of allegations of fraud by internal/external sources pertaining to accounts or internal controls and assuring confidentiality to whistle-blowing employees.

## COMPOSITION OF THE COMMITTEE

The Composition of the Committee is as follows during the financial year 2024/25;

Mr. Shekhar S. Balasubramaniam - Chairman ceased to be a member 26.03.2025
Mr. Valentine Siva Jr. - Ceased to be a member w.e.f 26.03.2025

The Board reconstituted the Audit committee at the Board of Directors meeting held on 26th March 2025, the new members are

Name	Designation
Mr. A. Perera	Chairman
Mr. R.B.R. Emerson	Member
Mr. G. Subramaniam	Member
Mr. S.S. Balasubramaniam	Member
Mr. S. Charles	Member

## COMMITTEE MEETINGS

During the year, the committee reviewed and discussed with the management the unaudited quarterly financial statements and final audited financial statements, prior to them being recommended to the Board. Senior Management and Senior Finance Heads of the respective companies provided information and conformations required by the Audit Committee that the said financial statements for the year were prepared in accordance with the Sri Lanka Accounting Standards and requirements of the Companies Act No. 07 of 2007 and reflect the company's performance for the period ended and state of the affairs as at that date.

There were three meetings held under year under review, at which all Committee Members were present.

## FINANCIAL REPORTING

The Committee reviewed the financial reporting system adopted by the Group in the preparation of its quarterly and annual Financial Statements to ensure the reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Senior Accountant and subsidiary accountants. The Committee recommended the Financial Statements to the Board for its deliberations and issuance. The Committee, in its evaluation of the financial reporting system, also recognised the adequacy of the content and quality of routine management information reports forwarded to its members.

## RISK AND INTERNAL CONTROL

The Committee reviews the effectiveness of the Company's internal control systems over financial reporting and other relevant operations. The Committee also recommends systems and procedures to reduce the risks where necessary.

The audit committee in consultation of the Board of Directors decided to dispose Asia Capita Stock

Brokers (Private) Limited, post balance sheet in line with the Group's restructuring exercise.

## EXTERNAL AUDIT

The external auditors' letter of engagement, including the scope of the audit, was reviewed and discussed by the Committee.

The Committee reviewed the Management letter issued by the auditors, the Management responses thereto, and also attended to matters specifically addressed to them and taking steps to address the same during the course of the financial year. The external auditors kept the Audit Committee informed on an ongoing basis of all matters of significance. The Committee met with the auditors and discussed issues arising from the audit and corrective action taken where necessary.

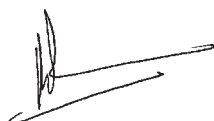
The Committee is satisfied that the independence of the external auditors had not been impaired by any event or activity that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the auditors and the level of audit and non-audit fees received by the auditors.

The external auditors have also given a confirmation by letter of their compliance with the independent guidance given in the Code of Ethics of the Institute of Chartered Accountants Sri Lanka.

The Audit Committee reviewed the performance of the external auditors and reviewed the outcomes with the Management. The Committee recommends to the Board the re-appointment of BDO Partners, and Chartered Accountants as the external auditors of the Company for the ensuing financial year, subject to the approval of the shareholders at the AGM.

## RECOMMENDATIONS

The Committee recommended setting up an internal audit department for the Group.



**Adrian Perera**  
*Chairman - Audit Committee*

8th September 2025

# Remuneration Committee Report

## COMPOSITION

The Remuneration Committee consists of Three (03) Non-Executive Directors, all of whom are Independent.

The members of the Remuneration Committee as at 31st March 2025 are as follows;

Mr. Dhammika Swarnasinghe (Chairman) Chairman Resigned w.e.f 03.10.2024
Mr. V. Siva Jr Ceased to be a member w.e.f 26.03.2025
Mr. A. D. Ross Ceased to be a member w.e.f 26.03.2025

The Board reconstituted the committee on 26th March 2025, appointing new members

Name	Designation
Mr. A. Perera	Chairman
Mr. R.B.R. Emerson	Member
Mr. S. Shanmugum	Member
Mr. S.S. Balasubramaniam	Member
Mr. D.A.S.D.A. Abeysinghe	Member

Please refer to pages 12 to 15 of the Annual Report to refer to the profiles of the members of the Committee. M/s P. R. Secretarial Services (Private) Limited, Company Secretaries of the Company, function as the Secretary to the Committee.

## THE ROLE OF THE COMMITTEE

The Committee is entrusted with the duty of evaluating and recommending to the Board of Directors on matters that affect the remuneration structure of the Company including the following;

The Committee evaluates, assesses and recommends to the Board of Directors on matters that may affect Human Resources Management of the Company and the Group and specifically include:

- ✘ The Committee is responsible to the Board to determine the policy of the remuneration package of the Directors.
- ✘ Determining the compensation of the Chairman & Managing Director
- ✘ Committee Members assist the Committee by providing relevant information and participating in its analysis and deliberations, except when their own compensation package is reviewed.
- ✘ Laying down guidelines and parameters for the compensation structures of all management staff within the Group taking into consideration industry norms and KPIs.
- ✘ Formulating guidelines, policies and parameters for the compensation structures for all Executive staff of the Company.
- ✘ Reviewing information related to executive pay from time to time to ensure the same is on par with the market/industry rates.
- ✘ Evaluating the performance of the Chairman & Executive Director and All Employees against the predetermined targets and goals.
- ✘ Assessing and recommend to the Board of Directors of the promotions of the Employees and address succession planning.
- ✘ Recommending to the Board for Approval of annual salary increments, sales commission, bonuses and any other benefits.

## INDEPENDENCE OF THE COMMITTEE

Majority of the Committee members are Independent Non-Executive Directors. The members are independent from the management, the business, personal or other relationships that may interfere with the exercise of their independent, unbiased judgment.

## COMMITTEE MEETINGS

A Committee meeting was held on 26th March 2025 during the financial year.

## THE REMUNERATION POLICY

The Company follows a formal and transparent procedure to ascertain the remuneration packages for individual Directors. The Committee considers the importance of formulating remuneration packages that are sufficient to motivate, attract and retain the Directors and the key functional heads of the Company.

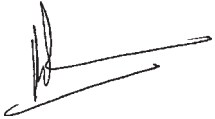
The remuneration policy of the Company/ Group is to attract, motivate and retain highly qualified and experienced employees, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for each business within the Group and commensurate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Companies/ Group's short-term and long-term strategy.

All Non-Executive Directors (other than Directors who are employed by Asia Capital PLC) receive a fee for serving on the Board and serving on sub-committees. They do not receive any performance-related incentive payments.

## RECOMMENDATIONS

The Committee will discuss and recommend to the Board the need to review the remuneration policies and parameters for all staff members of the Company, and annual increments, profit share bonuses, and incentives to staff during the ensuing year.



**Adrian Perera**

*Chairman - Remuneration Committee*

8th September 2025



# Related Party Transactions Review Committee Report

The Board has an established Related Party Transactions Review Committee (RPTRC) which complies with Section 9 of the Listing Rules of the Colombo Stock Exchange and the terms of the Code of Best Practice on Related Party Transactions issued by CA Sri Lanka. The RPTRC of the Company served as the RPTRC of all of the Subsidiaries of Asia Capital PLC until they formed their own RPTRCs.

## COMPOSITION:

The following Directors served as members of the Committee during the FY 2024/25 until 26th March 2025

Mr. G. Swaranasinghe - Resigned w.e.f 03.10.2024
Mr. Valentine Siva Jr. - Ceased to be a member w.e.f 20.05.2024
Mr. Stevenson Charles - (DOA - 20.05.2024)

In addition, the Managing Director, Senior Accountant, CFO Leisure and any other officers are called as may be required by the Committee attend meetings by invitation. M/s P. R. Secretarial Services (Private) Limited who are the Secretaries of the Company functions as Secretaries of the Committee.

The RPT Committee was reconstituted on 26th March 2025, the following members were appointed

Name	Designation
Mr. R.B.R. Emerson	Chairman
Mr. A. Perera	Member
Mr. G.S. Shanmugam	Member
Mr. S.S. Balasubramaniam	Member
Mr. S. Charles	Member

The minutes of the RPTRC meetings are tabled at the Board meetings, thereby providing all Directors access to the deliberations of the Committee.

## COMMITTEE MEETINGS

The Committee held a meeting on the 28th of March 2025.

## COMMITTEE POLICY AND PROCEDURES

The Committee reviews and discusses with the Management on quarterly Related Party Transaction reports and where necessary, recommends market disclosure.

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under section 9.14.8 of the Listing Rules of the Colombo Stock Exchange is made.

The activities and deliberations of the Committee have been communicated to the Board at the Board meetings by tabling the minutes of the committee.

## COMMITTEE DUTIES

- ✗ To review in advance all proposed related party transactions of the Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.

- ✗ Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- ✗ Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons.
- ✗ To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- ✗ To monitor that all related party transactions of the entity are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- ✗ Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- ✗ To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- ✗ To review the economic and commercial substance of both recurrent/non-recurrent related party transactions.
- ✗ To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining competent independent advice from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- ✗ To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.



**Mr. R B R Emerson**  
Chairman - Related Party Transactions  
Review Committee

8th September 2025

# Nominations and Governance Committee Report

In terms of the Corporate Governance Rules of the Colombo Stock Exchange, on 1st November 2023, the Nominations Committee of the Company was renamed as the Nominations and Governance Committee.

During the year the Committee also served as the Nominations and Governance Committee to Listed Companies in the Group until they established their own Nominations and Governance Committees.

## COMPOSITION OF THE COMMITTEE

Dr. J.T. Sumathipala - Chairman Resigned w.e.f 19.03.2024
Mr. S.A. Abeyesinhe - Non-Independent Non-Executive Director Ceased to be a member w.e.f 26.03.2025
Mr. D. Swarnasinghe - Non-Executive Director Resigned w.e.f 03.10.2024

The committee was reconstituted during the Board meeting held on 26th June 2025 and the following members were appointed

Name	Designation
Mr. R.B.R. Emerson	Chairman
Mr. G. Shanmugum	Director
Mr. S.S. Balasubramaniam	Director

## COMMITTEE DUTIES

- ✗ The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- ✗ Consider and recommend (or not recommend) the re-election of current directors considering the Board composition against pre-defined criteria on combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- ✗ Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- ✗ Establish and maintain a set of criteria for the selection of Directors such as academic/ professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry-specific requirements.
- ✗ Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors and the Executive Director of the Company to ensure their responsibilities are satisfactorily discharged.
- ✗ Consider if a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- ✗ Develop succession plans for the Board of Directors, Executive Director and Key Management Personnel.
- ✗ Review and recommend the overall corporate governance framework of the Company considering the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to the same.

- ✗ Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

## POLICY ON NOMINATIONS COMMITTEE

- ✗ Any major issues relating to the Company are updated to the Independent Directors by the Chairman. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.
- ✗ Requirements as per the Listing Rules and applicable rules and regulations are informed to the New Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.
- ✗ Non-Executive Directors have submitted declarations regarding their independence / non-independence.
- ✗ Each Director provided a signed declaration on his/her fitness and propriety based on the assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange. The fitness and propriety of the Directors were examined by the Committee.

## RE-APPOINTMENTS/RE-ELECTIONS

Longest serving Director except the Executive Director, retire by rotation in terms of the Articles of Association and are eligible to submit themselves for re-election at the AGM. Any Director appointed during the period for the casual vacancy will retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the immediate following AGM.



**Mr. R B R Emerson**  
Chairman - Nominations and Governance Committee

8th September 2025



# value of our art

By blending insight, expertise, and foresight, we create value that resonates, enhancing shareholder value, empowering stakeholders, and driving sustainable growth in the wider economy.

# Independent Auditor's Report



Tel : +94-11-2421878-79-70  
+94-11-2387002-03  
Fax : +94-11-2336064  
E-mail : bdopartners@bdo.lk  
Website : www.bdo.lk

Chartered Accountants  
"Charter House"  
65/2, Sir Chittampalam A Gardiner Mawatha  
Colombo 02  
Sri Lanka

## TO THE SHAREHOLDERS OF ASIA CAPITAL PLC

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### QUALIFIED OPINION

We have audited the Financial Statements of Asia Capital PLC ('the Company') and the Consolidated Financial Statements of the Company and its subsidiaries ('the Group'), which comprise the statement of financial position as at 31st March 2025, and the statement of profit or loss and other 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 material accounting policy information as set out on pages 56 to 96.

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the accompanying Consolidated Financial Statements give a true and fair view of the financial position of the Group and Company as at 31st March 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### BASIS FOR QUALIFIED OPINION

1. The Group has accumulated losses as of 31st March 2025 amounting to Rs. 4,352 Mn (2024: Rs. 4,126 Mn). The Company has also recorded accumulated losses of Rs. 1,463 Mn (2024: Rs. 1,527 Mn). As of 31st March 2025, the Group's net assets were negative by Rs. 724 Mn (2024: negative by Rs. 690 Mn) being below

50% of the stated capital, triggering a serious loss of capital as per Section 220 of the Companies Act No. 07 of 2007. We were not provided with any evidence of financial support such as an appropriate letter of support from the major shareholder of the Group confirming their intention to support the Group and Company to continue commercial operations in the foreseeable future. Consequently, we were unable to conclude on the appropriateness of the going concern assumption for the Group and Company.

2. As of 31st March 2025, the Company holds investment in subsidiaries and associates amounting to Rs. 1,615 Mn and Rs. 399 Mn, respectively. Additionally, the Goodwill related to these subsidiaries amounts to Rs. 305 Mn, and related party receivables amount to Rs. 2,412 Mn. The investment amounting to Rs. 1,615 Mn out of the total investment in subsidiaries has shown indications of potential impairment as it does not generate adequate returns. We were not provided with required information to validate and justify the reliability of cash flow forecasts with proper assumptions and the latest budgets approved by the Board and the business proposals. Consequently, we were unable to perform the necessary audit procedures to determine the net recoverable value of those related companies and whether any impairment adjustments to these investments are required.

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

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, are of the 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. We do not provide a separate opinion on these matters.

#### VALUATION OF LAND AND BUILDING OF THE GROUP

The Group has Land and Building carried at fair value amounting to Rs. 3,248 Mn as at 31st March 2025 which represent a significant part of total assets recorded in the statement of financial position. The fair value of such properties was determined by a qualified external valuer engaged by the Group. The valuation of Land and Building was significant to our audit due to the use of significant estimates and assumptions. Accordingly, valuation of the Land and Building has been considered as a Key Audit matter.

Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA.  
F. Sarah Z. Afker FCA, FCMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law.  
Nirosha Vadivel Bsc (Acc.), FCA, ACMA. R. D. Chamika N. Wijesinghe FCA, BBA (Acc.) Sp. H. M. R. Thilina Ranaweera FCA, BBA (Acc.) Sp.

BDO Partners, a Sri Lankan Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



## Independent Auditor's Report

We have performed the following audit procedures to address the above:

- ✖ Assessed the key assumptions and methodology used in the valuation in particular, the discount rate and average market price and verified the mathematical accuracy of the valuation;
- ✖ Assessed the competency, capability and objectivity of the external valuer engaged by the Group;
- ✖ On a selective basis, reviewed recent market prices of lands to ensure that the land values have not declined since the last revaluation;
- ✖ Ensured that revaluation of Land and Building is in compliance with the Group's accounting policies and requirements of the Sri Lanka Accounting Standards. We have also assessed the adequacy of the disclosures made in the Financial Statements in this regards.
- ✖ Assessed the estimates and assumptions that are applied in determining the carrying amount and net realisable value which is impacted by volatile market and current economic conditions prevailing in the country.
- ✖ The Group's accounting policies and other related disclosures regarding property, plant and equipment are included in notes 2.2 and 12 of the Financial Statements.

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the Financial Statements and the Auditor's Report thereon.

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 identified above, 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 whether it appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE 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 and Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED 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 the 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 Consolidated 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 Company and the Group's internal control.
- ✖ 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 Company's and Group's ability to continue as a going concern. If we conclude that 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ✖ obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group Audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that are of the 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 it appears from our examination, proper accounting records have been kept by the Company.

