



ANNUAL
REPORT
2023 - 2024

York Arcade Holdings PLC

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Financial Highlights

For year ended 31st March,	2024 Rs.	2023 Rs.	% Change
Net Finance Income	19,150,533	18,947,726	1%
Profit before Tax	20,954,810	17,927,312	17%
Income Tax Expense	(4,967,466)	(4,586,496)	8%
Profit for the period	15,987,344	13,340,816	20%
As at 31st March,			
Total Equity	185,450,489	168,818,094	10%
Market Value per share	131.00	142.25	-8%
Market Capitalisation	98,250,000	106,687,500	-8%

Chairman's Review

On behalf of the Board of Directors it gives me great pleasure to welcome you to the 38th Annual General Meeting of York Arcade Holdings PLC and present you with the Annual Report and the Audited Financial Statements for the year ended 31st March 2024.

Whilst the inflation rate remained high during the year 2024, it showed signs of easing when compared to the previous year. The stabilization of the exchange rate and the increase in foreign exchange reserves, which were partly due to the improved export performance and remittances from the Sri Lankan community, contributed to this moderation. However, the lingering effects of the economic crisis were still palpable, with unemployment rates high and many families struggling to make ends meet. The Government also focused on diversifying the economy, investing in sectors such as information technology and tourism, which were seen as potential drivers of future growth.

Despite these improvements, significant challenges remained. Public confidence in the Government's ability to manage the economy was still fragile, and social unrest occasionally flared up in response to ongoing hardships and policy adjustments. Moreover, whilst external debt restructuring provided some relief, it also came with stringent conditions that required careful management to avoid further financial instability. The recovery process was thus a delicate balancing act between implementing necessary reforms and maintaining social and political stability, highlighting the complexity

of navigating out of a deep economic crisis. The Government focused over improving the administrative efficiency and compliance, with specific measures aimed at tightening the tax collection process and reducing opportunities for evasion.

In these circumstances, the profit of the Company has increased to Rs. 16 Mn compared to Rs. 13.3 Mn recorded in the previous financial year whilst the net assets have improved from Rs. 168.8 Mn to Rs. 185.5 Mn in the current financial year.

It is with profound regret that I record the demise of Mr. Alagarajah Rajaratnam who served on the Board from year 2000 and served as Chairman from 2011 until he relinquished such position and resigned from the Board in July, 2021. He provided leadership and made an enormous contribution to the growth of the Company. We shall all miss his wise counsel, judgement and leadership.

I wish to thank all stakeholders for their continued trust and confidence in the Company and my colleagues on the Board for their unstinted support, advice, and guidance.

S. D. R. Arudpragasam

Chairman
Colombo

15th August, 2024

Board of Directors

Mr. S. D. R. Arudpragasam - Chairman

FCMA (UK)

Mr. S.D.R. Arudpragasam is a fellow member of the Chartered Institute of Management Accountants (UK). He was appointed to the Board in 1999 and as Chairman on 1st July 2021. Further, whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman up to end June 2022 was appointed Chairman CFLB with effect from 1st July 2022. He also serves as Chairman of several subsidiaries of CFLB and holds the position of Chairman, Lankem Ceylon PLC and Chairman/Managing Director of E.B. Creasy & Company PLC in addition to holding other Directorships within the CFLB Group.

Mr. S. Shanmugalingam - Director

Mr. S. Shanmugalingam was appointed to the Board in 2003. He has over 25 years experience in Share Trading and Capital Market and has worked for many years as a Senior Stock Broker. He currently functions as an Adviser. He holds a Higher Diploma in Information Technology.

Mr. A. M. de S. Jayaratne - Director

B.Sc. (Econ), FCA

Mr. A.M. de S. Jayaratne was appointed to the Board in 2005. He was the former Chairman of Forbes & Walker Ltd., the Colombo Stock Exchange, The Ceylon Chamber of Commerce and The Finance Commission. He also served as Sri Lanka's High Commissioner in Singapore and is at present a Director of several Listed Companies.

Mr. S. N. P. Palihena - Director

FCIB (UK), FIB (SL), Post Grad. Dip. Bus. & FA

Mr. S.N.P. Palihena was appointed to the Board as an Independent Non - Executive Director in May, 2013. In addition to serving on the Board of E.B. Creasy & Company PLC and some of its Subsidiaries, he also serves on the Board of Lankem Developments PLC which is also a subsidiary of The Colombo Fort Land & Building Group. He was a former Chief Executive Officer/General Manager of Bank of Ceylon and has had a distinguished banking career spanning almost forty years at the Bank of Ceylon. He has also worked at the National Development Bank of Sri Lanka for a period of over three years. Mr. S. N. P. Palihena is a former Director of the DFCC Bank.

Mr. S. Rajaratnam - Director

B.Sc, CA

Mr. S. Rajaratnam was appointed to the Board as a Non-Executive Director on 14th May, 2013. He holds a Bachelor of Science Degree in Business Administration from Boston College, USA and is a member of the Institute of Chartered Accountants in Australia. He has been associated with overseas Companies in the field of Finance and currently holds the position of Joint Managing Director of E.B. Creasy & Company PLC amongst other Directorships in The Colombo Fort Land & Building Group.

Board of Directors

Mr. Amrit Rajaratnam - Director

LLB (Notts.), Barrister- at - Law

Mr. Amrit Rajaratnam was appointed to the Board as a Non-Executive Director on 1st July 2021. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister at Law (Lincoln's Inn). He began his career at the Law Firm of Julius & Creasy and later joined Lankem Ceylon PLC. He is also a Director of Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC amongst other Directorships in The Colombo Fort Land & Building Group.

Mr. Anushman Rajaratnam - Director

B.Sc. (Hons.), CPA, MBA

Mr. Anushman Rajaratnam was appointed to the Board of Directors on 9th June, 2022 as a Non-Executive Director. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Board of several subsidiary companies of the CFLB Group. Prior to joining the CFLB Group, he worked overseas for a leading global Accountancy Firm.

Annual Report of the Board of Directors

The Board of Directors of York Arcade Holdings PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2023.

Principal Activities and Business Review

The principal activity of the Company is Real Estate Development. The Chairman's Review, together with the Financial Statements reflects the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws, regulations and prudential requirements and that there are no non-compliances.

Financial Statements

The Financial Statements of the Company are given on pages 44 to 73.

Auditors Report

The Auditors Report on the Financial Statements is given on pages 40 to 43.

Accounting Policies

The Company has prepared the accounts in accordance with the new SLFRSs/LKASs issued by the Institute of Chartered Accountants of Sri Lanka.

Interest Register

Directors' Interest In Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 22 to the Financial Statements on pages 66 and 67.

During the financial year the Company has not entered into any contracts in which the Directors have had a material interest. Neither the Directors nor their close family members have had any material business relationships with other Directors.

Directors' Interest in Shares

Directors of the Company who have an interest in the shares have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act. The acquisitions/disposals are routinely notified to the Colombo Stock Exchange.

Details pertaining to Directors' Direct Shareholdings are set out below:

	No. of Shares	
	31.03.2024	31.03.2023
Mr. S.D.R. Arudpragasam	-	-
Mr. S. Shanmugalingam	195*	195*
Mr. A.M. de S. Jayaratne	-	-
Mr. S.N.P. Palihena	-	-
Mr. S. Rajaratnam	-	-
Mr. Amrit Rajaratnam	30	30
Mr. Anushman Rajaratnam	-	-

(*16 shares are held in personal capacity)

*Consequent to the Consolidation of Shares, in 2018 Fractional Shares aggregating 179 shares are held in trust).

Key Management Personnel Compensation

Key Management Personnel Compensation in respect of the Company for the financial year 2023/2024 is given in Note 11 to the Financial Statements on page 59.

Corporate Donations

No donations were made during the year.

Directorate

The names of the Directors who held office during the financial year are given below and are profiled on pages 3 and 4.

Mr. S.D.R. Arudpragasam	- Chairman Non-Executive
Mr. S. Shanmugalingam	- Non-Executive
Mr. A.M. de S. Jayaratne	- Independent Non-Executive
Mr. S.N.P. Palihena	- Independent Non-Executive
Mr. S. Rajaratnam	- Non-Executive
Mr. Amrit Rajaratnam	- Non-Executive
Mr. Anushman Rajaratnam	- Non-Executive

Annual Report of the Board of Directors

In terms of Articles 84 and 85 of the Articles of Association, Mr. Amrit Rajaratnam retires by rotation and being eligible, offers himself for re-election.

Mr. A.M. de S. Jayaratne who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company, which is referred to in the Notice of Meeting.

Mr. S.N.P. Paliheena who is over 70 years of age retires and offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company, which is referred to in the Notice of Meeting.

Mr. S.D.R. Arudpragasam who is over 70 years of age offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Corporate Governance

The Corporate Governance Principles adhered to by the Company are given on pages 11 to 34.

Auditors

The Financial Statements of the Company for the year have been audited by Messrs. KPMG the retiring Auditors who have expressed their willingness to continue as Auditors of the Company and have been recommended for reappointment by the Board of Directors. A resolution to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, Messrs. KPMG were paid Rs. 365,000/- (2023 - Rs. 325,000/-) as audit fees by the Company. In addition they were paid Rs. 213,184/- (2023 - Rs.185,377/-) by the Company for non-audit related work, which consisted mainly of tax related work.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interests in the Company.

Revenue

There was no revenue generated by the Company during the last consecutive years.

Results

The Company made a profit before Tax of Rs. 20.9Mn. against a profit of Rs. 17.9 Mn. in the Previous year.

Investments

Details of investments are listed in Note 14 to the Financial Statements.

Stated Capital & Reserves

The Stated Capital of the Company as at 31st March, 2024 is Rs.14.4 Mn. and is represented by 750,000 issued and fully paid ordinary shares.

Reserves

The total equity of the Company as at 31st March, 2024 amounts to Rs 185.4 Mn., (31st March, 2023- Rs. 169 Mn) comprising General Reserve of Rs. 10 Mn. (31st March, 2023 - Rs. 10 Mn.), Retained Profits of Rs.151.4Mn. (31st March, 2023 - Rs. 135 Mn.) and Fair Value Reserve of Rs. 9.7 Mn. (31st March, 2023- Rs. 9 Mn.).

The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation

Taxation has been computed at the rates, given in Note 12 on pages 59 and 60 of the Financial Statements.

Share Information

Information relating to earnings, net assets, market value per share and share trading are given on pages 75 and 76.

Events After the Reporting Period

No circumstances have arisen since the Reporting Date that would require adjustments to or disclosures in the Financial Statements, other than those disclosed in Note 25 to the Financial Statements on page 68.

Annual Report of the Board of Directors

Capital Commitments and Contingent Liabilities

Capital Commitments and Contingent Liabilities as at the date of the Statement of Financial Position are disclosed in Note 24 to the Financial Statements on page 68.

Employment Policy

The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Private) Limited.

Related Party Transactions

During the financial year there were no Non-Recurrent Related Party Transactions which exceeded the respective disclosure thresholds mentioned in Section 9 of the Colombo Stock Exchange Listing Rules.

Recurrent Related Party Transactions although exempt which exceeded the respective disclosure threshold are disclosed in Note 22.2 to the Financial Statements.

The Directors declare that the Company has complied with the requirements of the Listing Rules on Related Party Transactions.

The Related Party Transactions presented in the financial statements are disclosed in Note 22 from page 66 to 67.

Shareholders

It is the Company's policy to endeavor to ensure equitable treatment to its shareholders.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government have been paid or where relevant, provided.

Environmental Protection

The Company's business activities can have direct and indirect effects on the environment. Therefore, it is the Company's policy to minimise any adverse effects its activities have on the environment and to promote co-operation and compliance with the relevant authorities and regulations. We confirm that the Company has not undertaken any activities which have caused or are detrimental to the environment.

Internal Control

The Board of Directors takes overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to safeguard assets against unauthorized use or disposal and to ensure that proper records are maintained. It includes all controls including financial, operational and compliance controls and risk management.

However, any system can ensure only reasonable and not absolute assurance that errors and Irregularities are prevented or detected within a reasonable timeframe.

The Board of Directors has ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes which have been carried out in accordance with Sri Lanka accounting standards and regulatory requirements.

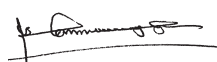
Going Concern

The Board of Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future to justify the going concern basis adopted in preparing these Financial Statements.

For and on behalf of the Board,



S. D. R. Arudpragasam
Chairman



S. Shanmugalingam
Director

By Order of the Board,



Corporate Managers & Secretaries (Private) Limited
Secretaries
Colombo

15th August, 2024

Corporate Governance

Corporate Governance ensures fairness, transparency and integrity of the Management. Corporate Governance is the culture of the Company, rather than a mere legal compulsion. It further inspires and strengthens investor confidence and commitment to the Company.

The Company through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders. Values have been applicable at all levels in the organisation guaranteeing business transparency to its valuable stakeholders and corporate society. The Corporate Governance policies and practices ensure that there is compliance with relevant rules and regulations.

Board Composition

Presently the Board consists of seven Non-Executive Directors who possess expertise in finance, corporate management and the hospitality trade. Of the seven Directors, two Directors are Independent Non-Executive Directors.

The Details of the present Directors are given below.

