

ASIA
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ASIA CAPITAL PLC

ANNUAL REPORT 2023/24

ASIA CAPITAL PLC

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ABOUT US

ABOUT US

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

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

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

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

We have endeavored to find a balance between the display of comprehensive and relevant information and the report's simplicity, clarity, and readability, as the Corporate Reporting discussion increasingly focuses on increased coherence, relevance, and significance of the information offered in the Annual Report. The Group has actively pursued organic and inorganic expansion over the last ten years or more, which has significantly increased the number of businesses within the Group and, as a result, the scope of the Report. As a result, Asia Capital PLC has concentrated more on automating its information gathering and reporting processes in an attempt to increase productivity, reliability, and accuracy.

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

VISION

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

MISSION

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

VALUES

LEARNING To drive organisational development by encouraging a learning culture

INNOVATION To deliver innovation and value to every stakeholder we serve

TEAMWORK To encourage and emphasise teamwork across the Company

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

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

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

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

GROUP STRUCTURE

COMPANY	BOARD OF DIRECTORS	RELATIONSHIP
1. Asia Leisure Holdings (Private) Limited Prev - Taru Villas Holdings (Private) Limited Prev - S. R. N. Holdings (Private) Limited	<ul style="list-style-type: none"> ■ S.A. Abeyesinhe ■ V. Siva Jr. ■ K. Senathirajah (Alternate –S.A. Abeyesinhe) ■ T. Watanabe (Alternate – Damitha Ratnayake) ■ Raju Radha 	Subsidiary
2. Asia Leisure (Private) Limited	<ul style="list-style-type: none"> ■ S.A. Abeyesinhe ■ R. Radha 	Subsidiary
3. Asia Tea Packaging (Private) Limited	<ul style="list-style-type: none"> ■ Dinusha Ratnayaka ■ Viduranga Perera ■ R. T.C. Gunaratne ■ Viduranga Perera 	Subsidiary
4. Asia Digital Entertainment (Private) Limited	<ul style="list-style-type: none"> ■ V. Siva Jr. 	Subsidiary
5. Asia Leisure Travels (Private) Limited	<ul style="list-style-type: none"> ■ S.A. Abeyesinhe ■ Raju Radha ■ S. Gunawijeya 	Sub Subsidiary
6. Galle Beach (Private) Limited	<ul style="list-style-type: none"> ■ S.A. Abeyesinhe ■ V. Siva Jr. 	Sub Subsidiary
7. River House (Private) Limited	<ul style="list-style-type: none"> ■ S.A. Abeyesinhe ■ R. Gunarathna 	Sub Subsidiary
8. River House Estate (Private) Limited	<ul style="list-style-type: none"> ■ S.A. Abeyesinhe ■ V. Siva Jr. 	Sub Subsidiary
9. Wadduwa Resorts (Private) Limited	<ul style="list-style-type: none"> ■ Yoshimichi Watanabe ■ Osamu Miyoshi ■ Toshiaki Tanaka ■ Shigeki Hamaguchi ■ Stefan Andrew Abeyesinhe ■ Raju Radha ■ Venkataraman Chandrasekhar ■ Stevenson Charles ■ Vedisa Jayasankha Alahendra ■ Yudhishtran Kanagasabai ■ Vedisa Jayasankha Alahendra ■ Yudhishtran Kanagasabai 	Sub Subsidiary

COMPANY	BOARD OF DIRECTORS	RELATIONSHIP
10. Dickwella Hotels and Resorts (Private) Limited	■ S.A. Abeyesinhe	Subsidiary
11. Forest Resorts Nuwara Eliya (Private) Limited	■ Sandun Thushara	Subsidiary
12. Colombo City Land Development (Private) Limited	■ Sandun Thushara	Subsidiary
13. Kosgoda Land Development (Private) Limited	■ Sandun Thushara	Subsidiary
14. Beach Hotels and Resorts Mirissa (Private) Limited	■ Sandun Thushara	Subsidiary
15. Galle Beach CC Trust (Private) Limited	■ Taro Ishizeki ■ Ruwinda Thiwanka Channa Gunaratna ■ Yuji Saida ■ S.A. Abeyesinhe ■ Raju Radha ■ Vedisa Jayasankha	Associate
16. Strider Capital Asia (Private) Limited	■ S.A. Abeyesinhe ■ Chamaka Silva ■ Raju Radha	Subsidiary
17. Asia Leisure Hotel Management (Private) Limited Prev - Kosgoda Hotel Management (Private) Limited	■ Viduranga Perera	Sub Subsidiary
18. Nuwara Eliya Hotels and Resorts (Private) Limited	■ R.T.C. Gunaratne	Sub Subsidiary
19. 493 Talpe Lands (Private) Limited	■ R.T.C. Gunaratne	Associate
20. Asia Leisure Academy (Private) Limited	■ Viduranga Perera	
21. Asia Leisure Apartments (Private) Limited	■ R.T.C. Gunaratne ■ Chamaka Silva	Sub Subsidiary
22. Asia Leisure Hills (Private) Limited	■ R.T.C. Gunaratne ■ Viduranga Perera	Sub Subsidiary
23. ACAP Stock Brokers (Pvt) Ltd	■ S.A. Abeyesinge ■ R.A.T.P. Perera ■ C. Hapugoda ■ T. Sumathipala	Sub Subsidiary
24. Kosgoda Beach Resorts (Private) Limited	■ S.A. Abeyesinhe ■ R.A.T.P. Perera ■ R. Radha ■ Vedisa Jayasankha Alahendra	Subsidiary

NEW CHAIRMAN'S STATEMENT

Dear Stakeholders,

I am honoured to address our stakeholders, including esteemed shareholders as the newly appointed Chairman of Asia Capital PLC. I would like to express my sincere gratitude to my predecessor for his exemplary leadership during a critical period when the Group required clear strategic direction.

The financial year ending on March 31, 2024 was marked by significant challenges. The restructuring initiatives that began in the previous financial year continued into the year under review, with ongoing efforts to streamline Group operations and rationalise staffing and entities within the group to enhance the Group's overall efficiency. Despite a turbulent global and local environment, our ventures in the leisure and stock broking sectors managed to navigate these complexities, showcasing resilience and adaptability amid considerable economic and political upheavals.

Road to Economic Recovery

During the review period, the local stockbroking sector was significantly affected by global economic trends. The uneven pace of global economic recovery, along with high inflation and interest rate hikes in major economies, created a volatile investment environment. This volatility led to fluctuating investor confidence and reduced trading activity on the Colombo Stock Exchange. Moreover, geopolitical tensions and fluctuations in commodity prices further intensified market instability, impacting trading volumes and investor sentiment in Sri Lanka.

Sri Lanka's tourism sector faced challenges in light of the global economy's uneven recovery and fluctuating consumer spending. Rising travel costs and geopolitical tensions also affected foreign tourist arrivals and travel patterns. Additionally, Sri Lanka continued to embrace eco-friendly tourism practices in response to global emphasis on sustainability. This shift towards green tourism aimed to attract environmentally-conscious travellers. Adapting to these trends was crucial for maintaining competitiveness in a market that values environmental responsibility.

The stockbroking sector in Sri Lanka has benefited from the country's economic stabilization, which has been driven by effective reforms and fiscal measures. This has resulted in increased trading activity and liquidity in the Colombo Stock Exchange, thanks to the sharp decline in inflation and the appreciation of the Rupee. The Central Bank's adjustments to interest rates have also contributed to creating a more favourable investment climate. However, the sector still faces ongoing fiscal and debt management challenges, along with potential risks and opportunities associated with recent interest rate cuts.

Sri Lanka's economic stabilization has had a significant positive impact on the tourism sector, leading to its recovery and growth. The reduction in inflation and the appreciation of the Rupee have made the country more attractive as a travel destination. This has resulted in increased tourism earnings and improved infrastructure, supported by eased import restrictions and government efforts. Nevertheless, challenges such as rising electricity tariffs, energy inefficiencies, and issues related to State-Owned Enterprises (SOEs) reforms persist. To maintain its success, the sector needs to adapt, embrace sustainability, and address regional disparities in order to remain competitive on a global scale.

Operational Performance

The boutique hotel chain encountered severe financial and operational challenges, which led to the temporary closure of two properties in order to manage losses from high operational costs and low room rates. The chain also faced high debt servicing costs and inflation, which worsened the financial strain and put some properties at risk of bank auctions, diverting resources from necessary renovations. These issues significantly impacted the chain's financial performance and revealed difficulties in managing costs and debt in a challenging economic environment.

Despite showing resilience in a volatile market, the stock broking business faced significant constraints due to being severely undercapitalized. Insufficient working capital limited the company's ability to extend credit, leverage positions, and execute large block trades effectively, thus restricting operational flexibility and hindering the exploitation of capital-intensive trading opportunities. Although the stock broking segment achieved a break-even point, its performance underscores the urgent need for improved capital resources and more robust trading infrastructure to fully capitalize on market potential and sustain growth in a stabilizing economic environment.

Strategic Outlook

Our boutique hotel operations are undergoing a strategic revitalisation. We have successfully negotiated a payment plan with the bank to prevent foreclosure, providing us with crucial financial breathing room. Simultaneously, we are exploring partnerships with hotel management companies to improve operational efficiency and performance. Comprehensive renovations are currently in progress to upgrade facilities and enhance market appeal. We plan to relaunch one of our dormant properties by mid-September. These strategic initiatives are aimed at renewing our market presence, attracting higher occupancy rates, and strengthening our financial position.

Our stock broking company is poised for promising growth, driven by strategic measures to overcome previous capital constraints. By ensuring robust capitalization, we aim to enhance our ability to extend credit, leverage positions, and execute substantial trades with greater efficacy. This fortified capital base will improve our market adaptability and our ability to seize emerging investment opportunities. Additionally, we will bolster our institutional trading capabilities through the recruitment of top talent and the expansion of our institutional client network. These efforts are aimed at increasing trading volumes and profitability, positioning us for sustained growth and resilience in a dynamic market environment.

Looking ahead, the group is focused on restructuring corporate debt as a pivotal element of our recovery and growth strategy. Management is actively negotiating with creditors and financial stakeholders to address and resolve existing debt issues. The goal is to optimize our capital structure, lower financing costs, and extend debt maturities. This restructuring will enhance our financial flexibility and stability, allowing for more strategic resource allocation towards growth initiatives and operational improvements. The successful resolution of our debt challenges is expected to significantly strengthen our financial position, enabling us to navigate the evolving economic landscape with greater agility and confidence.

Acknowledgement

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

Yudy Kanagasabei
Chairman

OUTGOING CHAIRMAN'S MESSAGE

Dear Shareholders,

Reflecting on the past fiscal year 2023/24, it has been an honour to have served Asia Capital PLC as its Chairman for the past three years. I am happy to state that Asia Capital has surpassed a period of uncertainty and has embraced a new direction, which promises greater stability and growth. The Group continued to veer its subsidiaries into the leisure and financial services – providing the necessary resources to set in motion a strategic direction.

I invite you to engage with the insights presented in this annual report, as it provides a comprehensive overview of our performance and strategic priorities. Together, we will navigate the complexities of the business landscape, ensuring that Asia Capital PLC remains stable and positioned for better performance.

The Macroeconomic Gist

Over the past year, Sri Lanka has been navigating significant economic challenges following a severe crisis marked by high inflation, currency depreciation, and substantial public debt. Signs of recovery have emerged, with GDP growth rebounding as key sectors, such as agriculture and tourism began to stabilise, though growth rates remain below pre-crisis levels. Efforts to stabilise the Sri Lankan rupee have included managing foreign exchange reserves and attracting foreign investment. The approval of the IMF's Extended Fund Facility has provided essential support, enabling necessary structural reforms. The government's focus on fiscal consolidation through tax reforms and expenditure reductions addressed the critical issue of public debt, while the current political and social stability has instilled confidence within the business community.

Key Takeaways from the Past Year

Across the year under review, Asia Capital PLC showcased agility in adapting to the macroeconomic shifts while aligning stakeholder interests to the revitalised strategic direction. The Group focused on injecting capital expenditure to revitalise its leisure portfolio, which includes Tamarind Hill in Galle, The River House in Balapitiya, Taprobana in Wadduwa and The Habitat in Kosgoda. Investments to refurbish and reposition Tamarind Hill and the River House commenced during the year, with plans to reposition Taprobana as a banquet destination, capitalising on its existing facilities and beachfront appeal.

Despite experiencing inactivity in Investment Banking and Corporate Advisory services, the Group's stock broking division operated with prudence, successfully capitalising on the resurgence of economic activity and growing investor confidence. The low interest rate environment that persisted since the latter half of 2023 proved beneficial for equity investments, as investors increasingly sought higher returns.

Additionally, the successful execution of debt restructuring negotiations, coupled with the approval of the IMF's Extended Fund Facility, contributed positively to restoring investor confidence after a period of significant uncertainty regarding Sri Lanka's macroeconomic trajectory. These developments not only strengthened market stability but also positioned the Asia Capital Stock Brokers for future growth opportunities.

The Group's investment banking and corporate advisory services will undergo a period of aligning its internal controls with regulations while assessing market and macroeconomic environments to identify strategically lucrative business undertakings.

In addressing the group's financial obligations, we worked to overcome significant challenges by working diligently to restructure our debts through honest and transparent dialogue with banks and financial institutions. I am pleased to report that we have successfully navigated this difficult period, and the worst is behind us. The group is now on a path toward financial stability, bolstered by improved financial management and timely investments from our shareholders.

Governance

Asia Capital PLC remained committed to its comprehensive Risk Policy, effectively addressing all significant risk exposures. Oversight of risk management was provided by a dedicated risk management committee, which played a crucial role in navigating the challenges that impacted the group's financial performance and operational stability. Through a systematic process of risk identification, analysis, and strategic planning, the group successfully safeguarded shareholder interests and ensured operational continuity as a holding company. I am also pleased to report that the group fully complied with all governance-related requirements throughout the year, reinforcing its commitment to accountability and transparency in all governance matters.

I would like to express my gratitude to the Board of Directors for their prompt decision-making in filling the position that became vacant following my resignation. Their swift action ensured a seamless transition and maintained the continuity of leadership within the organization.

Outlook

As we look forward, we are well-positioned to seize new opportunities and address challenges with strength and perseverance. Our strategic outlook, along with our steadfast dedication to our fundamental principles, will steer us as we strive to generate value for our stakeholders and expand our business interests to other industries. It's clear that Asia Capital is not only committed to creating shareholder value but also to fostering sustainable growth and making a positive impact for the various stakeholders it serves.

Appreciations

I would like to express my heartfelt appreciation to the dedicated management team and staff at Asia Capital PLC for their unwavering commitment to the group's turnaround strategy. Their efforts have been truly commendable. I also extend my deepest gratitude to our current Chairman, Mr. Yudi Kanagasabai, and Managing Director, Mr. Raju Radha, for laying the groundwork for a strategic revamp in the coming months. I wish them every success as they guide the Group toward promising new horizons.

Dr. J.T. Sumathipala
Chairman

MANAGING DIRECTOR'S REVIEW

Dear Stakeholders,

I am honoured to address our stakeholders as the newly appointed Managing Director of Asia Capital PLC and to provide an overview of our operational environment and internal advancements for the financial year 2023/24. In the year under review, we implemented several strategic initiatives that have positioned us for enhanced stability and growth. In the period under review, we have carefully analysed our internal and external operating environments followed by prudent planning to enhance our capabilities. We faced various challenges with resilience, prioritising the protection of our interests and those of our stakeholders.

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

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

Navigating Macroeconomic Winds

Between April 2023 and March 2024, the Sri Lankan economy exhibited signs of recovery following the severe economic crisis which continued since the pandemic. GDP growth was mainly driven by improvements in agriculture and services, indicating a moderate pace of stabilisation. Notably, inflation rates declined significantly, as demonstrated by the drop of the Colombo consumer price index (CCPI) from 69.8% in September 2022 to 4% in August 2023 – a result that is due largely to effective monetary policies and subdued demand. Moreover, the Sri Lankan rupee remained stable against major currencies, driven by the efforts of the Central Bank to manage foreign exchange reserves, and interest rates were cautiously adjusted to balance inflation control with the need for economic growth. Following political unrest and a declaration of bankruptcy, Sri Lanka is on the path to stable economic growth with support from the IMF. However, attracting foreign direct investments remains a challenge.

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

Strategic and Operational Approaches

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

During the year, Tamarind and River House maintained operations, while Habitat and Taprobana remained operationally inactive due to refurbishment activities. Moreover, the group successfully restructured bad debts, with banks agreeing to provide the necessary support, leading to positive outcomes in our recovery procedures. The Group leisure sector which was worst hit by the pandemic and the economic crisis, failed to capitalise on the rebound of the tourism sector. We engaged in discussions with experienced operators for the management transfer of our hotels, aiming to enhance guest experience and streamline operations. Negotiations with potential partners have been promising, and we anticipate finalizing a leading operator soon.

Acknowledging the need for new capital to revitalise our tourism and leisure sector, our shareholders have generously committed over Rs 600 Mn, which will power our plans to rebrand and reposition our hotels. Notably, Habitat is set to reopen in September, while Taprobana in Wadduwa will require an additional three months for refurbishments. The tourism and leisure sector review within this annual report will provide an extended account of our planned trajectory for the sector's revitalisation.

With the new Securities and Exchange Commission Act, Asia Capital PLC is reassessing its investment banking business to comply with regulatory requirements. Despite economic challenges, the stock broking arm has performed relatively well and is expected to play a pivotal role in the group's financial performance, post-sovereign debt restructuring. Our stockbroking arm adapted to the country's situation resiliently and within a challenging market. The team at Asia Capital Stock Brokers maintained financial prudence, recording a positive bottom line despite decreased revenue. The team successfully launched its inaugural outstation branch in Ampara, marking an important step towards capitalising on prospective customer segments from other provincial areas. The research team of the stock broking unit was fortified during the year, to equip investors with timely insights for informed investment decisions. They have thus far leveraged their extensive market knowledge and analytical capabilities to navigate the tough and constantly changing economic landscape, safely and prudently.

During the year, our investment banking and corporate advisory operations adopted a cautious approach to tackle the stringent regulatory requirements and market volatility. Our focus remained on strategic decision-making and compliance with new regulations, particularly the Securities and Exchange Act No. 19 of 2021. As a result, we have thoroughly reviewed operations in financial services to ensure full compliance. By prioritizing the best interests of our stakeholders and strengthening our internal controls, we are confident that we will emerge more robust and ready to seize sustainable growth opportunities.

The migration of skilled employees due to economic instability has prompted Asia Capital PLC to focus on upskilling its workforce and implementing advanced human resource capabilities. Additionally, the company is developing a comprehensive risk management system to navigate high economic volatility. During the year, the group maintained the required staffing levels in line with operational needs despite necessary cutbacks.

Future Outlook

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

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

With the completion of our comprehensive review of Investment Banking and Corporate Advisory Services, we will ensure full compliance with regulatory changes, positioning ourselves to deliver innovative financial solutions that meet the evolving needs of our clients. This commitment to high standards in both operations and regulatory adherence will enhance our reputation and strengthen client relationships.