However, it should be noted that the Group's net assets are less than half of its stated capital resulting in a serious loss of capital as per the Section 220 of the Companies Act No. 07 of 2007.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent Auditor's Report is 4324.

**BDO Partners**

### CHARTERED ACCOUNTANTS

Colombo  
8th September 2025

HSR/dm

# Statement of Profit or Loss and Other Comprehensive Income

As at 31st March	Notes	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	05	99,946	128,886	-	-
Cost of Sales		(44,734)	(78,483)	-	-
<b>Gross Profit</b>		<b>55,212</b>	<b>50,403</b>	<b>-</b>	<b>-</b>
Other Operating Income	06	1,487,505	78,423	749,819	37,273
Selling and Distribution Expenses		(68,783)	(69,654)	(35,417)	(57,640)
Administration Expenses		(594,610)	(327,779)	(132,318)	(36,805)
Other Operating Expenses		(183,917)	(24,399)	(16,693)	(23,522)
Provision for Investment Loss		-	-	(155,266)	-
Provision for Impairment of Receivables(Net)	07	-	-	(184,233)	(73,670)
Net Finance Income/( Costs)	08	(200,704)	(248,687)	(70,706)	(124,908)
Share of Profit /(Loss) of Equity - Accounted Investees		26,150	8,857	-	-
<b>Profit / Loss from Operating Activities</b>	09	<b>520,853</b>	<b>(532,836)</b>	<b>155,186</b>	<b>(279,272)</b>
Taxation	10	(115,231)	(316)	(92,851)	-
<b>Profit/(Loss) from Continuing Operations</b>		<b>405,622</b>	<b>(533,152)</b>	<b>62,335</b>	<b>(279,272)</b>
Loss from Discontinued Operations		(55,929)	-	-	-
<b>Profit/(Loss) for the Year</b>		<b>349,693</b>	<b>(533,152)</b>	<b>62,335</b>	<b>(279,272)</b>
<b>Other Comprehensive Income/(Expense)</b>					
<b>Items that may not be reclassified subsequently to Profit or Loss</b>					
Actuarial Gain on Defined Benefit Obligations (Net of Tax)	26	1,582	4,438	1,352	2,611
Revaluation Surplus / Deficit on Property, Plant and Equipment		-	554,757	-	-
<b>Total Comprehensive Income/(Expenses) for the Year, Net of Tax</b>		<b>1,582</b>	<b>559,195</b>	<b>1,352</b>	<b>2,611</b>
<b>Total Comprehensive Income/(Expenses) for the Year</b>		<b>351,275</b>	<b>26,043</b>	<b>63,688</b>	<b>(276,661)</b>
<b>Profit and Loss Attributable to</b>					
Equity Holders of the Parent Company		380,376	(456,294)	62,336	(279,572)
Non-controlling Interests		(30,683)	(76,858)	-	-
		<b>349,693</b>	<b>(533,152)</b>	<b>62,336</b>	<b>(279,572)</b>
<b>Total Comprehensive Income/(Expenses) Attributable to</b>					
Equity Holders of the Parent Company		381,958	579,907	63,687	(276,961)
Non-controlling Interests		(30,683)	(553,864)	-	-
<b>Total Comprehensive Income for the Year</b>		<b>351,275</b>	<b>26,043</b>	<b>63,687</b>	<b>(276,961)</b>
<b>Basic Earnings/(Loss) Per Share (Rs.)</b>	11	<b>2.90</b>	<b>(3.47)</b>	<b>0.47</b>	<b>(2.13)</b>

# Statement of Financial Position

As at 31st March		Group		Company	
		2025	2024	2025	2024
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	12	3,256,553	3,332,317	7,771	10,922
Right of Use Assets	13	2,815	6,062	-	-
Intangible Assets	14	336,459	334,597	-	-
Investment Properties	15	196,505	-	196,505	-
Investments in Subsidiaries	16.1	-	-	1,614,858	1,770,123
Investments in Associates	16.2	205,128	178,978	398,839	398,839
Equity Instruments Measured at Fair Value Through OCI	17	-	117,430	-	117,430
Long Term Deposits and Advances	18	-	-	-	-
Deferred Taxation	25	1,019	-	-	-
<b>Total Non-Current Assets</b>		<b>3,998,479</b>	<b>3,969,384</b>	<b>2,217,973</b>	<b>2,297,314</b>
<b>Current Assets</b>					
Inventories	19	8,376	9,108	-	-
Other Financial Assets	20	104,931	20,999	-	860
Income Tax Receivable		211	1,538	-	-
Trade and Other Receivables	21	136,526	387,742	22,382	89,181
Amounts Due from Related Companies	22	548,132	580,853	2,411,772	2,076,666
Cash and Cash Equivalents	23	86,676	22,821	38,549	3,456
<b>Total Current Assets</b>		<b>884,852</b>	<b>1,023,061</b>	<b>2,472,704</b>	<b>2,170,163</b>
<b>Total Assets</b>		<b>4,883,331</b>	<b>4,992,445</b>	<b>4,690,676</b>	<b>4,467,477</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Stated Capital	24	1,498,498	1,498,498	1,498,498	1,498,498
Revaluation Reserve		2,129,113	1,937,404	5,905	5,905
Retained Earnings/(Accumulated Losses)		(4,352,311)	(4,126,024)	(1,463,069)	(1,526,757)
<b>Shareholders' Fund</b>		<b>(724,700)</b>	<b>(690,122)</b>	<b>41,334</b>	<b>(22,354)</b>
Non-controlling Interests		505,577	563,014	-	-
<b>Total Equity</b>		<b>(219,123)</b>	<b>(127,108)</b>	<b>41,334</b>	<b>(22,354)</b>
<b>Non-Current Liabilities</b>					
Retirement Benefit Obligations	26	10,972	17,030	563	2,242
Non - Interest Bearing Borrowings- Due after One year	27	790,795	790,795	790,795	790,795
Interest Bearing Borrowings - Due after one year	28	901,456	366,209	760,311	14,975
Lease liability -Due after One year	29	4,657	17,557	-	-
<b>Total Non-Current Liabilities</b>		<b>1,707,880</b>	<b>1,191,591</b>	<b>1,551,669</b>	<b>808,012</b>
<b>Current Liabilities</b>					
Non-Interest Bearing Borrowings- Due within one year	27	40,068	40,068	40,067	40,068
Interest Bearing Borrowings - Due within one year	28	2,576,806	2,694,830	2,537,704	2,724,860
Lease Liability-Due Within one year	29	2,236	9,880	-	-
Trade and Other Payables	30	242,145	629,179	16,190	427,964
Amounts Due to Related Companies	31	-	-	14,173	52,992
Income Tax Payable		156,002	42,850	135,012	42,845
Bank Overdrafts	23	377,318	511,155	354,525	393,089
<b>Total Current Liabilities</b>		<b>3,394,575</b>	<b>3,927,962</b>	<b>3,097,671</b>	<b>3,681,818</b>
<b>Total Liabilities</b>		<b>5,102,455</b>	<b>5,119,553</b>	<b>4,649,340</b>	<b>4,489,830</b>
<b>Total Equity and Liabilities</b>		<b>4,883,332</b>	<b>4,992,445</b>	<b>4,690,674</b>	<b>4,467,476</b>
Net Assets Per Share (Rs.)		(5.52)	(5.25)	0.31	(0.17)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the accounting policies and related notes.

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



**M. Arfath**  
Senior Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board of Directors,



**Raju Radha**  
Managing Director



**Y. Kanagasabai**  
Chairman

8th September 2025  
Colombo



## Statement of Equity Statement – Group

As at 31st March 2025	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	Retained Earnings Rs.'000	Total attributable to Equity Holders Rs.'000	Non Controlling Interest Rs.'000	Total Rs.'000
Balance as at 01st April 2023	1,498,498	1,401,970	(3,751,433)	(850,965)	706,919	(144,046)
Adjustment on Acquisition, Disposal and Change in Holding of Subsidiary	-	(19,323)	78,193	58,871	409,959	468,829
Profit / (Loss) for the Year	-	-	(456,294)	(456,294)	(76,858)	(533,152)
Transferred to Reserves	-	554,757	-	554,757	-	-
Other Comprehensive Income for the Year (Net of Tax)	-	-	3,510	3,510	(477,006)	(473,496)
<b>Balance as at 31st March 2024</b>	<b>1,498,498</b>	<b>1,937,404</b>	<b>(4,126,024)</b>	<b>(690,121)</b>	<b>563,014</b>	<b>(681,865)</b>
Adjustment on Acquisition, Disposal and Change in Holding of Subsidiary	-	191,709	(607,175)	(415,466)	(408,712)	(269,420)
Profit / (Loss) for the Year	-	-	380,376	380,376	(30,683)	349,693
Transferred to Reserves	-	-	-	-	-	-
Other Comprehensive Income for the Year (Net of Tax)	-	-	511	511	381,958	382,469
<b>Balance as at 31st March 2025</b>	<b>1,498,498</b>	<b>2,129,113</b>	<b>(4,352,312)</b>	<b>(724,700)</b>	<b>505,577</b>	<b>(219,123)</b>

	Stated Capital Rs.'000	Revaluation Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 01st April 2023	1,498,498	5,905	(1,716,711)	(212,308)
Prior Year Adjustment	-	-	466,916	466,916
Profit for the year	-	-	(279,572)	(279,572)
Other Comprehensive Income for the Year (Net of Tax)	-	-	2,611	2,611
Balance as at 31st March 2024	1,498,498	5,905	(1,526,756)	(22,353)
Profit for the year	-	-	62,336	62,336
Other Comprehensive Income for the Year (Net of Tax)	-	-	1,352	1,352
<b>Balance as at 31st March 2025</b>	<b>1,498,498</b>	<b>5,905</b>	<b>(1,463,068)</b>	<b>41,335</b>

# Statement of Cash Flows

For the Year Ended 31st March		Group		Company	
		2025	2024	2025	2024
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before income Tax Expense of Continued Operations		520,853	(532,836)	155,187	(279,272)
Loss on Discontinued Operation		(55,929)	-	-	-
Depreciation on Property, Plant and Equipment	12	25,002	91,274	3,151	3,882
Provision for Retirement Benefits for Obligation	26	1,448	4,435	(936)	178
Gain on Investment Property		-	-	-	-
Amortisation on Intangible Assets		289	5,752	-	174
Amortisation on Right of use Assets		3,246	8,216	-	-
Gain on Revaluation Reserves		191,709	-	-	-
(Gain)/Loss on Translation of Foreign Currency		-	43	-	-
Share of (Profit)/Loss of Equity-Accounted Investees Net of Tax		(117,430)	(8,856)	-	-
Provision for Impairment of Receivables		(95,334)	-	(82,781)	73,970
Finance Income Received	8	(54,425)	(26,335)	134,940	(853)
Finance Cost Paid	8	255,129	456,922	(233,831)	335,932
<b>Operating Profit /(Loss) before Working Capital Changes</b>		674,558	(1,385)	(24,270)	134,011
Changes in					
Inventories		731	4,487	-	-
Other Financial Assets		(83,932)	53,116	860	18,533
Trade and Other Receivables		248,719	30,933	66,799	59,610
Amount Due from Related Companies		32,721	(3,961)	(335,106)	86,943
Trade and Other Payables		(390,117)	299,016	(411,775)	337,255
Amount Due to Related Parties		-	-	(38,819)	15,739
Cash used in Operations		482,681	382,206	(742,310)	652,090
Gratuity Paid		26	(6,283)	(743)	(380)
Income Tax Paid			(773)	(682)	-
<b>Net Cash From (used in) Operating Activities</b>		475,625	380,100	(743,735)	651,710
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Acquisition of Property, Plant and Equipment		12	(129,284)	(8,608)	-
Acquisition of Investment Properties		15		2,124	(196,505)
Acquisition of Intangible Assets			(2,151)	-	-
Investment on Subsidiaries			(24,127)	-	-
Disposal of Investment Properties			-	-	155,266
Proceeds from Disposal of Property, Plant and Equipment			180,057	95,869	-
Long-Term Advances		18	-	568	-
<b>Net Cash Flows from (used in) Investing Activities</b>			24,495	89,953	41,339
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Net Proceeds from / (Repayment) of Preference Loan Facility			610,645	-	571,544
Net Proceeds from /(Repayment) of Other Loans			(163,439)	(210,949)	10,633
Net Proceeds from /(Repayment) of leases			(19,331)	(15,222)	-
Net Proceeds from /(Repayment) of Non-Controlling Interest			73,453	-	-
Net Proceeds from/(Repayment) of Amounts Payable under Re-purchase Agreement			-	(796)	-
Net Proceeds from /(Repayment) of Investment Properties			-	-	-
Proceeds from share Issue			-	-	-
Net Proceeds from/(Repayment) of Commercial Papers			46,743	91,123	(23,995)
Share issue			-	-	-
Finance Income Received			54,425	26,335	(134,940)
Finance Cost Paid			(255,129)	(456,922)	233,831
<b>Net Cash Flows from/(used in) Financing Activities</b>			347,367	(566,431)	657,073
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>			847,487	(96,378)	(10,472)
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		23	(488,333)	(391,955)	(389,333)
<b>Cash and Cash Equivalents at the End of the Year</b>		23	(359,154)	(488,333)	(399,805)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the accounting policies and related notes, which are set out on pages 56 to 96.

Colombo

8th September 2025

# Material Accounting Policy Information to the Financial Statements

## 1. CORPORATE INFORMATION

### 1.1. General

Asia Capital PLC ('the Company') is a public quoted company incorporated and domiciled in Sri Lanka, and the ordinary shares are listed in the Colombo Stock Exchange. The registered office of the Company is at No 46/46 Green Lanka Tower, Nawam Mawatha, Colombo 02. The principal place of business is also located at the same place.

### 1.2 Principal activities and nature of operations

The Company is an investment holding entity with investments in leisure and stockbroking industries.

### 1.3 Parent enterprise

The Company does not have a parent company but a substantial stake is held by an individual domiciled overseas.

### 1.4 Date of authorisation for issue

The Financial Statements for the year ended 31st March 2025, were authorised for issue in accordance with a resolution of the Board of Directors on 8th September 2025.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. General accounting policies

#### 2.1.1 Basis of preparation

The Financial Statements are presented in Sri Lankan Rupees and have been prepared under the historical cost basis in accordance with Sri Lanka accounting standards, laid down by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

#### 2.1.2 Statement of compliance

The statement of financial position, statement of comprehensive income, statements of changes in equity and cash flows, together with accounting policies

and notes ("Financial Statements") of the company as at 31st March 2025 and for the year then ended, comply with Sri Lankan Accounting Standard issued by the Institute of Chartered Accountants of Sri Lanka.

#### 2.1.3 Going concern

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

#### 2.1.4 Comparative information

The accounting policies have been consistently applied by the Company and are consistent with those of the previous year. The previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation/classification.

#### 2.1.5 Foreign currency translation

All foreign exchange transactions are converted to Sri Lankan Rupees, which is the reporting currency, at the rates of exchange prevailing at the time the translations were effected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupee equivalents using the year-end spot foreign exchange rates, and the resulting gains or losses are accounted in the statement of comprehensive income. Non-monetary assets and liabilities have been translated using the exchange rates that existed when the values were determined.

#### 2.1.6 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

#### 2.1.7 Significant accounting judgments, estimates, and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date.

## 2.2 Assets and bases of their valuation

### 2.2.1 Property, plant and equipment

#### a) Cost or valuation

Property, plant and equipment are recorded at cost less accumulated depreciation and less any impairment in value. Land and Buildings are measured at fair value less accumulated depreciation and impairment charged subsequent to the date of the revaluation, if any. The Group has adopted a guideline of having assets revalued by a professional valuer at least once in every three years. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is re-stated to the re-valued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation.

#### b) Depreciation

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings and improvements	15 years
Computer equipment	05 years
Office equipment	10 years
Furniture and fittings	10 years
Fixtures and fittings	10 years
Motor vehicles	04 years
Hotel equipment	04 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (c) Restoration costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance is recognised as an expense when incurred.