Director	Position Held
Mr. S.D.R. Arudpragasam	- Chairman/ Non-Executive
Mr. S. Shanmugalingam	- Non-Executive
Mr. A.M. de S. Jayaratne	- Independent Non-Executive
Mr. S.N.P. Palihena	- Independent Non-Executive
Mr. S. Rajaratnam	- Non-Executive
Mr. Amrit Rajaratnam	- Non-Executive
Mr. Anushman Rajaratnam	- Non-Executive

The Directors have submitted Declarations of their Independence or Non-Independence to the Board of Directors.

Mr. A. M. de S. Jayaratne is a Director of the Parent Company The Colombo Fort Land and Building PLC (CFLB) and has served on its Board and on the Board of the Listed Entity for more

than nine years and is over seventy years of age. He also serves on the Boards of several subsidiaries of CFLB of which a majority of the Directors of certain subsidiaries serve on the Boards of another. He is also a Director of some companies within the CFLB Group which have significant shareholdings in another. He has also served on the Boards of certain subsidiaries for over a period of nine years. However, the Board after taking into consideration that Mr. A. M. de S. Jayaratne is not involved in the management of the Company and also having considered all other circumstances listed in the Rules pertaining to the "Criteria for Defining Independence" is of the opinion that Mr. A. M. de S. Jayaratne is nevertheless Independent.

Mr. S. N. P. Palihena is a Director of several subsidiaries of the Parent Company, The Colombo Fort Land & Building PLC. (CFLB) and serves on the Boards of such certain subsidiary companies of which a majority of the Directors serve on the Boards of another and is a Director of some companies within the CFLB Group which have significant shareholdings in another. He has also served on the Board of the Listed Entity and on the Boards of certain subsidiary companies of the Parent Company for over a period of nine years and is over seventy years of age. However, the Board after taking into consideration that Mr. S. N. P. Palihena is not involved in the management of the Company and also having considered all other circumstances listed in the Rules pertaining to the "Criteria for Defining Independence" is of the opinion that Mr. S.N.P. Palihena is nevertheless Independent.

Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board which is in accordance with the Articles of Association of the Company and also in compliance with the Best Practices on Corporate Governance. The Board as a whole annually assesses the Board-composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.

Corporate Governance

The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election. Upon the appointment of a new Director to the Board, the Company makes the required disclosures of such Director to the shareholders by making announcements to the Colombo Stock Exchange.

Nomination Committee and Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board, which is in accordance with the recommendations made by the Parent Company's Nomination Committee, which functions as the Company's Nomination Committee in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company and the Rules on Corporate Governance.

The Nomination Committee of the Parent Company, The Colombo Fort Land and Building PLC functions as the Company's Nomination Committee. The Nomination Committee of the Parent Company comprises of Mr. A.M. de S. Jayaratne, Chairman, Mr. C.P.R. Perera, Independent Non-Executive Directors and Mr. S.D.R. Arudpragasam, Non-Executive Director. An Independent Nominations and Governance Committee is to be established on or before 01.10.2024.

Re-election of Directors

In terms of the Articles of the Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one of the Directors in office to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since his last election or appointment. The retiring Director is eligible for re-election by the Shareholders.

Decision Making of the Board

All the Directors are responsible for proper direction of the Company and to ensure the success of the business from year to year. The Board is always equipped with the relevant information necessary for decision making.

Board Responsibilities

- Formulation of short and long term strategies towards sustainable growth.
- Enhancing shareholder value.
- Identifying principal risks of the business.
- Overseeing systems of internal control.
- Approval of interim and annual financial statements.
- Ensuring compliance with laws and regulations.
- Authorising all material contracts, and approving capital projects.

Board Meetings

The Board of Directors met on three occasions during the year under review. In addition to Board meetings decisions are approved by Resolutions in writing.

The attendance at Board Meetings had been as follows:

	09/05/2023	29/11/2023	12/02/2024	
Mr. S.D.R. Arudpragasam	✓	✓	✓	3/3
Mr. S. Shanmugalingam	✓	✓	✓	3/3
Mr. A. M.de S. Jayaratne	✓	✓	✓	3/3
Mr. S. N. P. Palihena	✓	-	✓	2/3
Mr. Anushman Rajaratnam	✓	-	✓	2/3
Mr. S. Rajaratnam	✓	✓	✓	3/3
Mr. Amrit Rajaratnam	✓	✓	✓	3/3

Corporate Governance

The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable Capital Market provisions.

Fit & Proper Assessment

The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

Financial Acumen

Presently the Board comprises of four Finance Professionals who possess the knowledge to offer the Board the necessary guidance on matters of finance.

Financial Reporting and Disclosures

The Board of Directors ensures disclosure of all material and price sensitive information which are important to the shareholders.

The Directors have taken necessary steps in presenting a sincere and balanced assessment of results in the Quarterly and Annual Financial Statements.

Remuneration Committee

All members of the Board are Non-Executives to whom Directors fees are paid. Further, the Company does not employ a Chief Executive Officer or a Chief Financial Officer and all managerial and secretarial services are provided by Corporate Managers & Secretaries (Pvt) Limited to whom a fee is paid. The said fee has been recommended by the Remuneration Committee.

The Remuneration Committee of the Parent Company, The Colombo Fort Land & Building PLC (CFLB) functions as the Remuneration

Committee of the Company. The Remuneration Committee of the Parent Company comprises of Mr. A. M. de S. Jayaratne, Chairman, Mr. C.P.R. Perera Independent Non-Executive Directors, and Mr. S. D. R. Arudpragasam Non-Executive Director.

Legal Requirements

The Board is aware of its responsibility to the Shareholders, the Government and the Society in which it operates and is explicitly committed to upholding ethical behaviour in conducting its business. The Company obtains legal advice from appropriately qualified and experienced legal professionals on a timely basis.

Audit Committee

The Audit Committee of the Parent Company, The Colombo Fort Land & Building PLC functions as the Company's Audit Committee. The Audit Committee of the Parent Company comprises of Mr. A. M.de S. Jayaratne, Chairman, Mr. C. P. R. Perera, Independent Non – Executive Directors and Mr. S. D. R. Aurdpragasam, Non- Executive Director.

The Audit Committee Report is set out on pages 36 and 37.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee of the Parent Company, The Colombo Fort Land & Building PLC functions as the Company's Related Party Transactions Review Committee. The Related Party Transactions Review Committee of the Parent Company comprises of Mr. A.M. de S. Jayaratne, Chairman, Mr. C.P.R. Perera, Independent Non-Executive Directors and Mr. S.D.R. Aurdpragasam, Non - Executive Director.

The Related Party Transactions Review Committee Report is set out on page 38.

Corporate Governance

Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

Rule	Adherence
9.2 POLICIES	
9.2.1 Establish and maintain the following policies	
<ul style="list-style-type: none"> a) Matters relating to the Board of Directors b) Board Committees c) Corporate Governance, Nominations and Re-election d) Remuneration e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Risk management and Internal controls g) Relations with Shareholders and Investors h) Environmental, Social and Governance Sustainability i) Control and Management of Company Assets and Shareholder Investments j) Corporate Disclosures k) Whistleblowing l) Anti-Bribery and Corruption 	To be complied w.e.f. 01.10.2024
9.2.2. Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	
9.2.3. Listed entities shall disclose in its Annual Report. <ul style="list-style-type: none"> (i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above 	
9.2.4. Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	

Corporate Governance

Rule	Adherence
9.3 BOARD COMMITTEES	
9.3.1 Establishment of Committee	
(a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Complied (The Nominations Committee of the Parent Company) Complied (Remuneration Committee of the Parent Company) Complied (The Audit Committee of the Parent Company) Complied (The Related Party Transactions Review Committee of the Parent Company)
9.3.2 Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	Complied Independent Board Committees will be established on or before 01.10.2024
9.3.3 The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
9.4 ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS	
9.4.1 Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
9.4.2. Communication and relations with shareholders and investors a) Have a policy on effective communication and relations with shareholders and investors b) Disclose the contact person for such communication. c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	} To be complied w.e.f. 01.10.2024 Complied

Corporate Governance

Rule	Adherence
9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS	
<p>9.5.1 Establish and maintain formal policy governing matters relating to the Board</p> <ul style="list-style-type: none"> a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID c) Board diversity – experience, skills, competencies, age, gender, industry requirements d) Maximum number of Directors and rationale e) Frequency of Board meetings f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum. 	<p>To be complied w.e.f. 01.10.2024</p>
<p>9.5.2 Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.</p>	
9.6 CHAIRPERSON AND CEO	
<p>9.6.1 Chairperson shall be a Non-Executive Director</p> <p>Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed</p>	<p>Complied</p> <p>Not Applicable</p>
<p>9.6.2 Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.</p>	<p>Not Applicable</p>

Corporate Governance

Rule	Adherence
9.6.3 The Requirement for a SID	
(a) Appoint of an Independent Director as the SID in the following instances: <ol style="list-style-type: none"> i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4 Set out the rationale for appointment of SID in the Annual Report	Not Applicable
9.7 FITNESS OF DIRECTORS AND CEOS	
9.7.1 <ol style="list-style-type: none"> a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below. 	Complied
9.7.2 Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments.	Refer Nominations Committee on page 09
9.7.3 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 <ol style="list-style-type: none"> a) Honesty, Integrity and Reputation – (i)-(vii) b) Competence and Capability –(i)-(ii) c) Financial Soundness –(i)-(iii) 	Complied
9.7.4 Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5 Disclosures in the Annual Report <ol style="list-style-type: none"> (a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken to rectify non compliance 	Complied Not Applicable
9.8 BOARD COMPOSITION	
9.8.1 The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied

Corporate Governance

Rule	Adherence
<p>9.8.2 Minimum Number of Independent Directors:</p> <p>(a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher.</p> <p>(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.</p>	<p>Complied</p> <p>Not Applicable</p>
<p>9.8.3 Criteria for determining independence:</p>	
<p>A Director shall not be considered independent if he/she:</p> <p>(i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director</p> <p>(ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly.</p> <p>(iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity.</p> <p>(iv) Has a Significant Shareholding in the Listed Entity.</p> <p>(v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment.</p> <p>(vi) Is employed in another Company or business;</p> <p>a) In which a majority of the other directors of the Listed Entity are employed or are directors; or</p> <p>b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or</p> <p>c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection.</p> <p>(vii) Is a director of another Company;</p> <p>a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or</p> <p>b) That has a Business Connection in the Listed Entity or a Significant Shareholding.</p> <p>(viii) Has a Material Business Relationship or a Significant Shareholding in another company or business;</p> <p>a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or</p> <p>b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or</p> <p>c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity.</p> <p>(ix) Is above the age of seventy (70) years.</p>	<p>Complied and where independence is impaired declared as nevertheless independent</p>

Corporate Governance

Rule	Adherence
9.8.5 The Board of Directors of Listed Entities shall require:	
(a) Each Independent Director to submit a signed and dated declaration annually	Complied
(b) Make an annual determination as to the “independence” of Independent Director and set out the names of Directors determined to be ‘independent’ in the Annual Report.	Complied
(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Declared as nevertheless Independent.
9.9 ALTERNATE DIRECTORS	
<p>Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association</p> <p>a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.</p> <p>b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive Director.</p> <p>c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made.</p> <p>d) Immediate Market Announcement regarding the appointment of an Alternate Director</p> <p>e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.</p>	<p>Complied.</p> <p>The Proposed Amendments to the Articles of Association is carried under Special Business in the Notice of Meeting in this Annual Report.</p>
9.10. DISCLOSURES RELATING TO DIRECTORS	
9.10.1 Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report.	To be complied w.e.f. 01.10.2024
9.10.2 Market announcement on appointment of new Director	There were no appointments during 2023/2024.
9.10.3 Immediate Market Announcement regarding any changes to the composition of the Board Committees	Not Applicable There were no changes to the composition of the Committees in 2023/2024

Corporate Governance

Rule	Adherence
<p>9.10.4 Disclosure in Annual Report - Directors details</p> <ul style="list-style-type: none"> - Name, qualifications and brief profile - Nature of his/her expertise in relevant functional areas - Whether either the Director or Close Family Members has any material business relationships with other Directors - Whether Executive, Non-Executive and/or independent Director - Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non- executive (If the directorships are within the Group names need not be disclosed) - Number of Board meetings attended - Names of Board Committees in which the Director serves as Chairperson or a member - Attendance of committee meetings - TOR and powers of SID 	<p>Complied</p> <p>Not Applicable</p>
<p>9.11 NOMINATIONS AND GOVERNANCE COMMITTEE</p>	<p>Refer page 09 of Corporate Governance Report</p>
<p>9.11.1 Establishment of Nominations and Governance Committee</p>	
<p>9.11.2 Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.</p>	
<p>9.11.3 Written terms of reference</p>	
<p>9.11.4 Composition</p> <ol style="list-style-type: none"> (1) The members of the Nominations and Governance Committee shall; <ol style="list-style-type: none"> (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson (3) Identify Members in the Annual Report 	

Corporate Governance

Rule	Adherence	
9.11.5 Functions		
<ul style="list-style-type: none"> (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees (ii) Recommend (or not recommend) the re-appointment/re-election of current Directors (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors (iv) Establish and maintain a set of criteria for selection of Directors (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop a succession plan for the Board of Directors and Key Management Personnel (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. (ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same. 	Refer page 09 of Corporate Governance Report	
9.11.6 Disclosures in Annual Report		
Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)		