Our recent branch expansion into Ampara signifies our dedication to reaching new markets and offering enhanced stock broking services to our respective clientele/investors. We will continue to explore further expansion opportunities that align with our growth strategy. By leveraging our experienced research team and advanced analytical tools, we aim to empower our clients with the insights they need for informed investment decisions. Moreover, we anticipate a successful sovereign debt restructuring by the end of 2024, which will instil confidence in foreign investors.

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

Expressing Gratitude

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

Raju Radha
Managing Director

BOARD OF DIRECTORS

Mr. Yudhishtan Kanagasabai

Chairman (Date of Appointment is 11th July 2024)

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

He has served on the Boards of several listed and private companies, including Ceylon Tobacco Company PLC, Millenium IT ESP (Pvt) Limited, Taprobane Capital Plus Limited, Ambeon Capital PLC, Dankotuwa Porcelain PLC, Colombo City Holdings PLC, Cargills Ceylon PLC, Cargills Food Company Limited, Hunter & Company PLC, Lanka Canneries Limited, Union Bank PLC and EAP Holdings Limited, and as a Commissioner of the Insurance Regulatory Commission of Sri Lanka.

Dr. Thilanga Sumathipala

Chairman

Dr. Thilanga Sumathipala has previously served as a Member of Parliament of Sri Lanka, Deputy Speaker of the Parliament of Sri Lanka and in several Ministerial and Deputy Ministerial roles within the Sri Lankan Government. Dr. Sumathipala is the current Chairman of Sumathi Ventures and has held Chairmanships in various high-profile institutions, such as Sri Lanka Telecom, Mobitel and the Asian Cricket Counsel and has also served as the President of the Sri Lanka Cricket Board. Dr. Sumathipala hold degrees in Public Administration and Business Administration and Management from universities in the U.S.A., China and Sri Lanka.

Mr. Raju Radha

Managing Director

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

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

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

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

Mr. Thusitha Perera

Director/ CEO

Thusitha Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Associate member of Certified Management Accountants of Sri Lanka.

Started his career at Kreston Sri Lanka, correspondent firm of Grant Thornton International – Sri Lanka Division, a firm of Chartered Accountants and counts over 27 years of professional and commercial experience in the fields of auditing, finance and management consultancy both locally and internationally. He also serves on the Boards of other subsidiaries of the Asia Capital Group as a Non-Executive Director. Prior to being appointed CEO, he was the Group Chief Financial officer of the Asia Capital Group.

Mr. Dhammika Swarnasinghe*Director*

Mr Dhammika Swarnasinghe is an award winning Gemmologist, Designer, Craftsman and Jeweller hailing from the hill capital of Sri Lanka. He is a celebrated Philanthropist and a prominent social figure that functions as a design and cultural consultant for the Sri Dalada Maligawa (Temple of the tooth) Swarna & Sons (Pvt) Limited Chairman (2005 – To date) Swarna & Sons Private Limited is a high end ornate metal work manufacturer based out of Kandy which has been in operation since 1959. During his time as chairman he has undertaken several noteworthy jobs including diplomatic awards and mementos which have been presented to the pope, the prince and princess of wales as well as several culturally significant jobs like the refurbishment of the inner temple doors of the Sri Dalada Maligawa and the solid gold housing used to sheathe the sacred tooth relic of the Gautama Buddha. Philanthropy work and societies He is the sitting president of the Kandy Club which was established in 1877 making it one of the oldest clubs in Sri Lanka. He has previously held board positions in the Sinhalese Traders Association, Kandy Sports Club as well as the Up Country Motor Sports Club. He was the working director of the Hadhabima Authority between 2007 and 2010. He is a devoted philanthropist who has donated passionately to the arts and craft community through his company's own foundation. He is also an active member of the Rotary club of Kandy.

Mr. S.S. Balasubramaniam*Director*

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

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

Mr. V. Siva Jr.*Director*

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

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

Mr. S.A. Abeyesinhe*Director*

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

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

Mr. A.D. Ross*Director*

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

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

VALUE CREATION FRAMEWORK

STAKEHOLDER ENGAGEMENT

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

Stake Holder Engagement Process

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

Our Stakeholders consist of Employees, Shareholders, Business Partners, Customers, Government, Local communities, Suppliers & Vendors and the General Public / Professional Bodies / Media Institutions.

Employees

Our Commitment

We support a strong communication culture that gives workers many avenues to easily and confidentially connect with their superiors, when needed. We also encourage staff members to routinely interact with their managers. A busy social event schedule has also been established by the Group with the intention of promoting closer relationships and improved communication.

Areas of Interest

Career advancement
Compensation and perks
Employment equality
Secure working conditions
Business performance
Job security and the group's long-term viability

Shareholders

Our Commitment

We always provide shareholders with a fair picture of the Group's operations. Every company activity is done to enhance the value generated in terms of rising share prices, rising profits, and dividend payments.

Areas of Interest

Dependability of finances
Potential for growth
Business model sustainability
Cost management
Corporate management
Framework for risk management
Company standing
Timeliness, openness, and transparency of disclosures

Business Partners

Our Commitment

In order to develop long-lasting, mutually advantageous business alliances that are consistent with the Group's strategic goal, we continuously concentrate on forming and fostering strategic relationships both domestically and abroad.

Areas of Interest

Liquidity and stability of the economy
Prospects for business
Business model sustainability
Marketability of brands
Market share
Corporate ethics and management
The provision of accurate, dependable, and timely progress data

Engagement Methods

solitary consultations
Four times annually
Workshops on knowledge sharing
yearly performance evaluations

Engagement Methods

Direct Communication During the AGM
Annual report
Interim Financial reports
Regular updates via discussion forums, social media, organization websites, and press releases
Information released to Colombo Stock Exchange (CSE)

Engagement Methods

In-person interactions
Business website
Annual report
Interim Financial reports
Regular presentations and reports

Customers	Government	Local Communities	Media Institutions
Our Commitment	Our Commitment	Our Commitment	Our Commitment
We firmly believe in establishing lasting, mutually beneficial relationships with our clients by fusing their dynamic value proposition with top-notch customer service, tailored communication, and one-on-one conversation.	By maintaining open lines of contact with regulators and cooperating closely with those who make policy decisions, we are always ready to provide a progressive operating environment. In order to actively engage in idea and insight exchange with professionals in the industry, we also actively participate in national and international consultative forums and information sharing sessions.	Through a variety of direct communication opportunities, we embrace corporate social responsibility by supporting the regional communities in and around each of our hotel properties; assisting them in integrating into the larger business model; ensuring their rights are upheld; and supporting their efforts to protect the environment.	In our opinion, it is in the best interests of the Company to constantly foster respectful and cordial relationships with all other stakeholders, including the general public, professional organizations to which the Company is connected, and media organizations.
Areas of Interest	Areas of Interest	Areas of Interest	Areas of Interest
Service excellence and dependability Costing Innovation and technology Corporate branding and reputation Having access to trustworthy and unbiased information	Areas of Interest legal compliance The tax system Committees for governance	Areas of Interest Social welfare and economic growth Construction of community infrastructure Maintenance of ecosystems Emergency aid	Areas of Interest Business performance Creation of jobs Community building Brand recognition and standing Integrity in business
Engagement Methods	Engagement Methods	Engagement Methods	Engagement Methods
Meetings News articles Business website Social networking sites Press releases with ads	Private consultations Discussions on knowledge-sharing Participating in forums for business and industry	Community welfare initiatives Attending community-sponsored activities	News articles Social media and the company website Literature CSR programs Publicity and advertising campaigns

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

Employees

Employees of Asia Capital PLC have a “unique position among stakeholders” due to their intimate integration with the organization. However, employees essentially constitute the business: they are often the most significant aspect or “resource” as they represent the company to other stakeholders, and they act on its behalf. People often make major investments in their employment, such as relocating to a new location, altering their interpersonal ties, and continuing their education. Our Employees are often the face of our organization. They are the individuals that manufacture the goods or deliver the services to the clientele. Employees have a significant impact on the success of Asia Capital PLC.

Our actions as a company influence their economic well-being and job satisfaction. Their interest as stakeholders in our company is not just related to their remuneration package and job security, but also to their job satisfaction. Because they believe they are valued team members, satisfied and content employees will perform better and engage nicely with each other and our clients.

Shareholders

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

Shareholders Responsibilities

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

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

STAKEHOLDER ENGAGEMENT

Business Partners

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

Customers

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

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

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

Customers can influence how a business operates by:

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

Government

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

Local Communities

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

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

Suppliers & Vendors

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

General Public / Professional Bodies / Media Institutions

We believe that maintaining polite and cordial relationships with all other stakeholders, such as the general public, professional organizations with which the Company is involved, and media organizations, is in the Company's best interests. The media sector, which is a component of the non-market environment, is one of the most significant stakeholder groups for a corporation. The media sector includes companies that focus on broadcast content and distribution, including print, the Internet, television, radio, and direct mail. The media sector is a significant stakeholder for Asia Capital PLC.

MATERIALITY DETERMINATION

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

ACAP on Materiality

When dealing with policies, processes, internal controls, and managing situations of material concern, Management is required to act in a responsible, open, and ethical manner. Procedures are regularly reviewed to align with environmental changes. Continuous environmental screening is carried out to identify events of materiality in all aspects. Responsibility

is assigned to senior managers to address and resolve grievances arising from the grievance procedure and information channels set in place. Since our solutions and stakeholder input may sometimes have an impact on the substantive concerns, we continuously prioritize them based on stakeholder feedback and expanding business trends in the relevant sectors. At Asia Capital PLC, we use a simple yet effective methodology to determine materiality. New standards offer practical areas of clarity when determining what matters in respect to specific challenges. In order to produce results, we monitor performance, and attempt to effectively connect with our stakeholders.

Materiality framework

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

Materiality Assessment Table

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

MATERIALITY DETERMINATION

Aspect	Stakeholders with materiality Issues	Relevance	Significance	Risks	Opportunity	How we Manage
Institutions	All	Low	Exposure	Brand Image	More reach	Advertising
General Public	All	Low	Perception	Overall business	Opinion	All departments
Waste Management	All	Low	Cleanliness	Maintenance	Go Green	Regular audit of the premises
Water Management	All	Low	Supply of water	Maintenance	No water shortages	Maintenance of the water pipelines
Health & Wellbeing	All	High	Productivity	Fitness	Living and working healthy	Awareness programs
Impact of Tourism	Tourist & Leisure Business	High	Turnover	Profits	Global recognition	Promote Sri Lanka Tourism
Economic Stability	All	High	Business	Overall Operations	Manage our business resources	Keep our costs low.
Information Security	Data protection	High	Information systems	Data security breaches	Keep Cyber threats away	Firewalls

Materiality Grid

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

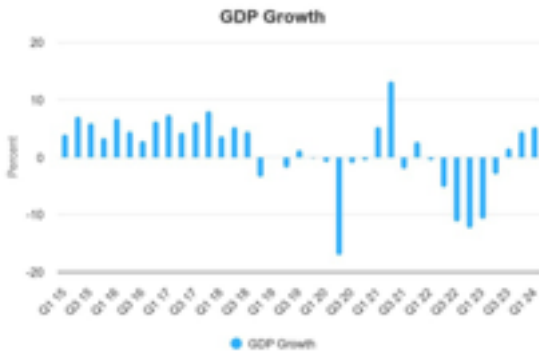
OPERATING ENVIRONMENT

Macroeconomic Progress

Sri Lanka's economy has shown resilience and progress in recent years, marked by significant developments in key sectors and external financial assistance. From GDP growth to debt sustainability, inflation, exchange rates, interest rates, and tourism sector performance, the country has experienced noteworthy changes. This overview will delve into these economic aspects, providing insights into the developments in recent months.

GDP Growth

During the time period being reviewed the GDP of the country rebounded after a contraction of 6 quarters. The recovery was supported by improvements in key sectors, including agriculture and services and was also driven by enhanced tourism activities, easing inflation and a stable macroeconomic environment. The rebound can be seen in the third quarter of 2023, when GDP growth was registered as 1.6% followed by 4.5% and 5.3% in the ensuing two quarters.



Source: Central Bank of Sri Lanka

Debt Sustainability

Sri Lanka reached a staff-level agreement with the International Monetary Fund (IMF) in September 2022, for an Extended Fund Facility (EFF) amounting to USD 2.9 Bn, undertaken for a four-year period. The program aims to enhance debt sustainability and achieve economic stability while rebuilding the country's external reserves. As of June 2024, the program has successfully provided Sri Lanka with USD 997 Mn in financial assistance through multiple tranches, with the third tranche approved in June 2024. To fulfil its commitments, Sri Lankan authorities have implemented a series of economic reforms designed to promote real GDP growth, maintain low inflation, enhance revenue collection, and strengthen external reserves.

Inflation

As of April 2024, headline inflation according to the Colombo Consumer Price Index (CCPI) fell sharply to 1.5% from 35.3% in April of 2023. This was driven by several factors, including the easing of prices for food and costs for transport and education. This contrasted with the historically high inflation rates seen since 2022.



Source: Central Bank of Sri Lanka

The drop in inflation aligns with the target range of the central bank. The Central Bank of Sri Lanka commenced easing its monetary policy in June 2023, which resulted in a substantial reduction in key policy interest rates.

Exchange Rate

The Sri Lankan rupee showed a strong appreciation during the early months of 2024, but this positive trend reversed by the end of the first half of the year. Up to June 2024, the rupee strengthened by 6% against the US dollar, reflecting improved investor confidence and a recovery in key economic sectors. However, this momentum was tempered in May and June, when the currency recorded depreciations of 1.7% and 1.2%, respectively. These fluctuations underscore the intricate nature of Sri Lanka's economic environment. The initial appreciation of the rupee can be attributed to factors like rising foreign exchange reserves and a recovering tourism sector. However, the subsequent depreciation reveals persistent challenges, including inflationary pressures and shifts in global market dynamics.

OPERATING ENVIRONMENT

Interest Rates

The Standing Lending Facility Rate (SLFR) and Standing Deposit Facility Rate (SDFR) both experienced significant declines, with the SLFR dropping from 16.50% in April 2023 to 9.50% by March 2024, and the SDFR falling from 15.50% to 8.50% during the same period.

This downward trend in interest rates is further illustrated by the Average Weighted Prime Lending Rate (AWPLR), which decreased from 21.80% to 11.11%, and the Average Weighted Deposit Rate (AWDR), which fell from 15.12% to 10.30%. The overall shift in the yield curve indicates lower expectations for future interest rates, creating a more favourable environment for long-term investments.

Tourism Sector Developments

In 2024, Sri Lanka's tourism sector experienced a remarkable recovery, with a significant surge in international tourist arrivals. In the first four months of the year, the country welcomed over 50% of the total arrivals recorded in 2023, which stood at 1,487,303. This growth highlights the sector's resurgence and renewed appeal as a travel destination. Indian arrivals remain the highest to the island country, followed by arrivals from countries, such as Russia, the United Kingdom, Germany, France and China. In the first five months of 2024, tourism earnings amounted to USD 1.4 Bn compared to USD 752 Mn during the corresponding period in 2023. Sri Lanka is well on its way to achieving its targets for tourist arrivals and earnings from tourism for the year 2024.

Other external sector performances

Workers' remittances increased to USD 5,969.6 Mn in 2023, with the highest amounts received from Kuwait, Qatar and UAE. Remittance levels were elevated in the months of 2023, compared to the previous year. Furthermore, according to the Central Bank's Quarterly Bulletin of Workers' Remittances and Labour Migration report, total departures for foreign employment reached 297,656 during 2023 with a monthly average of 24,805. The increase in workers' remittances was registered as 57.5% for the year 2023. Furthermore, foreign reserves rose to USD 4.96 Bn by March 2024, from USD 2.76 Bn in April 2023.

Outlook

Sri Lanka's economic growth projections are looking positive, with the IMF forecasting a growth rate of 2% and the Central Bank of Sri Lanka offering a more optimistic estimate of 3% for the coming year. Several factors, including government reforms, international assistance, and global economic conditions, significantly influence these projections. As the country undertakes structural adjustments and implements key policies, stakeholders will closely monitor its trajectory in the year ahead. Additionally, the successful completion of debt restructuring is crucial for achieving these forecasts, laying the groundwork for a more economically sustainable Sri Lanka.

MANAGEMENT COMMENTARY

ASIA LEISURE

Sri Lankan Tourism

2023 has indeed been a pivotal year for Sri Lanka's tourism sector, reflecting a remarkable recovery from recent adversities. With nearly 1.5 million tourists visiting, the country has surpassed pre-pandemic levels, highlighting its resilience and appeal. This resurgence comes on the heels of significant challenges, including the tragic Easter Sunday attacks and the global pandemic, which severely impacted the industry. The revival not only boosts the economy but also showcases Sri Lanka's natural beauty, rich culture, and hospitality, positioning it once again as a must-visit destination in South Asia.

While the positive trends in Sri Lanka's tourism sector are encouraging, the industry is not without its challenges. The global economic slowdown has affected disposable income and international travel spending, potentially dampening growth. However, the recovery in regional markets, especially from India and South Asia, has offered some relief. Sri Lanka's ability to adapt to changing travel patterns and respond proactively to global challenges will be crucial for sustaining its momentum. Emphasizing unique experiences, enhancing infrastructure, and promoting safety can help solidify its position as a desirable destination in the years ahead. The industry's resilience and strategic planning will be key to navigating the evolving landscape of global tourism.

2023 has showcased the resilience and potential of Sri Lanka's tourism industry. The sector's strategic responses to global challenges and its adaptability to evolving travel patterns have laid a solid foundation for future growth. By prioritizing sustainable and responsible tourism practices, Sri Lanka is well-equipped to leverage the global tourism rebound and establish itself as a premier destination in the region. This renewed focus not only enhances visitor experiences but also supports local communities and preserves the country's rich heritage and natural beauty.

Sector Performance

During the year, Tamarind Hills and River House maintained operations while The Habitat and Taprobana remained on hiatus. 80% of rooms were in hibernation mode due to refurbishment activities being carried out. We have also made progress in restructuring bank debts and rationalising costs. We have taken measures together with the advice of shareholders to restructure the bank debt. We are pleased to report that the debt restructuring has been successful, and the banks have agreed to provide the requested financial support. The renegotiation of recovery procedures has yielded positive outcomes for our organisation.

We were actively engaged in discussions with several experienced operators regarding the transfer of management and operational responsibilities for our hotels. This process involved evaluating potential partners who can enhance the guest experience, streamline operations, and drive growth. We are pleased to state that discussions with prospective companies have been positive and we will promptly finalise a leading operator. Despite necessary cutbacks, we have ensured that staffing levels remained aligned with operational requirements. It is also noteworthy that Habitat was reopened in September 2024, while Taprobana in Wadduwa will require an additional three months for refurbishments.