#### (d) Derecognition

An item of property, plant and equipment is derecognised 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 is calculated as the difference between the net disposal proceeds and the carrying amount.

### 2.2.2 Capital work-in-progress

Property that is being constructed or developed for future income generation is classified as capital work-in-progress and stated at cost until the construction or development is complete. The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon. Expenditure incurred on capital-work-in-progress of a permanent nature or for the purpose of increasing the earning

capacity of the business has been treated as capital expenditure. Capital-work-in-progress is transferred to Property, Plant and Equipment no sooner the asset is commissioned.

### 2.2.3 Impairment of non-financial assets

The Company assesses at each reporting date to ascertain whether there is an indication that an asset may be impaired. If such indication exists or when the annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or a group 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. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. These calculations are corroborated by valuation multiples, quoted share prices or other available fair value indicators.

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

For assets excluding the goodwill, an assessment is made at each reporting date to ascertain whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying

amount of the asset is increased to its recoverable amount.

That increased amount cannot "exceed" the carrying amount that would have been determined, net of depreciation had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### 2.2.4 Financial assets

#### Trade and other receivables

These financial assets are recognised initially at the transaction price. Subsequently, they are measured at the amortised cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in profit or loss.

#### 2.2.4.1 Impairment of financial assets

At the end of each reporting period, all financial assets are assessed to determine whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in the statement of comprehensive income immediately.

### 2.2.5 Cash and cash equivalents

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

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



## Material Accounting Policy Information to the Financial Statements

The cash flow statements are reported based on the indirect method.

### 2.3 Liabilities and provisions

#### 2.3.1 Liabilities

Liabilities stated under current liabilities in the statement of financial position are those expected to fall due within one year from the reporting date. Items stated as long-term liabilities are those expected to fall due at a point in time after one year from the reporting date.

#### 2.3.2 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying the economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

##### 2.3.2.1 Retirement benefit obligation

###### 2.3.2.1.1 Defined contribution plans – EPF and ETF

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of the employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

###### 2.3.2.1.2 Defined benefits plans

The Company and the Group are liable to pay retirement benefits under the payment of Gratuity Act No. 12 of 1983. Under the said Act, the liability to an employee arises only on completion of 5 years of continued service. The Group's net obligation in respect of the defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets (if applicable) are deducted.

The discount rate is the yield at the reporting date on high quality corporate bonds, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The group recognises all actuarial gains and losses arising from the defined benefit plan in other comprehensive income (OCI) and all other expenses related to defined benefit plans are recognised as personnel expenses in profit or loss.

#### 2.3.2.2 Taxation

##### Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

### 2.4 Statement of comprehensive income

#### 2.4.1 Revenue recognition

Group revenue represents sales to customers outside the Group and excludes value added tax. SLFRS 15- Revenue from contracts with Customers SLFRS 15 established a comprehensive framework for determining how much and when revenue is recognised. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Group's revenue is recognised when a customer obtains control of the goods or services – Determining the timing of the transfer of control – at a point in time or over time requires judgment.

Under SLFRS 15, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur. The following specific criteria are used for the purpose of recognition of revenue:

- (a) Room revenue is recognised for the rooms occupied on a daily basis. All revenues are recognised on an accrual basis over the time of the duration of the stay of the customer and matched with the related expenditure where they simultaneously receive and consume the benefits of the services rendered.
- (b) Restaurant revenue includes the revenue recognised on the sale of food and beverage. All revenue is accounted for at the time of sale.
- (c) Bar revenue is accounted for at the time of sale.
- (d) Telephone, laundry, diving and windsurfing represent the services provided to customers which are implied as business practice in the industry. All revenue is recognised at the time of rendering the service.
- (e) Brokering commission is recognised on an accrual basis.
- (f) Other Income is recognised on an accrual basis.

Profits or losses of a revenue nature on the disposal of Equipment have been accounted for in the profit or loss.

- (g) Dividend Income is recognised in profit or loss on an accrual basis when the Company's right to receive the dividend is established.
- (h) Interest income is recognised as the interest accrued on a time basis (taking into account the effective yield on the asset) unless the collectability is in doubt.

#### 2.4.2 Expenditure recognition

Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year. For the presentation of the Statement of Profit or Loss the Directors are of the opinion that the nature of the expenses method present fairly the element of the Company's performance, and hence this presentation method is adopted.

- (a) Borrowing Costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.
- (b) Direct costs are charged to the income statement when the revenue relating to the corresponding cost is recognised.
- (c) Income tax expense comprises both current and deferred tax. Income tax expense is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in the statement of comprehensive income or statement of changes in equity.
- (d) Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are offset if legally there is an enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## 2.5 Statement of cash flows

The statement of cash flows has been prepared using the 'Indirect Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 'Statement of Cash Flows.' Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash

and are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to an insignificant risk of changes in their fair value.

## 2.6 Events after the reporting date

All material events occurring after the reporting date have been considered and where necessary, adjustments or disclosures have been made in the respective notes to the Financial Statements.

## 2.7 Contingencies and unrecognised contractual commitments

Contingencies are possible assets or obligations that arise from past events and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control as described in note No.18 to the Financial Statements.

## 3. BASIS OF CONSOLIDATION

### 3.1 Business combinations and Goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial

instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

## 3.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases. 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.

## 3.3 Non-controlling interests

The profit or loss and net assets of subsidiaries attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, are disclosed separately under the heading 'Non-controlling interest'. The Group applies a policy of treating transactions with non-controlling interests as transactions with the parties external to the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

## Material Accounting Policy Information to the Financial Statements

### 3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### 3.1.5 Investment in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables and the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When an investment ceases to be an associate, the fair value of the investment at the date when it ceases to be an associate is regarded as its carrying value on initial recognition as financial asset.

On disposal of investment in associates, the difference between the net disposal proceeds and its carrying amount is included in the statement of profit or loss.

### 3.1.6 Transactions eliminated on consolidation

Intra-group balances and transactions, and any Unrealised income and expenses arising from intragroup transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as Unrealised gains, but only to the extent that there is no evidence of impairment.

## 4. CRITICAL ACCOUNTING ESTIMATES,

### Judgments and Assumptions

The preparation of the Financial Statements of the Group requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in the outcome that requires a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, the management has made various judgments. Those which the management has assessed to have the most significant effect on the amounts recognised in the Consolidated Financial Statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes to the Financial Statements. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group.

Such changes are reflected in the assumptions when they occur. The line items which have the most significant effect on accounting, judgments, estimation and assumptions are as follows:

Critical Accounting Estimate / Judgment	Disclosure Note
Going concern	37
Impairment of property, plant and equipment	12
Defined benefits plans	26
Deferred tax	25
Taxes	10

# NOTES TO THE FINANCIAL STATEMENTS

## 5. REVENUE

### 5.1. Summary

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Gross Revenue	99,946	134,863		-
Less: Intra Group Transactions	-	(5,976)		-
	99,946	128,886		-

### 5.2. Segments

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Leisure	73,019	110,197		-
Stock Brokering	26,927	18,689		-
	99,946	128,886		-

## 6. OTHER OPERATING INCOME

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Other Income	593,394	41,150	560,039	-
Written back of long outstanding (unclaimed liabilities)	894,111	37,273	189,780	37,273
	1,487,505	78,423	749,819	37,273

Asia Capital PLC ("ACAP") and Belluna Co. Ltd ("Belluna") entered into a series of Memoranda of Understanding (MOUs) between July 2015 and March 2018 in relation to three hotel development projects, namely:

1. Galle Heritage Lanka (Private) Limited – MOU dated 10th July 2015 and subsequently confirmed on 22nd February 2018;
2. Marine Drive Hotels (Private) Limited – MOUs dated 4th August 2015 and 5th March 2018;
3. Miriandhoo Maldives Resorts (Private) Limited – MOU dated 6th March 2018.

Under these arrangements, ACAP was to incorporate special purpose companies (SPCs) with 100% initial shareholding. Thereafter, Belluna, through a Sri Lankan holding company ("HoldCo"), was to subscribe to 90% of the stated capital of each SPC, while ACAP would retain 10% as sweat equity, in consideration of its structuring, facilitation, and management efforts in respect of the projects.

Subsequent to the execution of the above MOUs, disputes arose owing to alleged breaches by Belluna of its obligations thereunder. Consequently, ACAP issued a notice of arbitration on or around 2nd October 2023, seeking, inter alia, damages amounting to USD 5,928,028.48 together with interest, in respect of the three projects.

Following extensive negotiations, the parties reached an amicable settlement. By an agreement in February 2025, ACAP and Belluna mutually agreed to terminate and cancel all MOUs entered into in respect of the three projects and for ACAP to receive a total settlement consideration of LKR 587 Mn. The profit on disposal on this investment is reflected under other operating income.



## Notes to the Financial Statements

### 7. (PROVISION)/REVERSAL FOR IMPAIRMENT OF RECEIVABLES

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the Beginning of the Year	63,258	63,258	609,109	535,439
Provision made During the Year	-	-	326,437	73,670
Bad Debt Written Off	-	-	-	-
<b>Balance at the End of the Year (Note 7.1)</b>	<b>63,258</b>	<b>63,258</b>	<b>935,546</b>	<b>609,109</b>

#### 7.1. Provision for Impairment of Receivables Reflected in,

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade Receivables (Note 21)	-	-	-	-
Other Receivables (Note 21)	-	-	-	43,076
Amounts Due from Related Companies (Note 22)	-	-	892,470	566,033
<b>Balance at the End of the Year</b>	<b>-</b>	<b>-</b>	<b>892,470</b>	<b>609,109</b>

### 8. NET FINANCE INCOME/(COSTS)

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Financing Income</b>				
Interest Income - Related Parties	10,155	-	134,940	28,271
- Exchange Gain	28,185	181,900	28,185	181,900
- Others	16,085	26,335	-	853
	54,425	208,235	163,125	211,024
<b>Financing Cost</b>				
Interest on Overdraft	(57,420)	(155,021)	(57,420)	(114,340)
Interest on Other Borrowings	(197,709)	(301,901)	(176,410)	(221,592)
	(255,129)	(456,922)	(233,830)	(335,932)
<b>Net Finance Costs</b>	<b>(200,704)</b>	<b>(248,687)</b>	<b>(70,705)</b>	<b>(124,908)</b>

## 9. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before tax is stated after charging all expenses including the following :

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Included in Administrative Expenses</b>				
Auditors Remuneration - Audit Fees and Expenses	2,831	2,717	1,996	1,500
- Non-Audit Services	-	-	-	-
Director's Emoluments	-	-	-	-
Director's Fees	1,200	-	1,200	-
Secretarial Fees	14,478	2,796	11,417	1,326
Depreciation on Property Plant and Equipment	4,464	91,274	3,155	3,882
Amortisation of Intangible Assets	-	5,752	-	174
Amortisation of Right-of-Use-Assets	-	8,216	-	-
Legal Fees	13,800	9,896	13,800	7,406
<b>Personnel Costs Includes</b>				
Defined Benefit Plan - Gratuity	3,341	4,435	413	518
Defined Contribution Plan - EPF and ETF	1,713	12,505	1,713	1,956
Staff Incentives	-	-	-	-
Other Staff	-	112,548	-	14,823
<b>Other Operating Expenses/Income Includes</b>				
Exchange Gain / (Loss)	28,185	181,900	28,185	181,900
Number of Employees	-	154	-	12

## 10. TAX EXPENSES

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Current Tax Expenses - Company	92,851	-	92,851	-
Current Tax Expenses - Subsidiaries (Note 10.2)	-	-	-	-
Current Tax Expenses - Total	92,851	-	92,851	-
Deferred Tax Originated During the Year (Note 25)	-	-	-	-
	92,851	-	92,851	-
Under/(Over) Provision in Respect of Prior Years	-	-	-	-
Deferred Taxation Charge/(Reversal) (Note 25)	22,380	316	-	-
	115,231	316	92,851	-

No income tax is payable for the year in view of tax losses available for carry forward. The charge for the year represents the capital gains tax arising on the sale of minority stake in associate companies. The deferred tax charge represents a provision made for reversal of timing differences in respect of a subsidiary.

## Notes to the Financial Statements

### 10.1. Reconciliation of Accounting Profit/(Loss) and Taxable Income

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Accounting Profit/(Loss) Before Tax	232,009	(533,152)	155,186	(279,572)
Aggregate Disallowed Items	661,886	138,948	459,319	8,495
Aggregate Allowable Items	(526,953)	(92,657)	(605,728)	(4,228)
Income not subject to Tax	-	-	-	(4,228)
Income subject to Capital Gains Tax	783,862	-	783,862	-
Tax Profit/(Loss) on Trade or Business	1,150,804	(486,861)	792,639	(275,305)
Other Taxable Income	(1,204)	206,390	28,184	181,900
Tax Losses Set off under Section 19	(507,649)	(22,968)	(48,557)	-
Taxable Income/(Loss)	641,951	(303,439)	772,266	(93,405)
Profit on sale of minority stake in associates	309,503	-	309,503	-
Income Tax @ 30%	92,850	-	92,850	-
Current Tax Expense	92,850	-	92,850	-

#### 10.1.1. Reconciliation of Unrelieved Tax Losses

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Opening Balance	2,305,102	3,182,584	879,184	776,325
Expirational Losses	(1,405,109)	-	-	-
Under/(Over) Provision in Respect of Prior Years	-	(321,678)	-	382,432
(Profit) / Loss for the Year	464,924	(532,836)	155,187	(279,572)
Loss Utilised during the year	(60,958)	(22,968)	(48,558)	-
	1,303,959	2,305,102	985,813	879,185

Summary of the tax losses of the key operating companies is given below

#### Asia Leisure Holdings (Private) Limited

The Company is liable to taxation on Hotel Profit and Income at the rate of 30%. However, no provision has been made during the year due to tax losses. The accumulated tax loss carried forward to the year of assessment 2024/2025 was Rs. 231,992,336 /- (2023/2024 - Rs. 205,266,046/-).

#### Asia Leisure (Private) Limited

The Company is liable to taxation at the rate of 30% on its taxable profit. However, no provision has been made during the year due to tax losses. Tax loss carried forward to the year of assessment 2024/2025 is Rs. 487,241,424/- (2023/2024 - Rs.469,493,309/- )

#### Wadduwa Resorts (Private) Limited

The Company is liable to taxation on Hotel Profit and Income at the rate of 30%. However, no provision has been made during the year due to tax losses. The accumulated tax loss carried forward to year of assessment 2024/2025 is Rs. 1,035,057,376/- (2023/2024 - Rs.921,378,620/-).

**Beach Resorts Kosgoda (Private) Limited**

The Company is liable to taxation on Hotel Profit and Income at the rate of 30%. However, no provision has been made during the year due to tax losses. The accumulated tax loss carried forward to year of assessment 2024/2025 is Rs. 669,976,826/- (2023/2024 - Rs. 536,503,287/-).

**11. BASIC EARNING PER SHARE**

**11.1.** Basic Earnings /(Loss) Per Share is calculated by dividing the profit attributable to ordinary shareholders for the year by the weighted average number of ordinary shares outstanding during the year.