Corporate Governance

Rule	Adherence
9.12 REMUNERATION COMMITTEE	Refer Page 10 of Corporate Governance Report
9.12.1 The term “remuneration” shall make reference to cash and all non-cash benefits whatsoever received	
9.12.2 Establishment of Remuneration Committee	
9.12.3 Establish and maintain a formal and transparent procedure for developing policy on Executive Directors’ remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4 Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5 Written terms of reference	
9.12.6 Composition	
<p>(1) The members of the Remuneration Committee shall;</p> <p>(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p>(b) Not comprise of Executive Directors of the Listed Entity</p> <p>(2) Where both the parent Company and the subsidiary are ‘Listed Entities’, the Remuneration Committee of the parent Company may be permitted to function as the Remuneration Committee of the susidery.</p> <p>(3) An Independent Director shall be appointed as the Chairperson.</p>	
9.12.7 Functions	
<p>(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.</p> <p>(2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.</p>	
9.12.8 Disclosure in Annual Report	
<p>a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent Company’s Remuneration Committee in the case of a group Company);</p> <p>(b) A statement regarding the remuneration policy; and,</p> <p>(c) The aggregate remuneration of the Executive and Non-Executive Directors</p>	

Corporate Governance

Rule	Adherence
9.13 AUDIT COMMITTEE	Refer Audit Committee Report
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	Complied with Rules prior to revision on 01/10/2023 (i.e. Rule 7.10.6. (a) and (b))
9.13.2 Written terms of reference	Complied
9.13.3 Composition	
<p>(1) The members of the Audit Committee shall;</p> <p>(a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors.</p> <p>(b) Not comprise of Executive Directors of the Listed Entity</p> <p>(2) Quorum - requires that the majority of those in attendance to be independent Directors.</p> <p>(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.</p> <p>(4) If both the Parent Company and the subsidiary are 'Listed Entities' the Audit Committee of the Parent Company may function as the the Audit Committee of the subsidiary.</p> <p>(5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>(6) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.</p> <p>(7) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.</p>	<p>Complied (Parent Company Audit Committee)</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied (Parent Company Audit Committee)</p> <p>Representatives of the Managers & Secretaries were in attendance by invitation.</p> <p>Complied (Prent Company Audit Committee)</p>
9.13.4 Functions Detailed in Rule (1) (i) –(xiii) and (2)	Complied with Rules prior to revision on 01/10/2023 (i.e Rule 7.10.6(b))

Corporate Governance

Rule	Adherence
<p>9.13.5 Disclosures in Annual Report</p> <p>Audit Committee Report</p> <ul style="list-style-type: none"> - Names of chairperson and members with nature of directorship - Status of risk management and internal control – Company and group - Statement on CEO and CFO assurance on operations and finances - Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. - Availability of formal Audit Charter - Internal audit assurance and summary of the work internal audit - Details demonstrating effective discharge of functions and duties - Statement on external auditors' assurance on their independence - Confirmation on determining auditor's independence 	<p>Complied with Rules prior to revision on 01/10/2023 (i.e Rule 7.10.6(c))</p>
<p>9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE</p>	<p>Refer Related Party Transactions Review Committee Report</p>
<p>9.14.1. Establishment of Committee</p> <p>Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules</p>	<p>Complied (Parent Company Related Party Transactions Review Committee)</p>
<p>9.14.2 Composition</p> <p>(1) The Related Party Transactions Review Committee shall comprise of;</p> <ul style="list-style-type: none"> - Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors - May comprise of Executive Directors - An Independent Director shall be appointed as the Chairperson <p>(2) Parent Company may function as RPTRC (Applicable only up to 30.09.2024)</p>	<p>Complied (Parent Company Related Party Transactions Review Committee)</p> <p>Complied</p>

Corporate Governance

Rule	Adherence
<p>9.14.3 Functions</p> <ul style="list-style-type: none"> (1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations 	<p>Complied</p>
<p>9.14.4 General Requirements</p> <ul style="list-style-type: none"> (1) The Related Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. (3) Board of Directors to approve RPT when required by the committee (4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: <ul style="list-style-type: none"> (a) Be present while the matter is being considered at the meeting; and, (b) Vote on the matter. 	<p>Complied (Related Party Transactions Reveiw Committee)</p> <p>Not Applicable</p>
<p>9.14.5 Review of Related Party Transactions by the Related Party Transactions Review Committee</p>	<p>Complied</p>

Corporate Governance

Rule	Adherence
<p>9.14.6 Shareholder Approval</p> <ol style="list-style-type: none"> 1. Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction. <ol style="list-style-type: none"> a) <u>Non-recurrent transaction</u> <ol style="list-style-type: none"> i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates b) <u>Recurrent transaction</u> <ol style="list-style-type: none"> (i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or (ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public. 	<p>Not Applicable</p>

Corporate Governance

Rule	Adherence
9.14.7 Disclosures	
(1) Immediate Disclosures	
A Listed Entity shall make an immediate Market Announcement to the Exchange	Not applicable all non-recurrent transactions were below the disclosure threshold.
<p>(a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or</p> <p>(b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.</p> <p>Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.</p>	
9.14.8 Disclosures in the Annual Report	
Complied All non-recurrent transactions were below the disclosure threshold and all Recurrent transactions although exempt which exceeded the disclosure threshold are given in Note 22.2.	

Corporate Governance

Rule	Adherence
<p>9.14.9 Acquisition and Disposal of Assets From/to Related Parties</p> <ol style="list-style-type: none"> 1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)] 2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets. (3) Rule 9.14.9(1) does not apply to: <ol style="list-style-type: none"> a) Transactions between the Listed entity and a wholly owned subsidiary. b) Transaction between wholly owned subsidiaries of the Listed Entity. c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business. (4) <ol style="list-style-type: none"> a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration. b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice. (5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval (6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include: <ol style="list-style-type: none"> a) Key assumptions, conditions or restrictions that impact the estimate value. b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation. c) Sources of information relied upon for the valuation. d) Identity of individuals participating in the valuation assignment and their qualifications. e) Confirmation of the independence of the parties participating in the advice. f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders. 	<p style="text-align: center;">Not Applicable</p>

Corporate Governance

Rule	Adherence
<p>9.14.10 Exempted Related Party Transactions</p> <p>(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public.</p> <p>(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares.</p> <p>(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules).</p> <p>(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction.</p> <p>(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka.</p> <p>(f) Directors' fees and remuneration, and employment remuneration</p>	<p>Complied</p>

Corporate Governance

Rule	Adherence
<p>9.16 ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS</p> <ul style="list-style-type: none"> - Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested - Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; - Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; - Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations. 	<p>Complied Refer Annual Report of the Board of Directors and Corporate Governance Report</p>
<p>9.17 ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS</p>	
<p>Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.2.1, 9.8.2, 9.11.4, 9.12.6, 9.13.3 or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules.</p>	<p>Not Applicable</p>

Corporate Governance

DETAILS IN RESPECT OF DIRECTORS

The following table illustrates the total number of Board seats held by each Director of the Company.

Abbreviations:

C - Chairman	GMD - Group Managing Director
DC - Deputy Chairman	MD - Managing Director
EC - Executive Chairman	JMD - Joint Managing Director
EX - Executive Director	CEO - Chief Executive Officer
NE - Non-Executive Director	D - Director
INE - Independent Non-Executive Director	Ait - Alternate Director

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shannugalingam	Mr. A.M.de.S. Jayaratne	Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. Anushman Rajaratnam		Mr. S.N.P. Palihena			
				✓	NE	✓	NE	✓	GMD/EX		✓	NE	
The Colombo Fort Land and Building PLC*	✓	C/NE	-	✓	INE	✓	NE	✓	NE	✓	GMD/EX	-	-
C M Holdings PLC*	✓	C/NE	-	✓	INE	✓	NE	-	-	✓	NE	-	-
York Arcade Holdings PLC*	✓	C/NE	✓	✓	INE	✓	NE	✓	NE	✓	NE	✓	INE
Lankem Ceylon PLC*	✓	C/NE	-	-	-	-	-	-	-	✓	EX	-	-
Lankem Developments PLC*	✓	C/NE	-	✓	INE	-	-	-	-	✓	NE	✓	INE
Kotagala Plantations PLC*	✓	C/NE	-	✓	INE	-	-	-	-	✓	NE	-	-
Agarapataka Plantations PLC*	✓	C/NE	-	✓	INE	-	-	-	-	✓	NE	-	-
E.B. Creasy & Company PLC*	✓	C/MD/EX	-	✓	INE	✓	JMD/EX	-	-	-	-	✓	INE
Muller & Phipps (Ceylon) PLC*	✓	C/NE	-	-	-	✓	NE	-	-	-	-	✓	INE
Laxapana PLC (Formerly known as Laxapana Batteries PLC)*	✓	C/NE	-	-	-	✓	NE	-	-	-	-	✓	INE
Beruwala Resorts PLC*	✓	C/NE	-	-	-	✓	NE	✓	NE	✓	NE	-	-
Marawila Resorts PLC*	✓	C/NE	-	-	-	✓	NE	✓	NE	✓	NE	-	-
Sigiriya Village Hotels PLC*	✓	C/NE	-	-	-	✓	NE	✓	NE	✓	NE	-	-

Corporate Governance

Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M.de.S. Jayaratne	Mr. Sanjeev Rajaratnam	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. S.N.P. Palihena
CW Mackie PLC*	✓ NE	-	✓ INE	✓ NE	-	✓ NE	-
ACME Printing & Packaging PLC*	✓ NE	-	-	-	-	✓ NE	-
Colombo Fort Investments PLC*	✓ C/NE	✓ NE	✓ INE	✓ NE	✓ NE	✓ NE	-
Colombo Investment Trust PLC*	✓ C/NE	✓ NE	✓ INE	✓ NE	✓ NE	✓ NE	-
ACME Packaging Solutions (Pvt) Limited*	✓ D	-	-	-	-	✓ D	-
Alliance Five (Private) Limited*	✓ C	-	-	-	-	✓ D	-
American Lloyd Travels Limited*	✓ D	✓ D	-	✓ D	✓ D	✓ D	-
Associated Farms (Private) Limited*	✓ C	-	-	-	-	-	-
B.O.T. Hotel Services (Private) Limited*	✓ C	-	✓ D	✓ D	✓ D	-	-
C. F. Travels Limited*	-	-	-	✓ D	✓ D	-	-
C. W. M. Hotels Holdings Limited	✓ D	-	✓ D	-	-	✓ D	-
Candy Delights Limited*	✓ C/MD	-	✓ D	✓ JMD	-	-	✓ D
Capital Finance Limited	-	-	-	✓ D	-	-	-
Capital Investments Limited*	✓ D	✓ D	-	-	-	-	-
Capital Leasing Company Limited*	✓ C	-	-	-	-	✓ D	-
Century Investments and Finance Limited	✓ D	-	-	-	-	-	-
Ceyflex Rubber Limited*	✓ C	-	-	✓ D	-	-	-
Ceylon Tapes (Private) Limited *	✓ C	-	-	-	-	✓ D	-
Ceytape (Private) Limited*	✓ C	-	-	-	-	✓ D	-
City Investment Services (Private) Limited	-	✓ D	-	-	-	-	-
Colombo Fort Group Services (Pvt) Limited*	✓ D	-	-	-	-	✓ D	-
Colombo Fort Holdings Limited *	✓ D	-	-	✓ D	-	-	-

Corporate Governance

Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M.de.S. Jayaratne	Mr. Sanjeev Rajaratnam	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. S.N.P. Palihena
Colombo Fort Hotels Limited*	✓	-	-	✓	✓	✓	-
Colombo Fort Properties (Private) Limited*	-	✓	-	-	-	✓	-
Colombo Fort Travels Limited*	✓	-	-	✓	✓	-	-
Colombo Residences (Private) Limited	✓	-	-	-	-	-	-
Colonial Motors (Ceylon) Limited*	✓	-	✓	✓	-	✓	-
Company Holdings (Private) Limited	✓	-	-	✓	-	-	-
Consolidated Commercial Investments (Private) Limited	-	-	-	✓	✓	✓	-
Consolidated Holdings (Private) Limited	✓	✓	-	-	-	✓	-
Consolidated Tea Plantaions Limited*	✓	-	✓	-	-	✓	-
Consolidated Trust (Private) Limited	-	✓	-	-	-	-	-
Corporate Holdings (Private) Limited	-	✓	-	-	-	-	-
Corporate Strategic Services (Private) Limited	-	✓	-	-	-	-	-
Corporate Systems Limited*	✓	-	-	✓	-	-	-
Cresay Plantation Management Limited*	✓	-	-	-	-	-	-
Darley Butler & Company Limited*	✓	-	✓	✓	JMD	-	✓
E B Cresay Ceylon (Private) Limited*	✓	-	-	✓	✓	-	-
E. B. Cresay Logistics Limited*	✓	-	-	✓	✓	-	-
E.B. Cresay Trading Limited*	✓	-	-	✓	✓	-	-
Far Eastern Exports (Colombo) Limited	✓	-	-	-	✓	✓	-
Financial Trust Limited	-	-	-	✓	✓	✓	-