Envisioned Trajectory

At Asia Leisure, we are committed to strengthening the sector with a strategic plan aimed at making it more attractive and profitable. While two of our properties underperformed and did not generate profits, we are taking proactive steps. We began refurbishments at the end of the financial year, supported by capital infusions from our shareholders. In 2024 further investments will be made in refurbishing all properties. Our focus will be on transforming Tamarind Hills and River House into luxury boutique villas, enhancing their appeal and profitability.

Our strategic approach aims to enhance market presence and operational efficiency by positioning Taprobana as a premier banquet destination, optimizing its facilities for weddings and events. River House will be transformed into an eco-friendly luxury villa. The upcoming refurbishment projects offer a significant opportunity to achieve these objectives, incorporating eco-friendly measures such as solar power and energy-efficient lighting to reduce costs and environmental impact.

With Sri Lanka becoming an increasingly popular holiday destination, its unique cultural and natural landscapes offer a positive outlook for resorts in the medium term. Our iconic properties are well-positioned to take advantage of these trends, backed by our strong brand presence and distinct market positioning. We also acknowledge the growing demand for niche tourism experiences, such as wellness tourism, experiential travel, and remote work tourism, and we address these needs with tailored packages. The Group plans to invest in expanding the 'Asia Leisure' brand across the island, primarily through an asset-light investment strategy. Our financial position is expected to improve due to debt restructuring and additional equity investments from shareholders who recognize the potential and feasibility of these initiatives as we prepare for the upcoming season.

STOCK BROKERING

Equity Market Performance

Equity market performance steadily improved throughout FY 23/24, with the All-Share Price Index (ASPI) rising by 23.1% YoY - from an index value of 9,302 in March 2023, to 11,444 in March 2024. Market turnover at the Colombo Bourse decreased to LKR 375.95 billion for FY 23/24 from LKR 500.9 billion for the FY 22/23, representing a year-on-year decrease of 25%. However, market capitalization increased to LKR 4.5 trillion as of FY 23/24 from LKR 3.9 trillion in FY 22/23.

On a calendar year basis the indices, All Share Price Index (ASPI) and the S&P SL20 Index reported a strong growth of 25.5% YoY and 16.4% YoY respectively. Market Turnover reached LKR410 Billion, with an Average Daily Turnover of LKR1.7 Billion for CY 2023. In addition, Net Foreign Inflows were LKR 4.4 Billion thereby indicating improving investor confidence in the local equities.

In light of a revival in the equities market, the Company actively engaged in trading during the review period, instituting rigorous risk control measures to mitigate the exposure to risk. In an effort to expand its reach and grow its customer base—traditionally concentrated in the Western Province—the Company obtained approval from the SEC to appoint agents in key cities across the country and even successfully launched our first branch outside of Colombo, in Ampara, during the period under review. This expansion represents a key milestone in our mission to extend our reach and enhance our service to clients in new areas. We are dedicated to maintaining this progress and are excited about exploring additional expansion opportunities moving forward.

Financial Performance

ACAP Stock Brokers returned to black from red with a net profit of LKR 3.2million in FY 23/24 vs. a net loss of LKR 5.5 million in the corresponding period of last year, despite a moderate dip of 14%YoY in brokerage income to LKR 19 Mn in FY23-24, against FY 22/23 which was fully cushioned by nearly 29% YoY reduction in operating costs jointly with a net financial income of LKR 13million (+14%YoY) during the period under consideration.

Our stock brokering operation has demonstrated resilience and adaptability amidst the complex environment. The Company's steadfast commitment to financial prudence has been central to its strategy, ensuring operational continuity despite external pressures. As a result of these measures, we returned to profitability during the year under review. As part of its growth strategy, we successfully launched our first branch outside of Colombo, in Ampara, during the last financial quarter. This expansion represents a key milestone in our mission to extend our reach and enhance our service to clients in new areas. We are dedicated to maintaining this progress and are excited about exploring additional expansion opportunities moving forward.

Our equity research team, comprised of experienced professionals and headed by an industry expert, was dedicated to empowering our clients with the insights necessary for making informed investment decisions. By leveraging extensive market knowledge and sophisticated analytical tools, we provided actionable recommendations that helped guide our clients through complex financial landscapes.

Although our performance this year did not meet the established benchmarks, we proactively focused on enhancing the value we deliver and integrating new technological solutions into our operations. Our approach has been both adaptive and resilient, allowing us to remain responsive to market changes and client needs.

Envisioned Trajectory

The future prospects of the ACAP Stock Brokering arm will depend on the performance of the local equities market, which, in turn, relies on the country's ability to maintain long-term economic stability. In the meantime, the Company will focus on enhancing efficiency by streamlining its internal operating systems and implementing cost containment strategies. This will facilitate a transition into a leaner, more agile organization that is well-positioned to capitalize on emerging opportunities in the equity market as they arise.

ACAP Stockbrokers is intensifying its focus on high-net-worth clients by offering tailored financial services to penetrate this lucrative market segment. Geographical expansion is also a priority, aimed at diversifying revenue streams and unlocking new growth opportunities to support sustainable development. Central to this strategy is a significant investment in technology, particularly in AI tools, to enhance operational efficiencies and foster innovation. Strengthening core competencies will bolster competitive positioning and long-term objectives. The company is exploring strategic alliances to leverage external networks amidst the challenges of organic growth, while capitalizing on the current lower interest rate environment to attract investment opportunities. Key initiatives will enhance the sales force and research capabilities, striking a balance between retail and institutional clientele. Additionally, ACAP Stockbrokers will monitor global and local factors, such as geopolitical tensions, oil price fluctuations, and forthcoming elections in the U.S. and Sri Lanka, for their potential impacts on the equity market.

As the Country undergoes economic transition, the Company's adaptability and commitment to innovation will position it for future success. Embracing technology, expanding the client base, and honing core competencies will enable the Company to thrive in a dynamic financial landscape.

GROUP FINANCIAL REVIEW

Group Revenue

Our consolidated group revenue for the financial year ended on March 31, 2024, declined from Rs 460 Mn to Rs. 129 Mn, as two of the larger roomed hotel properties, namely Taprobana and Habitat, were closed for refurbishments for a significant part of the financial year. The other two relatively smaller properties, namely Tamarind Hills and River House, operated throughout the financial year ended 31st March 2024.

The Stockbroking company, ACAP Stockbrokers (Private) Limited operated during the financial year and represent a significant part of the Group revenue. The subdued market conditions were not conducive for Institutional Trades.

Costs

With the closure of some of the hotel properties, certain operational costs were rationalized. Stringent cost measures were also introduced to curtail expenditure without affecting the quality of service, from a perspective of effectiveness and efficiency, rendered to clients. The reduction in other operating expenses is due to the exchange loss on foreign currency loans being recognized in the previous financial year due to the depreciation of the rupee against the US dollar. Similarly, the increase in other operating income in the current financial year is a result of exchange gain being recognized following the subsequent SLR appreciation against the US dollar as at the Balance Sheet date.

Finance cost continues to exert significant pressure on the bottom-line. Since the Balance Sheet date the company has settled in full the term loan in respect of the Kosgoda Beach Resort (Pvt) Limited and the loan taken by Wadduwa Resort (Pvt) Limited is being settled on a payment plan. Steps are now being taken to renegotiate the loan overdraft by the company.

Consolidated losses at PBT level declined to Rs 532 Mn for the financial year ended on March 31, 2024 on the back of exchange gain reported with the SLR appreciating against the US dollar. For the same reason, losses attributable to the shareholders declined from Rs 675 Mn to Rs. 456 Mn.

Assets

Total assets increased from Rs 4.7 Bn to Rs. 5.0 Bn following revaluation of the assets as at the balance sheet date. The company follows a policy of revaluing its Property, Plant and Equipment every five years. There was no significant change in the aggregate value of the current assets.

Debts

The total liabilities have increased from Rs 4.8Bn to Rs.5.1Bn and the Group debt of Rs.4.4 Bn will be settled with the funding assistance from the main shareholder until all of the hotels are made fully operational.

GOVERNANCE AND RISK MANAGEMENT

RISK MANAGEMENT

Corresponding period under review saw the Group's risk profile change due to economic conditions and risk associated with legal matters which resulted in underperformance. Asia Capital took a proactive stance in monitoring emerging risks that had the potential to impact its financial performance, stability, business continuity, and supply chain in the long run.

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

Risk Responsibility

The Board of Directors hold ultimate responsibility for ensuring that the Group's risks are identified and mitigated effectively. The Board is supported by the Audit Committee which reviews the effectiveness of the Group and its subsidiaries' risk profiles and internal control systems on a quarterly basis. The Audit Committee also carries out its responsibilities in managing the risk management framework by ensuring the implementation of a sound internal control systems as well as policies which will mitigate risks endured by the Group. In addition, the Audit Committee is the leading authority in ensuring that the risk and internal control strategies are shared across the Group, whilst simultaneously creating awareness amongst employees.

Risk Management Philosophy

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

Risk Assessment, Governance and Structure

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

CORPORATE GOVERNANCE

Sub-Committee	Composition*	Mandate
Audit Committee	Mr. S.S. Balasubramaniam - (Chairman) Mr. V. Siva Jr. Mr. S. Charles	Support the Board in ensuring the integrity of financial statements, management of business risks, internal control and compliance, and conduct of business.
Remuneration Committee	Mr. D. Swarnasinghe (Chairman) Mr. V. Siva Jr Mr. A. D. Ross	Responsible for determining the framework and policy on the terms of engagement and remuneration of the Chairman, the Board of Directors, the Leadership Team and the Management staff of the Company.
Related Party Transactions Review Committee	Mr. D. Swarnasinghe Mr. V. Siva Jr Mr. S. Charles	Review and provide recommendations on Related Party Transactions in line with the Listing Rules and Code of Best Practice on Related Party Transactions.
Nominations and Governance Committee	Dr. J.T. Sumathipala Chairman Mr. S.A. Abeyesinhe Mr. D. Swarnasinghe	Establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.

A clear division of roles and responsibilities exists between the Chairman and the Managing Director. This division enables balanced oversight - thus preventing flawed decisions and management errors, enhanced board independence – thereby avoiding possible abuse and conflict of interest, clear division of responsibilities – that facilitates strategic oversight and improved compliance. This segregation results in no Director having unfettered powers in the Board decision-making process thereby strengthening the Board's effectiveness and ensuring objective decision making in the discharge of duties.

Statement of Compliance

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
9.1	Applicability of Corporate Governance Rules		
	The Company to publish a statement confirming the extent of compliance with the Corporate Governance Rules in the Annual Report	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	✓
9.2	Policies		
9.2.1	Establish and maintain the following policies, and disclose its existence and details of implementation on the website: Policy on Anti-Bribery and Corruption	<ul style="list-style-type: none"> ■ Policy on matters relating to the Board of Directors ■ Policy on Corporate Governance, Nominations and re-election ■ Policy on Shareholder and Investor Communications ■ Policy on Remuneration ■ Policy on Board Subcommittees ■ Policy on Corporate Disclosures ■ Policy on Anti-bribery and Corruption ■ Policy on Internal Code of Conduct ■ Policy on ESG ■ Policy on control and management of company assets and shareholder investments ■ Policy on whistle blowing ■ Policy on risk management and internal controls 	Complied with effect from 01st Oct 2024

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
9.2.2	Waivers and exemptions from compliance with the Code of Business Conduct and Ethics At present there are no waivers and exemptions granted.	At present there are no waivers and exemptions granted.	✓
9.2.3	Disclosures in the Annual Report on policies	The existence of the policies on the website is disclosed in the Annual Report	✓
9.2.4	Policies above to be made available to shareholder upon request	The Company shall make available all such policies to shareholders upon a written request being made for any such policy.	✓
9.3	Board Committees		
9.3.1 / 9.3.2	Following Board Committees to be established and Company to be compliant with the composition, responsibilities and disclosure requirements set out in the Rules:	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	✓
	Board Committees - Composition, Responsibilities and Disclosures	Please refer the Board Subcommittee Reports for details.	✓
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1	The Chairman does not serve as the Chair in any of the Board Subcommittees.	✓
9.4	Principles of Democracy in shareholder dealings		
9.4.1	Maintain records of all resolutions and information pertaining to its adoption The Company Secretary maintains records of all shareholder resolutions and requisite information and is able to provide extracts of such resolutions to the SEC and CSE if required.	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings. This year, the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	✓
9.4.2	(a) policy on effective communication and relations with shareholders and investors and disclose the existence of the same in website, the Annual Report and the website of the Company (b) Company shall disclose the contact person for such communication. Details of the contact personnel are provided in the "Corporate Information" section on the inner back cover of this Report.	All policies are implemented and the availability of the same is disclosed on the website.	✓

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
	<p>(c) The shareholder communications and relations policy shall include a process to make all directors aware of major issues and concerns of shareholders and this process to be disclosed in Annual Report and website.</p> <p>The Company Secretary keeps the Board apprised of major issues and concerns raised by the shareholders to ensure that they are addressed in an appropriate manner keeping in line with the corporate values of the Company. Shareholder correspondences on major issues are handled by the Chairman with the concurrence of the Board/the CEO as appropriate.</p>		
	<p>(d) Shareholder meetings conducted virtually/in hybrid mode to comply with the Guidelines issued by CSE.</p> <p>The Company ensures that virtual shareholder meetings are conducted in compliance with the Guidelines issued by the CSE as incorporated in the Articles of Association of the Company.</p>	The Company will adhere to the guidelines issued by CSE on conducting virtual/hybrid shareholder meetings. The AGMs which were held virtually adhered to the guidelines.	✓
9.5	Policy on Board related matters		
9.5	Company to establish and maintain a formal policy governing matters relating to the Board of Directors covering the requisites in 9.5.1	All policies are implemented and the availability of the same is disclosed on the website.	✓
9.6	Chairperson & CEO		
9.6.1	Chairperson of the Company should be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same person.	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO are held by two individuals	✓
9.6.3	If Chairperson and CEO are the same person; or if the Chairperson and CEO are close family members or related parties, Company to appoint a Senior Independent Director (SID) and comply with the requirements in 9.6.3	The need to appoint a SID has not arisen.	✓

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
9.7	Fitness of Directors & CEOs		
9.7.1/9.7.2 /9.7.3 /9.7.4/9.7.5	<p>Company to ensure that the Directors and CEO and the persons recommended by the Nominations and Governance Committee are at all times, fit and proper persons as per the criteria in 9.7.3. Company to obtain declarations from all directors and CEO on an annual basis confirming their fitness and propriety.</p> <p>The Company Secretary obtains declarations from the Directors on an annual basis.</p> <p>Disclosures in the Annual Report</p>	<p>The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and CEO meet the fitness and propriety criteria under the Listing Rules. The Board Nominations and Governance Committee makes recommendations to the Board on the appointment of a new director or when a director is coming up for re-election/re-appointment at the AGM.</p> <p>Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria as at the date of confirmation as set out in Section 9.7.3 (a), (b), and (c) of Listing Rules were obtained.</p>	<p>✓</p> <p>✓</p>
9.8	Board Composition		
9.8.1	Minimum number of Directors shall be 5.	The Company has complied with the requirement as at the reporting date. The Board as at the reporting date comprised of eight (7) Directors.	✓
9.8.2	Minimum number of Independent Directors shall be 2 or 1/3rd of the total number of Directors (whichever is higher). Any change to be rectified within 90 days.	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of three (3) Independent Non-Executive Directors.	✓
9.8.3/ 9.8.4/ 9.8.5	<p>Criteria for determining independence</p> <p>The Company Secretary obtains declarations from the Directors on an annual basis. In view of these Rules, a declaration confirming each Director's independence in the form prescribed in the Listing Rules has been included in these annual declarations from 2023 onwards.</p>	<p>The Company complied with the criteria for determining independence of a Director</p> <p>Each Independent Non-Executive Director submitted a signed and dated declaration of independence against the criteria specified in the Listing Rules.</p>	✓
9.9	Alternate Directors		
9.9	Companies to follow the requirements laid down in 9.9 when appointing Alternate Directors and incorporate such requirements in the Company's Articles of Association.	The Company does not have alternate Directors at present	Not Applicable
9.10	Director Disclosures		
9.10.1	Company to disclose policy on the maximum number of directorships allowed to be held by a Director. If such number is exceeded, an explanation to be provided in the Annual Report	None of the Directors hold more than 20 Board positions at the balance sheet date.	✓

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
9.10.3	Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Any changes to the committee compositions have been duly disclosed.	✓
9.10.4	Disclosures in relation to Directors	Please refer the Directors profiles and the Corporate Governance Report for details	✓
9.11	Nominations and Governance Committee	The Board Nominations and Governance Committee was formed on 04th October 2024.	✓
	Composition, functions, and annual report disclosures	The composition and the functions are given in the Nominations Committee Report	✓
9.12	Remuneration Committee		
9.12	Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules. In view of the revised Listing Rules,	The composition, Terms of Reference and functions are given in the remuneration committee report.	✓
9.13	Audit Committee		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	The functions of the audit committee will be expanded to cover the risk functions post October 2024	✓
9.13.1	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	The composition, Terms of Reference and functions are given in the audit committee report.	✓
9.14	Related Party Transactions Review Committee (RPTRC)		
9.14.1	Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14.	The composition, Terms of Reference and functions are given in the RPTRC committee report.	✓
9.14.2 / 9.14.3	Functions and Composition of the RPTRC Comprise a minimum 3 directors out of which 2 shall be independent may include executive directors chairperson to be an independent director Where parent and subsidiary are both listed the RPTRC of the parent may be permitted to function as the RPTRC of the subsidiary		

CORPORATE GOVERNANCE

Rule No.	Corporate Governance Requirement / Explanatory Comments	Extent of Compliance	Compliance Status
9.14.4	Frequency of meetings shall be at least quarterly	The Committee will meet at least quarterly with effect from 04th October 2024. The committee met only once during the financial year.	✓
	Minutes of meetings are properly documented and communicated to the Board of Directors. The minutes of the RPTRC to be tabled at the meetings of the Board of Directors on a periodic basis.	Minutes of meetings are documented in detail. The minutes of the RPTRC will be tabled at the meetings of the Board of Directors on a periodic basis.	✓
	Members of the RPTRC to ensure they have or have access to adequate knowledge expertise and advice. The RPTRC ensures this through this being enshrined in the Terms of Reference of the RPTRC, the members being aware of the same exercises this right as and when needed	The Committee ensures that they have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. The Committee is empowered to seek appropriate professional and expert advice from a qualified person.	✓
	Where necessary, the RPTRC shall request the Board of Directors to approve the Related Party Transactions (RPT's) which are under review by the RPTRC. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant RPT's.	Where necessary, the Committee will request the Board of Directors to approve the related party transaction which has been reviewed by the Committee.	✓
	Interested directors shall not vote on or be present during the deliberations on the specific matter Interested directors did not vote on or participate in any discussions during deliberations on the interested matters in 2023.	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required.	✓
9.14.5	Review of RPT's by the RPTRC Company to obtain shareholder approval by Special Resolution for the RPTs specified in 9.14.6	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Annual Report disclosures in relation to Related Party Transactions	Please refer Related Party Transactions Review Committee Report and the disclosure under Related Party Transactions in the notes to the financial statements.	✓
9.14.9	Acquisition and Disposal of substantial assets from/to related parties to be done with shareholder approval as per Rule 9.14.9.		✓
9.16	Additional disclosures	Annual Report of the Board of Directors on the affairs of the Company for the disclosures.	✓

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

The Directors of Asia Capital PLC have pleasure in submitting their Report together with the audited Financial Statements of the Company and the audited Consolidated Financial Statements of the Group for the year ended 31st March 2024.