The following data has been used in the computation of the basic earnings per share:

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit After Tax Attributable to Equity holders of the Company	380,376	(456,294)	62,336	(279,572)
Weighted Average number of Ordinary Shares outstanding during the Year	131,330	131,330	131,330	131,330
<b>Basic Earnings Per Share (Rs.)</b>	<b>2.90</b>	<b>(3.47)</b>	<b>0.47</b>	<b>(2.13)</b>

**12. PROPERTY, PLANT AND EQUIPMENT****12.1. Group**

Cost / Valuation	Balance As At 01.04.2024 Rs.'000	Additions Rs.'000	Adjustment due to Revaluation Rs.'000	Disposals / Transfers Rs.'000	Balance As At 31.03.2025 Rs.'000
<b>Freehold Assets</b>					
Land	1,901,000	93,600	-	(86,400)	1,908,200
Buildings and Improvements	1,391,270	(51,775)	-	-	1,339,496
Motor Vehicles	9,355	4,096	-	-	13,451
Office Equipment	58,801	59,823	-	-	118,624
Fixtures and Fittings	22,213	17,921	-	-	40,134
Furniture and Fittings	124,680	(7,143)	-	-	117,537
Computer Equipment	36,431	6,925	-	-	43,356
Plant and Machinery	87,016	(2,289)	-	-	84,727
Hotel Equipment	97,124	(15,275)	-	-	81,849
<b>Total Cost</b>	<b>3,727,890</b>	<b>105,883</b>	<b>-</b>	<b>(86,400)</b>	<b>3,747,374</b>



## Notes to the Financial Statements

### 12.1.1. In the Course of Construction

	Balance As At 01.04.2024 Rs.'000	Incurred During the Year Rs.'000	Reclassified/ Transferred Rs.'000	Balance As At 31.03.2025 Rs.'000
Building Work in Progress	25,051	23,400	-	48,451

### 12.1.2. Depreciation

	Balance As At 01.04.2024 Rs.'000	Additions Rs.'000	Adjustment due to Revaluation Rs.'000	Disposals/ Transfers Rs.'000	Balance As At 31.03.2025 Rs.'000
Buildings and Improvements	14,812	(14,792)	-	83,936	83,956
Motor Vehicles	1,578	4,836	-	1,408	7,821
Office Equipment	54,890	57,447	-	1,713	114,050
Fixtures and Fittings	14,406	(1)	-	1,905	16,310
Furniture and Fittings	113,467	8,023	-	2,401	123,891
Computer Equipment	33,160	6,135	-	908	40,203
Plant and Machinery	84,963	(15,467)	-	2,007	71,503
Hotel Equipment	103,350	(21,844)	-	32	81,538
<b>Total Depreciation</b>	420,626	24,337	-	94,310	539,272
<b>Net Carrying Value as at 31.03.2024</b>					3,332,317
<b>Net Carrying Value as at 31.03.2025</b>					3,256,553

### 12.2. Company

	Balance As At 01.04.2024 Rs.'000	Additions for the year Rs.'000	Disposals/ Transfers Rs.'000	Balance As At 31.03.2025 Rs.'000
Motor Vehicles	321	-	-	321
Office Equipment	5,480	-	-	5,480
Fixtures and Fittings	21,992	-	-	21,992
Furniture and Fittings	11,760	-	-	11,760
Computer Equipment	15,220	-	-	15,220
<b>Total Cost</b>	54,773	-	-	54,773

**12.2.1. Accumulated Depreciation on Cost**

	Balance As At 01.04.2024 Rs.'000	Charges for the year Rs.'000	Disposals/ Transfers Rs.'000	Balance As At 31.03.2025 Rs.'000
Motor Vehicles	321	-	-	321
Office Equipment	3,944	435	-	4,379
Fixtures and Fittings	14,184	1,905	-	16,088
Furniture and Fittings	10,514	812	-	11,326
Computer Equipment	14,887	-	-	14,887
<b>Total Depreciation</b>	43,850	3,152	-	47,001
<b>Net Carrying Value as at 31.03.2024</b>				10,922
<b>Net Carrying Value as at 31.03.2025</b>				7,772

**12.3. Group Freehold Land and Buildings****Value of Lands and Ownership**

Company	Location	Land Extent in Acres/ Perches and Roods	Number of buildings	Carrying Value of Lands As at 31.03.2025	Carrying Value of Building As at 31.03.2024
Wadduwa Resorts (Pvt) Ltd	No 352/16c, Ratnayaka Road, Talpitiya, Wadduwa	3A, 1R, 36.22	3	840,000	840,000
Asia Leisure Holdings (Pvt) Ltd	No 70, Uttamana Mawatha, Welagedara, Balapitiya	1R	1	10,000	10,000
Asia Leisure Holdings (Pvt) Ltd	No 288, Galle Road, Dadalla, Galle	1R, 28 Perch (undivided 3/10)	1	86,400	86,400
River House Estate (Pvt) Ltd	Robert De Soysa Mawatha, Walagedara, Balapitiya	5A, 1R, 26P	-	173,200	173,200
Asia Leisure Apartments (Pvt) Ltd	Misty Hills, Badulla Road, Katumanna, Nuwaraeliya	63.8P	1	48,000	48,000
River House (Pvt) Ltd	No 70, Uttamana Mawatha, Welagedara, Balapitiya	06A, 01R, 36P	3	414,400	414,400
Kosgoda Beach Resorts (Pvt) Ltd	No. 47/23, Paratharakaya Round Road, Kosgoda.	01A, 01R, 39P	1	329,000	329,000
Asia Leisure Appartments (Pvt) Ltd	Mistry Hills, Katumana, Nuwara Eliya.	0A, 01R, 23.81P	1	110,000	110,000
				2,011,000	2,011,000

All above revaluations are based on market values and were carried out by an independent valuer Mr. A.A.M. Fathihu (B. Sc. (Hons) Estate Management & Valuation, Chartered Valuer -Sri Lanka.).The Latest Valuation date is 31st March 2024.

## Notes to the Financial Statements

### 12.4. Carrying Amount of Revalued Assets

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

	Cost Rs.'000	Cumulative Depreciation at Cost Rs.'000	Net Carrying Amount 2025 Rs.'000	Net Carrying Amount 2024 Rs.'000
<b>Group</b>				
Buildings and Improvements	1,392,472	1,392,472	-	857,764
Motor Vehicles	1,060	1,060	-	-
Office Equipment	71,340	71,340	-	7,700
Fixtures and Fittings	18,499	18,499	-	-
Furniture and Fittings	168,544	168,544	-	2,611
Computer Equipment	35,429	35,429	-	-
Plant and Machinery	124,983	124,983	-	-
Hotel Equipment	135,670	135,670	-	-
<b>Leasehold Assets</b>				-
Motor Vehicles	88,043	88,043	-	-
Computer Equipment	2,897	2,897	-	-
<b>Total</b>	2,038,937	2,038,937	-	868,075

### 12.5. Cost of Fully Depreciated Assets

	<b>Group</b>		<b>Company</b>	
As at 31st March	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Office Equipment	2,747	2,747	997	997
Fixtures and Fittings	4,145	4,145	2,925	2,925
Furniture and Fittings	12,636	12,636	2,037	2,037
Motor Vehicles	321	321	321	321
Computer Equipment	7,875	7,875	-	-
Leasehold Motor Vehicles	18,660	18,660	-	-
	46,384	46,384	6,280	6,280

#### Basis of Recognition

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

#### Basis of Measurement

##### Fair Value Model

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair value, which reflect the market conditions at the reporting date. Gains or losses arising from changes in fair value are included in the statement of profit or loss in the year in which they arise.

Where group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements, and accounted for as per LKAS 16- Property, Plant and Equipment.

### De-recognition

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of retirement or disposal.

### Subsequent Transfers to/from Investment Property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss. When the Company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

### Determining Fair Value

External and independent professional valuers, having appropriately recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio as at each reporting date. In financial periods within that period the fair value is determined by the Board of Directors. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

## 13. RIGHT OF USE ASSETS

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Cost</b>				
Balance at the Beginning of the Year	55,234	55,234	-	-
Acquisition of Subsidiaries	-	-	-	-
Additions During the Year	-	-	-	-
Disposal During the Year	-	-	-	-
<b>Balance at the End of the Year</b>	<b>55,234</b>	<b>55,234</b>	<b>-</b>	<b>-</b>
<b>Amortisation</b>				
Balance at the Beginning of the Year	49,172	40,956	-	-
Acquisition of Subsidiaries	-	-	-	-
Amortisation for the Year	3,246	8,216	-	-
Acquisition of Subsidiary	-	-	-	-
On Disposal of Subsidiary	-	-	-	-
Balance at the End of the Year	52,418	49,172	-	-
<b>Net Carrying Value</b>	<b>2,816</b>	<b>6,062</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements

### 14. INTANGIBLE ASSETS

#### 14.1. Computer Software

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Cost</b>				
Balance at the beginning of the year	100,230	100,230	31,413	31,413
Additions during the year	2,151	-	-	-
Balance at the end of the year	102,381	100,230	31,413	31,413

##### 14.1.1. Amortisation

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	71,050	65,298	31,413	31,239
Amortisation for the year	289	5,752	-	174
Balance at the end of the year	71,339	71,050	31,413	31,413
<b>Net Carrying Value</b>	<b>31,042</b>	<b>29,180</b>	<b>-</b>	<b>-</b>

#### 14.2. Goodwill

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the Beginning of the Year	305,417	305,417	-	-
On Acquisition of Subsidiary	-	-	-	-
Written-off During the Year	-	-	-	-
Balance at the End of the Year	305,417	305,417	-	-
<b>Total Net Carrying Value</b>	<b>336,459</b>	<b>334,597</b>	<b>-</b>	<b>-</b>

#### 14.3. Summary of Goodwill - Group

As At 31st March	2025 Rs.'000	2024 Rs.'000
Asia Leisure Holding (Pvt) Ltd	5,021	5,021
Beach Resorts Kosgoda (Pvt) Ltd	246,179	246,179
Asia Capital Partners Ltd	4,976	4,976
Asia Capital Stock Brokers (Pvt) Ltd	49,241	49,241
	<b>305,417</b>	<b>305,417</b>

Goodwill as at the reporting date has been tested for impairment and no impairment loss was noted. The recoverable value of goodwill has been estimated based on the future cash flows.

## 15. INVESTMENT PROPERTIES

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the beginning of the year	-	-	-	-
On Acquisition during the year	196,505	-	196,505	-
On Disposals during the year	-	-	-	-
Revaluation for the year	-	-	-	-
<b>Balance as at end of the year</b>	<b>196,505</b>	<b>-</b>	<b>196,505</b>	<b>-</b>

## 16. LONG TERM INVESTMENTS

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Investments in Subsidiaries (Note 16.1)	-	-	1,614,858	1,770,123
Investments in Associate (Note 16.2)	203,105	178,978	398,839	398,839
<b>Total Investments</b>	<b>203,105</b>	<b>178,978</b>	<b>2,013,697</b>	<b>2,168,962</b>

As At 31st March	Company			
	2025		2024	
	Effecting %	Rs.'000	Effecting %	Rs.'000
<b>Non-Quoted</b>				
Asia Growth Fund 1 (Private) Limited	100%	10,050	100%	10,050
Asia Fort Sri Lanka Direct Investment Fund Limited	100%	5,001	100%	5,001
Asia Capital Projects (Private) Limited	100%	25,000	100%	25,000
Asia Capital Technologies (Private) Limited	100%	32,000	100%	32,000
Asia Digital Entertainment (Private) Limited	100%	4,088	100%	4,088
Asia Tea Packaging (Private) Limited	73%	86,787	73%	86,787
Asia Leisure Holding (Private) Limited	54%	730,249	54%	730,249
Wadduwa Resorts (Private) Limited	100%	252,546	100%	252,546
Asia Leisure (Private) Limited	100%	116,745	100%	116,744
Strider capital Asia (Private) Ltd	70%	33,520	70%	33,520
Asia Capital Partners (Private) Limited	100%	82,785	100%	82,785
Colombo City Land Development (Private) Limited	100%	-	100%	-
Galle Beach (Private) limited	100%	-	100%	-
ACAP Stock Brokers (Private) Limited	91%	123,859	91%	123,859
Beach Resorts Kosgoda (Private) Limited	100%	425,418	100%	425,418
		1,928,0489		1,928,047
Less: Provision for fall in value of investments (Note 16.1.1)		(313,191)		(157,925)
<b>Total Investments in Subsidiaries</b>		<b>1,614,857</b>		<b>1,770,122</b>

## Notes to the Financial Statements

### 16.1.1. Provision for Fall in value of Investments

As At 31st March	Company	
	2025 Rs.'000	2024 Rs.'000
Asia Growth Fund 1 (Private) Limited	(10,050)	(10,050)
Asia Capital Projects (Private) Limited	(25,000)	(25,000)
Asia Fort Sri Lanka Direct Investment Fund Limited	(5,001)	-
Asia Capital Private Equity (Private) Limited	-	-
Asia Leisure (Private) Limited	(116,745)	-
Galle Beach (Private) Limited	-	-
Strider Capital Asia (Private) Limited	(33,520)	-
Asia Digital Entertainment (Private) Limited	(4,088)	(4,088)
Asia Tea Packaging (Private) Limited	(86,787)	(86,787)
Asia Capital technologies (Private) Limited	(32,000)	(32,000)
	(313,191)	(157,925)

### 16.2. Investment In Associates

For the Year Ended 31st March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
493 Tale Lands (Pvt) Ltd	49%	2,035	2,299	-	-
Galle Beach CC Trust (Private) Limited	40%	203,093	176,678	398,839	398,839
		205,128	178,978	398,839	398,839

The management has made a fair value assessment of Investment in Associates as at 31st March 2025 and noted that the fair value has not changed significantly. Therefore no adjustment were made to the financial statements.

#### 16.2.1. Summarized Financial Information - Associate

##### Galle Beach CC Trust (Private) Limited

The group has 40% interest in "Galle Beach CC Trust (Pvt) Ltd" and 49% in "493 Talpe Lands (Pvt) Ltd". The following table illustrates the summarized financial information of the group's investment in "Galle Beach CC Trust (Pvt) Ltd" and "493 Talpe Lands (Pvt) Ltd".

Share of the Associate's Statement of Financial Position	49%		40%	
	493 Talpe Lands (Private) Limited		Galle Beach CC4 Trust (Private) Limited	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Non Current Assets	46,501	46,500	1,801,302	1,749,772
Current Assets	-	1	161,364	161,435
<b>Total Assets</b>	<b>46,501</b>	<b>46,501</b>	<b>1,962,667</b>	<b>1,911,207</b>
Non Current Liabilities	-	-	798,188	590,131
Current Liabilities	42,348	41,809	656,747	879,380
<b>Total Liabilities</b>	<b>42,348</b>	<b>41,809</b>	<b>1,454,934</b>	<b>1,469,511</b>
<b>Net Assets</b>	<b>4,153</b>	<b>4,692</b>	<b>507,732</b>	<b>441,696</b>
Carrying Amount of the Investment	2,035	2,299	203,093	176,678
<b>Share of the Associate's Revenue and Profit</b>				
Revenue	-	49	-	407
Loss	-	-	-	-

**17. EQUITY ASSETS MEASURED AT FAIR VALUE THROUGH OCI**

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Non-current</b>				
Investment in Equity Securities - Non-Quoted (Note 17.1)	-	117,430	-	117,430
	-	117,430	-	117,430

**17.1. Investments in Equity Securities - Non-Quoted**

For the Year Ended 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Group</b>				
Galle Heritage Lanka (Private) Limited	-	-	20	77,083
Marine Drive Hotels (Private) Limited	-	-	20	40,347
<b>Total</b>	-	-	40	117,430
<b>Company</b>				
Galle Heritage Lanka (Private) Limited	-	-	20	77,083
Marine Drive Hotels (Private) Limited	-	-	20	40,347
<b>Total</b>	-	-	40	117,430

**18. LONG TERM DEPOSITS AND ADVANCES**

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rent Deposit	-	-	-	-
Advances given During the Period	-	-	-	-
	-	-	-	-
Less: Provision for Impairment	-	-	-	-
	-	-	-	-
<b>Maturity Analysis of Long Term Deposits</b>				
Within 2-3 Years	-	-	-	-
Within 3-5 Years	-	-	-	-
After 5 Years	-	-	-	-
	-	-	-	-

**19. INVENTORIES**

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rent Deposit	8,376	9,108	-	-
Advances given During the Period	267,226	267,224	-	-
	275,602	276,332	-	-
Less: Provision for Impairment	(267,224)	(267,224)	-	-
	8,376	9,108	-	-



## Notes to the Financial Statements

### 20. OTHER CURRENT FINANCIAL ASSETS

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Investments in Other Financial Assets	26,850	20,999	-	-
Investments in Reverse Repurchase Agreements	78,081	-	-	860
	104,931	20,999	-	860
Less: Provision for fall in value of investment	-	-	-	-
	104,931	20,999	-	860