Corporate Governance

Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Shanmugalingam		Mr. A.M.de.S. Jayaratne		Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. Anushman Rajaratnam		Mr. S.N.P. Palihena	
	✓	C	-	-	✓	D	-	-	-	-	✓	D	-	-
Lankem Tea & Rubber Plantations (Pvt) Limited *	✓	C	-	-	✓	D	-	-	-	-	✓	D	-	-
Lankem Technology Services Limited*	✓	C	-	-	-	-	-	-	-	-	-	-	-	-
Maitland & Knox (Private) Limited	✓	D	-	-	-	-	✓	D	✓	D	✓	D	-	-
Mayfield Investments (Private) Limited			-	-	-	-	-	-	-	-	✓	D	-	-
Motor Mart Ceylon (Private) Limited*	✓	D	-	-	-	-	✓	D	-	-	✓	D	-	-
Muller & Phipps (Health Care) Limited (Formally known as Pettah Pharmacy (Pvt) Limited*	✓	C	✓	D	-	-	✓	D	-	-	-	-	✓	D
Nature's Link Limited*	✓	C	-	-	-	-	-	-	-	-	-	-	-	-
Nutrikim (Ceylon) Limited*	✓	D	-	-	-	-	✓	D	-	-	-	-	-	-
Oakley Investments (Private) Limited	✓	D	-	-	-	-	✓	D	✓	D	✓	D	-	-
Property and Investment Holdings (Private) Limited	✓	D	-	-	-	-	✓	D	✓	D	✓	D	-	-
Rubber & Allied Products (Colombo) Limited*	✓	C	-	-	-	✓	D	-	-	-	✓	D	-	-
Sherwood Holidays Limited*	✓	C	-	-	-	-	✓	D	✓	D	-	-	-	-
Sigiriya Resorts Limited*			-	-	-	-	✓	D	✓	D	✓	D	-	-
Sunagro Farms Limited*	✓	C	-	-	-	-	-	-	-	-	✓	D	-	-
Sunagro Lifescience Limited*	✓	C	-	-	-	-	-	-	-	-	✓	D	-	-
Sunrise Resorts Limited			-	-	-	-	✓	D	✓	D	✓	D	-	-
Teacom (Private) Limited*	✓	C	-	-	-	-	-	-	✓	D	✓	D	-	-
Transways (Private) Limited*			✓	D	-	-	✓	D	✓	D	✓	D	-	-

Corporate Governance

Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M.de.S. Jayaratne	Mr. Sanjeev Rajaratnam		Mr. Amrit Rajaratnam		Mr. Anushman Rajaratnam		Mr. S.N.P. Palihena
				✓	D	✓	D	✓	D	
Tropical Beach Resorts Limited	-	-	-	✓	D	✓	D	✓	D	-
Trust Holdings & Investments (Pvt) Limited	-	✓	D/Alt	-	-	-	-	-	-	-
Udaveriya Plantations Limited	✓	-	-	-	-	-	-	✓	D	-
Unicom Clearing and Forwarding (Private) Limited*	✓	-	-	-	-	✓	D	✓	D	-
Union Commodities (Private) Limited*	✓	-	-	✓	D	✓	D	✓	D	-
Union Commodities Exports (Pvt) Limited*	✓	-	-	-	-	✓	D	✓	D	-
Union Commodities Teas (Pvt) Limited*	✓	-	-	-	-	✓	D	✓	D	-
Union Group (Private) Limited*	✓	-	-	-	-	-	-	✓	D	-
Union Investments (Private) Limited*	✓	✓	D	✓	D	-	-	✓	D	-
Union Travels Limited*	-	✓	D	-	-	-	-	-	-	-
Vanya Safaris (Private) Limited	-	-	-	-	-	-	✓	D	-	-
Villa Investments (Private) Limited	-	-	-	-	✓	D	-	-	-	-
Voyages Ceylan (Private) Limited*	-	-	-	-	✓	D	✓	✓	D	-
Waverly Power (Private) Limited*	✓	-	-	✓	D	✓	D	✓	D	-
Weligama Hills Limited	✓	-	-	-	-	-	-	✓	D	-
York Conventions (Private) Limited	-	-	-	-	✓	D	✓	✓	D	-
York Hotel Management Services Limited*	✓	✓	D	-	✓	D	MD	✓	D	-
York Tours Limited*	-	-	-	-	✓	D	✓	✓	D	-
Sterling Steels (Pvt) Limited (Formally know as Bluescope Lysaght Lanka (Private) Limited)*	✓	-	-	-	✓	D	-	-	-	-

Corporate Governance

Details in respect of Directors (Cont.)

COMPANIES	Mr. S.D.R. Arudpragasam	Mr. S. Shanmugalingam	Mr. A.M.de.S. Jayaratne	Mr. Sanjeev Rajaratnam	Mr. Amrit Rajaratnam	Mr. Anushman Rajaratnam	Mr. S.N.P. Paliheena
	-	-	-	-	✓	✓	-
Cambodian Rubber Plantation Industries PTE Ltd	-	-	-	-	✓	✓	-
Consolidated Rubber Plantations PTE Ltd	-	-	-	-	✓	✓	-
Kelani Valley Canneries Limited*	-	-	-	-	-	✓	-
Sunquick Lanka (Pvt) Limited	-	-	-	-	-	✓	-
Sunquick Lanka Properties (Pvt) Limited*	-	-	-	-	-	✓	-
Lanka Agro Plantations Limited	-	-	-	-	✓	✓	-
ACL Cables PLC	-	-	✓	-	-	-	-
Mireka Capital Land (Pvt) Limited	-	-	✓	-	-	-	-
Overseas Realty (Ceylon) PLC	-	-	✓	-	-	-	-
Innovest Investments (Pvt) Limited	-	-	✓	-	-	-	-

Note :- The Companies with an “*” are subsidiaries or associates of The Colombo Fort Land and Building Group.

Risk Management Report

Risk management is an important function of York Arcade Holdings PLC. Our corporate strategies have enabled us to identify risk associated with our corporate objectives. It is important to identify risks that may prevent a business from realizing its potential and to manage them in order to minimize adverse as well as maximize positive outcomes.

Our risk management philosophy involves identifying, and taking steps to reduce and eliminate the exposure to losses faced by the Company. The practices of Company's risk management have developed many tools and techniques including round table discussion among our Directors.

Risk Factors

Operational Risk

Operational risk relates to the effectiveness of our people, integrity of our internal systems and processes as well as external events that affect the operation of our businesses. It includes quality of the maintenance and ancillary services, business disruption, human resources and reputation.

Legal and Compliance

Legal and compliance risk relates to changes in the Government and regulatory environment, compliance requirements with policies and procedures, including those relating to financial reporting, environmental health and safety, and intellectual property risks. Government and regulatory risk is the risk that the Government or regulatory authorities will impose which will result in additional costs or cause changes to the business models or practices.

Financial

Financial risk relates to our ability to meet financial obligations and mitigate credit risk, liquidity risk and exposure to broad market risks, including interest rates and commodity prices. Liquidity risk is the risk of being unable to accommodate liability maturities, fund asset growth and meet contractual obligations through access to funding at reasonable market rates. Credit risk is the risk of financial losses arising from a customer or counterparty failing to meet its contractual obligations.

The Company faces a number of operational risks on an ongoing basis. Additional risks and uncertainties not presently known to management, or currently deemed to be less material may also have an adverse effect on the business which the Management endeavours to mitigate at all times.

Audit Committee Report

Focus of Audit Committee

The responsibilities of the York Arcade Holdings PLC's Audit Committee are governed by the rules and regulations which are approved and adopted by the Board. The Audit Committee Report focuses on the activities of the Company for the year under consideration, which the Committee has reviewed and monitored as to provide additional assurance on the reliability of the Financial Statements through a process of independent and objective views.

Composition

The Audit Committee of the Parent Company, The Colombo Fort Land and Building PLC functions as the Company's Audit Committee and it consists of three Non-Executive Directors.

Mr. A.M. de S. Jayaratne	- Chairman Independent Non-Executive
Mr. S.D.R. Arudpragasam	- Non-Executive
Mr. C. P. R. Perera	- Independent Non-Executive

The Committee which consists of two Finance Professionals has a blend of experience in the commercial sector, financial risk and audit exposure, high standing of integrity, business acumen, exposure in the real estate and real estate development sectors to carry out their role efficiently and effectively.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited, functions as the Secretaries to the Audit Committee.

Role of the Audit Committee

Presentation of Financial Statements

The Committee is responsible to ensure a sound financial reporting system, compliance with relevant accounting standards and principles,

adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to other statutory requirements. In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guide lines, rules and regulations as well as the quarterly and year end Financial Statements and have recommended the adaptation of the accounts to the Board of Directors.

Internal Control & Risk Management

The Audit Committee supervises the processes to ensure that the Internal Controls and Risk Management are adequate to meet the requirements of the Company and other regulatory Standards.

Regulatory Compliance

The Audit Committee ensures that the Company complies with statutory and disclosure requirements.

Meetings

The Audit Committee has met on four occasions in respect of York Arcade Holdings PLC during the year ended 31st March, 2024 and the attendance was as follows :

	09/05/2023	14/08/2023	13/11/2023	12/02/2024	
Mr. A. M. de S. Jayaratne	✓	✓	✓	✓	4/4
Mr. S. D. R. Arudpragasam	✓	✓	✓	✓	4/4
Mr. C. P. R. Perera	✓	✓	✓	✓	4/4

Audit Committee Report

Independence of External Auditors

The Audit Committee recommends the appointment of External Auditors to ensure independence and maintains a close professional relationship with them. The Committee also recommends the fees payable to them in the execution of the following services to Company.

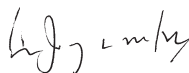
- Audit Related Services
- Tax Consultancy
- Corporate Consulting

The Company has appointed KPMG as its External Auditor and the services provided by them are segregated under audit/assurance services and other advisory services such as tax consultancy. KPMG has also issued a Declaration as required by the Companies Act No. 07 of 2007, where they state that they do not have any relationship or interest in any of the Companies in the Group, which has a bearing on the Independence of their role as Auditors. The split between audit and non- audit fees for the year ended 31st March, 2024 appears in Note 11 to the Financial Statements.

The Committee has recommended the reappointment of Messrs. KPMG as External Auditors for the financial year ending 31st March, 2025, subject to the approval of the shareholders at the Annual General Meeting.

Conclusion

Based on the assurances and certifications provided by the Board of Directors, and the discussions with Management and the Auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and safeguarded.



A. M. de S. Jayaratne

Chairman
Audit Committee

Colombo
15th August, 2024

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee (RPTRC) Report focuses on the related party transactions of the Company during the financial year, which the Committee has reviewed as to provide compliance with the regulations governing listed entities, through a process of independent views.

Composition

The Related Party Transactions Review Committee of the Parent Company, The Colombo Fort Land and Building PLC functions as the Related Party Transactions Review Committee of York Arcade Holdings PLC which comprises of the following members:

Mr. A.M. de S. Jayaratne	- Chairman Independent - Non-Executive
Mr. S.D.R. Arudpragasam	- Non-Executive
Mr. C.P.R. Perera	- Independent Non-Executive

The Company's Secretaries Corporate Managers & Secretaries (Private) Limited function as the Secretaries to the Related Party Transactions Review Committee.

Meetings of the Committee

The Related Party Transactions Review Committee has met on four occasions in respect of York Arcade Holdings PLC during the year ended 31st March, 2024 and the attendance was as follows:

	09/05/2023	14/08/2023	13/11/2023	12/02/2024	
Mr. A. M. de S. Jayaratne	✓	✓	✓	✓	4/4
MR. S. D. R. Arudpragasam	✓	✓	✓	✓	4/4
Mr. C. P. R. Perera	✓	✓	✓	✓	4/4

The proceedings of the Related Party Transactions Review Committee meetings are duly documented and reported to the Board of Directors.

Policies And Procedures

The Committee as part of its responsibility to review the Related Party Transactions, has identified the

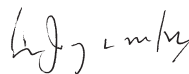
persons considered as "Related Parties". Declarations are obtained from each Director of the Company to identify such "Related Parties". Managers are requested to inform and obtain the approval prior to transactions being entered with such "Related Parties".

The Committee ensures that they have access to the terms and conditions of the proposed transactions and reviews all aspects and where necessary would obtain professional and expert advice from an appropriately qualified person and request the Board of Directors to approve the proposed transaction, where necessary. The Committee would further ensure that adequate and appropriate disclosures are made to the stakeholders.

Conclusion

The Related Party Transactions Review Committee has reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors. Related Party Transactions have been reviewed and disclosed in a manner consistent with the Listing Rules. The Committee is free to seek external professional advice on matters within their purview when necessary.

The Board of Directors of York Arcade Holdings PLC have also declared in the Annual Report of the Board of Directors that there were no Non-Recurrent related party transactions which exceeded the respective thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules. The Board further declares that Recurrent Related party transactions although exempt which exceeded the respective disclosure threshold are disclosed in Note 22.2 to the Financial Statements and that the Company has complied with the requirements of Section 9.14 of the Colombo Stock Exchange Listing Rules on Related Party Transactions.



A. M. de S. Jayaratne

Chairman
Related Party Transactions Review Committee
Colombo
15th August, 2024

Financial Statements

Independent Auditor's Report



KPMG
 (Chartered Accountants)
 32A, Sir Mohamed Macan Markar Mawatha,
 P. O. Box 186,
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TO THE SHAREHOLDERS OF YORK ARCADE HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of York Arcade Holdings PLC ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
 Ms. S. Joseph FCA
 R.M.D.B. Rajapaksa FCA
 M.N.M. Shameel FCA
 Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
 W. K. D. C. Abeyratne FCA
 Ms. B.K.D.T.M. Rodrigo FCA
 Ms. C.T.K.N. Perera ACA
 R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
 G. A. U. Karunaratne FCA
 R. H. Rajan FCA
 A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT K. Somasundaram ACMA(UK)

Independent Auditor's Report



Impairment allowance on financial assets classified as amortised cost, Amounts due from Related Companies and Other Financial Assets

Risk Description	Our Response
<p>The Company measures loss allowance on financial assets measured at amortised cost, amounts due from related parties and other receivables using the expected credit loss ("ECL") model, which requires an ongoing measurement of credit risk associated with a financial asset. It is subject to a number of key parameters and assumptions, including the estimates of probability of default, loss given default and discount rate, adjustments for forward looking information and other adjustment factors. Management judgement is involved in the selection of those parameters and the application of the assumptions.</p> <p>We identified the impairment allowance of financial assets classified as amortised cost, amounts due from related parties and other Financial Assets as a key audit matter because of the inherent uncertainty due to prevailing uncertain and volatile macro-economic environment and management judgement involved.</p>	<p><i>Our audit procedures included;</i></p> <ul style="list-style-type: none"> • Assessing the reliability of the ECL model used by the Management and completeness and accuracy of data used for the key parameters in the expected credit loss model. • Recalculating the amount of credit loss allowance to verify the calculation accuracy of the credit loss allowance. • Evaluating the adequacy of disclosures made in the financial statements according to Sri Lanka Accounting Standards (SLFRS).