Principal Activities

To carry on whether by itself or through a subsidiary the business of an Investment company ; of Financiers, Financial Agents, Monetary Agents, Promoters, Guarantors, Fund Managers, Trustees, Custodians, Receivers, Consultants, Advisors of assisting anybody corporate, company, association or individual with capital, credit, means or resources; of executing undertakings, projects or enterprises for financial, commercial trading, industrial or other operations; of dealing in interests, including reversionary and contingent interests, in real and personal property; of buying, selling and sealing and dealing in bills, notes, warrants, coupons, and other negotiable or transferable securities or documents; of dealing in, making placement and underwriting shares, stocks, bonds, debentures, obligations, notes securities and any other documents whatsoever.

Review of Operations

The Chairman's Review on pages 8 to11 of this report provides an overall assessment of the financial performance and financial position of the Company and describes in detail its affairs and important events for the year. A detailed analysis of the operations and financial results is contained in the Management Discussion and Analysis on pages 26 to 28 in this report.

Financial Statements

The Directors are of the view that the income Statement, Balance Sheet, Statement of changes in equity, Cash Flow Statement, Significant Accounting Policies, and Notes thereto appearing on pages 33 to 56 have been prepared in conformity with the Sri Lanka Accounting Standards and the requirements of the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Auditors Report

The Auditor's Report on the Financial Statements is given in pages 50 to 52.

Accounting Policies

The accounting policies adopted in the preparation of Financial Statements are given in pages 57 to 62.

Financial Results

For the year ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit/(Loss) for the Year Before Tax	(532,836)	(761,102)	(279,572)	(306,378)
Income Tax	(316)	1,939	-	-
Profit/(Loss) for the Year After Tax	(533,152)	(759,163)	(276,961)	(306,807)
Non-Controlling Interest	(76,858)	(84,105)	-	-
Profit Attributable to Equity Holders of the Company	(456,294)	(675,058)	(276,961)	(306,807)

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

Dividends

No dividends were declared as at 31st March 2024

Property, Plant and Equipment

An analysis of the Property, Plant and Equipment of the Company is disclosed in Note 12 of the Financial Statements on pages 66 to 69.

Stated Capital

The Stated Capital of the Company as at 31st March 2024 was Rs. 1,498,498.

Donations

There were no donations made during the year

Capital Commitments

There were no material Capital Commitments as at 31 March 2024

Liabilities and Provisions

The Board of Directors have taken all steps to ensure adequate provisioning has been made. The basis adopted for provisioning is disclosed on page 77-88 to the Financial Statements

As at the date of the Report, the Directors are not aware of any circumstances, which would render inadequate the amounts provided for in the Financial Statements

Statutory Payments

The Directors confirm that to the best of their knowledge and belief, all statutory payments in relation to all relevant regulatory and statutory authorities have been paid. A statement of compliance by the Board of Directors in relation to statutory payments is included in the Statement of Directors' Responsibilities on page 97.

Contingent Liabilities

There were no material contingent liabilities outstanding as at 31st March 2024, except as disclosed in Note 88 to the Financial Statements.

Events after the reporting period

Since the Balance Sheet date:

- Mr. Yudhishtan Kanagasabai – Independent Non Executive Director was appointed as Chairman of both Asia Capital PLC and Asia Leisure Holdings (Pvt) Limited with effect from 11th July 2024 and 23rd July 2024.
- Mr. Stevenson Charles Independent Non – Executive Director - appointment – 3rd May 2024.

- The Directors of CC Trust Pte Ltd., a Japanese Company based in Singapore, filed a private plaint in the Fort Magistrate Court charging Asia Capital PLC, its Board along with two former employees with the offence of Cheating and Criminal Breach of Trust, punishable under Sections 403 and 398 of the Penal Code. The case was called up on the 26th of September 2024 and the private plaint filed was rejected by the Magistrates Court.
- The Lessor of the land on which an Asia Leisure Hotel is situated has filed for liquidation on the grounds that the lease commitments entered into had not been paid. The case was taken up on the 16th September 2024 and parties were given time to file submissions on 21st October 2024. Since then the Lessor and the Lessee had agreed on a settlement which is being negotiated by legal counsel.

There have been no material events occurring after the reporting date, that require adjustments to or disclosure in the Financial Statements

Risk Management and Internal Control

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

Going Concern

The Board of Directors are satisfied that the Company has adequate resources to continue its operation in the foreseeable future. Accordingly, the Financial Statements are prepared based on the going concern concept.

Directors who held office during the Year

The Directors of the Company during the year were as follows.

Dr. J. T. Sumathipala
Chairman (resigned with effect from 25th March 2024)

Mr. R. Radha
Managing Director
(appointed with effect from 09th January 2024)

Mr. R.A.T.P Perera Executive Director/CEO
(resigned with effect from 31st January 2024)

Mr. D.A.S.D. A. Abeyesinhe
Non-independent Non-Executive Director

Mr. A. D. Ross
Independent Non-Executive Director

Mr. V. Siva Jr.
Independent Non-Executive Director

Mr. S. S. Balasubramaniam
Non-Executive Director

Mr. D. Swarnasinghe
Independent Non-Executive Director

Alternate Directors

Mr. D.A.S. D. A. Abeyesinhe (Alternate Director to Mr. V. Siva Jr) resigned as alternate director 28th February 2024

Directors retiring (at the Annual General Meeting)

1. To re – elect Jr. Valentine Siva Jr. retires by rotation in accordance with Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election under Article 99 of the Articles of Association.
2. To re-elect Mr. Y. Kanagasabai who was appointed to the Board on 10th July 2024 cease to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offer himself for re-election.
3. To re-elect Mr. S. Charles who was appointed to the Board on 3rd May 2024 cease to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offer himself for re-election.

Corporate Governance

The Board of Directors confirm that the Company is compliant with section 7.10 of the Listing Rules of the Colombo Stock Exchange.

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

Audit Committee

Mr. S. S. Balasubramaniam
(Non-Executive Director)

Mr. S. Charles
(Independent Non-Executive Director)

Mr. V. Siva Jr
(Independent Non – Executive Director)

Remuneration Committee

Mr. S. S. Balasubramaniam
(Non-Executive Director)

Mr. V. Siva Jr.
(Independent Non – Executive Director)

Mr. A. D. Ross
(Independent Non-Executive Director)

Nomination and Governance Committee

Mr. S. S. Balasubramaniam
(Non-Executive Director)

Mr. V. Siva Jr.
(Independent Non – Executive Director)

Mr. A. D. Ross
(Independent Non-Executive Director)

Related Party Transactions Review Committee

Mr. D. Swarnasinghe
(Independent Non-Executive Director)

Mr. V. Siva Jr.
(Independent Non – Executive Director)

Mr. S. Charles
(Independent Non-Executive Director)

Directors' Interest Register

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

Directors Remuneration and Other Benefits of Directors

Directors remuneration and other benefits of directors are stated in the Note 09 on page 64 of the Financial Statements.

Directors' Interest In Shares

Name	No. of Shares as at 31st March 2024	No. of Shares as at 31st March 2023
Mr. Y. Kanagasabai	---	---
Mr. A. D. Ross	---	---
Mr. V. Siva Jr.	---	---
Mr. R. Radha	---	---
Mr. D. A. S. D. A. Abeyesinhe	36,077	36,077
Mr. D. Swarnasinghe	---	---
Mr. S. Charles	---	---
Mr. S. S. Balasubramaniam	---	---

Directors' Interest In Contracts

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

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

Shareholders Information

The distribution and analysis of shareholdings were as follows;

	As at 31st March 2024			As at 31st March 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 to 1,000 Shares	5,290	772,513	0.59	5,325	801,410	0.61
1,001 to 10,000 Shares	753	2,411,573	1.84	756	2,394,968	1.80
10,001 to 100,000 Shares	174	5,027,979	3.83	203	5,076,194	3.86
100,001 to 1,000,000	24	5,098,937	3.88	23	1,998,100	1.52
Over 1,000,000 Shares	3	118,019,148	89.86	03	118,019,148	92.21
Total						

	As at 31st March 2024			As at 31st March 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	6198	27,440,014	20.89	6155	27,439,904	20.89
Non-Resident	46	103,890,136	79.11	47	103,890,246	79.11
Total	6,244	131,330,150	100	6,202	131,330,150	100

	As at 31st March 2024			As at 31st March 2023		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individual	6,117	118,925,855	90.55	6,073	118,792,399	90.45
Institutional	127	12,404,295	9.45	129	12,537,751	9.55
Total	6,244	131,330,150	100	6,202	131,330,150	100

20 Largest Holders of Equity

Name	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	%	No. of Shares	%
1 Mr. Vijayeswaran S Vijayaratham	94,039,467	71.61	94,039,467	71.61
2 Mr. Vijayaratham Vilvarajan	14,200,000	10.81	14,200,000	10.81
3 Fast Gain International Limited	9,779,681	7.45	9,779,681	7.45
4 Associated Electrical Corporation Ltd	797,282	0.61	797,282	0.61
5 Mr. Mohamed Gani Mohamed Hussain	--	-	718,124	0.55
6 Mrs. Sukumali Mahesika Wannakuwatte	501,000	0.38	501,000	0.38
7 Mr. Mohamed Naveed Jamaal	--	-	310,000	0.24
8 Mr. Reshan Henry Ratnayake	280,000	0.21	280,000	0.21
9 LOLC Finance Plc/M.K.C. Perera	229,858	0.18	229,858	0.18
10 Citizens Development Business Finance Plc/Buddhika Vishwajith Amarasinghe	227,644	0.17	227,644	0.17

Name	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	%	No. of Shares	%
11 Mr. Mohammed Zainulabdeen Mohammed Rizvi	224,000	0.17	224,000	0.17
12 Mr. Mohamed Favaz Abdeen	212,000	0.16	212,000	0.16
13 Dialog Finance PLC / W M P M Weerasekera	--	-	207,942	0.16
14 Citizens Development Business Finance PLC / Dilum Chinthaka	--	-	201,464	0.15
15 Senkadagala Finance PLC / D.C.Maddumage	200,000	0.15	--	--
16 Mr. Jagath Priyadarshana Walawege	--	--	200,000	0.15
17 Mr. Ranasinghe Arachchige Thusitha Priyantha Perera	198,550	0.15	198,550	0.15
18 Mr. Calistus Nimalanathan Pakianathan	--	--	194,298	0.15
19 DFCC Bank PLC/ Mr. C.R. Perera	189,802	0.14	189,802	0.14
20 Mr. Daranakumburalage Shalika Rangajith Daranakumbura	176,128	0.13	--	--
21 Mrs. Andrea Jacqueline Dhanapala	168,469	0.13	168,469	0.13
22 Mrs. Indrani Thavakumaran	160,000	0.12	--	--
23 Dr. Chandrasekara Alwishewa	150,000	0.11	--	--
24 Mr. Adikaram Mudiyansele Dushan Kasun Adikaram	140,883	0.11	140,000	0.11
25 Wijerathna Mudiyansele Savio Philip Pushpakumar	--	--	140,000	0.11
26 Mohamed Hanif Aslam Kamil	--	--	138,502	0.11
27 Damitha Rathnayake	--	--	134,083	0.10
28 Tuan Shirazi Salam	--	--	110,607	0.08
29 Balasooriya Mudiyansele Gamini Rathnasiri	--	--	105,281	0.08

Public Shareholding

The percentage of public shareholding as at the 31st of March 2024 was 28.37%.

Annual General Meeting

The notice of the 32nd Annual General Meeting is on page 104.

Auditors

The Financial Statements for the year ended 31st March 2024 have been audited by Messrs. BDO Partners (Chartered Accountants) who offer themselves for reappointment. As far as the Directors are aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company other than those disclosed above. The Auditors also do not have any interest in the Company.

The Auditors Messrs. BDO Partners, Chartered Accountants were paid 1.2 Mn as Audit fees by the Company.

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

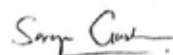
By Order of the Board



Yudy Kanagasabai
Chairman/ Director



Raju Radha
Director



P.R. Secretarial Service (Private) Limited,
Secretaries
8th October 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors of Asia Capital PLC is responsible for ensuring that the Company maintains proper books of accounts of all transactions and prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Company and its subsidiaries, associates for that period. The Companies Act No. 07 of 2007 requires that the Directors prepare Financial Statements for each year, giving a true and fair view and the state of affairs of the Company and the Group as at the end of the financial year and the profit and loss the Company and the Group for that financial year.

In the circumstances, the Directors of the Company state below their responsibilities in relation of the Financial Statements of the Company and its subsidiaries and associates for the year ended 31st March 2024. These differ from the Auditors responsibilities, which are set out in their report given on page 53.

The Board of Directors have a responsibility to ensure that the Company and its subsidiaries and associates are maintaining sufficient accounting policies to ensure the accuracy and reliability of financial statements. The Directors have a general responsibility to take steps to safeguard the assets of the Company.

The Directors confirm that suitable accounting policies have been used and applied consistently and that all applicable accounting standards have been followed in the preparation of the Financial Statements. Furthermore, reasonable and prudent judgments and estimates have been made in the preparation of these Financial Statements.

The Directors confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards and that they provide the information required by the Companies Act No. 07 of 2007.

The overall responsibility of the Company's internal control systems lies with the Directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the Directors confirm that the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designated that there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The Directors are responsible for providing the auditors with every opportunity to carry out the necessary audit work in enabling them to present their report. The Directors have adopted the 'going concern basis' in preparing the Financial Statements. Having reviewed the Group's business plans, the Directors are satisfied that the Company has adequate resources to continue in operation. The Directors confirm that to the best of their knowledge, all taxes and levies payable by the Group, all contributions, levies and taxes payable on behalf of and in respect of the employees and all other statutory obligations, including retirement gratuities, as were due as at the Reporting date have been either duly paid or appropriately provided for in the financial statements.



Mr. Dhammika Swarnasinghe
Director



Raju Radha
Managing Director
30th September 2024

AUDIT COMMITTEE REPORT

Role of the Audit Committee

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

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

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

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

- Recommend appointment, re-appointment dismissal, service period and audit fee of the external auditors.
- The Audit Committee shall establish and maintain a direct communication channel with the external auditors.
- Resolve any issues regarding financial reporting between the management and the external auditor.
- Pre-approve all auditing and non-audit services performed by the external audit firm and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the management, external auditors as necessary to carry out the assigned duties.
- Assessing the Company's internal control and risk management systems.
- Assessing the independence and adequacy of performance of External Auditors.
- Ensuring that an effective internal audit function is in place and monitoring the internal audit activities.
- Ensuring that there is a mechanism for the confidential receipt, retention and treatment of allegations of fraud by internal/external sources pertaining to accounts or internal controls and assuring confidentiality to whistleblowing employees.

Composition of the Committee

The Composition of the Committee is as follows during the financial year 2022/23;

Mr. Shekhar S. Balasubramaniam - (Chairman)

Mr. Valentine Siva Jr.

Mr. Stevenson Charles

Committee Meetings

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

Financial Reporting

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

Risk and internal control

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

External Audit

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

The Committee reviewed the Management letter issued by the auditors, the Management responses thereto, and also attended to matters specifically addressed to them. The external auditors kept the Audit Committee informed on an on-going basis of all matters of significance. The Committee met with the auditors and discussed issues arising from the audit and corrective action taken where necessary.

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

AUDIT COMMITTEE REPORT

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

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

Recommendations

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



Mr. Shekhar S. Balasubramaniam

Chairman - Audit Committee

30th September 2024

REMUNERATION COMMITTEE REPORT

Composition

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

The members of the Remuneration Committee as at 31st March 2024 are as follows;

Mr. Dhammika Swarnasinghe (Chairman)

Mr. V. Siva Jr

Mr. A. D. Ross

Please refer pages 14-15 of the Annual Report to refer to the profiles of the members of the Committee. Mr. Thushitha Perera who was the Executive Director in-charge of the day-to-day management of the Company until 31st January 2024, and participated in the Committee meetings by invitation in all deliberations except when his own performance and remuneration are discussed. M/s P. R. Secretarial Services (Private) Limited, Company Secretaries of the Company, function as the Secretary to the Committee.

The Role of the Committee

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

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

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

Independence of the Committee

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

Committee Meetings

The Committee held a meeting on the 13th October 2023, during the financial year 2023/2024. The proceedings of the Committee meetings have been reported to the Board of Directors during the year.

The Remuneration Policy

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

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

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

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

Recommendations

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



Mr. Dhammika Swarnasinghe
Chairman - Remuneration Committee
30th September 2024

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

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

Composition:

The following Directors served as members of the Committee during the FY 2023/24;

Mr. Dhammika Swarnasinghe

Mr. Valentine Siva Jr.

Mr. Stevenson Charles (DOA – 03.05.2024)

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

The minutes of the RPTRC meetings are tabled at the Board meetings thereby providing all Directors access to the deliberations of the Committee. On 03rd May 2024 the Board appointed Mr. Stevenson Charles as an Independent Non-Executive Director to the Committee.

Committee Meetings

The Committee held a meeting on the 29th March 2024.

Committee Policy and Procedures

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

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

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

Committee Duties

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



Mr. Dhammika Swarnasinghe

Chairman - Related Party Transactions Review Committee
30th September 2024

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

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

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

Composition of the Committee

Dr. J.T. Sumathipala Chairman (DOR 19.03.2024)

Mr. S.A. Abeyesinhe Non-Independent Non-Executive Director

Mr. D. Swarnasinghe Non-Executive Director

COMMITTEE DUTIES

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

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

POLICY ON NOMINATIONS COMMITTEE

- Any major issues relating to the Company are updated to the Independent Directors by the Chairman. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board.
- Requirements as per the Listing Rules and applicable rules and regulations are informed to the New Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.
- Non-Executive Directors have submitted declarations regarding their independence / non-independence. The Board has determined that Directors who have served on the Board for over 9 years are nevertheless independent, after taking into consideration the fact that they do not exert any control over the day-to-day activities of the Company and are capable of acting in an impartial and independent manner on matters deliberated by the Board.
- Each Director provided a signed declaration on his/her fitness and propriety based on the assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange. The fitness and propriety of the Directors were examined by the Committee.

RE-APPOINTMENTS/RE-ELECTIONS

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



Mr. D. Swarnasinghe

Chairman - Nominations and Governance Committee
30th September 2024

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT



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

TO THE SHAREHOLDERS OF ASIA CAPITAL PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asia Capital PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31st March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information as set out on pages XX to XX.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st 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 Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence regarding the recoverable value of investment in subsidiaries amounting to Rs. 1.1 Bn, Good will amounting to 300 Mn and related party receivables amounting to Rs. 990 Mn, as we were not provided with cash flow forecasts or other supporting evidence. Consequently, we were unable to perform the necessary audit procedures to determine whether any impairment adjustments to these assets are required.