### 21. TRADE AND OTHER RECEIVABLES

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Trade Debtors	87,514	235,181	19,550	-
Less: Provision for Bad and Doubtful Debts	(1,672)	(1,199)	-	-
	85,843	233,982	19,550	-
Advances and Prepayments	41,073	91,734	2,832	18,323
Other Debtors	9,610	123,181	-	113,934
	136,526	448,897	22,382	132,257
Less: Provision for Bad and Doubtful Debts	-	(61,156)	-	(43,076)
	136,526	387,741	22,382	89,181

### 22. AMOUNTS DUE FROM RELATED COMPANIES

As At 31st March		Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Asia Growth Fund 1 (Private) Limited	Subsidiary	-	-	1,184	997
Asia Fort Sri Lanka Direct Investment Fund Limited	Subsidiary	-	-	2,216	1,913
Asia Capital Technologies (Private) Limited	Subsidiary	-	-	52,998	51,055
Asia Capital Projects (Private) Limited	Subsidiary	-	-	28,383	24,256
Asia Leisure Holdings (Private) Limited	Subsidiary	-	-	666,335	403,875
Galle Beach (Private) Limited	Subsidiary	-	-	376,410	415
Asia Digital Entertainment (Private) Limited	Subsidiary	-	-	174,983	376,187
Asia Leisure (Private) Limited	Subsidiary	-	-	11,195	119,912
Asia Tea Packaging (Private) Limited	Subsidiary	-	-	32,178	11,018
Asia Capital Private Equity (Private) Limited	Subsidiary	-	-	490	32,004
Asia Capital Partners (Privatel) Limited	Subsidiary	-	-	1,325	1,177
Beach Resorts Kosgoda (Private) Limited	Subsidiary	-	-	768,521	625,233
Asia Leisure Apartments (Private) Limited	Subsidiary	-	-	55,025	54,390
Wadduwa Resorts (Private) Limited	Sub-subsidiary	-	-	285,076	243,680
River House (Private) Limited	Sub-subsidiary	-	-	6,074	5,883
River House Estate (Private) Limited	Sub-subsidiary	-	-	95,394	91,784
Asia Leisure Travels (Private) Limited	Sub-subsidiary	-	-	55,825	53,917
Galle Beach CC Trust (Private) Limited	Associate	435,417	468,806	435,417	433,043
Galle Beach Hotel (Private) Limited	Sub-subsidiary	-	-	395	222
493 Talpe Lands (Private) Limited	Associate	42,112	41,573	42,112	41,573
Forest Resorts Nuwara Eliya (Private) Limited	Affiliate	70,603	70,475	70,603	70,475
Colombo City Land Development (Private) Limited	Subsidiary	-	-	273	-
		548,132	580,853	3,162,411	2,643,007

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Less: Provision for Bad and Doubtful Debts</b>				
Asia Growth Fund 1 (Private) Limited	-	-	(1,184)	(997)
Galle Beach (Private) Limited	-	-	(490)	(416)
Asia Capital Projects (Private) Limited	-	-	(28,383)	(24,256)
Asia Tea Packaging (Private) Limited	-	-	(11,195)	(11,018)
Asia Capital Technologies (Private) Limited	-	-	(52,998)	(50,991)
Asia Digital Entertainment (Private) Limited	-	-	(376,410)	(376,187)
Forest Resorts Nuwara Eliya (Private) Limited	-	-	(70,603)	(70,435)
Asia Capital Private Equity (Private) Limited	-	-	(32,178)	(32,004)
Asia Leisure (Private) Limited	-	-	(174,983)	-
Asia Fort Sri Lanka Direct Investment Fund Limited	-	-	(2,216)	-
	-	-	(750,639)	(566,303)
	548,132	580,853	2,411,772	2,076,705

## 23. CASH AND CASH EQUIVALENTS

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Favourable Balances</b>				
Cash in Hand and at Bank	86,676	22,821	38,549	3,456
	86,676	22,821	38,549	3,456
<b>Unfavourable Balances</b>				
Bank Overdrafts	(377,318)	(511,155)	(354,522)	(393,089)
<b>Cash and Cash Equivalents</b>	(290,642)	(488,334)	(315,973)	(389,632)

## 24. STATED CAPITAL

As At 31st March	Group		Company	
	No of Shares	Value Rs.'000	No of Shares	Value Rs.'000
Ordinary Shares	131,329,995	1,498,498	131,329,995	1,498,498
	131,329,995	1,498,498	131,329,995	1,498,498

## 25. DEFERRED TAXATION

As At 31st March	Group			
	2025		2024	
	Temporary Differences Rs.'000	Temporary Tax Effect Rs.'000	Temporary Differences Rs.'000	Temporary Tax Effect Rs.'000
On Temporary differences of Property, Plant and Equipment	(2,942,357)	(882,707)	(2,494,773)	(748,432)
On Retirement Benefit Obligations	7,282	2,185	17,030	5,109
On Tax Losses Carried Forward	4,044,813	1,213,444	3,543,894	1,063,168
	1,109,738	332,921	1,066,151	319,845

## Notes to the Financial Statements

As At 31st March	Company			
	2025		2024	
	Temporary Differences Rs.'000	Temporary Tax Effect Rs.'000	Temporary Differences Rs.'000	Temporary Tax Effect Rs.'000
On Temporary differences of Property, Plant and Equipment	(7,674)	(2,302)	(7,675)	(2,303)
On Retirement Benefit Obligations	1,306	392	2,242	673
On Tax Losses Carried Forward	2,422,581	726,774	879,184	263,755
	2,416,213	724,864	873,751	262,125

**Group**

Due to the uncertainty of availability of future taxable profit for utilization of tax losses, the recognition of deferred tax asset has been limited only up to deferred tax liability as at the reporting date.

**Company**

Due to the uncertainty of availability of future taxable profit for utilisation of tax losses, the recognition of deferred tax asset has been limited only up to deferred liability as at the reporting date. Therefore, the unrecognised deferred tax asset of the Company is Rs. 262 Mn (2024 - Rs. 472Mn).

**26. RETIREMENT BENEFIT OBLIGATIONS**

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the Beginning of the Year	17,030	18,161	2,242	4,715
Interest for the Year	1,563	928	289	170
Charge for the Year	1,781	3,508	127	348
(Gain)/Loss arising from changes in assumptions or (over)/under provision in the previous year	(3,119)	(4,438)	(1,352)	(2,611)
Payments made during the Year	(6,283)	(380)	(743)	(380)
<b>Balance at the end of the Year</b>	<b>10,972</b>	<b>17,030</b>	<b>562</b>	<b>2,242</b>

As required by the Sri Lanka Accounting Standard 19 - "Employee Benefits" all companies in the Group have provided gratuity liability based on the Gratuity Formula Method.

The principal assumptions used in determining the cost of employee benefits were:

As At 31st March	2025	2024
Rate of Interest	15%	15%
Rate of Salary Increase	8%	8%
Labour Turnover	11%	11%
Retirement Age	60 Years	60 Years

## 26.1. Sensitivity of Assumption Employed in the Valuation

Sensitivity analysis on discounting rate and salary increment rate to Statement of Financial Position and Statement of Profit and Loss is as follows:

As At 31st March	Total Comprehensive Income Increase / (Reduction)		Employee Benefit Obligation Increase / (Reduction) in the Liability	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Group</b>				
Increase in Discounts Rate (1%)	3,513	260	342	237
Decrease in Discount Rate (1%)	(3,513)	(260)	(342)	(237)
Increase in Salary Increment Rate (1%)	711	605	711	604
Decrease in salary Increment Rate (1%)	(711)	(605)	(711)	(604)
<b>Company</b>				
Increase in Discounts Rate (1%)	637	(3)	41	517
Decrease in Discount Rate (1%)	(637)	3	(41)	(517)
Increase in Salary Increment Rate (1%)	264	167	264	167
Decrease in salary Increment Rate (1%)	(264)	(167)	(264)	(167)

## 27. NON-INTEREST BEARING BORROWINGS

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Balance at the Beginning of the Year	830,862	830,862	830,862	830,862
Loan Obtained During the Year	-	-	-	-
Installments Paid During the Year	-	-	-	-
Balance at the End of the Year	830,862	830,862	830,862	830,862

### 27.1. Summary

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Questnet Limited	40,068	40,068	40,068	40,068
CC Trust Pte Ltd	790,795	790,795	790,795	790,795
	830,863	830,863	830,863	830,863
Amount repayable within one year	40,068	40,068	40,068	40,068
Amount repayable after one year	790,795	790,795	790,795	790,795

The non interest bearing borrowings amount taken from an a associatae company Galle Beach CC Trust the company actively looking for an investor to complete the construction of the hotel. Following the completion of the construction the equity in the hotel re capitalized. until such time sum of Rs 790 mn will remain as the non interest bearing borrowing in the balance sheet.



## Notes to the Financial Statements

### 28. INTEREST BEARING BORROWINGS

As At 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Direct Borrowing	-	-	-	-
Preference facility loan - Current Portion	2,424,033	2,510,665	2,384,932	2,510,665
Preference facility loan - Non Current Portion	697,276	-	697,276	-
Borrowing Under Commercial Papers	152,772	106,029	152,772	176,768
Borrowing Under Repurchase Agreement	-	-	-	-
Other Long-Term Loans	204,179	444,346	70,627	52,403
	3,478,260	3,061,040	3,305,607	2,739,836
Amount repayable within one year (Note 28.2)	2,576,806	2,694,830	2,537,705	2,724,860
Amount repayable after one year (Note 28.2)	901,456	366,209	760,311	14,975
	3,478,262	3,061,039	3,305,608	2,739,835

#### 28.1. Assets Pledged

Company Name	Name of the Lender	Facility Amount	Details of the Assets Pledge	2025 Rs.'000	2024 Rs.'000
Asia Capital PLC	Seylan Bank PLC	100,000	Arachchige Watta, Waduwanakaduwa, and Ratranhadiligeliyadda, Kosgoda	-	269,453
Wadduwa Resorts (Private) Limited	Seylan Bank PLC	325,000	Taprobana Land, building located at No. 325/16, Ratnayaka Road, Thalpitiya, Wadduwa. Corporate guarantee of Asia Capital PLC	-	270,640
Beach Resorts Kosgoda (Privatet) Limited	Seylan Bank	250,000		-	364,317

#### 28.2. Analysis of Non-current Portion of Interest Bearing Borrowings

As At 31st March	2025		2024	
	Payable within One year Rs.'000	Payable after One year Rs.'000	Payable within One year Rs.'000	Payable after One year Rs.'000
<b>Group</b>				
Direct Borrowings	-	-	-	-
Preference facility loan - Current Portion	2,424,033	-	2,510,665	-
Preference facility loan - Non Current Portion	697,276	-	-	-
Borrowings under Commercial Papers	152,772	-	106,029	-
Borrowings Under Repurchase Agreement	-	-	-	-
Other Long-term Loans	-	204,179	78,136	366,209
	3,274,081	204,179	2,694,830	366,209

As At 31st March	2025		2024	
	Payable within One year	Payable after One year	Payable within One year	Payable after One year
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Company</b>				
Direct Borrowing	-	-	-	-
Preference facility loan - Current Portion	2,384,932	-	2,510,665	-
Preference facility loan - Non Current Portion	697,276	-	-	-
Borrowing under Commercial Papers	152,772	-	176,768	-
Borrowing Under Repurchase Agreement	-	-	-	-
Other Long Term Loans	-	63,035	37,427	14,975
	3,234,980	63,035	2,724,860	14,975

## 29. LEASE CREDITOR

As At 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Finance Lease Liability</b>				
Balance at the Beginning of the Year	48,167	48,841	-	-
On Acquisition of Subsidiary / Adjustment	(39,912)	-	-	-
Lease Obtained During the Year	-	-	-	-
Repayment During the Year	(1,968)	(674)	-	-
Balance as at 31st March	6,287	48,167	-	-
Interest in Suspense	-	(6,182)	-	-
Balance at the End of the Year	6,287	41,985	-	-
Amount within One Year	2,236	9,880	-	-
Amount After One Year	4,657	17,557	-	-
	6,893	27,437	-	-

## 30. TRADE AND OTHER PAYABLE

As At 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Creditors	80,086	80,440	14,689	-
Sundry Creditors including Accrued Expenses	149,562	539,436	1,500	418,665
Refundable Deposits	12,494	9,299	-	9,299
	242,142	629,179	16,190	427,964

## 31. AMOUNTS DUE TO RELATED COMPANIES

As At 31st March	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Strider Capital Asia (Private) Limited	Subsidiary	-	-	-	35,315
ACAP Stock Brokers (Private) Limited	Subsidiary	-	-	14,173	17,677
		-	-	14,173	52,992

## Notes to the Financial Statements

### 32. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES

	Assets		Liabilities	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Asia Growth Fund 1 (Private) Limited	-	-	-	2,552
Asia Fort Sri Lanka Direct Investment Fund Limited	54	32,501	2,281	3,426
Asia Capital Technologies (Private) Limited	15	2,325	914	53,906
Asia Capital Projects (Private) Limited	-	-	50	24,521
Asia Leisure Holdings (Private) Limited	1,005,166	919,589	744,778	446,263
Asia Digital Entertainment (Private) Limited	72	17,527	12,159	376,388
Asia Leisure (Private) Limited	135,023	289,280	322,172	420,370
Asia Tea Packaging (Private) Limited	15	3,843	48	11,727
Asia Capital Private Equity (Private) Limited	100	26,268	9,260	32,207
Asia Capital Partners Limited	112,120	112,120	2,102	1,989
Beach Resorts Kosgoda (Private) Limited	984,971	1,050,758	869,742	763,721
Asia Leisure Apartments (Private) Limited	105,728	110,069	55,069	56,613
Wadduwa Resorts (Private) Limited	1,341,643	1,426,520	744,508	847,718
River House (Private) Limited	510,802	510,802	6,438	8,268
River House Estate (Private) Limited	173,271	173,512	102,628	101,694
Asia Leisure Travels (Private) Limited	25,662	40,503	88,436	143,616
Galle Beach Hotel (Private) Limited	25	35,888	(413)	341
Nuwaraeliya Hotel & Resorts (Private) Limited	-	-	30	227
Colombo City Land Development (Private) Limited	-	-	322	-
Strider Capital Asia (Private) Limited	48	35,363	44	115
ACAP Stock Brokers (Private) Limited	251,339	202,014	84,403	68,554

#### 32.1. Non-controlling Interest (NCI) in Subsidiaries

	% of Ownership Held by NCI		% of Voting Rights Held by NCI	
	2025	2024	2025	2024
Wadduwa Resorts (Pvt) Ltd	42	42	42	42
Asia Leisure Holding (Pvt) Ltd	26	26	26	26
Asia Leisure Travels (Pvt) Ltd	20	20	20	20
River House Estate (Pvt) Ltd	26	26	26	26
River House (Pvt) Ltd	26	26	26	26
Nuwara Eliya Hotel & Resorts (Pvt) Ltd	26	26	26	26
Beach Resorts Kosgoda (Pvt) Ltd	-	-	-	-
Asia Capital Partners (Pvt) Ltd	9	9	9	9
ACAP Stock Brokers (Pvt) Ltd	34	34	34	34

Equity		Revenue		Profit After Tax		Total Comprehensive Income	
2025	2024	2025	2024	2025	2024	2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	(2,552)	-	-	1,211	(58)	1,211	(58)
(2,227)	29,075	-	5,976	(31,301)	5,755	(31,301)	5,755
(899)	(51,581)	-	-	50,682	(3,627)	50,682	(3,627)
(50)	(24,521)	-	-	22,301	(1,561)	22,301	(1,561)
260,388	473,326	5,290	7,437	(213,357)	(27,756)	(213,239)	(24,660)
(12,088)	(358,861)	-	-	346,774	4,213	346,774	4,213
(187,149)	(131,090)	20,522	35,407	(55,931)	(24,003)	(55,931)	(8,669)
(32)	(7,884)	-	-	7,852	(45)	7,852	(45)
(9,160)	(5,939)	-	-	(3,222)	(48)	(3,222)	(48)
110,017	110,131	-	-	(114)	(646)	(114)	(646)
115,229	287,037	65,819	16,125	(169,936)	(121,316)	(169,992)	179,117
50,658	53,456	-	-	(2,751)	(236)	(2,751)	(236)
597,135	578,802	-	4,384	19,359	(142,008)	18,333	23,951
504,364	502,534	-	-	1,830	(198)	1,830	1,853
70,643	71,818	-	-	(1,177)	(5,067)	(1,177)	(5,067)
(62,774)	(103,113)	1,909	46,844	40,340	(15,084)	40,340	(14,722)
439	35,547	-	-	(35,961)	(42)	(35,961)	(42)
(30)	(227)	-	-	197	(83)	197	(83)
(322)	-	-	-	(322)	-	(322)	-
4	35,248	-	-	(35,243)	(1,941)	(35,243)	(1,941)
166,937	133,460	26,927	18,689	(19,310)	3,157	(18,117)	2,717

Share of Loss of NCI for the year ended		Share of Total Comprehensive Income		Non-Controlling Interest as at March	
2025	2024	2025	2024	2025	2024
(65,324)	(56,965)	11,017	(57,150)	266,249	294,958
(7,217)	(7,217)	(6,412)	2,793	123,065	123,065
(3,017)	(3,017)	(2,945)	(2,924)	(20,623)	(20,623)
(1,317)	(1,317)	(1,317)	(239)	18,673	18,673
(51)	(51)	482	(38)	130,659	130,659
(22)	(22)	(22)	(3)	(59)	(59)
-	-	-	(24,853)	-	-
(194)	(194)	-	-	33,039	33,039
284	-	-	-	12,011	12,011

## Notes to the Financial Statements

### 33. RELATED PARTY DISCLOSURE

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standards-LKAS 24 on "Related Party Disclosures". The Related party Transactions were made on terms equivalent to those that prevail on arms length basis

#### 33.1. Transactions, Arrangements and Agreements involving Key Management Personnel (KMP) and their Close Family Members (CFM)

According to Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the members of the Board of Directors of the Company (Executive and Non-Executive Directors), Chief Executive Officer and Group Chief Financial Officer have been classified as KMP. As the Company is the ultimate parent of the subsidiaries, the Board of Directors of the Company have the authority and responsibility for planning or controlling the activities of the Group directly or indirectly.