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 when it becomes available and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable

Independent Auditor's Report



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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599.

A handwritten signature in black ink, appearing to be 'K. M. M.', written over a horizontal line.

KPMG

Colombo, Sri Lanka
16th August, 2024

Statement of Comprehensive Income

For the year ended 31st March	Notes	2024 Rs.	2023 Rs.
Revenue		-	-
Gross Profit		-	-
Other operating Income/(Expense)		-	-
Administrative Expenses		(3,988,101)	(3,388,308)
Reversal of impairment of Financial Assets	8	5,349,999	1,916,067
Other Income	9	442,379	451,827
Net finance income	10	19,150,533	18,947,726
Profit before Income Tax	11	20,954,810	17,927,312
Income Tax Expense	12	(4,967,466)	(4,586,496)
Profit for the Year		15,987,344	13,340,816
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Quoted Equity investments at FVOCI - net changes in fair value		1,544,059	(1,095,880)
Unquoted Equity investments at FVOCI - net changes in fair value		408,880	787,493
Related Tax	20	(1,307,888)	(78,749)
		645,051	(387,136)
Total Comprehensive Income for the year		16,632,395	12,953,680
Earnings per Share	13	21.32	17.79

The Accounting Policies and Notes on Pages 48 to 73 Form an integral part of these Financial Statements.

(Figures in brackets indicate deductions.)

Statement of Financial Position

As at 31st March	Notes	2024 Rs.	2023 Rs.
ASSETS			
Non - Current Assets			
Other Financial Assets - Non Current	14	27,774,945	22,027,635
Deferred Tax Assets	20	418,624	837,360
Total Non-Current Assets		28,193,569	22,864,995
Current Assets			
Trade and Other Receivables	15	8,271,804	8,388,840
Amounts due from Related Companies	16	110,361,363	95,239,173
Other Financial Assets - Current	17	45,937,538	56,078,182
Cash and Cash Equivalents	18	6,522,946	1,844,967
Total Current Assets		171,093,651	161,551,162
TOTAL ASSETS		199,287,220	184,416,157
EQUITY AND LIABILITIES			
Equity			
Stated Capital	19	14,400,000	14,400,000
General Reserve		10,000,000	10,000,000
Fair Value Reserve of Financial Asset at FVOCI		9,682,186	9,037,135
Retained Earnings		151,368,303	135,380,959
Total Equity		185,450,489	168,818,094
Non-Current Liabilities			
Deferred Tax Liabilities	20	1,900,500	592,612
Total Non-Current Liabilities		1,900,500	592,612
Current Liabilities			
Other Payables	21	1,050,630	935,400
Income Tax Payable		10,302,775	13,927,051
Bank overdraft	18	582,826	143,000
Total Current Liabilities		11,936,231	15,005,451
Total Liabilities		13,836,731	15,598,063
TOTAL EQUITY AND LIABILITIES		199,287,220	184,416,157

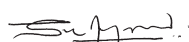
The Accounting Policies and Notes on pages 48 to 73 an integral part of these Financial Statements. I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



M. V. M. Paulraj
Director

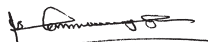
Corporate Managers & Secretaries (Private) Limited

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 of York Arcade Holdings PLC.



S. D. R. Arudpragasam
Chairman

Colombo
15th August, 2024



S. Shanmugalingam
Director

Statement of Changes in Equity

	Stated Capital	*General Reserve	**Fair Value Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2022	14,400,000	10,000,000	9,424,271	122,040,143	155,864,414
Profit for the year	-	-	-	13,340,816	13,340,816
Other Comprehensive Income	-	-	(387,136)	-	(387,136)
Total Comprehensive income for the period	-	-	(387,136)	13,340,816	12,953,680
Balance as at 31st March 2023	14,400,000	10,000,000	9,037,135	135,380,959	168,818,094
Profit for the year	-	-	-	15,987,344	15,987,344
Other Comprehensive Income	-	-	645,051	-	645,051
Total Comprehensive income for the period	-	-	645,051	15,987,344	16,632,395
Balance as at 31st March 2024	14,400,000	10,000,000	9,682,186	151,368,303	185,450,489

* The General Reserve

- General Reserve is the reserve set aside for general purposes

** The Fair Value Reserve comprises of

- The cumulative net change in the fair value of equity securities designed at FVOCI

The Accounting Policies and Notes on pages 48 to 73 form an integral part of these Financial Statements.

(Figures in brackets indicate deductions.)

Statement of Cash Flows

For the year ended 31st March

	Notes	2024 Rs.	2023 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Income Tax Expense		20,954,810	17,927,312
Adjustments for :			
Interest Income	10	(19,150,533)	(18,947,726)
Impairment/(reversal of impairment) of financial assets	8	(5,349,999)	(1,916,067)
Dividend Income	9	(442,379)	(451,827)
Profit/ Loss before Working Capital Changes		(3,988,101)	(3,388,308)
(Increase) / Decrease in Trade and Other Receivables		1,336,585	665,549
(Increase) / Decrease in Amount due from Related Companies		(7,148,579)	744,897
Increase / (Decrease) in Trade and Other Payables		115,230	136,702
Cash used in operating activities		(9,684,865)	(1,841,160)
Interest expenses paid		-	-
Income Tax paid		(8,173,006)	(3,682,146)
Net Cash Flow Generated from Operating Activities		(17,857,876)	(5,523,306)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Investment		-	(8,500)
Dividend Income Received		434,342	439,705
Upliftment / (Increase) in Fixed Deposit		17,092,272	(2,574,553)
Part Settlement of Loan from related parties		2,000,000	2,000,000
Interest Received		2,569,410	5,343,100
Net Cash Flows Generated from / (Used in) Investing Activities		22,096,024	5,199,752
Net Cash Increased in Cash & Cash Equivalents		4,238,153	(323,554)
Cash & Cash Equivalents at the beginning of the year	18	1,701,967	2,025,521
Cash & Cash Equivalents at the end of the year	18	5,940,120	1,701,967

The Accounting Policies and notes on Pages 48 to 73 form an integral part of the Financial Statements.

(Figures in brackets indicate deduction)

Notes to the Financial Statements

1. REPORTING ENTITY

York Arcade Holdings PLC is a subsidiary of The Colombo Fort Land & Building PLC, and is a Quoted Public Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company's registered office is situated at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

The principal activity of the Company is real estate development. There has been no change in the nature of this activity during the year.

The Company does not employ any staff. All services are provided by Corporate Managers & Secretaries (Private) Limited.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Company which comprise of the Statement of Financial Position, Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements, have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 7 of 2007.

The financial statements were authorized for issue by the Board of Directors on 15th August, 2024.

2.2 Basis of Measurement

The Financial Statements have prepared on an accrual basis and under historical convention except for the following items in the Statement of Financial Position.

Financial assets classified at fair value through other comprehensive income that have been measured at fair value.

2.3 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows,

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

Level 2: : inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) If input used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability

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

Notes to the Financial Statements

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

3 FUNCTIONAL AND PRESENTATION CURRENCY

The Financial Statements are presented in Sri Lankan Rupees.

4 USE OF ESTIMATES AND JUDGMENTS

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

No significant judgements were made in applying accounting policies in these financial statements.

Assumptions and estimation uncertainties

Information about assumptions and uncertainties as at 31 March 2024 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year are included in the following notes.

- Note 6.9 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 6.3 - measurement of ECL allowance for financial assets classified as amortised cost : key assumptions in determining the weighted average loss rate.

5 CHANGE IN MATERIAL ACCOUNTING POLICIES

5.1 Disclosure of Accounting Policies (Amendment to LKAS 1)

Amendments to LKAS 1 Presentation of Financial Statements is to help Companies provide useful accounting policy disclosures.

The key amendments to LKAS 1 include requiring companies to disclose their material accounting policies rather than their material accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

Notes to the Financial Statements

5.2 Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendment to LKAS 12)

Targeted amendments to LKAS 12 Income Taxes clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

6 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in statements, except otherwise.

6.1 Foreign currency transactions

Transactions in foreign currencies are translated in to the respective functional currency of the Company, at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

6.2 Financial instruments

6.2.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6.2.2 Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Notes to the Financial Statements

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy contractual focuses on earning interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid

Notes to the Financial Statements

amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permit or requires prepayment at an annual amount that substantially represent the contractual par amount interest (which may reasonable additional for early termination) also include compensation is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Notes to the Financial Statements

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

6.2.3 De-recognition Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial: asset expire, or it transfers the rights to receive the, contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any noncash assets transferred or liabilities assumed) is recognised in profit or loss.

6.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6.3 Impairment

6.3.1 Non-derivative financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12 - months ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

Notes to the Financial Statements

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition

Loss allowance for trade receivables and contract assets are always measured at an amount equals to life time ECLs.

When determining whether the credit risk of a financial has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative based on experience information and analysis, the Company's historical and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligation to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 - month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive)

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

Notes to the Financial Statements

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its nonfinancial assets (other than investment property) to determine whether there is any indication of impairment. If any such indicator exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.4 Provisions

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

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

6.5 Revenue recognition

Revenue is recognised that it is probable that to the extent the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair

Notes to the Financial Statements

value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes.

6.5.1 Dividends

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

6.6 Others

Other income is recognised on an accrual basis. Gains and losses on the disposal of Property, Plant and Equipment have been accounted for in statement of Profit or Loss.

6.7 Expenditure

All expenditure incurred in running the business and in maintaining the Property, Plant and Equipment and Investment Property in a state of efficiency has been charged to Statement of Profit or Loss in arriving at the profit/(loss) for the year. Expenditure incurred for the purpose of acquiring and extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

6.8 Finance income and finance costs

The Company finance income and finance costs include:

- Interest income
- Interest expenses
- Dividend income
- The net gain or loss on the disposal of investments in debt securities measured at FVOCI
- Impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI:

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- The gross carrying amount of the financial assets ; or
- The amortised cost of the financial liability.

In calculating interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not creditimpaired) or to the amortised cost of the liability. However, for financial assets that have become credit - impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised, cost of the financial asset. If the asset is no longer credit- impaired, then the calculation of interest income reverts to the gross basis.

6.9 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Company has determined that interest & penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and therefore accounted for them under LKAS 37; Provision, Contingent Liabilities and Contingent Assets.

i. Current tax

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

Notes to the Financial Statements

years. The amount of tax payable and receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. **Deferred tax**

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 are recognised for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which can be used. Future taxable profits are determined based on the relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise the deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. 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 realised; such deductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they

reverse, using tax rates enacted or substantially enacted at the reporting date. Deferred tax assets and liabilities are offset only if certain criteria are met.

6.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

6.11 Stated capital

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

6.12 Statement of cash flows

The Statement of Cash Flows has been prepared using the 'Indirect method'. Interest paid are classified as operating cash flows, interest and dividends received are classified as investing cash flows for the purpose of presentation of the Statement of Cash Flow.

6.13 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions of the other, irrespective of whether a price is being charged.

6.14 Events Occurring After Reporting Period

All material post Balance Sheet events have been considered and where appropriate adjustments to or disclosures have been made in the respective notes statements.

Notes to the Financial Statements

6.15 Earnings per Share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

6.16 Capital Commitments and Contingencies

Contingencies are possible - Assets or obligations that arise from assets a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control. All material capital commitments and contingencies of the Company are disclosed in the Notes to the financial statements'.

7. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards and amendments are effective for annual periods beginning after the current financial year and earlier application is permitted; however, the Company has not early adopted them in preparing these financial statements.