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

Material Uncertainty Related to Going Concern

We draw attention to Note XX in the financial statements, which indicates that the Group incurred a net loss of Rs. XXX Mn (2023-Rs. 759 Mn) during the year ended 31st March 2024. Its accumulated losses as of 31st March 2024 were Rs. XXX Mn (2023-Rs. 3,751 Mn). Further the Company has incurred a net loss of Rs. 180 Mn (2023-Rs. 306 Mn) during the year ended 31st March 2024. Its accumulated losses as of 31st March 2024 were Rs. 1,427Mn (2023-Rs. 1,249). The Group's and the Company's net assets were Rs. XX (2023- Rs. (144 Mn)) and Rs. 76Mn (2023-Rs.254Mn) respectively which is below the 50% of its stated capital. This situation has triggered a serious loss of capital as at 31st March 2024.

Key Audit Matters

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

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

Partners : Sujeewa Rajapakse FCA, ACCA, FCMA, MBA. Ashane J.W. Jayasekara FCA, FCMA (UK), MBA. H. Sasanka Rathnaweera FCA, ACMA. R. Yasanthakumar Bsc (Acc), ACA, F. Sarah Z. Aiker FCA, FCMA (UK), CGMA, MCSI (UK). Dinusha C. Rajapakse FCA, LLB (Hons)(Colombo), CTA, Attorney at Law. Nirosha Vadivel Bsc (Acc), ACA, ACMA.

1. Valuation of Land and Building of the Group

The Group has Land and Building carried at fair value amounting to Rs.XXX Bn as at 31st March 2024 which represent a significant part of total assets recorded in the statement of financial position. The fair value of such properties was determined by a qualified external valuer engaged by the Group. The valuation of Land and Building was significant to our audit due to the use of significant estimates and assumptions. Accordingly, valuation of the Land and Building has been considered as a Key Audit matter.

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

- Assessed the key assumptions and methodology used in the valuation in particular, the discount rate and average market price and verified the mathematical accuracy of the valuation;
- Assessed the competency, capability and objectivity of the external valuer engaged by the Group;
- On a selective basis, reviewed recent market prices of lands to ensure that the land values have not declined since the last revaluation;
- Ensured that revaluation of Land and Building is in compliance with the Group's accounting policies and requirements of the Sri Lanka Accounting Standards. We have also assessed the adequacy of the disclosures made in the financial statements on same;
- Assessed the estimates and assumptions are applied in determining the carrying amount and net realizable value which is impacted by volatile market and current economic conditions prevailing in the country.

The group's accounting policies and other related disclosures regarding property, plant and equipment are included in notes 3.3 and 12 of the financial statements.

Management has specified the action on how to deal with these events since the economic impact is still prevailing at the date of the report. Such assessment carried out on the basis of available information, involved the use of significant management judgments and estimates considering future events which are inherently uncertain, circumstances and impacts on cash flows, profits and assets, which could be subject to potential management bias. Accordingly, the said assessment was considered as a key audit matter.

Our audit procedures included the following:

- Gained an understanding of Management's assessment of the impacts of current economic conditions on the operation of the subsidiaries, particularly the hotels which have an impact on the going concern of the Group and Company;
- Obtained the cash flow projections carried out by the management which covered a period not less than twelve months from the reporting date and discussed with management the possible impact on the key assumptions used in preparing the projections due to prevailing uncertain and volatile macro-economic environment and implications of the current economic conditions;

- Evaluated the reasonableness of the significant management judgements and estimates such as occupancy levels used in such cashflow projections;
- Evaluated the performance of the Group and the Company and assessed the significant going concern indications. Inspected the availability of the credit facility arrangements and shareholder support for the Group and the Company through letter of support to manage the liquidity on a short term and long-term basis, assessing the implications of these on the Group's and the Company's liquidity;
- Assessed the impact of prevailing macroeconomic conditions on property plant and equipment, investment properties and investment in subsidiaries and associates, and evaluated whether it was required to adjust the carrying value prior to reflecting them at the financial statements, and checked the adjustments made where applicable;
- Assessed the adequacy of disclosures included in notes XX, XX and XX in the financial statements, in relation to the impact of prevailing uncertain and volatile macro-economic and the Group's and the Company's ability to continue as going concern with reference to the requirements of the prevailing accounting standards.

Other Information

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the financial statements and the auditor's report thereon.

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease the operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that are of the most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
As required by Section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as 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 4324.

BDO Partners

CHARTERED ACCOUNTANTS

Colombo

8TH October 2024

HSR/cc

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st March	Note	Group		Company	
		2024 Rs.'000	2023 Rs.'000	2024 Rs.'000	2023 Rs.'000
Revenue	5	128,886	460,006	-	-
Cost of Sales		(78,483)	(249,704)	-	-
Gross Profit		50,403	210,302	-	-
Other Operating Income	6	260,323	38,383	219,173	1,500
Selling and Distribution Expenses		(69,654)	(29,604)	(57,640)	(210)
Administrative Expenses		(327,779)	(370,191)	(36,805)	(36,453)
Other Operating Expenses		(24,399)	(253,702)	(23,522)	(251,437)
Provision for Impairment of Receivables(Net)	7	0	-	(73,970)	(1,146)
Net Finance Income/(Costs)	8	(430,587)	(355,833)	(306,808)	(18,631)
Share of Profit /(Loss) of Equity - Accounted Investees (Net of Tax)		8,857	(457)	-	-
Profit/(Loss) Before Taxation	9	(532,836)	(761,102)	(279,572)	(306,378)
Income Taxation	10	(316)	1,939	-	-
Profit/(Loss) for the Year		(533,152)	(759,163)	(279,572)	(306,378)
Other Comprehensive Income/(Expense)					
Items that will not be Reclassified to Statement of Profit or Loss					
Actuarial Gain on Defined Benefit Obligations (Net of Tax)	26	4,438	(265)	2,611	(429)
Revaluation Surplus on Property, Plant and Equipment		554,757	-	-	-
Other Comprehensive Income/(Expenses) for the Year, Net of Tax		559,195	(265)	2,611	(429)
Total Comprehensive Income/(Expenses) for the Year Profit/(Loss)		26,043	(759,428)	(276,961)	(306,807)
Attributable to					
Equity Holders of the Parent Company		(456,294)	(675,058)	(279,572)	(306,378)
Non-controlling Interests		(76,858)	(84,105)	-	-
		(533,152)	(759,163)	(279,572)	(306,378)
Total Comprehensive Income/(Expenses) Attributable to					
Equity Holders of the Parent Company		579,906	(675,084)	(276,961)	(306,807)
Non-controlling Interests		(553,864)	(84,344)	-	-
Total Comprehensive Income for the Year		26,043	(759,428)	(276,961)	(306,807)
Basic Earnings/(Loss) Per Share (Rs.)	11.1	(3.47)	(5.14)	(2.13)	(2.33)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the accounting policies and related notes, which are set out on pages 57 to 97.

Colombo

STATEMENT OF FINANCIAL POSITION

As at 31st March	Note	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	3,332,317	2,956,737	10,922	14,804
Right of Use Assets	13	6,064	14,278	-	-
Intangible Assets	14	334,597	336,721	-	174
Investment Properties	15	-	-	-	-
Investments in Subsidiaries	16.1	-	-	1,770,122	1,220,845
Investments in Associates	16.2	178,978	170,121	398,839	398,839
Equity Instruments Measured at Fair Value Through OCI	17	117,430	117,430	117,430	117,430
Long Term Deposits and Advances	18	-	569	-	569
Deferred Taxation	25	-	-	-	-
Total Non-Current Assets		3,969,386	3,595,856	2,297,313	1,752,660
Current Assets					
Inventories	19	9,107	13,594	-	-
Other Financial Assets	20	20,999	74,115	860	19,393
Income Tax Receivable		1,538	1,813	-	-
Trade and Other Receivables	21	387,742	418,674	89,181	148,791
Amounts Due from Related Companies	22	580,853	576,892	2,076,666	2,163,606
Cash and Cash Equivalents	23	22,822	16,553	3,456	1,422
Total Current Assets		1,023,061	1,101,641	2,170,163	2,333,212
Total Assets		4,992,447	4,697,497	4,467,476	4,085,872
EQUITY AND LIABILITIES					
Capital and Reserves					
Stated Capital	24	1,498,498	1,498,498	1,498,498	1,498,498
Revaluation Reserve		1,937,404	1,401,970	5,905	5,905
Retained Earnings/(Accumulated Losses)		(4,126,024)	(3,751,433)	(1,526,757)	(1,249,795)
Shareholders' Fund		(690,122)	(850,965)	(22,354)	254,608
Non-controlling Interests		563,014	706,919	-	-
Total Equity		(127,108)	(144,046)	(22,354)	254,608
Non-Current Liabilities					
Retirement Benefit Obligations	26	17,031	18,161	2,242	4,716
Non - Interest Bearing Borrowings- Due after One year	27	790,795	790,795	790,795	790,795
Interest Bearing Borrowings - Due after one year	28	366,209	614,249	14,975	6,605
Lease liability -Due after One year	29	17,557	29,707	-	-
Total Non-Current Liabilities		1,191,592	1,452,912	808,013	802,116
Current Liabilities					
Non-Interest Bearing Borrowings- Due within one year	27	40,068	40,068	40,068	40,067
Interest Bearing Borrowings - Due within one year	28	2,694,831	2,554,093	2,724,860	2,539,102
Lease Liability-Due Within one year	29	9,880	12,952	-	-
Trade and Other Payables	30	629,178	330,160	427,964	90,709
Amounts Due to Related Companies	31	-	-	52,992	37,253
Income Tax Payable		42,851	42,849	42,845	42,845
Bank Overdrafts	23	511,155	408,508	393,089	279,171
Total Current Liabilities		3,927,963	3,388,630	3,681,817	3,029,148
Total Liabilities		5,119,555	4,841,542	4,489,830	3,831,264
Total Equity and Liabilities		4,992,447	4,697,497	4,467,476	4,085,872
Net Assets Per Share (Rs.)		(5.25)	(6.48)	(0.17)	1.94

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the accounting policies and related notes, which are set out on pages 57 to 97.

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



Nuwan De Silva
Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors,



Raju Radha
Managing Director



D. Swarnasinghe
Director

STATEMENT OF CHANGES IN EQUITY

GROUP

FOR THE YEAR ENDED 31ST MARCH 2024	Stated Capital	Revaluation Reserve	Retained Earnings/ Accumulated Losses	Total Attributable to Equity Holders	Non-controlling Interest	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2022	1,498,498	1,331,872	(3,025,625)	(195,255)	809,246	613,991
Adjustment on Acquisition, Disposal and Change in Holding of Subsidiary	-	70,098	(50,724)	19,374	(17,983)	1,391
Profit / (Loss) for the Year	-	-	(675,058)	(675,058)	(84,105)	(759,163)
Other Comprehensive Income for the Year (Net of Tax)	-	-	(26)	(26)	(239)	(265)
Balance as at 31st March 2023	1,498,498	1,401,970	(3,751,433)	(850,965)	706,919	(144,046)
Adjustment on Acquisition, Disposal and Change in Holding of Subsidiary	-	(19,323)	78,193	58,871	409,959	468,829
Profit/(Loss) for the year	-	-	(456,294)	(456,294)	(76,858)	(533,152)
Revaluation form PPE	-	554,757	-	-	-	-
Other Comprehensive income for the Year (Net of Tax)	-	-	3,510	3,510	(477,006)	(473,496)
Balance as at 31st March 2024	1,498,498	1,937,404	(4,126,024)	(1,244,879)	563,014	(681,865)

COMPANY

FOR THE YEAR ENDED 31ST MARCH 2024	Stated Capital	Revaluation Reserve	Retained Profits/ Accumulated Losses	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2022 (as Previously Reported)	1,498,498	5,905	(1,220,831)	283,572
Adjustment on Interest Income in Related Party Receivables (Note 44)	-	-	277,844	277,844
	1,498,498	5,905	(942,988)	561,415
Profit for the Year (Restated)	-	-	(306,378)	(306,378)
Other Comprehensive Income for the Year (Net of Tax)	-	-	(429)	(429)
Balance as at 31st March 2023 (Restated)	1,498,498	5,905	(1,249,795)	254,608
Balance as at 01st April 2023 (as Previously Reported)	1,498,498	5,905	(1,716,711)	(212,308)
Adjustment on Interest Income in Related Party Receivables (Note 44)	-	-	466,916	466,916
	1,498,498	5,905	(1,249,795)	254,608
Profit/(Loss) for the year	-	-	(279,572)	(279,572)
Other Comprehensive Income for the Year (Net of Tax)	-	-	2,611	2,611
Balance as at 31st March 2024	1,498,498	5,905	(1,526,757)	(22,353)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the accounting policies and related notes, which are set out on pages 57 to 97.

STATEMENT OF CASH FLOWS

For the Year Ended 31st March	Note	GROUP		COMPANY	
		2024	2023	2024	2023 Reinstated
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(Loss) before income Tax Expense		(532,836)	(761,102)	(279,572)	(306,378)
Adjustments for;					
Provision for Retiring Benefit Obligation	26	4,435	4,124	178	931
Depreciation on Property, Plant and Equipment	12	91,274	63,482	3,882	4,098
(Gain)/Loss on Investment Property		-	11,734	-	-
Amortisation on Intangible Assets		5,752	5,788	174	188
Amortisation on Right of use Assets		8,216	6,073	-	-
(Gain)/Loss on Translation of Foreign Currency		43	221,267	-	220,321
Fair Value Changes in Investment Property		-	-	-	2,000
Share of (Profit)/Loss of Equity-Accounted Investees Net of Tax		(8,856)	457	-	-
Provision for Impairment of Receivables		(0)	-	73,970	1,148
Finance Income Received	8	(26,335)	(20,855)	(853)	(191,825)
Finance Cost Paid	8	456,922	376,688	335,932	210,456
Operating Profit /(Loss) before Working Capital Changes		(1,385)	(92,344)	133,710	(59,060)
Changes in					
Inventories		4,487	(1,341)	-	-
Other Financial Assets		53,116	(74,115)	18,533	(18,854)
Trade and Other Receivables		30,933	(86,107)	59,610	(2,695)
Amount Due from Related Companies		(3,961)	(1,249)	86,943	(472,106)
Trade and Other Payables		299,016	80,422	337,255	28,783
Amount Due to Related Parties		-	-	15,739	(640)
Cash used in Operations		382,205	(174,734)	651,789	(524,572)
Gratuity Paid	26	(380)	(1,339)	(380)	(983)
Income Tax Paid		(1,726)	-	(0)	-
Net Cash From (used in) Operating Activities		380,099	(176,073)	651,409	(525,555)
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of Property, Plant and Equipment		(8,608)	(2,692)	-	-
Acquisition of Intangible Assets		2,124	(4,048)	-	-
Disposal of Investment Properties		-	119,000	-	65,000
Proceeds from Disposal of Property, Plant and Equipment		95,869	196	-	-
Finance Income Received		26,335	20,855	853	2,594
Long-Term Advances	18	568	-	-	-
Net Cash Flows from (used in) Investing Activities		116,288	133,311	853	67,594
CASH FLOW FROM FINANCING ACTIVITIES					
Net Proceeds from /(Repayment) of Other Loans		(210,949)	347,019	(419,519)	453,411
Net Proceeds from /(Repayment) of leases		(15,222)	1,538	-	-
Net Proceeds from/(Repayment) of Amounts Payable under Re-purchase Agreement		(796)	-	(796)	-
Net Proceeds from/(Repayment) of Commercial Papers		91,123	(15,439)	136,145	(2,320)
Finance Cost Paid		(456,922)	(376,688)	(479,975)	(4,843)
Net Cash Flows from/(used in) Financing Activities		(592,766)	(43,570)	(764,145)	446,248
Net Increase/(Decrease) in Cash and Cash Equivalents		(96,379)	(86,332)	(111,883)	(11,713)
Cash and Cash Equivalents at the Beginning of the Year	23	(391,955)	(305,623)	(277,750)	(266,037)
Cash and Cash Equivalents at the End of the Year	23	(488,334)	(391,955)	(389,633)	(277,750)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the accounting policies and related notes, which are set out on pages 57 to 97.

Colombo

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. General

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

1.2 Principal activities and nature of operations

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

1.3 Parent enterprise

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

1.4 Date of authorization for issue

The financial statements for the year ended 31st March 2024, were authorized for issue in accordance with a resolution of the Board of Directors on 08th October 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. General accounting policies

2.1.1 Basis of preparation

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

2.1.2 Statement of compliance

The statement of financial position, statement of comprehensive income, statements of changes in equity and cash flows, together with accounting policies and notes ("Financial Statements") of the company as at 31st March 2024 and for the year then ended, comply with Sri Lankan Accounting Standard issued by the Institute of Chartered Accountants of Sri Lanka.

2.1.3 Going concern

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

2.1.4 Comparative information

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

2.1.5 Foreign currency translation

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

2.1.6 Materiality and aggregation

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

2.1.7 Significant accounting judgments, estimates, and assumptions

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

2.2 Assets and bases of their valuation

2.2.1 Property, plant and equipment

a) Cost or valuation

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

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

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

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

b) Depreciation

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

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

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

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

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

(c) Restoration costs

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

(d) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount.

2.2.2 Capital work-in-progress

Property that is being constructed or developed for future income generation is classified as capital work-in-progress and stated at cost until the construction or development is complete. The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon. Expenditure incurred on capital-work-in-progress for permanent nature or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure. Capital-work-in-progress is transferred to Property, Plant and Equipment no sooner the asset is commissioned.

2.2.3 Impairment of non-financial assets

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

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

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

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

2.2.4 Financial assets

Trade and other receivables

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

2.2.4.1 Impairment of financial assets

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

2.2.5 Cash and cash equivalents

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

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

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

2.3 Liabilities and provisions

2.3.1 Liabilities

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

2.3.2 Provisions

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

2.3.2.1 Retirement benefit obligations

2.3.2.1.1 Defined contribution plans - EPF and ETF

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

2.3.2.1.2 Defined benefits plans

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

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

2.3.2.2 Taxation

Current taxes

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

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

2.4 Statement of comprehensive income

2.4.1 Revenue recognition

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

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

- (a) Room revenue is recognized for the rooms occupied on a daily basis. All revenues are recognized on an accrual basis over the time of the duration of the stay of the customer and matched with the related expenditure where they simultaneously receive and consume the benefits of the services rendered.
- (b) Restaurant revenue includes the revenue recognized on the sale food and beverage. All revenue is accounted for at the time of sale.
- (c) Bar revenue is accounted for at the time of sale.
- (d) Telephone, laundry, diving and windsurfing represent the services provided to customers which are implied as business practice in the industry. All revenue is recognized at the time of rendering the service.
- (e) Brokering commission is recognized on an accrual basis.
- (f) Other Income is recognized on an accrual basis. Profits or losses of a revenue nature on the disposal of Equipment have been accounted for in the profit or loss.
- (g) Dividend Income is recognized in profit or loss on an accrual basis when the Company's right to receive the dividend is established.
- (h) Interest income is recognized as the interest accrued on a time basis (taking into account the effective yield on the asset) unless the collectability is in doubt.