Compensation to Key Management Personnel of the Company was as follows:

As at 31st March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Short-Term Employment Benefits	14,557	14,557	10,357	10,357
Post-Employment Benefits Paid	Nil	Nil	Nil	Nil
Other Long Term Benefits	Nil	Nil	Nil	Nil
Termination Benefits	Nil	Nil	Nil	Nil

There are no share-based payments made to the KMP during the Year.

No loans were granted to KMPs of the Company.

#### 33.2. Transactions with Close Family Members (CFM) of Key Management Personnel (KMP)

CFM of KMP are those family members who may be expected to influence or be influenced by those individuals in their dealings with the entity. They may include:

- a) the individual's domestic partner and children
- b) children of the individual's domestic partner
- c) dependants of the individual or the individual's domestic partner

CFMs are related parties to the entity. There were no transactions with CFMs during the year.



### 33.3. Details of Subsidiaries

Name of the subsidiary	Registered office	Principal place of Business
Asia Growth Fund (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Fort Srilanka Direct Investment Fund Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Private Equity (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Technologies (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Digital Entertainment (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Projects (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Galle Beach Hotel (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Leisure Holding (Pvt) Ltd	No. 46/46, Green Lanka Building, 6th Floor, Nawam Mawatha, Colombo 02	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Leisure (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Wadduwa Resorts (Pvt) Ltd	No 46/46, Green Lanka Building, 6th Floor, Nawam Mawatha, Colombo 02	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Tea Packaging (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
River House (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
River House Estate (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Leisure Travels (Pvt) Ltd	No 46/46 Green Lanka towers ,Nawam mawatha, Colombo 02	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Nuwara Eliya Hotel & Resorts (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Strider Capital Asia (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Leisure Apartments (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Beach Resorts Kosgoda (Pvt) Ltd	No 46/46, Green Lanka Building, Nawam Mawatha, Colombo 02	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Partners Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
ACAP Stock Brokers (Pvt) Ltd	No 46/46, Green Lanka Building, Nawam Mawatha, Colombo 02	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Name of the Associates	Registered office	Principal place of Business
Galle Beach CC Trust (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 471, Colombo Road , Daddalla, Galle.
493 Talpe Lands (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	493 Talpe Habaraduwa, Galle

## Notes to the Financial Statements

Name of the Related Party	Nature of the Relationship	Name of the Common Director	Details of the Transactions/Balances	Value of the Transactions	
				2025	2024
				Rs.000	Restated Rs.000
(a) Transactions with Subsidiaries/Sub-Subsidiaries					
Asia Growth Fund 1 (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of Expenses (net)	187,382	50,000
			Provision for bad and doubtful debts-Expense during the year	(187,382)	(50,000)
Asia Fort Sri Lanka Direct Investment Fund Limited	Subsidiary	Mr. S.A. Abeyesinhe	Interest expense on Commercial papers	-	(650,000)
			Reimbursement of expenses (net)	303,471	50,000
Galle Beach (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of expenses (net)	74,317	38,000
Galle Beach (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of expenses (net)	74,317	38,000
			Provision for bad and doubtful debts-Expense during the year	(74,317)	(38,000)
Asia Capital Partners Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of expenses (net)	148,500	38,000
Colombo City Land Development (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of expenses (net)	273,303	-
Asia Capital Technologies (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of expenses (net)	-	1,749,443
			Provision for bad and doubtful debts-Expense during the year	-	(1,685,594)
Asia Capital Projects (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Inter company fund transfers	4,127,260	1,050,099
			Provision for bad and doubtful debts-Expense during the year	(4,127,260)	(1,050,000)
Asia Leisure Holdings (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Inter company fund transfers	180,326,750	17,605,000
			Intercompany Interest	45,707,339	1,063,653
			Reimbursement of expenses (net)	36,425,823	(235,980,000)
			Transfer of Beach Resorts Kosgoda (Pvt) Ltd Shares	-	(425,417,000)
Asia Leisure (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Inter company fund transfers	55,070,499	32,835,858
Asia Capital Private Equity (Private) Limited	Subsidiary	Mr. S.A. Abeyesinhe	Reimbursement of expenses (net)	173,829	38,500
			Provision for bad and doubtful debts-Expense during the year	(173,829)	(38,500)
Asia Digital Entertainment (Private) Limited	Subsidiary	Mr. V Siva Jr	Reimbursement of Expenses	223,376	636,331
		Mr. R.A.T.P. Perera	Provision for Bad and Doubtful Debts Expense During the Year	(223,376)	(630,581)
Asia Tea Packaging (Private) Limited	Subsidiary	Mr. V. Siva Jr	Reimbursement of Expenses	176,753	40,500
		Mr .R.A.T.P. Perera	Provision for Bad and Doubtful Debts Expense During the Year	(176,753)	(40,500)
Wadduwa Resorts (Pvt) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	17,949,247	9,970,000
			Inter Company Interest	23,446,090	17,876,357
River House Estate (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	3,609,912	3,760,110
		Mr. V. Siv Jr			
Galle Beach Hotel (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	172,388	38,000
Asia Leisure Travels (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	1,907,884	6,091,868
			Intercompany Fund Transfers (Net)		-
			Inter Company Balance Settlement		-
Stider Capital Asia (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	2,565,804	1,938,000
			Provision for bad and doubtful debts-Expense during the year	(2,565,804)	
Asia Leisure Apartment (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	635,072	209,441
			Inter Company Fund Transfers	-	(2,348,000)
ACAP Stock Brokers (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Inter Company Fund Transfers (Net)	20,864,240	(7,023,000)
			Intercompany Interest	6,176,123	
			Issue of Commercial Paper	(30,544,357)	38,900,000
			Rights Issue	-	(123,859,439)

Name of the Related Party	Nature of the Relationship	Name of the Common Director	Details of the Transactions/Balances	Value of the Transactions	
				2025	2024
				Rs.000	Restated Rs.000
River House (Private) Limited	Sub-Subsidiary	Mr. S.A. Abeysinghe	Reimbursement of Expenses	190,666	73,811
Beach Resorts Kosgoda (Private) Ltd	Subsidiary	Mr. S.A. Abeysinghe	Assignment of ALH Interco Loans to ACAP	-	625,232,772
			Reimbursement of Expenses	80,545,397	
			Inter Company Interest	62,742,436	
			Inter Company Fund Transfers (Net)	1,367,774	-
b) Transaction with Associates					
Galle Beach CC Trust (Private) ltd	Associate	Mr. S.A. Abeysinghe	Intercompany Fund Transfers (Net)	2,374,274	3,003,696
493 Talape Lands (Private) Ltd	Associate	Mr. S.A. Abeysinghe	Reimbursement of Expenses	539,473	38,000
Forest Resorts Nuwara Eliya (Private) Limited	Associate	Mr. S.A. Abeysinghe	Reimbursement of Expenses	128,163	39,000
			Provision for Bad and Doubtful Debts Expense During the Year	(128,163)	(70,475)
c) Transaction with shareholder Related Entities					
Fast Gain International Limited	Shareholder Related Entity		Preference Facility Loan Outstanding	1,827,859,226	1,912,661,000
			Interest on Preference Facility Loan	706,756,727	163,220,000
Questnet Limited	Shareholder Related Entity		Loan Outstanding	42,484,687	40,067,598

#### 33.4.1. Non-Recurrent Related Party Transactions

There were no non recurrent transactions during the financial year.

#### 33.4.2. Recurrent Related Party Transactions

There were no recurrent transactions except for continued receipt of funds from a Shareholding Company to meet capital expenditure, operational expenditure and loan repayments.

## Notes to the Financial Statements

### 34. COMMITMENTS AND CONTINGENCIES

There were no material commitments and contingencies outstanding as at reporting date other than those disclosed below.

#### 34.1. Commitments

##### Company

The Company has issued corporate guarantees for the bank borrowings by the Subsidiary Companies as indicated below

Name of the Company	Name of the Bank	Purpose	2025	2024
Wadduwa Resorts (Private) Ltd	Seylan Bank PLC	Constructions	270,639,951	270,639,951
Wadduwa Resorts (Private) Ltd	Seylan Bank PLC	Working Capital	27,500,000	27,500,000
Asia Leisure Travels (Private) Ltd	Seylan Bank PLC	Repayment of Banking facility of subsidiary Company	10,000,000	10,000,000

#### 34.2. Contingencies

A few employees have filed action against the Group in the labour tribunal. In the opinion of the Company, none of the actions are likely to result in a material liability to the company and the Group.

### 35. COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary to be in line with the presentation requirements for the current year.

### 36. ECONOMIC CONDITIONS AND ITS IMPACT ON THE FINANCIAL STATEMENTS

The stabilisation of interest rates and inflation, both deeply disruptive over the past five years, played a crucial role in restoring confidence across the tourism ecosystem. This equilibrium, while still delicate, is a prerequisite for long-term capital deployment, reinvestment, and sectoral renewal. Therefore, it is imperative that the policy environment continues to promote macroeconomic stability, with particular emphasis on maintaining infrastructure integrity, energy security and efficient border management systems.

A steady economic climate further supported the sector's rebound. Inflation remained contained within a narrow band, while the decline in interest rates served as a favorable tailwind, easing financial pressures and supporting improved profitability across our operations. While the appreciation of the Sri Lankan rupee may have tempered some profitability, the effect was relatively contained and did little to dampen industry enthusiasm. The signs of renewal are now unmistakable. More diverse markets, increased earnings, and a better travel experience are reshaping the sector. What we see now is not just a return to form, but the emergence of a more resilient, responsive tourism industry.

With global travel on the rebound and Sri Lanka regaining its place among the world's most sought-after destinations, the outlook for 2025 remains decidedly upbeat. The first quarter of the year has already set a new benchmark for tourist arrivals, signaling a strong trajectory for the months ahead. An increase in international arrivals reflects not only growing traveller confidence but also the country's consistent presence in top global destination rankings. This upward trend is underpinned by a unified industry effort to market Sri Lanka more effectively, alongside the entry of international hospitality brands which further elevate the destination's appeal.

The economic stability achieved over the period has also enabled the Sri Lankan hospitality sector to adopt more complex and sophisticated business structures and transactions. Joint ventures with international hotel chains, strategic partnerships with global tour operators, and structured investment arrangements have become increasingly central to sector expansion. These sophisticated structures allow businesses to leverage favorable economic conditions such as lower interest rates, contained inflation, and steady currency performance to optimise the operational efficiency, attract foreign investment, and enhance profitability.

In essence, the improved macroeconomic environment not only supports day-to-day operations but also underpins the capacity of Sri Lankan hospitality businesses to manage more intricate financial and operational arrangements. These transactions, while more complex than traditional operations, are carefully managed, fully compliant with local regulations, and aligned with strategic growth objectives, ultimately strengthening resilience and contributing positively to financial performance.

### 37. GOING CONCERN

The Board of Directors of the Group have determined that the use of the going concern assumption in the preparation of Financial Statements as at 31st March 2025 is appropriate based on following factors.

1. The leisure arm continues to be restructured and one of the properties, in Kosgoda has re-opened and has started accepting bookings since September 2024. Another property in Galle which was partially refurbished was reopened and has begun to accept bookings from December 2024. The other three properties in Wadduwa, Balapitiya and Galle are yet to be refurbished and will be re-launched by 31 March 2026. The last property, a beach resort in Galle, is being reviewed for a joint development and execution with potential strategic partners.
2. The loan relating to the property in Kosgoda was paid in full by a shareholder company and the loans related to the properties in Wadduwa and Balapitiya continues to be settled by the related Shareholder Company, on behalf of Asia Capital PLC under a payment plan which was agreed with the bank in April 2024. The payment plan for the overdraft is being negotiated with the bank in consultation with the said shareholder company.
3. The shareholder company which has been rendering financial assistance since 2021 is aware of the current status of the Company (Serious Loss of Capital) and has continued to extend financial assistance even in the current financial year to meet the operating expenses as and when required until the leisure sector is able to generate cash profits from its operations. Further information on the funds received from the Shareholder Company is illustrated under caption Going Concern in the Annual Report of the Board of Directors on the Affairs of the Company.
4. The said shareholder company has further indicated that they would not demand immediate repayment of the preferential loan facility for the next twelve months from the date of signing the accounts.

### 38. LIQUIDATION

During the year, Asia Leisure (Private) Limited is in the process of being liquidated. The Liquidation Order was made on 8th January 2025 by the Commercial High Court. Following this order, the investment made by the Company in Asia Leisure (Private) Limited and all dues from the Company being liquidated were impaired in the books of the Company and the relevant subsidiary companies. Nevertheless, the property, plant and equipment continue to be held by Asia Leisure Holdings (Private) Limited. The loss from discontinuing from operation is disclosed separately in the Income Statement.

Asia Leisure Holdings (Private) Limited has the right to an undivided portion of the land and the hotel operations are entirely managed through Asia Leisure Holdings (Private) Limited. Therefore, the assets were transferred to the Asia Leisure Holdings (Private) Limited, subsequent to calling the liquidation of Asia Leisure (Private) Limited after obtaining proper legal consultations.