The following amended standards are not expected to have a significant impact on the Company's financial statements:

7.1 Classification of Liabilities as Current or Non-current (Amendments to LKAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

7.2 New and amended standards and interpretations

Several other amendments apply from April 01, 2024, but do not have an impact on the Financial Statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

1. SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information).
2. SLFRS S2 (Climate-related Disclosures).

Notes to the Financial Statements

For the year ended 31st March		2024 Rs.	2023 Rs.
8	REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Debt securities	3,786,334	7,460
	Fixed deposits	205,186	(194,932)
	Amounts due from related parties	1,358,479	2,103,539
		5,349,999	1,916,067
9	OTHER INCOME		
	Dividend income:		
	Equity securities - at FVOCI	442,379	451,827
	Total Finance income	442,379	451,827
10	FINANCE INCOME		
	Interest income under the effective interest method on:		
	Fixed deposits	8,135,816	4,675,124
	Savings deposits	129,264	32,605
	Corporate debt securities - at amortised cost (corporate debentures)	750,772	750,000
	Interest Income on loans to non - related Companies	1,219,549	1,782,572
	Interest Income on loans to related Companies measured at amortised cost of FVOCI	8,915,132	11,707,425
		19,150,533	18,947,726
11	PROFIT BEFORE TAX		
	Profit before taxation is stated after charging all expenses including the following:		
	Directors' Fees	420,000	465,000
	Audit Committee Fees	90,000	90,000
	Remuneration & Nomination Committee Fees	90,000	90,000
	Auditors' Remuneration - Statutory Audit	365,000	325,000
	- Non-Audit Related Services	213,184	185,377
12	INCOME TAX EXPENSE		
	Current Tax Expense		
	Taxation on Profit for the Year (Note 12.1)	4,548,730	4,299,502
		4,548,730	4,299,502
	Deferred Tax Expense		
	Origination / (Reversal) of temporary differences (Note 20)	418,736	286,994
		418,736	286,994
	Income Tax Expense in Income Statement	4,967,466	4,586,496

Notes to the Financial Statements

	2024 Rs.	2023 Rs.
12.1 Current Tax Expense		
Reconciliation between Accounting Profit and Taxable Income		
Profit before Tax	20,954,811	17,927,312
Profits and Income Exempt from Income Tax	(362,080)	(358,583)
Profits and Income Excluded from Income Tax	(80,298)	(12,073)
(Reversal) of Impairment	(5,349,999)	(1,916,067)
Taxable Profit	15,162,434	15,640,589
Assessable Income from Business	-	-
Investment Income liable to tax	15,162,434	15,640,589
	15,162,434	15,640,589
Income Tax expense for the year is made up as follows;		
First Six months (01.04.2022 to 30.09.2022) - Income tax @ 24%	-	1,520,082
First Six months (01.04.2022 to 30.09.2022) - Income tax @ 14%	-	6,692
Second Six months (01.10.2022 to 31.03.2023) - Income tax @ 30%	4,548,730	2,767,722
Second Six months (01.10.2022 to 31.03.2023) - Income tax @15%	-	5,006
Tax on income for the year	4,548,730	4,299,502

In accordance with the provision of the Inland Revenue Act No 24 of 2017 and Inland Revenue (Amended Act No. 10 of 2021) the Company is liable to Income Tax at 24%, and Dividend Income received from a resident Company is liable to Income Tax at 14% up to 30th September, 2022 and income at 30% and Dividend income at 15% from 1st October, 2022.

In accordance with the Inland Revenue (Amendment) Act, No. 45 of 2022, item (19) (aa) on or after 1st January 2023, dividends paid by a resident company shall be subject to a final withholding payment of 15% which is considered as a final tax.

Capital gain from sale of listed shares are exempt from chargeability to Income Tax.

13 EARNINGS/ DIVIDEND PER SHARE

13.1 Earnings Per Share

The Calculation of Earnings per Ordinary Share is based on profit attributable to Ordinary Shareholders and weighted average number of ordinary shares in issue during the year and is calculated as follows:

	2024 Rs.	2023 Rs.
Profit attributable to Ordinary Shareholders (Rs.)	15,987,344	13,340,816
Weighted Average Number of Ordinary Shares (Note 13.1.1)	750,000	750,000
Earnings per Share (Rs.)	21.32	17.79
13.1.1 Weighted Average Number of Ordinary Shares		
Number of shares in issue as at 1st April	750,000	750,000
Weighted Average Number of Ordinary Shares at the end of the Year	750,000	750,000

13.2 There were no potentially dilutive shares in issue at any time during the year.

Notes to the Financial Statements

14 FINANCIAL ASSETS - NON CURRENT

The Company designated the investments shown below as equity securities at FVOCI since these equity securities represents investments that the Company intend to hold for the long term strategic purposes.

As at 31st March	Notes	2024 Rs.	2023 Rs.
Non-current investments			
Corporate debt securities - at amortised cost	Note 14.1	9,560,230	5,773,896
Equity securities - at FVOCI	Note 14.2	18,214,715	16,253,739
		27,774,945	22,027,635

14.1 Investment carried at amortised cost

	No. of Debentures		2024 Rs.	2023 Rs.
	2024	2023		
Kotagala Plantations PLC	100,000	100,000	10,201,563	10,201,563
Provision for Expected Credit Loss			(641,333)	(4,427,667)
			9,560,230	5,773,896

14.1.1 The Company has subscribed to Rated Secured Debentures of Kotagala Plantations PLC at Rs. 100/- each having the the following terms :

Category	No. of Debentures	Term of Debentures	Interest Rates	Date of Maturity
Type C (Restructured)	50,000	6 Years	7.50%	31st August, 2026
Type D (Restructured)	50,000	6 Years	7.50%	31st August, 2026

*The rated Secured Redeemable Debentures Type C and D issued by Kotagala Plantations PLC in terms of the Trust deed dated 5th May, 2014 was restructured with the requisite consent of the Debenture Holders of Kotagala Plantations PLC at a meeting convinced by the Trustees on 17th September, 2020.

14.1.2 Provision for Expected Credit Loss on debt securities at amortised cost

	2024 Rs.	2023 Rs.
Opening Balance	(4,427,667)	(4,435,127)
Reversal of the expected credit loss	3,786,334	7,460
Closing Balance	(641,333)	(4,427,667)

Notes to the Financial Statements

14.2 Equity Securities - at FVOCI

	As at 31.03.2024			As at 31.03.2023		
	No. of Shares	Cost Rs.	Market Value Rs.	No. of Shares	Cost Rs.	Market Value Rs.
RELATED COMPANIES						
C M Holdings PLC	71,707	1,377,731	5,765,243	71,707	1,377,731	4,524,712
OTHERS						
Maskeliya Plantations PLC	800	12,000	25,600	800	12,000	29,200
Watawala Plantations PLC	5,058	10,290	448,645	5,058	10,290	376,821
Balangoda Plantations PLC	200	2,000	10,020	200	2,000	13,260
Kahawatte Plantations PLC	165	1,975	2,723	165	1,975	3,317
Nations Trust Bank PLC	3,857	103,176	414,628	3,779	103,176	214,647
Hatton Plantation PLC	6,000	45,720	154,200	6,000	45,720	112,200
RIL Properties PLC	6,666	53,328	41,996	6,666	53,328	36,662
Sierra Cables PLC	1,400	4,200	16,660	1,400	4,200	16,800
	1,610,420	6,879,715		1,610,420		5,327,619

	No. of Shares	Cost Rs.	Value Rs.	No. of Shares	Cost Rs.	Value Rs.
UNQUOTED SHARES						
Imperial Hotels Ltd	500,000	5,000,000	11,335,000	500,000	5,000,000	10,926,120
		5,000,000	11,335,000	500,000	5,000,000	10,926,120
			18,214,715			16,253,739

No strategic investments were disposed during 2024, and there were no transfers of any cumulative gain or loss in the equity relating to these investments.

Equity securities - The Company valued the unquoted equity securities based on the net assets of the investee.

Imperial Hotel Ltd's shares were valued as a Net Asset price of Rs. 22.67 (2023: Rs. 21.85) per share as at the reporting date.

Notes to the Financial Statements

As at 31st March	2024 Rs.	2023 Rs.
15 TRADE AND OTHER RECEIVABLES		
Deposits and Prepayments	136,154	88,461
Corporate Managers and Secretaries (Pvt) Ltd	7,757,756	8,245,444
Other Receivables	377,894	54,935
	8,271,804	8,388,840
15.1 The Company granted a loan of Rs. 7.8M out of funds advanced to Corporate Managers & Secretaries (Pvt) Ltd disclosed in Note 15 to the financial statements, at an interest rate of AWPLR + 2% commencing from 01st April, 2021. The Loan is repayable on demand.		
16 AMOUNT DUE FROM RELATED COMPANIES		
	Relationship	
The Colombo Fort Land & Building PLC (Note 16.1)	Parent	101,292,571 87,177,439
Colombo Fort Group Services (Pvt) Ltd	Common Parent	1,014,365 1,165,786
York Hotel Management Services Ltd	Common Ultimate Parent	9,714,770 9,914,770
		112,021,706 98,257,995
Less: Provision for Expected Credit Loss (Note 16.2)		(1,660,343) (3,018,822)
		110,361,363 95,239,173
16.1 Loan granted	51,500,000	46,000,000
Interest Income Receivable	41,581,263	32,966,131
Related Party Receivable	8,211,308	8,211,308
	101,292,571	87,177,439

The Company charges interest at AWPLR+2% on loan granted to The Colombo Fort Land & Building PLC. The loan is recoverable on demand.

Balance outstanding from Colombo Fort Group Services (Pvt) Ltd and York Hotel Management Services Ltd is recoverable on demand.

16.2 Provision for Expected Credit Loss on related party receivables		
The Colombo Fort Land & Building PLC	(546,128)	(602,450)
Colombo Fort Group Services (Pvt) Ltd	(5,646)	(11,284)
York Hotel Management Services Ltd	(1,108,569)	(2,405,088)
	(1,660,343)	(3,018,822)

Information about the companies exposure to credit and market risks, and impairment losses for related party receivables is included in Note 28 to the Financial Statements.

Notes to the Financial Statements

As at 31st March	2024 Rs.	2023 Rs.		
17 OTHER FINANCIAL ASSETS - CURRENT				
Favourable balances				
Fixed Deposits - Short term Investments	45,735,695	55,581,422		
Interest Income recoverable	217,094	717,197		
Impairment loss	(15,251)	(220,437)		
	45,937,538	56,078,182		
17.1 Provision for Expected Credit Loss on Other Financial Assets				
Opening Balance	(220,437)	(25,505)		
Provision for Expected Credit Loss	205,186	(194,932)		
	(15,251)	(220,437)		
18 CASH AND CASH EQUIVALENTS				
Cash at bank	6,522,946	1,844,967		
Cash and cash equivalents in the statement of financial position	6,522,946	1,844,967		
Unfavourable balances				
Bank overdraft repayable on demand and used for cash management purposes	(582,826)	(143,000)		
Cash and cash equivalents for the purpose of cash flows statement	5,940,120	1,701,967		
		Number of Shares		
As at 31st March	2024	2023		
19 STATED CAPITAL				
Ordinary Shares as at beginning of the year	750,000	750,000		
Number of Shares at the end of the year	750,000	750,000		
Issued and Fully Paid				
		Number of Shares		
As at 31st March	2024	2023	2024 Rs.	2023 Rs.
No of shares				
Ordinary shares	750,000	750,000	14,400,000	14,400,000

All ordinary shares rank equally with regard to the companies residual asset.

The holder of ordinary shares are entitled to dividend as declared from time to time and are entitled one vote per share on a poll at meetings of the shareholders of the Company.

Notes to the Financial Statements

As at 31st March	2024 Rs.	2023 Rs.
20 MOVEMENT IN THE DEFERRED TAX ASSETS/ (LIABILITIES)		
Balance at the beginning of the year	244,748	610,491
Origination and reversal of temporary difference		
(Reversal)/Originating during the year recognised in income statement	(418,736)	(568,083)
(Reversal)/Originating during the year recognised in OCI	(1,307,888)	(78,749)
Impact of rate change during the year recognised in Income Statement	-	281,089
Balance at the end of the year	(1,481,876)	244,748

Deferred Tax is provided using the liability method, provided to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax has been computed, taking into consideration the effective tax rate, which is 30% for the Company and the Deferred Tax Liability on the fair value change in unquoted investment at 10%.

Composition of deferred tax assets and liabilities

	2024	Tax effect on temporary difference Rs.	2023	Tax effect on temporary difference Rs.
Deferred tax liabilities				
Fair value changes in unquoted investments	6,335,000	1,900,500	5,926,120	592,612
	6,335,000	1,900,500	5,926,120	592,612
Deferred tax assets attributes to:				
Impairment of financial assets				
Interest Receivable - Fixed deposits	67	20	2,783	835
Interest Receivable - Debentures	12,671	3,801	87,482	26,245
Interest Receivable -Related party	1,382,677	414,803	2,700,934	810,280
	1,395,415	418,624	2,791,199	837,360
Balance at the end of the year	-	(1,481,876)	-	244,748

The Company does not have a legally enforceable right to set off tax on capital gains against the tax on business income. Therefore, deferred tax liability arising from fair value change in unquoted investments are shown separately in the Statement of Financial Position.

Notes to the Financial Statements

AS AT 31ST MARCH

	2024 Rs.	2023 Rs.
21 OTHER PAYABLES		
Accrued expenses	561,400	446,170
Unclaimed Dividends	489,230	489,230
	1,050,630	935,400

22 RELATED PARTY DISCLOSURES

22.1 Terms and Conditions of Transactions with Related Parties

Transactions with Related parties are carried out in the ordinary course of the business on an arms length basis. Related Party balances at the year end are unsecured and repayable on demand.

There are no Guarantees received from or given to Related Parties during the Financial Year.

22.2 Recurrent and Non Recurrent Related Party Transactions

During the year, there were no non-recurrent related party transactions, the value of which exceeded the disclosure thresholds mentioned in section 9 of the Colombo Stock Exchange Listing Rules. Recurrent transactions although exempt which exceeded the disclosure threshold are disclosed below:

Name of Related Party	Relationship	Nature of the Transaction	Aggregate Value of Related Party Transactions Entered into during the Financial Year (Rs.)	Aggregate Value of Related Party Transactions as a % of Net Revenue/ Income	Terms and Conditions of the Related Party Transactions
The Colombo Fort Land and Building PLC	Parent	Loan Interest	8,915,132	47%	On Demand

22.3 Parent and Ultimate Controlling Party

The Company's parent undertaking and controlling Party is The Colombo Fort Land and Building PLC which is incorporated in Sri Lanka.