2.4.2 Expenditure recognition

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

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

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

2.5 Statement of cash flows

The statement of cash flows has been prepared using the 'Indirect Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard - LKAS 7 'Statement of Cash Flows.' Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

2.6 Events after the reporting date

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

2.7 Contingencies and unrecognized contractual commitments

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

3. Basis of consolidation

3.1 Business combinations and Goodwill

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

3.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investment in subsidiaries is initially recognized at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognized in the income statement. After the initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses.

3.3 Non-controlling interests

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

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

3.1.4 Loss of control

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

3.1.5 Investment in associates

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

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

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

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

3.1.6 Transactions eliminated on consolidation

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

MATERIAL ACCOUNTING POLICY INFORMATION TO THE FINANCIAL STATEMENTS

4. Critical Accounting Estimates, Judgments and Assumptions

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

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

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

Critical accounting estimate / judgment	Disclosure note
Going concern	2.1.3
Impairment of property, plant and equipment	2.2.1
Impairment of financial assets	2.2.4
Defined benefits plans	2.3.2.1
Deferred tax	2.4.2 (c) & (d)
Taxes	2.3.2.2

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE

5.1. Summary

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Revenue	134,863	465,759	-	-
Less: Intra Group Transactions	(5,976)	(5,753)	-	-
	128,886	460,006	-	-

5.2. Segments

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Leisure	110,197	437,959	-	-
Stock Brokering	18,689	22,047	-	-
	128,886	460,006	-	-

6. OTHER OPERATING INCOME

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other Income	41,150	-	-	1,500
Wright off	37,273	-	37,273	-
Exchange Gain	181,900	38,383	181,900	-
	260,323	38,383	219,173	1,500

7. (PROVISION)/REVERSAL FOR IMPAIRMENT OF RECEIVABLES

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the Beginning of the Year	63,258	63,258	535,439	534,293
Provision made During the Year	-	-	73,970	1,146
Bad Debt Write Off	(0)	-	-	-
Balance at the End of the Year (Note 7.1)	63,258	63,258	609,409	535,439

NOTES TO THE FINANCIAL STATEMENTS

7.1. Provision for Impairment of Receivables Reflected in,

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Receivables (Note 21)	-	2,102	-	-
Other Receivables (Note 21)	-	61,156	43,076	43,076
Amounts Due from Related Companies (Note 22)	-	-	566,333	492,363
Balance at the End of the Year	-	63,258	609,409	535,439

8. NET FINANCE INCOME/(COSTS)

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financing Income				
Interest Income - Related Parties	-	-	28,270	189,073
- Others	26,335	20,855	853	2,752
	26,335	20,855	29,124	191,825
Financing Cost				
Interest on Overdraft	(155,021)	(77,701)	(114,340)	(54,044)
Interest on Other Borrowings	(301,901)	(298,987)	(221,592)	(156,412)
	(456,922)	(376,688)	(335,932)	(210,456)
Net Finance Costs	(430,587)	(355,833)	(306,808)	(18,631)

9. PROFIT/(LOSS) BEFORE TAXATION

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

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Included in Administrative Expenses				
Auditors Remuneration - Audit fees and Expenses	2,717	2,143	1,500	1,025
- Non Audit Services	-	168	-	168
Director's Fees	-	-	-	-
Secretarial Fees	2,796	2,107	1,326	402
Depreciation on Property Plant and Equipment	91,274	63,482	3,882	4,099
Amortisation of Intangible Assets	5,752	5,788	174	188
Amortisation of Right of Use Assets	8,216	6,073	-	-
Legal Fees	9,896	481	7,406	-

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Personnel Costs Include				
Defined Benefit Plan - Gratuity	4,435	4,124	518	929
Defined Contribution Plan Costs - EPF and ETF	12,505	10,962	1,956	1,858
Staff Incentives	-	-	-	-
Other Staff Costs	112,548	138,188	14,823	
Other Operating Expenses Include				
Exchange Loss	181,857	(182,429)	181,900	(220,321)
Number Of Employees	154	180	12	15

10. INCOME TAX EXPENSES

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Tax Expenses - Company	-	-	-	-
Current Tax Expenses - Subsidiaries (Note 10.2)	-	-	-	-
Current Tax Expenses - Total	-	-	-	-
Deferred Tax Originated During the Year	-	-	-	-
Under/(Over) Provision in Respect of Prior Years	-	-	-	-
Deferred Taxation Charge/(Reversal)	316	(1,939)	-	-
	316	(1,939)	-	-

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

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Accounting Profit/(Loss) Before Tax	(532,836)	(761,102)	(279,572)	(306,378)
Aggregate Disallowed Items	138,948	325,000	8,495	255,054
Aggregate Allowable Items	(92,657)	(356,960)	(4,228)	(259,985)
Income not subject to Tax	-	-	-	-
Tax Profit/(Loss) on Trade or Business	(486,545)	(793,062)	(275,305)	(311,309)
Other Taxable Income	206,390	336	181,900	-
Tax Losses Set off under Section 19	(22,968)	(5,795)	-	-
Taxable Income/(Loss)	(303,122)	(798,521)	(93,405)	(311,309)
Income Tax @ 30%	-	-	-	-
Current Tax Expense	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

10.1.1. Reconciliation of Unrelieved Tax Losses

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Opening Balance	3,182,584	3,949,481	776,325	1,082,703
Under/(Over) Provision in Respect of Prior Years	(321,678)	-	382,432	-
Loss for the Year	705,955	(761,102)	(279,572)	(306,378)
Loss Utilised during the year	(22,968)	(5,795)	-	-
	3,543,894	3,182,584	879,184	776,325

11. BASIC EARNINGS PER SHARE

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

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

For the Year Ended 31st March	Group		Company	
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit After Tax Attributable to Equity holders of the Company	(456,294)	(675,058)	(279,572)	(306,378)
Weighted Average number of Ordinary Shares outstanding during the Year	131,330	131,330	131,330	131,330
Basic Earnings Per Share (Rs.)	(3.47)	(5.14)	(2.13)	(2.33)

12. PROPERTY, PLANT AND EQUIPMENT

12.1. Cost / Valuation

Group	Balance As At	Additions	Adjustment due to Revaluation	Disposals / Transfers	Balance As At
	01.04.2023				31.03.2024
	Rs.'000				Rs.'000
Freehold Assets					
Land	1,871,186	-	77,663	(47,850)	1,901,000
Buildings and Improvements	1,285,757	(323,662)	477,095	(47,919)	1,391,270
Motor Vehicles	1,856	7,500	-	-	9,355
Office Equipment	58,787	14	-	-	58,801
Fixtures and Fittings	22,313	-	-	(100)	22,213
Furniture and Fittings	124,038	642	-	-	124,680
Computer Equipment	36,230	201	-	-	36,431
Plant and Machinery	87,016	233	-	-	87,016
Hotel Equipment	97,317	18	-	-	97,124
Total	3,584,500	(315,054)	554,758	(95,869)	3,727,891

12.1.1. In the Course of Construction

	Balance As At 01.04.2023	Incurred During the Year	Reclassified/ Transferred	Balance As At 31.03.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Building Work in Progress	25,051	-	-	25,051

12.1.2. Depreciation

	Balance As At 01.04.2023	Acquisition of Subsidiary	Charge for the year	Adjustment due to Revaluation	Disposals / Transfers	Balance As At 31.03.2024
	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Buildings and Improvements	250,452	-	80,823	(316,462)	-	14,812
Motor Vehicles	956	-	622		-	1,578
Office Equipment	54,045	-	845	-	-	54,890
Fixtures and Fittings	12,493	-	1,913	-	0	14,406
Furniture and Fittings	116,627	-	3,840	-	-	113,467
Computer Equipment	31,336	-	1,824	-	-	33,160
Plant and Machinery	84,413	-	550	-	-	84,963
Hotel Equipment	102,492	-	858	-	-	103,350
Total Depreciation	652,814	-	91,274	(316,462)	0	420,625
Net Carrying Value as at 31.03.2023						2,956,737
Net Carrying Value as at 31.03.2024						3,332,317

12.2 . Company

	Balance As At 01.04.2023	Additions	Disposals / Transfers	Balance As At 31.03.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
Freehold Assets				
Motor Vehicles	321	-	-	321
Office Equipment	5,480	-	-	5,480
Fixtures and Fittings	21,992	-	-	21,992
Furniture and Fittings	11,760	-	-	11,760
Computer Equipment	15,218	-	-	15,218
Total	54,771	-	-	54,771

NOTES TO THE FINANCIAL STATEMENTS

12.2.1. Accumulated Depreciation on Cost

	Balance As At 01.04.2023	Charge for the year	Disposals / Transfers	Balance As At 31.03.2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Freehold Assets				
Motor Vehicles	321	-	-	321
Office Equipment	3,504	440	-	3,944
Fixtures and Fittings	12,278	1,905	-	14,183
Furniture and Fittings	9,704	812	-	10,516
Computer Equipment	14,160	726	-	14,886
Total Depreciation	39,967	3,882	-	43,849
Net Carrying Value as at 31.03.2023				14,804
Net Carrying Value as at 31.03.2023				10,922

12.3. Group Freehold Land and Buildings

Value of Lands and Ownership

Company	Location	Land Extent in Acres/ Perches and Roods	Number of buildings	Carrying Value of Lands As at 31.03.2023	Carrying Value of Building As at 31.03.2023
Wadduwa Resorts (Pvt) Ltd	No 352/16c, Ratnayaka Road, Talpitiya, Wadduwa	3 A, 1 R, 36.22 P	3	840,000,000	525,923,000
Asia Leisure Holdings (Pvt) Ltd	No 70, Uttamana Mawatha, Welagedara, Balapitiya	1 R	1	10,000,000	23,000,000
Asia Leisure (Pvt) Ltd	No 288, Galle Road, Dadalla, Galle	1R , 28 Perch	1	86,400,000	26,985,000
River House Estate (Pvt) Ltd	Robert De Soysa Mawatha, Walagedara, Balapitiya	5A, 1R, 26P	0	173,200,000	-
Asia Leisure Apartments (Pvt) Ltd	Misty Hills, Badulla Road, Katumanna, Nuwaraeliya	63.8P	1	48,000,000	62,000,000
Rive House (Pvt) Ltd	No 70, Uttamana Mawatha, Welagedara, Balapitiya	06A 01R 36P	3	414,400,000	96,402,000
Kosgoda Beach Resorts (Pvt) Ltd	No 47/23, Paratharakaya Round Road, Kosgoda.	01A 01R 39P	1	329,000,000	656,960,000
				1,901,000,000	1,391,270,000

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

12.4. Carrying Amount of Revalued Assets

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

	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2023	Net Carrying Amount 2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Group				
Freehold Assets				
Buildings and Improvements	630,301	483,906	146,395	146,395
Motor Vehicles	1,060	1,060	-	-
Office Equipment	71,340	62,693	8,647	8,647
Fixtures and Fittings	18,499	18,499	0	0
Furniture and Fittings	168,544	159,832	8,712	8,712
Computer Equipment	35,429	35,429	-	-
Plant and Machinery	124,983	124,983	-	-
Hotel Equipment	135,670	135,670	(0)	(0)
Leasehold Assets				
Motor Vehicles	88,043	67,716	20,327	20,327
Computer Equipment	2,897	2,546	351	351
Total	1,276,766	1,092,334	184,432	184,432

12.5. Cost of Fully Depreciated Assets

For the Year Ended 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Office Equipment	2,747	2,447	997	997
Fixtures and Fittings	4,145	3,585	2,925	2,925
Furniture and Fittings	12,636	12,411	2,037	2,037
Motor Vehicles	321	321	321	321
Computer Equipment	7,875	7,630	-	-
Leasehold Motor Vehicles	18,660	18,660	-	14,800
	46,384	45,054	6,280	21,080

NOTES TO THE FINANCIAL STATEMENTS

13. RIGHT OF USE ASSETS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
Balance at the Beginning of the Year	55,234	55,234	-	-
Acquisition of Subsidiaries	-	-	-	-
Additions During the Year	-	-	-	-
Disposal During the Year	-	-	-	-
Balance at the End of the Year	55,234	55,234	-	-
Amortisation				
Balance at the Beginning of the Year	40,956	34,883	-	-
Acquisition of Subsidiaries	-	-	-	-
Amortisation for the Year	8,214	6,073	-	-
On Disposal of Subsidiary	-	-	-	-
Balance at the End of the Year	49,174	40,956	-	-
Net Carrying Value	6,064	14,278	-	-

14. INTANGIBLE ASSETS

14.1. Computer Software

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
Balance at the Beginning of the Year	100,230	96,182	31,413	31,413
Additions During the Year	-	4,048	-	-
Balance at the End of the Year	100,231	100,230	31,413	31,413

14.1.1. Amortisation

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the Beginning of the Year	65,298	59,510	31,240	31,052
Amortisation for the Year	5,752	5,788	173	188
Balance at the End of the Year	71,050	65,298	31,412	31,240
Net Carrying Value	29,180	34,932	-	173

14.2. Goodwill

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the Beginning of the Year	305,417	305,417	-	-
On Acquisition of Subsidiary	-	-	-	-
Written-off During the Year	-	-	-	-
Balance at the End of the Year	305,417	305,417	-	-
Total Net Carrying Value	334,597	340,349	-	-

14.3. Summary of Goodwill - Group

	2024	2023
	Rs.'000	Rs.'000
Asia Leisure Holdings (Pvt) Ltd	5,021	5,021
Beach Resorts Kosgoda (Pvt) Ltd	246,179	246,179
Asia Capital Partners Ltd	4,976	4,976
Asia Capital Stock Brokers (Pvt) Ltd	49,241	49,241
	305,417	305,417

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

The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long term average growth rate for the business in which the CGU operates. For each of the CGUs with significant amounts of goodwill the key assumptions for long-term growth rate and discount rate used in the value-in-use calculations are as follows. – Sales volume is the average annual growth rate over the five-year forecast period. It is based on current industry trends and includes long term inflation forecasts for each company in which each business segment operates. Gross margin is the average margin as a percentage of revenue over the five-year forecast period. It is based on current sales margin levels and sales mix, with adjustments made to reflect the expected future price rises in key raw materials.

Other operating costs are the fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases and these do not reflect any future restructuring or cost saving measures. The amounts disclosed above are the average operating cost for the five year forecast period. Annual capital expenditure is the expected cash costs of each segment for the five-year forecast period.

15. INVESTMENT PROPERTIES

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the beginning of the year	-	130,634	-	67,000
On Disposals during the year	-	(130,634)	-	(67,000)
Balance as at end of the year	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

16. LONG TERM INVESTMENTS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments in Subsidiaries (Note 16.1)	-	-	1,770,122	1,220,845
Investments in Associate (Note 16.2)	178,978	170,577	398,839	398,839
Total Investments	178,978	170,577	2,168,961	1,619,684

16.1. Investments in Subsidiaries

Investments in Subsidiaries		Company			
		2024		2023	
		Effective Holding %	Rs.'000	Effective Holding %	Rs.'000
Non-Quoted					
Asia Growth Fund 1 (Private) Limited	Subsidiary	100%	10,050	100%	10,050
Asia Fort Sri Lanka Direct Investment Fund Limited	Subsidiary	100%	5,001	100%	5,001
Asia Capital Projects (Private) Limited	Subsidiary	100%	25,000	100%	25,000
Asia Capital Technologies (Private) Limited	Subsidiary	100%	32,000	100%	32,000
Asia Digital Entertainment (Private) Limited	Subsidiary	100%	4,088	100%	4,088
Asia Tea Packaging (Private) Limited	Subsidiary	100%	86,787	100%	86,787
Asia Leisure Holding (Private) Limited	Subsidiary	73%	730,249	73%	730,249
Wadduwa Resorts (Private) Limited	Sub-Subsidiary	54%	252,546	54%	252,546
Asia Leisure (Private) Limited	Subsidiary	100%	116,744	98%	116,744
Strider capital Asia (Private) Ltd	Subsidiary	100%	33,520	100%	33,520
Asia Capital Partners (Private) Limited	Subsidiary	70%	82,785	70%	82,785
Colombo City Land Development (Private) Limited	Subsidiary	100%	0	100%	0
Galle Beach (Private) limited	Subsidiary	100%	0	100%	0
ACAP Stock Brokers (Private) Limited	Subsidiary	91%	123,859		-
Beach Resorts Kosgodra (Private) Limited	Subsidiary	100%	425,418		-
			1,928,047		1,378,770
Less: Provision for fall in value of investments (Note 16.1.1)			(157,925)		(157,925)
Total Investments in Subsidiaries			1,770,122		1,220,845

During the year 17,886 shares of Beach Resorts Kosgodra (Pvt) Ltd held by Asia Leisure Holdings (Pvt) Ltd have been transferred to Asia Capital PLC at the consideration of LKR 425,417,593/-.

Right Issue of 651,891,789 ACAP Stock Brokers (Pvt) Ltd shares were issued to Asia Capital PLC at the consideration of LKR 123,859,439/-

16.1.1. Provision for Fall in value of Investments

	Company	
	2024	2023
	Rs.'000	Rs.'000
Asia Growth Fund 1 (Private) Limited	(10,050)	(10,050)
Asia Capital Projects (Private) Limited	(25,000)	(25,000)
Asia Digital Entertainment (Private) Limited	(4,088)	(4,088)
Asia Tea Packaging (Private) Limited	(86,787)	(86,787)
Asia Capital Technologies (Private) Limited	(32,000)	(32,000)
	(157,925)	(157,925)

16.2. Investment In Associates

	Group			Company		
	Effective Holding	2024	2023	Effective Holding	2024	2023
	%	Rs.'000	Rs.'000	%	Rs.'000	Rs.'000
493 Talpe Lands (Private) Limited	49%	2,299	(381)	49%	-	-
Galle Beach CC Trust (Private) Limited	40%	176,678	170,502	40%	398,839	398,839
		178,978	170,121		398,839	398,839

The management has made a fair value assessment of Investment in Associates as at 31st March 2024 and noted that the fair value has not changed significantly. Therefore no adjustment were made to the financial statements.