## Notes to the Financial Statements

### 39. BUSINESS SEGMENT

For the Period Ended 31st March 2025		Investment		Leisure	
		2025	2024	2025	2024
	Notes	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Revenue</b>					
Total Gross Sales	01	-	5,976	93,540	110,197
Less: Inter segment sales/dividend	02	-	(5,976)	-	-
<b>Net Segment Revenue</b>		-	-	93,540	110,197
Segmental Operating Profit / (Loss)	03	(713,477)	(95,610)	(538,265)	(198,028)
Other Operating Income	04	1,163,010	224,174	281,225	21,378
Share of Profit/(Loss) of Associate Companies	05	-	8,857	-	-
<b>Operating Profit / (Loss) before Provision for Fall in Value of Investments</b>		449,533	137,421	(257,040)	(176,650)
Provision for fall in value of investments	06	(184,233)	(73,970)	-	-
<b>Operating Profit / (Loss)</b>		265,300	63,451	(257,040)	(176,650)
Finance Cost	07	(233,831)	(281,671)	(149,618)	(137,477)
Finance Income	08	163,125	(10,848)	14,963	11,701
<b>Profit Before Taxation</b>		194,594	(229,068)	(391,695)	(302,426)
Income Taxation	09	(21,324)	-	(641)	-
<b>Profit After Taxation</b>		173,270	(229,068)	(392,336)	(302,426)
<b>Assets</b>					
Segment Assets		4,571,107	240,343	3,404,367	4,268,993
Deferred Tax Assets/(Liabilities)		-	-	-	-
Investment in Associates		205,127	178,977	-	-
<b>Total Assets</b>		4,776,234	419,320	3,404,367	4,268,993
<b>Liabilities</b>					
Segment Liabilities		(407,325)	1,286,069	103,989	234,443
Interest Bearing Borrowings		3,635,631	3,045,279	162,334	481,910
<b>Total Liabilities</b>		3,228,306	4,331,348	266,323	716,353
<b>Net Assets</b>		1,547,928	(3,912,028)	3,138,044	3,552,640
Capital Expenditure		-	-	-	(323,511)
Depreciation		7,056	4,071	-	84,905

Manufacturing		Stock Brokering		Services		Group	
2025	2024	2025	2024	2025	2024	2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
-	-	26,927	18,689	-	-	120,467	134,863
-	-	-	-	-	-	-	(5,976)
-	-	26,927	18,689	-	-	120,467	128,887
(8,272)	(43)	(29,216)	(24,925)	(4,183)	(5,188)	(1,293,412)	(323,793)
16,124	-	5,871	14,771	54,864	-	1,521,094	260,323
-	-	-	-	-	-	-	8,857
7,852	(43)	(23,345)	(10,154)	50,681	(5,188)	227,682	(54,614)
-	-	-	-	-	-	(184,233)	(73,970)
7,852	(43)	(23,345)	(10,154)	50,681	(5,188)	43,449	(128,584)
-	(3)	(6,620)	(11,437)	-	-	(390,069)	(430,587)
-	-	11,277	25,482	-	-	189,365	26,335
7,852	(45)	(18,688)	3,891	50,681	(5,188)	(157,255)	(532,836)
-	-	(735)	(316)	-	-	(22,700)	(316)
7,852	(45)	(19,423)	3,575	50,681	(5,188)	(179,955)	(533,152)
15	3,843	303,183	295,791	15	4,496	8,278,687	4,813,465
-	-	-	-	-	-	-	-
-	-	-	-	-	-	205,127	178,977
15	3,843	303,183	295,791	15	4,496	8,483,814	4,992,442
48	709	44,279	23,745	914	2,391	(258,095)	1,547,358
-	-	40,279	45,000	-	6	3,838,244	3,572,195
48	709	84,558	68,745	914	2,397	3,580,149	5,119,553
(33)	3,134	218,625	227,046	(899)	2,099	4,903,665	(127,111)
-	-	753	756	-	-	753	(322,755)
-	-	1,150	1,078	14	1,860	8,220	91,914

## Notes to the Financial Statements

### 40. FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks from its use of financial instruments:

- ✖ Credit Risk
- ✖ Liquidity Risk
- ✖ Market Risk
- ✖ Operational Risk

This note represents qualitative and quantitative information about the Group's exposure to each of the above risks, The Group's objectives, policies and procedures for measuring and managing risk and the Group's management of Capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

#### Risk Management Framework

The Board of Directors holds ultimate responsibility for establishing and overseeing the Company's risk management framework. Comprising members with extensive financial and commercial expertise, the Board fulfils its governance role through both the full Board and the Audit Committee. The Company has put in place risk management policies designed to identify and assess risks, define appropriate risk limits and controls, and ensure ongoing monitoring of risks and compliance with these limits. These policies and systems are reviewed regularly to adapt to changes in market conditions and the range of products and services offered. Through established training, standards, and procedures, the Company seeks to foster a disciplined and constructive control environment where employees clearly understand their responsibilities. The Audit Committee, in particular, is tasked with ensuring adherence to the Company's risk management policies and procedures.

#### 40.1. Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments. The maximum exposure will be equal to the carrying amount of these instruments. Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contractual obligation. Credit risk mainly arises from trade debtors, other receivables, advances and cash and cash equivalents. Guidelines are followed for managing cash and cash equivalents, while short term investment decisions are taken after proper review by an internal committee ensuring the compliance with established guidelines. The Company sales are on a contract to contract basis. Management does not expect any further losses from non-performance by these counterparties.

Management of credit risk includes the following components:

- ✖ establishing the authorisation structure for the approval and renewal of credit facilities.
- ✖ reviewing the recovery on timely basis and assessing the future credit worthiness.

#### Exposure to Credit Risk

The carrying amount of Financial Assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

	Group		Company	
	31st March 2025 Rs.'000	31st March 2024 Rs.'000	31st March 2025 Rs.'000	31st March 2024 Rs.'000
<b>Description</b>				
Equity Instruments Measured at Fair Value Through OCI	-	117,430	-	117,430
Other Financial Assets	104,931	20,999	-	860
Trade and Other Receivables	136,526	387,742	22,382	89,181
Amounts Due from Related Parties	548,132	580,853	2,411,772	2,076,666
Long-term Deposits	-	-	-	-
Cash at Bank	86,676	22,821	38,549	3,456
	876,266	1,129,846	2,472,702	2,287,593

### Trade and Other Receivables

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

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

### 40.2. Liquidity Risk

Liquidity risk is the risk that the Company and the Group will not be able to meet its financial obligations as they fall due. At the year end, the Group has loans in both USD and LKR. Liquidity risk is the risk that the entity will not be able to honour its financial obligations as they fall due. The Company's Management monitors the liquidity position, expressed in cash and cash equivalents on the basis of expected cash flow and ensure access to short term credit as per approved credit limit. However, the Company is able to meet all working capital requirements with its cash at bank and in hand and the support that we continues to be received from the major shareholder.

The Group's approach to managing liquidity is to ensure, as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between Continuity of funding and flexibility through the use of bank overdfts, bank loans, and finance lease. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

### Management of Liquidity Risk

The Company's approach to managing liquidity is to ensure ,as far as possible ,that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damages to the Company's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding of netting agreements.

	Group		Company	
	31st March 2025 Rs.'000	31st March 2024 Rs.'000	31st March 2025 Rs.'000	31st March 2024 Rs.'000
<b>Description</b>				
Other Financial Assets	104,931	20,999	-	860
Amount due from Related Parties	548,132	580,853	2,411,772	2,076,666
Trade and Other Receivables	136,526	387,742	22,382	89,181
Cash in Hand and at Bank	86,676	22,821	38,549	3,456
<b>Total liquidity Assets</b>	<b>876,266</b>	<b>1,012,416</b>	<b>2,472,702</b>	<b>2,170,163</b>
Non-Interest Bearing Borrowing	830,863	830,863	830,863	830,863
Interest Bearing Borrowings	3,478,262	3,061,040	3,298,015	2,739,835
Lease Liability	6,894	27,437	-	-
Trade and Other Payables	242,145	629,179	16,190	427,964
Bank Overdrafts	377,318	511,155	354,525	393,089
Amount due to related Parties	-	-	14,173	52,992
<b>Total Liabilities</b>	<b>4,935,481</b>	<b>5,059,674</b>	<b>4,513,766</b>	<b>4,444,743</b>
<b>Net(debt)/cash</b>	<b>(4,059,215)</b>	<b>(4,047,258)</b>	<b>(2,041,064)</b>	<b>(2,274,580)</b>

## Notes to the Financial Statements

### 40.3. Market Risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates which will affect the Groups income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where its foreign currency transactions are affected by foreign exchange movements. The Group is exposed to currency risk on borrowings that are denominated in a currency other than Sri Lankan Rupees (LKR). The foreign currencies in which these transactions are primarily denominated is United State Dollars (USD).

The impact on the Group profit before tax due to the change in exchange rate is as follows:

	Group		Company	
	31st March 2025 Rs.'000	31st March 2024 Rs.'000	31st March 2025 Rs.'000	31st March 2024 Rs.'000
Preference Facility Loan	3,121,310	2,510,665	3,082,209	2,510,665
<b>Net Borrowing (Rs.)</b>	<b>3,121,310</b>	<b>2,510,665</b>	<b>3,082,209</b>	<b>2,510,665</b>
Closing Exchange Rate (Rs.)	305	336	305	336
Net Borrowing (Functional Currency)	10,223	7,472	10,095	7,472
Increase Exchange rate in 25% (Rs.)	382	382	382	382
Impact to the PBT	(787,171)	(15,810)	(777,315)	(343,712)
Decrease Exchange rate in 25% (Rs.)	229	229	229	229
Impact to the PBT	776,948	799,504	767,220	799,504

#### (b) 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 exposure to the risk of changes in market interest rate relates primarily to the Group's short and long term debt obligations with floating interest rates.

Cash flow sensitivity analysis for variable rate instruments. The Group is exposed to changes in market interest rates through bank overdraft and Commercial papers which were borrowed at a variable interest rate.



At the reporting date, the Group interest bearing financial instruments were as follows:

	Group		Company	
	31st March 2025 Rs.'000	31st March 2024 Rs.'000	31st March 2025 Rs.'000	31st March 2024 Rs.'000
<b>Fixed Rate Instruments</b>				
Financial Liabilities				
Other Long term Loans	204,179	444,346	70,627	52,403
<b>Variable Rate Instruments</b>				
Financial Assets				
Reverse Repurchase Agreement	-	-	-	-
Financial Liabilities	-			
Direct Borrowings	-	-	-	-
Reverse Repurchase Agreement	-	-	-	-
Preference Facility Loan	(3,121,310)	(2,510,665)	(3,082,209)	(2,510,665)
Lease Liability	(6,894)	(27,437)	-	-
Commercial papers	(152,772)	(106,029)	(152,772)	(176,768)
Bank Overdraft	(377,318)	(511,155)	(354,525)	(393,089)
	(3,454,114)	(2,710,940)	(3,518,879)	(3,028,119)

#### 40.4. Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks. Asia Capital Plc is in the process of strengthening its operational risk management framework with monthly reviews to assess the responsiveness of business continuity plans and crisis management plans. Further Asia Capital plc, under its new management is expanding the scope of its due diligence activities to assess potential projects and fraud risks associated with operational activities.

## Notes to the Financial Statements

### 41. FINANCIAL INSTRUMENTS

#### 41.1. Valuation techniques and significant unobservable inputs

The following table summarises the valuation techniques used by the Group and Company in measuring Level 2 and Level 3 fair values, and the significant unobservable inputs used for the valuation.

#### 41.2. Fair Values Verses Carrying Amounts

The fair values of financial assets and liabilities together with the carrying amounts shown in the statement of Financial Position as at 31st March 2024 are as follows:

	<i>Group</i>		<i>Company</i>	
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>Carrying Amount</b>	<b>Fair Value</b>
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Assets Carried at Fair Value</b>				
Assets Carried at Amortised Cost				
Trade and Other Receivables	136,526	136,526	22,382	22,382
Other Financial Assets	104,931	104,931	860	860
Long-term Deposits and Advances	-	-	-	-
Amount Due from Related Company	548,132	548,132	2,411,772	2,411,772
Cash and Cash Equivalents	86,676	86,676	38,549	38,549
<b>Liabilities Carried at Amortised cost</b>				
Interest Bearing Borrowings	3,478,262	3,478,262	3,298,015	3,298,015
Lease liability	6,894	6,894	-	-
Non Interest Bearing Borrowings	830,863	830,863	830,863	830,863
Trade and Other Payables	242,145	242,145	16,190	16,190
Amount Due to Related Company	-	-	14,173	14,173
Bank Overdraft	377,318	377,318	354,525	354,525

### 41.3. Fair Value Hierachy

The table below analyses Financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

As at 31st March	2025			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
<b>Group</b>				
Fair Value Through Profit and Loss	-	-	-	-
Equity Instruments Measured at Fair Value	-	-	-	-
	-	-	-	-
<b>Company</b>				
Fair Value Through Profit and Loss	-	-	-	-
Equity Instruments Measured at Fair Value	-	-	-	-
	-	-	-	-

As at 31st March	2024			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
<b>Group</b>				
Fair Value Through Profit and Loss	-	-	-	-
Equity Instruments Measured at Fair Value	-	-	117,430	117,430
	-	-	117,430	117,430
<b>Company</b>				
Fair Value Through Profit and Loss	-	-	-	-
Equity Instruments Measured at Fair Value	-	-	117,430	117,430
	-	-	117,430	117,430

### 42. EVENTS AFTER THE REPORTING PERIOD

There were no material events that occurred after the reporting date that would require adjustment to or disclosure in the Financial Statements, other than for the sale of the ACAP Stock Brokering business operation. As of the date of signing the accounts approval of the Regulator is pending

## Notes to the Financial Statements

### 43. DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### 43.1. Stock Exchange Listing

The Issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange

Ticker Symbol - ACAPN 0000

Market Sector - Diversified Holdings

#### 43.2. Market Price

	31st March 2025 (Rs. Per Share)	31st March 2024 (Rs. Per Share)
Last traded	3.7	3.20
Last Traded Date	27.03.2025	29.03.2024
Highest	4.6	3.50
Lowest	3	2.80

	31st March 2025	31st March 2024
Float Adjusted Market Capitalisation	-	119,226,763
Public Holding%	10.11%	28.37%
Number of Public Shareholders	6143	6241



# a broader landscape

In a world of constant change, we look beyond immediate challenges to a broader landscape, where every strategic decision strengthens stability, creates lasting value for shareholders, empowers stakeholders, and drives progress across both industry and society.



# Ten Year Summary

For the year ended 31 March

	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000
<b>OPERATING RESULTS</b>			
Revenue	120,467	128,886	460,006
Profit/loss before taxation	464,924	(532,836)	(761,102)
Taxation	(115,231)	(316)	1,939
Profit/Loss after Taxation	349,693	(533,152)	(759,163)
Minority Interest	30,683	76,858	84,105
Profit(Loss) attributable to Shareholders	380,376	(456,294)	(675,058)
<b>ASSETS</b>			
Property, Plant & Equipment	3,256,553	3,332,317	2,956,737
Right of Use Assets	2,815	6,062	14,278
Intangible Assets	336,459	334,597	336,721
Investment Property	196,505	-	-
Long Term Investment	205,128	178,978	170,121
Investment in Joint venture	-	-	-
Financial Assets -Equity instruments measured at fair value through OCI	-	117,430	117,430
Deffered Taxation	1,019	-	-
Other Non Current Assets	-	-	568
Current Assets	884,854	1,023,061	1,101,642
Assets Classsified as Held for Sale	-	-	-
<b>Total Assets</b>	<b>4,883,332</b>	<b>4,992,445</b>	<b>4,697,498</b>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	1,498,498	1,498,498	1,498,498
Capital Redemption Reserve Fund	-	-	-
Revaluation Reserve	2,129,113	1,937,404	1,401,970
Available For Sale Reserve	-	-	-
Capital Reserve	-	-	-
General Reserve	-	-	-
Accumulated Profits/(Loss)	(4,352,311)	(4,126,024)	(3,751,433)
Shareholders' Fund	(724,700)	(690,122)	(850,965)
Minority Interest	505,577	563,014	706,919
	(219,123)	(127,108)	(144,046)
Non-Current Liabilities	1,707,880	1,191,591	1,452,912
Current Liabilities	3,394,575	3,927,962	3,388,631
<b>Total Liabilities</b>	<b>5,102,455</b>	<b>5,119,553</b>	<b>4,841,543</b>
<b>Total Equity &amp; Liabilities</b>	<b>4,883,332</b>	<b>4,992,445</b>	<b>4,697,498</b>

2022	2021	2020	2019	2018	2017	2016
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
350,816	56,473	405,845	1,108,108	900,013	539,984	498,791
(962,964)	(299,869)	(805,995)	(33,289)	175,001	(761,990)	(433,448)
1,411	22	-	(1,683)	(52,368)	(1,343)	29,323
(961,553)	(299,847)	(805,995)	(34,972)	122,633	(763,333)	(404,125)
86,746	138,260	115,534	95,027	(85,460)	50,045	27,768
(874,807)	(161,587)	(690,461)	60,055	208,093	(713,288)	(376,357)
3,017,623	3,155,036	2,864,738	2,924,524	2,142,240	3,117,197	3,281,437
20,451	12,934					
338,461	340,622	13,514	116,021	115,306	115,681	121,460
130,634	127,780	0				
170,577	171,072	171,496	173,166	174,656		
-					36,532	35,118
117,430	117,430	120,548	114,853	114,853	114,853	114,853
-						
568	5,147	5,147	5,127	14,019	11,913	11,947
1,030,040	999,535	1,720,041	1,523,849	1,063,231	313,936	582,532
-			-	126,666		
4,825,784	4,929,556	4,895,484	4,857,540	3,750,971	3,710,112	4,147,347
1,498,498	1,498,498	1,498,498	1,498,498	1,498,498	1,498,498	1,498,498
1,331,872	1,242,858	1,361,370	1,361,370	852,694	1,197,364	1,226,812
(3,025,625)	(2,091,998)	(1,927,527)	(1,185,425)	(1,411,333)	(1,325,293)	(732,683)
(195,255)	649,358	932,341	1,674,443	939,859	1,370,569	1,992,627
809,246	952,009	935,493	913,661	663,645	677,705	471,114
613,991	1,601,367	1,867,834	2,588,104	1,603,504	2,048,274	2,463,741
1,358,298	1,308,406	1,081,879	1,146,993	419,151	351,210	989,698
2,853,495	2,019,783	1,945,771	1,122,443	1,728,316	1,310,629	693,908
4,211,793	3,328,189	3,027,650	2,269,436	2,147,467	1,661,839	1,683,606
4,825,784	4,929,556	4,895,484	4,857,540	3,750,971	3,710,113	4,147,347

# Glossary

## A

### ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

### ACCRUAL BASIS

The principle that revenues and costs are matched with one another, irrespective of the period of receipt or payment.

### AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

## B

### BORROWINGS

All interest and non-interest-bearing liabilities.

## C

### CAPITAL EMPLOYED

Total assets less interest free liabilities, deferred income and provisions.

### CASH EQUIVALENTS

Liquid investments with original maturity periods of three months or less.

### CONTINGENT LIABILITIES

A condition or situation at the Balance Sheet date of which the financial effect will be determined only on the occurrence, or non-occurrence of one or more uncertain future events.

### CORPORATE GOVERNANCE

The process by which corporates are governed. It is concerned how power is exercised over management, the direction of the entity, supervision of executive action and accountabilities to shareholders and others.

### CURRENT RATIO

Current assets divided by current liabilities.

## D

### DEFERRED TAXATION

The net effect on items which have been included in the Income Statements, which would only qualify for inclusion on a tax return at a future date.

### DIVIDEND PER SHARE (DPS)

The total dividends to ordinary shareholders during a specific period divided by the number of ordinary shares outstanding.

## E

### EBIT

Earnings before interest and tax.

### EARNINGS PER SHARE (EPS)

Profit attributable to equity holders of the Company divided by weighted average number of ordinary shares in issue.

### EQUITY

Shareholders' funds.

## F

### FAIR VALUE

The amount for which an asset could be exchanged or liability settled between knowledgeable willing parties in an arm's length transaction.

## G

### GUARANTEES

Three party agreement involving promise by one party, the Guarantor to fulfill the obligation of a person owing a debt if that person failed to perform.

### GENERAL RESERVE

Reserves available for distributions and investment.

### GROSS DOMESTIC PRODUCT (GDP)

The value of all goods and services produced domestically in an economy during a specified period, usually a year. Nominal GDP, adjusted for inflation, gives GDP in real terms.

### GROSS DIVIDEND

The portion of profit including tax withheld, distributed to shareholders.

### GROSS PROFIT RATIO

The percentage of gross profit to net turnover.

## I

### IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount.

### INTEREST COVER

This indicates the ability of an entity to cover long-term and short-term interest expenses with EBIT. This is calculated as EBIT divided by interest expenses on long-term and short-term borrowings.

### K | KEY PERFORMANCE INDICATORS (KPI)

Quantifiable measurements, agreed before hand that reflect the critical success factors of a company.

## M

### MARKET VALUE PER SHARE

The price at which an ordinary share can be traded in the stock market.

### MARKET CAPITALISATION

The number of ordinary shares issued, multiplied by the market price of each share at a given date.

**MATERIALITY**

The principle that Financial Statements should separately disclose items which are significant enough to affect evaluation or decision of users.

**N****NET ASSETS PER SHARE**

Shareholders' funds divided by the weighted average number of ordinary shares in issue.

**NET PROFIT MARGIN**

Net profit as a percentage of net turnover.

**P****PRICE EARNINGS RATIO**

Market price of a share divided by earnings per share as reported at that date.

**R****RELATED PARTIES**

Parties who could control or significantly influence the financial and operating policies of the business.

**RETURN ON AVERAGE CAPITAL EMPLOYED (ROCE)**

Reflects the returns that an entity received from its capital. Profit before tax plus net interest cost divided by average capital employed.

**RETURN ON EQUITY (ROE)**

Net Profit as a percentage of shareholders' equity.

**RETURN ON AVERAGE NET ASSETS (RONA)**

Profit after tax divided by the average net assets.

**RIGHTS ISSUE**

The raising of new capital by granting existing shareholders the right to subscribe to new shares in proportion to their current holdings. These shares are normally issued at a discount on their market price.

**S****SEGMENT**

A Business Unit that is a distinguishable component of the Group and engaged in similar operations.

**STATED CAPITAL**

Consists of issued and paid capital.

**SUBSTANCE OVER FORM**

Whether the accounting treatment in the Financial Statements of transactions reflect the financial reality and substance, rather than the legal form of the transaction and event which underlies them.

**STRATEGY**

A course of action, including the specification of resources required, to achieve a specified objective.

**SUSTAINABILITY**

Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

**STAKEHOLDER**

The term referring to persons or group whose interests are interlined with those of a company in a variety of ways.

**T****TOTAL ASSETS**

Current assets plus fixed assets.

**TOTAL SHAREHOLDER RETURN**

Represents the change in share value of a listed company over a period of time (typically 1 year), plus dividends, expressed as a percentage of the opening share value.

**U****UNREALISED GAIN**

A profit that results from holding on to an asset rather than cashing it in and using the funds.

# Notice of the Virtual 33rd Annual General Meeting

## ASIA CAPITAL PLC FOR THE YEAR ENDED 31ST MARCH 2025

**NOTICE IS HEREBY GIVEN** that the **Virtual 33rd Annual General Meeting** of Asia Capital PLC will be held on **30th September 2025 at 9.00 a.m.** at the Main Board Room of Asia Capital Plc, 6th Floor, No. 46/46, Green Lanka Towers, Nawam Mawatha, Colombo 02, Sri Lanka, as a virtual meeting using a digital platform for the following purposes:

## AGENDA

- 1) To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st March 2025 and the report of the auditors thereon.
- 2) To re-elect **Mr. A. D. Ross** who retires by rotation in accordance with Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election in terms of Article 99 of the Articles of Association.
- 3) To re-elect **Mr. R. B. R. Emerson** who was appointed to the Board on 25th March 2025 ceases to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.
- 4) To re-elect **Mr. A. Perera** who was appointed to the Board on 25th March 2025 ceases to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.
- 5) To re-elect **Mr. G. Shanmugam** who was appointed to the Board on 25th March 2025 ceases to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.
- 6) To consider and thought fit to pass as a Special Resolution that Article 94(a) of the Articles of Association be amended by deleting the word 'ten' by substituting therefor with the word 'eleven' to read as follows ;

- 94.(a) Until otherwise determined by special resolution of the Company at a general meeting the number of directors shall not be less than two or more than eleven.
- 7) To re-appoint Messrs. BDO Partners Chartered Accountants as the Auditors to the Company for the ensuing year and to authorize the Directors to determine their remuneration.

BY ORDER OF THE BOARD



**P. R. Secretarial Services (Pvt) Ltd**  
Company Secretaries

8th September 2025  
Colombo

## Note:

- ✖ Shareholders who wish to participate at the Virtual Annual General Meeting are kindly requested to register their participation for the meeting by completing the enclosed Online Registration Form and have it emailed to enquiry@asiacapital.lk **twenty four (24) hours** before the commencement of the meeting (Between 8.30 a.m. to 4.30 p.m.).
- ✖ Shareholders who are unable to participate at the meeting by virtual means are entitled to appoint a proxy to participate at the said meeting by virtual means and speak and also vote on their behalf. If you wish to appoint such a proxy, kindly complete and return the enclosed Form of Proxy (in accordance with instructions specified therein) together with the online registration form by email to enquiry@asiacapital.lk or by post to the registered office address of the Company at 6th Floor, No. 46/46, Green Lanka Towers, Nawam Mawatha, Colombo 02, not later than **twenty four (24) hours before** the time appointed for the holding of the Annual General Meeting (Between 8.30 a.m. to 4.30 p.m.).



## Form of Proxy

I/We, .....  
 bearing NIC No./Passport No./Company Reg. No. .... of .....  
 ..... being a  
 shareholder/s\* of Asia Capital PLC (the Company) hereby appoint Mr/Mrs/Miss/Ven/Rev. ....  
 ..... bearing NIC No./Passport No. ....  
 of ..... failing him/her:

1) Mr. Y. Kanagasabai	or failing him	6) Mr. S. S. Balasubramaniam	or failing him
2) Mr. Raju Radha	or failing him	7) Mr. S. Charles	or failing him
3) Mr. D. A. S. A. Abeyesinhe	or failing him	8) Mr. A. Perera	or failing him
4) Mr. A.D. Ross	or failing him	9) Mr. R. B. R. Emerson	or failing him
5) Mr. V. Siva Jr.	or failing him	10) Mr. G. Shanmugam	

as my/our\* proxy to represent me/ us\* and speak and vote on a show of hands or on a poll on my/our\* behalf as indicated below (and strictly in relation to the matters set out hereunder) at the **Virtual 33rd Annual General Meeting** (AGM) of Asia Capital PLC to be held on **30th September 2025 at 9.00 a. m.** at the Main Board Room of Asia Capital Plc, 6th Floor, No. 46/46, Green Lanka Towers, Nawam Mawatha, Colombo 02, Sri Lanka, as a virtual meeting using a digital platform, and at any adjournment thereof and at every poll which may be taken in consequence thereof.

### I/WE INDICATE MY/OUR VOTE ON THE RESOLUTIONS BELOW AS FOLLOWS;

	For	Against
1) To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st March 2025 and the report of the auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2) To re-elect <b>Mr. A. D. Ross</b> who retires by rotation in accordance with Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election in terms of Article 99 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect <b>Mr. R. B. R. Emerson</b> who was appointed to the Board on 25th March 2025 ceases to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect <b>Mr. A. Perera</b> who was appointed to the Board on 25th March 2025 ceases to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
5) To re-elect <b>Mr. G. Shanmugam</b> who was appointed to the Board on 25th March 2025 ceases to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offers himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
6) To consider and thought fit to pass as a Special Resolution that Article 94(a) of the Articles of Association be amended by deleting the word 'ten' by substituting therefor with the word 'eleven' to read as follows;  94.(a) Until otherwise determined by special resolution of the Company at a general meeting the number of directors shall not be less than two or more than eleven.	<input type="checkbox"/>	<input type="checkbox"/>
7) To re-appoint Messrs. BDO Partners Chartered Accountants as the Auditors to the Company for the ensuing year and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this on ..... day of ..... 2025

.....  
 Signature of shareholder

.....  
 N.I.C.No

#### Note:

- Please delete the inappropriate words.
- Instructions for completion of Proxy are noted below.
- A proxy need not to be a shareholder of the Company.
- Please mark "X" in appropriate cages, to indicate your instructions as to voting.

## Form of Proxy

### INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy, by filling in legibly your full name, National Identity Card/Passport/ Company Registration Number, your address and your instructions as to voting and by signing in the space provided and filling in the date of signature. Please ensure that all details are legible.
2. Please mark "X" in appropriate cages, to indicate your instructions as to voting on each resolution. If no indication is given, the Proxy holder in his/her discretion will vote as he/her thinks fit.
3. If you wish to appoint a person other than Chairman, or a Director of the Company as your Proxy, please insert the relevant details in the space provided above the names of the Board of Directors on the Form of Proxy.
4. To be valid, the completed Form of Proxy together with the online registration form must be sent by email to enquiry@asiacapital.lk or by post to the registered office address of the Company at 6th Floor, No. 46/46, Green Lanka Towers, Nawam Mawatha, Colombo 02, not later than **Twenty Four (24) hours before** the time appointed for the holding of the Annual General Meeting (Between 8.30 a.m. to 4.30 p.m.).
5. In the case of a Company/Corporation, the Proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by Articles of Association/ Act of Incorporation.
6. In the case of a Proxy signed by an Attorney, a certified copy of the Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

# Corporate Information

## NAME

Asia Capital PLC

## LEGAL FORM

A Public Quoted Company with Limited Liability, incorporated in Sri Lanka on 29th October 1991 under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 on 14th February 2008.

## COMPANY REGISTRATION NUMBER

New: No. PQ 119

Old: No. N (PVS) 8282/PBS

## STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are listed on the Colombo Stock Exchange, Sri Lanka.

## REGISTERED OFFICE

No. 46/46, 6th Floor, Green Lanka Tower,  
Nawam Mawatha, Colombo 02  
Telephone : +94 11 5320000  
Facsimile : +94 11 2331756 Website:  
[www.asiacapital.lk](http://www.asiacapital.lk)

## SUBSIDIARIES

Asia Capital Private Equity (Private) Limited  
Asia Capital Projects (Private) Limited  
Asia Capital Technologies (Private) Limited  
Asia Digital Entertainment (Private) Limited  
Asia Fort Sri Lanka Direct Investment Fund Limited  
Asia Growth Fund 1 (Private) Limited  
Asia Leisure Holdings (Private) Limited  
Asia Tea Packaging (Private) Limited  
Strider Capital Asia (Private) Limited  
Galle Beach (Private) Limited Asia  
Asia Capital Partners Limited

## SUB-SUBSIDIARIES

Galle Beach Hotel (Private) Limited  
Nuwara Eliya Hotels and Resorts (Private) Limited  
River House (Private) Limited  
River House Estate (Private) Limited  
Beach Resorts Kosgoda (Private) Limited  
Wadduwa Resorts (Private) Limited  
Asia Leisure Apartments (Private) Limited  
Asia Capital Stock Brokers (Private) Limited

## ASSOCIATE

Galle Beach CC Trust (Private) Limited  
493 Talpe Lands (Private) Limited

## BOARD OF DIRECTORS

Y. Kanagasabai  
R. Radha  
A. D. Ross  
V. Siva Jr.  
S. A. Abeyasinghe  
S. S. Balasubramaniam  
S. Charles  
A. Perera  
B. Emerson  
G. Shanmugam

## AUDIT COMMITTEE

A. Perera  
R. B. R. Emerson  
G. Shanmugam  
S. S. Balasubramaniam  
S. Charles

## REMUNERATION COMMITTEE

A. Perera  
R. B. R. Emerson  
G. Shanmugam  
S. S. Balasubramaniam  
D.A.S.D.A. Abeyesinhe

## NOMINATION COMMITTEE

R. B. R. Emerson  
G. Shanmugam  
S. S. Balasubramaniam

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

R. B. R. Emerson  
A. Perera  
G. Shanmugam  
S. S. Balasubramaniam  
S. Charles

## SECRETARIES

P. R. Secretarial Services (Private) Limited  
59, Gregory's Road, Colombo 07

## AUDITORS

BDO Partners  
"Charter House"  
65/2, Sir Chittampalam A Gardiner  
Mawatha, Colombo 02

## LAWYERS

Paul Ratnayake Associates  
59, Gregory's Road, Colombo 07

## BANKERS

Seylan Bank PLC  
Commercial Bank of Ceylon PLC  
Pan Asia Banking Corporation PLC  
Hatton National Bank PLC  
Nations Trust Bank PLC