22.4 Identity of the Related Parties

Related Parties comprise of Affiliate Companies, Directors of the Company, Key Management personnel of the Company and their close family members.

22.5 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standards 24 'Related Party Disclosures', Key Management Personnel, are those having authority and responsibility for planning directing, and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non - Executive Directors), have been classified as Key Management Personnel of the Company.

(a) Loans to Key Management Personnel

No loans have been given to Key Management Personnel during the year.

(b) Key Management Personnel Compensation

Details of compensation are given in Note no 11 To the Financial Statements.

(c) Key Management Personnel Shareholding of the Company

The shareholding of the Key Management Personnel are disclosed on page 5 of this Annual Report.

(d) Transactions with Close Family Members

There were no transactions with the Close Family Members during the year.

There were no material related party transactions other than the above and those disclosed in Note no 22 of the Financial Statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31ST MARCH				2024 Rs.	2023 Rs.
22.5 Related Party Transactions					
Company	Relationship	Nature of Transaction	Amount (Rs.) (Payments) / Receipts	Amount (Rs.) (Payments) / Receipts	
(a) The Colombo Fort Land & Building PLC					
Mr. S.D.R. Arudpragasam	Parent	- Interest income on short term loan	8,915,132	11,707,425	
Mr. A.M. de S. Jayaratne		- Part settlement of short term Loan	(2,000,000)	(2,000,000)	
Mr. Anushman Rajaratnam		- Part settlement of Loan Interest received	(300,000)	(300,000)	
		- Loan given	7,500,000	-	
Mr. S. Rajaratnam		- Provision for impairment of related party receivable	(56,322)	(602,450)	
Mr. Amrit Rajaratnam (Appointed w.e.f. 29.11.2023)					
(b) C M Holdings PLC					
Mr. S.D.R. Arudpragasam	Common	- Dividend Income Due	358,535	358,535	
Mr. A.M. de S. Jayaratne	Parent	- Dividend Received	(358,535)	(358,535)	
Mr. Anushman Rajaratnam					
Mr. S. Rajaratnam					
(c) Colombo Fort Group Services (Private) Limited					
Mr. S.D.R. Arudpragasam	Common	- Part settlement of outstanding	(151,421)	(144,870)	
	Parent				
Mr. Anushman Rajaratnam		- Provision for impairment of related party receivable	(5,638)	(11,284)	
(d) Kotagala Plantations PLC					
Mr. S.D.R. Arudpragasam	Common	- Debenture interest income	750,772	750,000	
	Parent				
Mr. A.M. de S. Jayaratne		- Debenture interest received	(750,772)	(767,187)	
Mr. Anushman Rajaratnam		- Reversal of Debenture Interest Income - (Provision)/ Reversal for Debenture Impairmentof related party receivable	(3,786,334)	7,460	
(e) York Hotel Management Services Ltd					
Mr. S.D.R. Arudpragasam	Common	- Part settlement of outstanding	(200,000)	(2,405,088)	
	Parent				
		- (Provision) for Impairment for related party receivables)	(1,296,519)	-	
Mr. S. Rajaratnam					
Mr. S. Shanmugalingam					
Mr. Anushman Rajaratnam (Appointed w.e.f. 01.08.2024)					

22.6 The above Note should be read in conjunction with Note 14 and 16 to the financial statements.

22.7 The Related Party Transactions Review Committee has reviewed the transactions mentioned above.

Notes to the Financial Statements

23 TRANSACTION WITH MANAGERS & SECRETARIES

The Company had the following transactions during the year under review with Corporate Managers & Secretaries (Private) Limited, the Managers & Secretaries to the Company.

For the year ended 31st March	2024 Rs.	2023 Rs.
Secretarial Expenses	(360,000)	(360,000)
Registrar's Fees	(432,000)	(432,000)
Administrative Expenses	(648,000)	(648,000)
Stationary, Photocopy, Postage and Premises Expenses	(472,130)	(136,040)
Settlements of Loan Capital and Interest	1,219,549	900,00
Settlement of Expenses	204,893	270,573

24 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no other material capital commitments and contingent liabilities as at the reporting date which require adjustments to or disclosure in the Financial Statements.

25 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material events that have taken place after the reporting date, which require adjustments to or disclosures in the Financial Statements.

26 GOING CONCERN

The Company suspended commercial operations on discontinuance of the lease with The Colombo Fort Land & Building PLC on 31st August 2017. The Board of Directors is currently evaluating the various business opportunities. Therefore, the consideration of going concern is appropriate as the Company will continue the business operations.

Notes to the Financial Statements

27 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

27.1 Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts is a reasonable approximation of fair value.

At 31st March 2024	Financial assets measured at amortised cost		FVOCI equity instruments		Other financial liabilities		Total		Level 1		Level 2		Level 3		Total		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Financial assets measured at fair value																	
Equity securities - Quoted	-	6,879,715	-	6,879,715	-	6,879,715	-	6,879,715	-	6,879,715	-	-	-	-	-	6,879,715	-
Equity Securities - Unquoted**	-	11,335,000	-	11,335,000	-	11,335,000	-	11,335,000	-	11,335,000	-	-	-	-	11,335,000	11,335,000	-
	-	18,214,715	-	18,214,715	-	18,214,715	-	18,214,715	-	18,214,715	-	-	-	-	11,335,000	18,214,715	-
Financial assets measured at Amortised Cost																	
Debt Securities	9,560,230	-	-	9,560,230	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other receivables *	7,757,756	-	-	7,757,756	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts due from related companies	110,361,363	-	-	110,361,363	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term investments	45,735,695	-	-	45,735,695	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	6,522,946	-	-	6,522,946	-	-	-	-	-	-	-	-	-	-	-	-	-
	179,937,990	-	-	179,937,990	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value																	
Other payables	-	-	-	1,050,630	-	1,050,630	-	1,050,630	-	1,050,630	-	-	-	-	-	-	-
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	-	-	-	582,826	-	582,826	-	582,826	-	582,826	-	-	-	-	-	-	-
	-	-	-	1,633,456	-	1,633,456	-	1,633,456	-	1,633,456	-	-	-	-	-	-	-

* Trade and other receivables that are not financial assets (Deposits & Prepayments and WHT receivable Rs.514,048/-) are not included.

** Equity Securities - The Company valued the FVOCI on unquoted equity securities based on the net assets of the investee.

Notes to the Financial Statements

27 FINANCIAL INSTRUMENTS (Continued)

27.1 Accounting classifications and fair value (Continued)

At 31st March 2023	Financial assets measured at amortised cost		FVOCI equity instruments		Other financial liabilities		Total		Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets measured at fair value										
Equity securities - Quoted	-	5,327,619	-	-	-	5,327,619	-	-	-	5,327,619
Equity Securities - Unquoted**	-	10,926,120	-	-	-	10,926,120	-	-	10,926,120	10,926,120
		16,253,739				16,253,739				16,253,739
Financial assets measured at Amortised Cost										
Debt Securities	5,773,896	-	-	-	-	5,773,896	-	-	-	-
Trade and Other receivables *	8,245,444	-	-	-	-	8,245,444	-	-	-	-
Amounts due from related companies	95,239,173	-	-	-	-	95,239,173	-	-	-	-
Short term investments	55,581,422	-	-	-	-	55,581,422	-	-	-	-
Cash and Cash equivalents	1,844,967	-	-	-	-	1,844,967	-	-	-	-
	166,684,902	-	-	-	-	166,684,902	-	-	-	-
Financial Liabilities not measured at fair value										
Other payables	-	-	-	935,400	-	935,400	-	-	-	-
Bank overdrafts	-	-	-	143,000	-	143,000	-	-	-	-
	-	-	-	1,078,400	-	1,078,400	-	-	-	-

* Trade and other receivables that are not financial assets (Deposits & Prepayments and WHT receivable Rs. 54,935/-) are not included.

** Equity Securities - The Company valued the FVOCI on unquoted equity securities based on the net assets of the investee.

Notes to the Financial Statements

As at 31st March

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

28.1 Risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

28.1.1 Credit risk

28.1.2 Liquidity risk

28.1.3 Interest risk

Risk Management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

28.1.1 Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

The carrying amounts of financial assets represent the maximum credit exposure.

As at 31st March,	Note	2024 Rs.	2023 Rs.
Financial assets - non current	14	27,774,945	22,027,635
Other receivables	15	7,757,756	8,245,444
Amounts due from related parties	16	110,361,363	95,239,173
Other financial assets - current	17	45,937,534	56,078,182
Cash and cash equivalents	18	6,522,946	1,844,967
		198,354,544	183,435,401

Expected Credit Loss on Financial Assets recognised in Statement of Financial Position were as follows:

	Note	2024 Rs.	2023 Rs.
Expected Credit Loss on amounts due from related parties	16.2	1,660,343	3,018,822
Expected Credit Loss on fixed deposits	17	15,251	220,437
Expected Credit Loss on debt securities at amortised cost	14.1	641,333	4,427,667
		2,316,937	7,666,926

Notes to the Financial Statements

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Trade receivables and amounts due from related parties

Impairment on amounts due from related parties and trade receivables has been measured on a life time expected credit loss basis and reflected the short maturities of the exposures.

	Trade receivables	Amounts due from related parties
	Rs.	Rs.
Provision for expected credit loss (Note 16)	-	1,660,343

Debt securities

The following table presents an analysis of the credit quality of debt securities at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12 month ECL (Expected Credit Loss) or lifetime ECL."

	2024			2023		
	At amortised cost 12 month ECL	Life time ECL- Not credit impaired	Life time ECL- credit impaired	At amortised cost 12 month ECL	Life time ECL- Not credit impaired	Life time ECL- credit impaired
Credit Rating - C to CC		10,201,563		-	10,201,563	
Loss allowance		(641,333)			(4,427,667)	
Carrying amount/amortised cost		9,560,230		-	5,773,896	

Fixed deposits

Impairment of fixed deposits has been measured on a 12 - month expected loss and reflect the short maturities of the exposures.

The Company considers fixed deposits have credit risk.

The Company uses similar approach for assessment of ECLs for fixed deposits to those used for debt securities.

As at 31st March	2024		2023	
	Rs.	Rating % of Total	Rs.	Rating % of Total
Fitch Ratings				
A	6,740,789	15%	23,047,292	41%
A-	38,994,906	85%	32,534,130	59%
Total	45,735,695	100%	55,581,422	100%

Notes to the Financial Statements

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

28.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by deriving cash or other financial asset. 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 consideration, 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 the impact of netting agreements.

As at 31 March 2024	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities						
Other payables	1,050,630	(1,050,630)	(1,050,630)	-	-	-
Bank overdraft	582,826	(582,826)	(582,826)	-	-	-
	1,633,456	(1,633,456)	(1,633,456)	-	-	-
As at 31 March 2023	Carrying amount	Contractual cash flows	12 months or less	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities						
Other payables	935,400	(935,400)	(935,400)	-	-	-
Bank overdraft	143,000	(143,000)	(143,000)	-	-	-
	1,078,400	(1,078,400)	(1,078,400)	-	-	-

28.1.3 Interest rate risk

At the reporting period the interest rate profile of the Company interest bearing financial instruments was;

	Carrying amount Company	
	2024 Rs.	2023 Rs.
Fixed rate instruments		
Financial assets	55,937,258	65,782,985
Financial liabilities	582,826	143,000
	56,520,084	65,925,985
Variable rate instruments		
Financial assets	109,050,327	95,422,882
Financial liabilities	-	-
	109,050,327	95,422,882

Ten Year Summary

31st March,	SLFRS									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
TRADING RESULTS										
Revenue	-	-	-	-	-	-	36,632	80,205	61,511	53,469
Profit before Tax	20,955	17,927	3,577	8,912	4,802	13,111	12,886	44,081	20,574	9,561
Income Tax Expense	(4,967)	(4,586)	(1,013)	(1,627)	(2,722)	(7,290)	(5,868)	(10,999)	(4,928)	(2,100)
Profit for the period	15,988	13,341	2,564	7,285	2,080	5,821	7,018	33,082	15,646	7,461
CAPITAL EMPLOYED										
Stated Capital	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Property Development Reserve	-	-	-	-	-	-	10,000	10,000	10,000	10,000
General Reserve	10,000	10,000	10,000	10,000	10,000	10,000	-	-	-	-
Retained Earnings	151,368	135,381	122,040	119,477	112,192	110,112	109,296	178,778	149,296	136,050
Fair Value Reserve	9,682	9,037	9,424	9,494	6,395	5,994	4,241	4,292	5,345	7,937
Total Equity	185,450	168,818	155,864	153,371	142,987	140,506	137,937	207,470	179,041	168,387
Total Debt	583	143	340	821	1,357	-	445	448	1,505	2,563
	583	143	340	821	1,357	-	445	207,918	180,546	170,950
ASSETS EMPLOYED										
Investment Property	-	-	-	-	-	-	-	91,569	102,867	114,164
Property, Plant & Equipment	-	-	-	-	-	-	-	12,922	12,438	3,544
Non Current Assets	28,193	22,865	23,449	24,216	25,260	27,216	31,540	26,493	27,554	30,732
Current Assets	171,094	161,551	147,378	146,437	147,505	142,502	138,904	129,564	86,020	70,930
Liabilities net of Debt	13,253	15,455	14,623	16,371	27,918	28,721	32,062	52,631	48,333	48,419
Total	212,540	199,871	185,450	187,024	200,683	198,439	202,506	313,179	277,213	267,789
CASH FLOW										
Net Cash Generated from/(Used in):										
Operating Activities	(17,858)	(5,523)	(5,991)	(17,869)	(7,251)	(11,621)	9,612	33,067	15,984	7,206
Investing Activities	22,096	5,200	4,318	21,681	3,043	(27,992)	90,983	(33,540)	(4,844)	(17,821)
Financing Activities	-	-	-	-	-	(76,500)	(3,600)	(2,400)	(4,800)	(4,800)
KEY INDICATORS										
Return on Shareholders' Equity	9%	8%	2%	5%	1%	4%	5%	16%	9%	4%
Earnings Per Share (Rs.)	21.32	17.79	3.42	9.71	2.77	7.76	2.41	2.76	1.30	0.62
Net Asset Per Share (Rs.)	247	225	208	204.49	190.65	187.34	183.92	17.29	14.92	14.03
Market Value Per Share (Rs.)	131	142.25	153.50	143.00	62.00	70.10	110.00	12.50	13.00	15.00
Market Capitalisation (Rs.000)	98,250	106,688	115,125	107,250	46,500	52,575	82,500.00	150,000	156,000	180,000
Price Earnings Ratio (Times)	6.15	8.00	44.88	14.73	22.38	9.03	45.64	4.52	10.00	24.19
Current Ratio (Times)	12.91	10.77	10.08	8.94	5.03	4.96	4.27	4.82	5.00	4.47