16.2.1. Summarized Financial Information - Associate**Galle Beach CC Trust (Private) Limited**

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

Share of the Associate's Statement of Financial Position	493 Talpe Lands (Pvt) Ltd		Galle Beach CC Trust (Pvt) Ltd"	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non Current Assets	46,500	40,989	1,749,772	1,631,678
Current Assets	1	1	161,435	161,130
Total Assets	46,501	40,990	1,911,207	1,792,808
Non Current Liabilities	-	-	590,131	590,131
Current Liabilities	41,809	41,768	879,380	776,421
Total Liabilities	41,809	41,768	1,469,511	1,366,552
Net Assets	4,692	(778)	441,696	426,256
Carrying Amount of the Investment	2,299	(381)	176,678	170,502
Share of the Associate's Revenue and Profit				
Revenue	49	-	407	-
Loss		35		407

The management has made a fair value assessment of Investment in Associates as at 31st March 2024 and noted that the fair value has not changed significantly. Therefore no adjustment were made to the financial statement.

NOTES TO THE FINANCIAL STATEMENTS

17. EQUITY ASSETS MEASUTRED AT FAIR VALUE THROUGH OCI

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non-current				
Investment in Equity Securities - Non-Quoted (Note 17.1)	117,430	117,430	117,430	117,430
	117,430	117,430	117,430	117,430

17.1. Investments in Equity Securities - Non-Quoted

Group	No. of Shares	Carrying Value	No. of Shares	Carrying Value
		2024		2023
		Rs. '000		Rs. '000
Galle Heritage Lanka (Private) Limited	20	77,083	20	77,083
Marine Drive Hotels (Private) Limited	20	40,347	20	40,347
Total	40	117,430	40	117,430
Company				
Galle Heritage Lanka (Private) Limited	20	77,083	20	77,083
Marine Drive Hotels (Private) Limited	20	40,347	20	40,347
Total	40	117,430	40	117,430

17.2 The Management has made a fair value assessment of investment in those equity securities as at March 2024 and noted that the fair value has not changed significantly. Therefore, no adjustments were made to the financial statements.

18. LONG TERM DEPOSITS AND ADVANCES

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rent Deposit	-	569	-	569
Advances given During the Period	-	-	-	-
	-	569	-	569
Less: Provision for Impairment	-	-	-	-
	-	569	-	569
Maturity Analysis of Long Term Deposits				
Within 2-3 Years	-	-	-	-
Within 3-5 Years	-	569	-	569
After 5 Years	-	-	-	-
	-	569	-	569

19. INVENTORIES

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Food and Beverages	9,107	13,594	-	-
Films Stock	267,224	267,224	-	-
	276,331	280,818	-	-
Less: Provision for Inventories	(267,224)	(267,224)	-	-
	9,107	13,594	-	-

20. OTHER CURRENT FINANCIAL ASSETS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments in Overnight Repo	20,999	74,115	-	18,696
Investments in Reverse Repurchase Agreements	0	-	860	697
	20,999	74,115	860	19,393
Less: Provision for fall in value of investment	-	-	-	-
	20,999	74,115	860	19,393

21. TRADE AND OTHER RECEIVABLES

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Debtors	235,181	210,886	-	-
Less: Provision for Bad and Doubtful Debts	(1,199)	(2,102)	-	-
	233,983	208,784	-	-
Advances and Prepayments	91,734	92,892	18,323	22,960
Other Debtors	123,181	178,155	113,934	168,907
	448,898	479,830	132,257	191,867
Less: Provision for Bad and Doubtful Debts	(61,156)	(61,156)	(43,076)	(43,076)
	387,742	418,674	89,181	148,791
	387,742	418,675	89,181	148,791

NOTES TO THE FINANCIAL STATEMENTS

22. AMOUNTS DUE FROM RELATED COMPANIES

As At 31st March	Relationship	Group		Company	
		2024	2023	2024	2023
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Asia Growth Fund 1 (Private) Limited	Subsidiary	-	-	997	946
Asia Fort Sri Lanka Direct Investment Fund Limited	Subsidiary	-	-	1,913	2,511
Asia Capital Technologies (Private) Limited	Subsidiary	-	-	51,055	49,305
Asia Capital Projects (Private) Limited	Subsidiary	-	-	24,256	23,205
Asia Leisure Holdings (Private) Limited	Subsidiary	-	-	403,875	1,046,604
Galle Beach (Private) Limited	Subsidiary	-	-	415	415
Asia Digital Entertainment (Private) Limited	Subsidiary	-	-	376,187	375,550
Asia Leisure (Private) Limited	Subsidiary	-	-	119,912	87,076
Asia Tea Packaging (Private) Limited	Subsidiary	-	-	11,018	10,977
Asia Capital Private Equity (Private) Limited	Subsidiary	-	-	32,004	31,965
Asia Capital Partners (Private) Limited	Subsidiary	-	-	1,177	1,176
ACAP Stock Brokers (Private) Limited	Subsidiary	-	-	-	74,304
Beach Resorts Kosgoda (Private) Limited	Subsidiary	-	-	625,233	-
Asia Leisure Apartments (Private) Limited	Subsidiary	-	-	54,390	52,251
Wadduwa Resorts (Private) Limited	Sub-subsidiary	-	-	243,680	215,835
River House (Private) Limited	Sub-subsidiary	-	-	5,883	5,809
River House Estate (Private) Limited	Sub-subsidiary	-	-	91,784	88,024
Asia Leisure Travels (Pvt) Ltd	Sub-subsidiary	-	-	53,917	47,825
Galle Beach CC Trust (Private) Limited	Associate	468,806	464,923	433,043	430,039
Galle Beach Hotel (Private) Limited	Sub-subsidiary	-	-	222	184
493 Talpe Lands (Private) Limited	Associate	41,573	41,534	41,573	41,535
Forest Resorts Nuwara Eliya (Pvt) Ltd	Affiliate	70,475	70,435	70,475	70,435
		580,853	576,892	2,643,007	2,655,973
Less: Provision for Bad and Doubtful Debts					
Asia Growth Fund 1 (Private) Limited		-	-	(997)	(946)
Galle Beach (Private) Limited		-	-	(416)	(415)
Asia Capital Projects (Private) Limited		-	-	(24,256)	(23,205)
Asia Tea Packaging (Private) limited		-	-	(11,018)	(10,977)
Asia Capital Technologies (Private) Limited		-	-	(50,991)	(49,306)
Asia Digital Entertainment (Private) Limited		-	-	(376,187)	(375,550)
Forest Resorts Nuwara Eliya (Pvt) Ltd		-	-	(70,435)	-
Asia Capital Private Equity (Private)Limited		-	-	(32,004)	(31,965)
		-	-	(565,926)	(492,364)
		580,853	576,892	2,076,666	2,163,609

23. CASH AND CASH EQUIVALENTS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Favourable Balances				
Cash in Hand and at Bank	22,822	16,553	3,456	1,422
	22,822	16,553	3,456	1,422
Unfavourable Balances				
Bank Overdrafts	(511,155)	(408,508)	(393,089)	(279,172)
Cash and Cash Equivalents for the Cash Flow Purpose	(488,333)	(391,955)	(389,632)	(277,750)

24. STATED CAPITAL

	Group /Company			
	2024		2023	
	No of Shares	Value Rs.'000	No of Shares	Value Rs.'000
Ordinary Shares	131,329,995	1,498,498	131,329,995	1,498,498
	131,329,995	1,498,498	131,329,995	1,498,498

25. DEFERRED TAXATION

	Group			
	2024		2023	
	Temporary Differences	Temporary Tax Effect	Temporary Differences	Temporary Tax Effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
On Temporary differences of Property, Plant and Equipment	(2,494,773)	(748,432)	(706,206)	(211,862)
On Retirement Benefit Obligations	17,030	5,109	18,161	5,448
On Revaluation	(554,756)	(166,427)	-	-
On Tax Losses Carried Forward	3,543,894	1,063,168	4,741,342	1,422,403
	511,395	153,418	4,053,297	1,215,989
	Company			
On Temporary Differences of Property, Plant and Equipment	(7,675)	(2,303)	(11,251)	(3,375)
On Retirement Gratuity	2,242	673	4,716	1,415
On Tax Losses Carried Forward	386,555	115,967	1,583,084	474,925
	381,122	114,337	1,576,549	472,965

Note:

Group

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

Company

"Due to the uncertainty of availability of future taxable profit for utilisation of tax losses, the recognition of deferred tax asset has been limited only up to deferred liability as at the reporting date. Therefore, the unrecognised deferred tax asset of the Company is Rs. 262 Mn (2023- Rs. 472Mn).

NOTES TO THE FINANCIAL STATEMENTS

26. RETIREMENT BENEFIT OBLIGATIONS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the Beginning of the Year	18,161	15,111	4,715	4,336
Interest for the Year	929	529	171	442
Charge for the Year	3,508	3,595	348	487
(Gain)/Loss arising from changes in assumptions or (over)/under provision in the previous year	(4,438)	265	(2,611)	429
Payments made during the Year	(380)	(1,339)	(380)	(979)
Balance at the end of the Year	17,031	18,161	2,243	4,715

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

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

	2024	2023
Rate of Interest	14.95%	14.95%
Rate of Salary Increase	7.50%	7.50%
Labour Turnover	11.1%	11.1%
Retirement Age	60	60

In assessing the discount rate as per the guideline issued by CA Sri Lanka 2023 country default spread and the pre - Covid default impact as been considered.

26.1. Sensitivity of Assumption Employed in the Valuation

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

Group	Total Comprehensive Income Increase /(Reduction)	Employment Benefit Obligation
		Increase/(Reduction) in the Liability
Increase in Discounts Rate (1%)	(372)	(2,020)
Decrease in Discount Rate (1%)	407	2,429
Increase in Salary Increment Rate (1%)	442	2,553
Decrease in Salary Increment Rate (1%)	(585)	(1,716)
Company		
Increase in Discounts Rate (1%)	(15)	(1,452)
Decrease in Discount Rate (1%)	35	1,590
Increase in Salary Increment Rate (1%)	165	1,580
Decrease in salary Increment Rate (1%)	(145)	(1,425)

27. NON-INTEREST BEARING BORROWINGS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance at the Beginning of the Year	830,864	830,863	830,863	830,862
Loan Obtained During the Year		-		-
Installments Paid During the Year	-			
Balance at the End of the Year	830,863	830,863	830,863	830,862

27.1. Summary

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Questnet Limited (Note 27.1.1)	40,068	40,068	40,068	40,068
CC Trust Pte Ltd	790,795	790,795	790,795	790,795
	830,863	830,863	830,863	830,863
Amount Repayable Within 1 Year	40,068	40,068	40,068	40,068
Amount Repayable After 1 Year	790,795	790,795	790,795	790,795

27.1.1. The loan is payable (on demand) to Questnet Limited, a shareholder related party.

28. INTEREST BEARING BORROWINGS

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Direct Borrowing	-	45,705	-	45,705
Preference Facility Loan	2,510,665	2,423,525	2,510,665	2,423,525
Borrowing Under Commercial Papers	106,029	14,907	176,768	40,623
Borrowing Under Repurchase Agreement	-	796	-	796
Other Long-Term Loans	444,345	683,409	52,403	35,057
	3,061,040	3,168,342	2,739,835	2,545,706
Amount Repayable within 1 Year (Note 28.2)	2,694,831	2,554,093	2,724,860	2,539,101
Amount Repayable After 1 Year (Note 28.2)	366,209	614,249	14,975	6,605
	3,061,040	3,168,342	2,739,835	2,545,706

NOTES TO THE FINANCIAL STATEMENTS

28.1. Assets Pledged

Name of the Lender	Nature of Facility	Name of the Lender	Facility Limit	Details of the Assets Pledged	31st March 2023	31st March 2023
					Rs.'000	Rs.'000
Asia Capital PLC	Long Term Loan	Seylan Bank PLC	100,000,000	Arachchige Watta, Waduwanakaduwwatta, and Ratranhadiligeliyadda, Kosgoda"	269,452,683	12,774,725
Wadduwa Resorts (Private) Limited	Long Term Loan	Seylan Bank PLC	325,000,000	Taprobana Land and Building located at No.325/16,Ratnayaka Road, Thalpitiya,Wadduwa.	270,639,951	204,247,055
				Corporate guarantee of Asia Capital PLC		
Beach Resorts Kosgoda (Private) Ltd	Long term Loan	Seylan Bank PLC	250,000,000	Land and Building Located at No 47/23,Paratharakaya Round Road,Kosgoda.	364,316,958	333,709,486

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

Group	2024		2023	
	Payable within One year	Payable after One year	Payable within One year	Payable after One year
	Rs.	Rs.	Rs.	Rs.
Direct Borrowing	-	-	45,705	-
Preference Facility Loan	2,510,665	-	2,423,525	-
Borrowing under Commercial Papers	106,029	-	14,907	-
Borrowing Under Repurchase Agreement	-	-	796	-
Other Long Term Loans	78,136	366,209	69,160	614,249
	2,694,830	366,209	2,554,093	614,249
Company				
Direct Borrowing	-	-	45,705	-
Preference Facility Loan	2,510,665	-	2,423,525	-
Borrowing under Commercial Papers	176,768	-	40,623	-
Borrowing Under Repurchase Agreement	-	-	796	-
Other Long Term Loans	37,427	14,975	28,452	6,605
	2,724,860	14,975	2,539,101	6,605

28.3 Interest bearing borrowings includes preference facility loan amounting to Rs. 1,212,153,435/- (2023 - Rs. 1,109,957,627/-) obtained from Fast Gain International Limited, a shareholder related entity.

29. LEASE CREDITOR

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Finance Lease Liability				
Balance at the Beginning of the Year	48,841	49,515	-	-
On Acquisition of Subsidiary	-	-		
Lease Obtained During the Year	-	-		
Repayment During the Year	(674)	(674)	-	-
Balance as at 31st March	48,167	48,841	-	-
Interest in Suspense	(6,182)	(8,394)	-	-
Balance at the End of the Year	41,985	40,447	-	-
Amount within One Year	9,880	12,952	-	-
Amount After One Year	17,557	29,707	-	-
	27,437	42,659	-	-

30. TRADE AND OTHER PAYABLES

As At 31st March	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade Creditors	80,440	84,466	-	-
Sundry Creditors including Accrued Expenses	539,436	236,395	418,665	81,410
Refundable Deposits	9,299	9,299	9,299	9,299
	629,175	330,160	427,964	90,709

31. AMOUNTS DUE TO RELATED COMPANIES

Relationship	Group		Company		
	2024	2023	2024	2023	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
Strider Capital Asia (Private) Limited	Subsidiary	-	-	35,315	37,253
ACAP Stock Brokers (Private) Limited	Subsidiary	-	-	17,677	-
		-	-	52,992	37,253

NOTES TO THE FINANCIAL STATEMENTS

32. SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES

	Assets		Liabilities	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Asia Growth Fund (Pvt) Ltd	-	-	2,552	2,434
Asia Fort Sri Lanka Direct Investment Fund Ltd	32,501	26,818	3,426	3,499
Asia Capital Private Equity (Pvt) Ltd	26,268	26,269	32,207	32,159
Asia Capital Technologies (Pvt) Ltd	2,325	4,343	53,906	52,294
Asia Digital Entertainment (Pvt) Ltd	17,527	17,541	376,388	380,612
Asia Capital Projects (Pvt) Ltd	2,171	2,185	24,521	22,975
Galle Beach Hotel (Pvt) Ltd	35,888	35,890	341	301
Asia Leisure Holding (Pvt) Ltd	919,589	1,550,250	446,263	737,049
Asia Leisure (Pvt) Ltd	289,280	268,834	420,370	391,309
Beach Resorts Kosgodra (Pvt) Ltd	1,050,758	764,831	763,721	651,307
Wadduwa Resorts (Pvt) Ltd	1,426,520	1,316,981	847,718	614,700
Asia Tea Packaging (Pvt) Ltd	3,843	3,845	11,727	11,685
River House (Pvt) Ltd	510,802	508,751	8,268	8,069
River House Estate (Pvt) Ltd	173,512	173,499	101,694	96,612
Asia Leisure Travels (Pvt) Ltd	40,503	51,634	143,616	139,918
Nuwara Eliya Hotel & Resorts (Pvt) Ltd	-	95,769	227	80,144
Strider Capital Asia (Pvt) Ltd	35,363	37,301	115	112
Asia Leisure Apartments (Pvt) Ltd	110,069	40,210	56,613	56,308
Asia Capital Partners (Pvt) Ltd	112,120	112,237	1,989	1,333
ACAP Stock Brokers (Pvt) Ltd	202,014	208,225	68,554	203,720

32.1. Non-controlling Interest (NCI) in Subsidiaries

	% of Ownership Held by NCI		% of Voting Rights Held by NCI	
	2024	2023	2024	2023
	Wadduwa Resorts (Pvt) Ltd	42	42	42
Asia Leisure Holding (Pvt) Ltd	26	26	26	26
Asia Leisure Travels (Pvt) Ltd	20	41	20	41
River House Estate (Pvt) Ltd	26	26	26	26
River House (Pvt) Ltd	26	26	26	26
Nuwara Eliya Hotel & Resorts (Pvt) Ltd	26	26	26	26
Beach Resorts Kosgodra (Pvt) Ltd	-	42	-	42
Asia Capital Partners (Pvt) Ltd	9	30	9	30
Navara Securities (Pvt) Ltd	34	34	34	34

During the year, 6,364 No of shares of Beach Resorts Kosgodra (Private) Limited have been transferred to Asia Leisure Holdings (Private) Limited Consequently NCI decreased by 16%.

	Equity		Revenue		Profit After Tax		Total Comprehensive Income "	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	(1,276)	(2,434)	-	-	(58)	(107)	(58)	(107)
	29,075	23,319	5,976	5,753	5,755	5,459	5,755	5,459
	(5,939)	(5,890)	-	-	(48)	(54)	(48)	(54)
	(358,861)	(47,951)	-	-	(3,627)	(3,765)	(3,627)	(3,765)
	(51,581)	(363,071)	-	-	4,213	(917)	4,213	(917)
	(22,351)	(20,790)	-	-	(1,561)	(105)	(1,561)	(105)
	35,547	35,589	-	-	(42)	(66)	(42)	(66)
	473,326	813,201	7,437	27,292	(27,756)	11,814	(24,660)	10,740
	(131,089)	(122,475)	35,407	50,459	(24,003)	(20,560)	(8,669)	(18,878)
	287,038	113,524	16,125	132,580	(121,316)	(97,019)	179,117	(96,781)
	578,802	702,281	4,384	109,026	(142,008)	(135,631)	23,951	(136,071)
	(7,884)	(7,840)	-	-	(45)	(98)	(45)	(98)
	502,534	500,682	-	-	(198)	(148)	1,853	(148)
	71,819	76,887	-	-	(5,067)	(920)	(5,067)	(920)
	(103,113)	(88,284)	46,844	118,602	(15,084)	(15,440)	(14,722)	(14,621)
	(227)	15,625	-	-	(83)	(12)	(83)	(12)
	35,248	37,189	-	-	(1,941)	(618)	(1,941)	(618)
	53,456	(16,098)	-	-	(236)	(515)	(236)	(515)
	110,131	110,904	-	-	(646)	(187)	(646)	(187)
	133,460	4,505	18,689	22,047	3,157	(5,513)	2,717	(6,329)

	Share of Loss of NCI for the year ended		Share of Total Comprehensive Income		Non-Controlling Interest as at March	
	2024	2023	2024	2023	2024	2023
	(65,324)	(56,965)	11,017	(57,150)	266,249	294,958
	(7,217)	3,072	(6,412)	2,793	123,065	211,432
	(3,017)	(3,088)	(2,945)	(2,924)	(20,623)	(17,657)
	(1,317)	(239)	(1,317)	(239)	18,673	19,991
	(51)	(38)	482	(38)	130,659	130,177
	(22)	(3)	(22)	(3)	(59)	4,063
	-	(24,914)	-	(24,853)	-	29,153
	(194)	(56)	-	-	33,039	33,271
	284	(1,874)	-	-	12,011	1,531

NOTES TO THE FINANCIAL STATEMENTS

33. RELATED PARTY DISCLOSURE

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

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

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

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

	Group		Company	
	2024	2023	2024	2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Short-Term Employment Benefits	14,557	14,557	10,357	10,357
Post-Employment Benefits Paid	Nil	Nil	Nil	Nil
Other Long Term Benefits	Nil	Nil	Nil	Nil
Termination Benefits	Nil	Nil	Nil	Nil

The Company contributes towards defined benefit contribution plan for the Executive Director (CEO) and Group Chief Financial Officer.