Information to Shareholders and Investors

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

DISTRIBUTION OF SHAREHOLDINGS

	31st March 2024			31st March 2023		
	No. of Share Holders	Total Share Holdings	%	No. of Share Holders	Total Share Holdings	%
1 - 1,000	1,171	128,239	17.10	1,198	137,913	18.39
1,001 - 10,000	69	165,396	22.05	67	160,689	21.42
10,001 - 100,000	3	86,870	11.58	3	81,903	10.92
100,001 - 1,000,000	1	369,495	49.27	1	369,495	49.27
Over - 1,000,000	-	-	-	-	-	-
Total	1,244	750,000	100	1,269	750,000	100

Categories of Shareholders	31st March 2024			31st March 2023		
	No. of Share Holders	Total Share Holdings	Percentage of Total Shares	No. of Share Holders	Total Share Holdings	Percentage of Total Shares
Individuals	1,178	285,094	38.01	1,201	288,992	38.53
Institutions	66	464,906	61.99	68	461,008	61.47
Total	1,244	750,000	100	1,269	750,000	100

Public Holding

The percentage of shares held by the Public as at 31st March, 2024 was 48.46 (31st March, 2023 - 48.46%).

PUBLIC SHAREHOLDERS

The number of public Shareholders as at 31st March 2024 were 1,229 (31st March, 2023-1,254). The applicable option under Colombo Stock Exchange Rule 7.13.1(i)(a) on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 31.03.2024 was Rs. 47.6 Mn.

MARKET VALUE OF SHARES

The Market Value of an Ordinary Share of York Arcade Holdings PLC.

	2023/2024 Rs.	2022/2023 Rs.
Highest Price	224.00	180.00
Lowest Price	120.00	118.00
Market value as at the year end	131.00	142.25

Information to Shareholders and Investors

TWENTY MAJOR SHAREHOLDERS OF THE COMPANY

	31.03.2024		31.03.2023	
	No. of Shares	Holding %	No. of Shares	Holding %
The Colombo Fort Land and Building PLC	369,495	49.27	369,495	49.27
Mr. A. M. Weerasinghe	38,844	5.18	38,844	5.18
DFCC Bank PLC/S.M.D.N.P. Banda	35,075	4.68	29,419	3.92
Dialog Finance PLC/M.A.M. Uvaim	12,951	1.73	13,640	1.82
Mr. K. T. H. Kalugalla	8,000	1.07	8,000	1.07
Citizens Development Business Finance PLC/A.B. Gokulan	7,000	0.93	7,000	0.93
Mr. S. M. S. K. Samarakoon	6,006	0.80	3,970	0.53
Colombo Investment Trust PLC	5,043	0.67	5,043	0.67
Mr. U. C. Bandaranayake	5,000	0.67	5,000	0.67
Chatham House Ltd	4,843	0.65	4,843	0.65
Mr. R. E. Rambukwelle	4,817	0.64	3,617	0.48
Darley Butter & Company Ltd	4,500	0.60	4,500	0.60
Mr. A. H. H. De Silva	4,165	0.56	4,165	0.56
Mr. D. S. Duke De Lanerolle	3,805	0.51	6,300	0.84
Mrs. P. K. S. Arachchige	3,770	0.50	3,770	0.50
Mr. P. I. Keembiyage	3,720	0.50	3,720	0.50
Mr. H. A. S. Madanayake	3,640	0.49	3,640	0.49
Mr. R. S. Wittachchi	3,500	0.47	-	-
Merchant Bank of Sri Lanka & Finance PLC/S.S. De Fonseka	3,459	0.46	3,459	0.46
Mr. I. D. D. M. Senanayake	3,300	0.44	450	0.06
	530,933	70.79	518,875	69.18

Financial Statistics

	2023/2024 Rs.	2022/2023 Rs.
Earnings per share	21.32	17.79
Net Assets per share	247.27	225.00
Dividend per Share	-	-

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Eighth Annual General Meeting of York Arcade Holdings PLC will be conducted as a virtual meeting from the Registered Office of the Company, 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1 on Thursday, 19th September, 2024 at 11.30 a.m. for the following purposes;

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2024 together with the Report of the Auditors thereon.
2. To re-elect Mr. Amrit Rajaratnam who retires by rotation in terms of Articles 84 and 85 of the Articles of Association.
3. To reappoint as a Director Mr. A.M.de S.Jayaratne, who is over seventy years of age.

A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 5 below).

4. To reappoint as a Director Mr. S.N.P. Palihena, who is over seventy years of age.

A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 6 below).

5. To reappoint as a Director Mr. S.D.R. Arudpragasam, who is over seventy years of age.

A Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 7 below).

6. To reappoint as Auditors, Messrs. KPMG, Chartered Accountants, and to authorize the Directors to determine their remuneration.
7. Special Business

To consider and if thought fit to pass the following Special Resolution to amend the Articles of Association of the Company in compliance with the Listing Rules of the Colombo Stock Exchange in the manner following:

Special resolution

RESOLVED -

“ That the existing Article 74 (1) be deleted and the following be substituted therefor:

- 74(1) The Directors shall not be less than five (5) nor more than Twelve (12) in number. Subject to the provisions of the Act and these presents, the Company may from time to time, by Special Resolution, increase or reduce the number of Directors.

Notice of Meeting

" That the existing Article 105 be delated in its entirety and the following be substituted therefor:

- 105 (1) A Director, may by notice in writing left at the office, appoint any person to be his Alternate to act in his place for such period as the appointor may stipulate and such appointment shall become effective upon approval thereof by the Board, provided however that:-
- (a) An Alternate Director shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment;
 - (b) If an Alternate Director is appointed by a Non-Executive Director such Alternate should not be an Executive of the Company.
 - (c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in the Listing Rules of the Colombo Stock Exchange and the Company shall satisfy the requirements relating to the minimum number of Independent Directors specified in the Listing Rules. The Nominations and Governance Committee of the Company shall review and determine that the person so nominated as the Alternate would qualify as an Independent Director before such appointment is made.
 - (d) The Company shall make an immediate Market Announcement on the Colombo Stock Exchange regarding the appointment of an Alternate Director. Such Market Announcement shall include the following:
 - i) the exceptional circumstances leading to such appointment
 - ii) the information on the capacity in which such Alternate Director is appointed, i.e. whether as an Executive, Non-Executive or Independent Director.
 - iii) the time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment and
 - iv) a statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company.
- (2) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company, nor be required to hold any share qualification, but the Board may repay the Alternate Director such reasonable expenses as he may incur in attending and returning from meetings of the Directors which he is entitled to attend or which he may otherwise properly incur in or about the business of the Company or may pay such allowances as the Board may think proper in respect of these expenses.
- (3) An Alternate Director shall be entitled to receive notices (on his giving an address for such notices to be served upon him) of all meetings of the Directors and to attend and vote as Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all the functions of his appointor as a Director in the absence of such appointor.

Notice of Meeting

- (4) If an Alternate Director is also a Director in his own right he shall have at any Board meeting two (2) votes, one (1) vote in his own right and one (1) vote in his capacity as an Alternate Director.
- (5) An Alternate Director shall ipso facto cease to be an Alternate Director on the happening of any of the following events;
 - (a) Upon the Appointor's resumption of duties as a Director;
 - (b) If the appointment of the Alternate Director is revoked by notice in writing left at the office by his appointor;
 - (c) If his appointor ceases for any reason to be a Director; provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired;
 - (d) If the Alternate Director shall have a receiving order made against him or compounds with his Creditors or is adjudicated an insolvent;
 - (e) If the Alternate Director be lunatic or becomes of unsound mind;
 - (f) If the Alternate Director resigns by a notice in writing given under his hand to the Company;
 - (g) If he becomes subject to any of the provisions of Article 83 of these presents which, if he were a Director of the Company, would render his office vacated;
 - (h) If the Board resolves that the appointment of the Alternate Director be terminated; provided that such termination shall not take effect until the expiration of thirty (30) days after the date of the resolution of the Board.
- (6) A Director shall not vote on the question of the approval of an Alternate Director to act for him or on the question of the termination of the appointment of such an Alternate Director under the forgoing sub-clause of this Article, and if he does so his vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall he be counted in the quorum present at the meeting.
- (7) The attendance of any Alternate Director at any meeting subject to (6) above, including Board Committee meetings shall be counted for the purpose of quorum.

By Order of the Board,

CORPORATE MANAGERS & SECRETARIES (PRIVATE) LIMITED

Secretaries

Colombo

16th August, 2024

Notice of Meeting

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his/her stead.
2. A Proxy need not be a Member of the Company. The Form of Proxy is attached hereto.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty eight hours before the time appointed for the holding of the Meeting.
4. Please refer the "Circular to shareholders" and CSE website for further instructions relating to the Annual General Meeting and for joining the meeting virtually.
5. A Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr.A.M.de.S.Jayaratne who is eighty four years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr.A.M.de S.Jayaratne".

6. A Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr.S.N.P.Palihena who is seventy seven years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr.S.N.P.Palihena."

7. A Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

Resolved -

"That Mr. S.D.R. Arudpragasam who as at the date of the Annual General Meeting would have reached seventy three years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr.S.D.R.Arudpragasam."

Form of Proxy

I/We the undersignedof

being a member/members of York Arcade Holdings PLC, do hereby appoint

.....of..... whom failing

Sri Dhaman Rajendram Arudpragasam	of Colombo whom failing
Sriskandamoorthy Shanmugalingam	of Colombo whom failing
Ajit Mahendra de Silva Jayaratne	of Colombo whom failing
Shanthikumar Nimal Placidus Palihena	of Colombo whom failing
Sanjeev Rajaratnam	of Colombo whom failing
Amrit Rajaratnam	of Colombo whom failing
Anushman Rajaratnam	of Colombo

as my/our Proxy to represent me/us and to speak and to vote on my/our behalf at the Thirty Eighth Annual General Meeting of the Company to be held on 19th September, 2024 and at any adjournment thereof, and at every poll which may be taken in consequence thereof. I/We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preferences indicated below:

RESOLUTIONS

Resolution Numbers as set out in the Notice convening the Meeting	1	2	3	4	5	6	7
For							
Against							

As witness, my / our * hands this.....day of Two Thousand and Twenty four.

.....
Signature of Shareholder

Notes :

Please indicate with an 'X' in the space provided how your Proxy is to vote. If there is in the view of the Proxy doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy should vote, the Proxy shall vote as he thinks fit.

A Proxy need not be a member of the Company.

Instructions as to completion appear on the reverse hereof.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. Please write legibly, your name, address and date and sign in the space provided.
2. The completed Form of Proxy should be received at the Registered Office of the Company at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.
3. In case of a Company/Corporation, this Form of Proxy shall be executed either under its Common Seal or by its Attorney or by an officer on behalf of such Company/Corporation duly authorised in writing.
4. In the case of a Proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office of the Company for registration.

Corporate Information

Name of Company

York Arcade Holdings PLC

Legal Form

A Public Quoted Company with limited liability incorporated in Sri Lanka under the Companies Act No. 17 of 1982 on 11th March 1983, and re-registered on 13th July 2008 under the Companies Act No 7 of 2007.

Company No.

PQ 181

Board Of Directors

S. D. R. Arudpragasam (Chairman)

S. Shanmugalingam

A.M. de S. Jayaratne

S.N.P. Palihena

S. Rajaratnam

Amrit Rajaratnam

Anushman Rajaratnam

Managers & Secretaries

Corporate Managers & Secretaries (Private) Limited,
8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

☎ 0112344485 - 9

Registered Office

8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

☎ 0112344485 - 9

Stock Exchange Listing

The Shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

Auditors

Messrs. KPMG

Chartered Accountants

Tax Advisers

Messrs. KPMG

Chartered Accountants

Bankers

Commercial Bank of Ceylon PLC

National Development Bank PLC

Lawyers

Messrs. Julius & Creasy

Attorneys-at-Law

York Arcade Holdings PLC
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 01.