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

No loans were granted to KMPs of the Company.

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

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

- The individual's domestic partner and children
- Children of the individual's domestic partner
- Dependants of the individual or the individual's domestic partner

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

Name of the Related Party	Nature of the Relationship	Name of the Common Director	Details of the Transactions/ Balances	Value of the Transactions	
				2019 Rs.000	2018 Rs.000

33.3 Details of the Subsidiaries

Name of the subsidiary	Registered office	Principal place of Business
Asia Growth Fund (Pvt) Ltd	No 59, RG Senanayake Mawatha Colombo 07	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Fort Srilanka Direct Investment Fund Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Private Equity (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Technologies (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Digital Entertainment (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Projects (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Galle Beach Hotel (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 471, Colombo Road , Daddalla, Galle.
Asia Leisure Holding (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 170, Utthamanana Mawatha, Welagedara, Balapitiya
Asia Leisure (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 288, Galle Road, Dadella, Galle
Wadduwa Resorts (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	325/16, Ratnayaka Road, Thalpitiya, Wadduwa.
Asia Tea Packaging (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
River House (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 170, Utthamanana Mawatha, Welagedara, Balapitiya
River House Estate (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Leisure Travels (Pvt) Ltd	No 46/46 Green Lanka towers, Nawam mawatha, Colombo 02	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Nuwara Eliya Hotel & Resorts (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	Misty Hill, Kaumankelle, Nuwaraeliya
Strider Capital Asia (Pvt) Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Leisure Apartments (Pvt) Ltd	No 59, RG Senanayake Mawatha Colombo 07	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Beach Resorts Kosgoda (Pvt) Ltd	No 59, RG Senanayake Mawatha Colombo 07	No 47/23 Paratharakaya Round Road, Kosgoda.
Asia Capital Partners Ltd	No 102, Bauddhaloka Mawatha, Colombo 04	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02
Asia Capital Stockbrokers (Pvt) Ltd	No 59, RG Senanayake Mawatha Colombo 07	No 46/46 Green Lanka Towers, Nawam Mawatha, Colombo 02

Name of the Associates	Registered office	Principal place of Business
Galle Beach CC Trust (Pvt) Ltd	No. 102, Bauddhaloka Mawatha, Colombo 04	No. 471, Colombo Road, Daddalla, Galle.
493 Talpe Lands (Pvt) Ltd	No. 102, Bauddhaloka Mawatha, Colombo 04	493 Talpe Habaraduwa, Galle

NOTES TO THE FINANCIAL STATEMENTS

33.4. RELATED PARTY DISCLOSURE

Name of the Related Party	Nature of the Relationship	Name of the Common Director	Details of the Transactions/ Balances	Value of the Transactions	
				2024 Rs.000	2023 Rs.000
Transactions with Related Companies					
Asia Growth Fund 1 (Private) Limited	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses (net)	50	44
			Provision for Bad and Doubtful Debts Expense During the Year	(50)	(44)
Asia Fort Sri Lanka Direct Investment Fund Limited	Subsidiary	Mr.S.A.Abeysinghe	Interest Expense on Commercial Papers	(650)	-
			Reimbursement of Expenses (net)	50	44
Asia Capital Technologies (Private) Limited	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses (net)	1,750	1,420
			Provision for Bad and Doubtful Debts Expense During the Year	(1,686)	(1,484)
Asia Capital Projects (Private) Limited	Subsidiary	Mr.S.A.Abeysinghe	Intercompany Fund Transfers	1,050	-
			Provision for Bad and Doubtful Debts Expense During the Year	(1,050)	-
			Reimbursement of Expenses (net)	-	-
Asia Leisure Holdings (Private) Limited	Subsidiary	Mr.S.A.Abeysinghe	Intercompany Fund Transfers	17,605	6,768
			Inter Company Interest	1,063	333,543
			Reimbursement of Expenses (net)	(235,980)	35,931
			Sale of Subsidiary Beach Resorts Kosgoda	(425,417)	

Name of the Related Party	Nature of the Relationship	Name of the Common Director	Details of the Transactions/ Balances	Value of the Transactions	
				2024 Rs.000	2023 Rs.000
Asia Leisure (Private) Limited	Subsidiary	Mr.S.A.Abeysinghe	Inter Company Fund Transfers	32,836	4,964
Asia Capital Private Equity Private Ltd	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses (Net)	39	12
			Provision for Bad and Doubtful Debts Expense During the Year	(39)	(12)
Asia Digital Entertainment (Private) Limited	Subsidiary	Mr V Siva Jr	Reimbursement of Expenses	636	-
		Mr R.A.T.P Perera	Provision for Bad and Doubtful Debts Expense During the Year	(631)	(406)
			Inter Company Fund Transfers		(412)
Asia Tea Packaging (Private) Limited	Subsidiary		Reimbursement of Expenses	41	20
			Provision for Bad and Doubtful Debts Expense During the Year	(41)	(20)
Wadduwa Resorts (Pvt) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Inter Company Interest	9,970	10,669
			Inter Company Interest	17,876	132,373
River House Estate (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe Mr V Siv Jr	Reimbursement of Expenses	3,760	1,102
Galle Beach Hotel (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses	38	12

Name of the Related Party	Nature of the Relationship	Name of the Common Director	Details of the Transactions/ Balances	Value of the Transactions	
				2024 Rs.000	2023 Rs.000
Asia Leisure Travels (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses	6,092	3,937
Stider Capital Asia (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses	1,938	640
Asia Leisure Apartment (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses	209	457
			Inter Company Fund Transfers	(2,348)	(3,973)
			Transfer of Beach Resorts Kosgoda Sahres	-	(40,000)
ACAP Stock Brokers (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Inter Company Fund Transfers (Net)	(7,023)	(8,029)
			Issue of Commercial Paper	38,900	(7,854)
			Rights Issue	(123,859)	-
River House (Private) Limited	Sub-Subsidiary	Mr.S.A.Abeysinghe	Reimbursement of Expenses	74	102
Beach Resorts Kosgoda (Private) Ltd	Subsidiary	Mr.S.A.Abeysinghe	Assignment of ALH Interco Loans to ACAP	625,232	-
b) Transaction with Associates					
Galle Beach CC Trust (Private) ltd	Associate	Mr.S.A.Abeysinghe	Intercompany Fund Transfers (Net)	3,004	2,116
493 Talape Lands (Private) ltd	Associate	Mr.S.A.Abeysinghe	Reimbursement of Expenses	38	12
Forest Resorts Nuwara Eliya (Private) Limited	Associate	Mr.S.A.Abeysinghe	Reimbursement of Expenses	39	
			Provision for Bad and Doubtful Debts Expense During the Year	(70,475)	
c) Transaction with shareholder Related Entities					
Fast Gain International Limited	Shareholder Related Entity		Preference Facility Loan Outstanding	1,912,661	1,992,371
			Interest on Preference Facility Loan	163,220	140,574
Questnet Limited	Shareholder Related Entity		Loan Outstanding	40,067	40,067

Amount receivable and payable to related parties are disclosed in the Note 22 and 31 to the financials statements. Closing Balance of the provision for bad & doubtful debts are disclosed under respective related party balances. outstanding balances at the year end are unsecured and on interest bearing. Interest is charged based on the purpose for which funds are used.

NOTES TO THE FINANCIAL STATEMENTS

33.4 Non-Recurrent Related Party Transactions

There were no non recurrent related party transactions other than the acquisition of Beach Resorts Kosgoda (Pvt) Limited from Asia Leisure Holdings (Pvt) Limited, a subsidiary, during March 2024. The transaction was passed by a special resolution. The company also capitalized the amounts advanced to ACAP Stock Brokers (Pvt) Limited by issuing fresh shares for Rs. 123,859,440/-

33.41 Recurrent Related Party Transactions

There were no recurrent related party transactions which in the aggregate value exceeded 10% of the consolidated revenue of the Group as per 31st March, 2024, which did not warrant additional disclosures Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission issued under Section 13 (c) of the Security Exchange Commission Act.

34. COMMITMENTS AND CONTINGENCIES

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

34.1 Commitments

Company

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

Name of the Company	Name of the Bank	Purpose	2024	2023
Wadduwa Resorts (Private) Ltd	Seylan Bank PLC	Constructions	270,639,951	270,639,951
Wadduwa Resorts (Private) Ltd	Seylan Bank PLC	Working Capital	27,500,000	27,500,000
Asia Leisure Travels (Private) Ltd	Seylan Bank PLC	Repayment of Banking facility of subsidiary Company	10,000,000	10,000,000

34.2 Contingencies

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

35. COMPARATIVE INFORMATION

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

36. ECONOMIC CONDITIONS AND ITS IMPACT ON THE FINANCIAL STATEMENTS

The Economic activities are expected to be induced by the favourable development occurrences. Continuous reduction in policy rates by the Central Bank of Sri Lanka was experienced since May 2023. The GDP growth for year 2024 is expected to be moderately increased due to gradual growth in economic activities as a result of improved level of private consumption primarily derived through the lower inflation. The Economy is expected to recover in the medium to long term conditional on restoring reassurance on the implementation of proposed economic adjustment programme via the International Monetary Fund (IMF) and social coherence. The prevailing economic environment does not trigger a significant impact on the liquidity and valuation of assets of the Company.

The Sri Lankan economy appears to be well on its way towards recovery, as evidenced by the stabilisation of critical economic indicators such as interest rates, exchange rates, and inflation. We are therefore optimistic that market conditions for our business will improve in the medium term with the gradual increase in disposable income levels and easing of inflationary pressures. We are, however, acutely aware of the increasing influence of shifting consumer preferences, escalating competitive pressures, and evolving regulatory requirements on the long-term market dynamics. Consequently, we are adopting a forward-looking approach to our business, concentrating on adapting to the ever-changing environment. Our primary objective at Group level is to cultivate a consumer-centric, dynamic, and sustainable business model that consistently generates value for all stakeholders. This strategic focus will guide our trajectory as we progress into the future.

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38. Going Concern

The Board of Directors of the Group has determined that the use of the going concern assumption in the preparation of financial statements as at 31st March 2024 is appropriate based on following factors.

The Group has incurred a net loss of Rs. 456Mn (2023-Rs. 675Mn) during the year ended 31st March 2024. Its accumulated losses as of 31st March 2024 were Rs. 4.1Bn (2023-Rs. 3.7Bn). Further the Company has incurred a net loss of Rs. 279Mn (2023-Rs. 306Mn) during the year ended 31st March 2024. Its accumulated losses as of 31st March 2024 were Rs. 1.5Bn (2023-Rs. 1.2Bn). The Company's net liabilities stood at (22 Mn) which is below 50% of its stated capital. This situation has triggered a serious loss of capital as at 31st March 2024 in terms of section 220 of the Companies Act No 07 of 2007.

Mitigating Steps taken by the Management

The Directors of the Group are confident that the financial position of the Group will improve in the future as a result of the following several steps taken by the Group

- 1) The Board of Directors has paid much attention to this matter subsequent to the balance sheet date and following a preliminary discussion with the auditor, and the Independent consultants, the Company has identified assets wherein the Company holds a minority stake that could be liquidated in order to restructure the balance sheet. The minority stake represents the sweat equity in Galle Heritage Hotel, Marine Drive Hotel and Miriandhoo Maldives Resort aggregates to USD6 million which is not recognized in these financial statements. Since the balance sheet date, the Directors have had discussions with owners of the majority stake of the identified assets who in principle are willing to accommodate our exit from this investment. Negotiations are ongoing and the purchase and sales agreement is likely to be finalized during the current financial year.
- 2) The leisure arm is in the process of being restructured and one of the properties in Kosgodda has re-opened and has accepted bookings. The other three properties in Wadduwa, Balapitiya and Galle are under refurbishment and will be re-launched by November 2024. The last property, a beach resort in Galle is being reviewed for a joint development and execution with potential strategic partners.
- 3) The loan relating to the property at Kosgodda was paid in full. The loan related to the property in Wadduwa is being settled under a payment plan which was agreed with the bank in April 2024. The payment plan for the overdraft taken by the company is currently being discussed with the majority shareholder of the company on the mode of settlement.
- 4) The majority shareholder of the Company is aware of the current status of the Company and has consented to extend financial assistance to meet the operating expenses as and when required until the leisure sector is able to drive cash profits from operations.
- 5) The major shareholder has confirmed, as in the past, that it would demand immediate repayment of the preferential loan facility for the next twelve months from the date of the balance sheet

NOTES TO THE FINANCIAL STATEMENTS

39. BUSINESS SEGMENT

	Investments		Leisure		Manufacturing		Stock Brokering		Services		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Restated		Restated								Restated	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue												
Total Gross Sales	5,976	5,753	110,197	437,959	-	-	18,689	22,047	-	-	134,863	465,759
Less: Inter segment sales/dividend	(5,976)	(5,753)	-	-	-	-	-	-	-	-	(5,976)	(5,753)
Net Segment Revenue	0	0	110,197	437,959	-	-	18,689	22,047	-	-	128,887	460,006
Segmental Operating Profit / (Loss)	(95,610)	(289,700)	(198,028)	(112,787)	(43)	(96)	(24,925)	(36,742)	(5,188)	(3,870)	(323,793)	(443,195)
Other Operating Income	224,174	1,552	21,378	19,124	-	7	14,771	17,700	-	-	260,323	38,383
Share of Profit/(Loss) of Associate Companies	8,857	(457)	-	-	-	-	-	-	-	-	8,857	(457)
Operating Profit / (Loss) before Provision for												
Fall in Value of Investments	137,421	(288,605)	(176,650)	(93,663)	(43)	(89)	(10,154)	(19,042)	(5,188)	(3,870)	(54,614)	(405,269)
Provision for fall in value of investments	(73,970)	(1,146)	-	-	-	-	-	-	-	-	(73,970)	(1,146)
Operating Profit / (Loss)	63,451	(289,751)	(176,650)	(93,663)	(43)	(89)	(10,154)	(19,042)	(5,188)	(3,870)	(128,584)	(406,415)
Finance Cost	(281,671)	(206,419)	(137,477)	(163,402)	(3)	(9)	(11,437)	(6,858)	-	-	(430,587)	(379,877)
Finance Income	(10,848)	2,594	11,701	-	-	-	25,482	18,261	-	-	26,335	20,855
Profit Before Taxation	(229,068)	(492,430)	(302,426)	(257,065)	(45)	(98)	3,891	(7,639)	(5,188)	(3,870)	(532,836)	(761,102)
Income Taxation	-	-	-	-	-	-	(316)	1,939	-	-	(316)	1,939
Profit After Taxation	(229,068)	(493,576)	(302,426)	(257,065)	(45)	(98)	3,575	(5,700)	(5,188)	(3,870)	(533,153)	(759,163)
Assets												
Segment Assets	240,343	(138,654)	4,268,993	4,389,388	3,843	3,845	295,791	266,286	4,496	6,512	4,813,465	4,527,377
Investment in Associates	178,977	170,120	-	-	-	-	-	-	-	-	178,977	170,120
Total Assets	419,321	31,467	4,268,993	4,389,388	3,843	3,845	295,791	266,286	4,496	6,512	4,992,442	4,697,497
Liabilities												
Segment Liabilities	1,286,069	890,689	234,443	336,011	709	708	23,745	35,018	2,391	2,268	1,547,357	1,264,693
Interest Bearing Borrowings	3,045,279	2,782,277	481,910	749,573	-	-	45,000	45,000	6	-	3,572,195	3,576,850
Total Liabilities	4,331,348	3,672,966	716,353	1,085,584	709	708	68,745	80,018	2,397	2,268	5,119,552	4,841,543
Net Assets	(3,912,028)	(3,641,499)	3,552,640	3,303,804	3,134	3,137	227,046	186,268	2,099	4,244	(127,110)	(144,046)
Capital Expenditure	-	-	(323,511)	1,651	-	-	756	1,041	-	-	(322,755)	2,692
Depreciation	4,071	4,301	84,905	57,194	-	-	1,078	958	1,860	1,987	90,836	63,482

40. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk
Operational Risk

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

Risk Management Framework

The Board of Directors has overall responsibilities for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risk faced by the Group, to set appropriate risk limit and controls, and to monitor risk and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

40.1. Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge a contractual obligation. Credit risk mainly arises from trade debtors, other receivables, advances and cash and cash equivalents. Guidelines are followed for managing cash and cash equivalents, while short term investment decisions are taken after proper review by an internal committee ensuring compliance with established guidelines. The Company sales are on a contract to contract basis. Management does not expect any further losses from non-performance by these counterparties.

Management of credit risk includes the following components:

Establishing the authorisation structure for the approval and renewal of credit facilities.

Reviewing the recovery on timely basis and assessing the future credit worthiness.

Exposure to Credit Risk

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

Description	Group		Company	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Equity Instruments Measured at Fair Value Through OCI	117,430	117,430	117,430	117,430
Other Financial Assets	20,999	74,115	860	19,393
Trade and Other Receivables	296,009	325,783	89,181	148,791
Amounts Due from Related Parties	580,853	576,892	2,076,666	2,163,606
Long-term Deposits	-	568	-	568
Cash at Bank	22,821	16,553	3,456	1,422
	1,038,112	1,111,341	2,287,593	2,451,209

NOTES TO THE FINANCIAL STATEMENTS

Trade and Other Receivables

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

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

40.2. Liquidity Risk

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

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

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

Management of Liquidity Risk

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

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

Description	Group		Company	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Other Financial Assets	20,999	74,115	860	19,393
Amount due from Related Parties	580,853	576,892	2,076,666	2,163,606
Trade and Other Receivables	296,009	325,782	70,858	125,831
Cash in Hand and at Bank	22,821	16,553	3,456	1,422
Total liquidity Assets	920,683	993,342	2,151,841	2,310,252
Non-Interest Bearing Borrowing	830,863	830,863	830,863	830,863
Interest Bearing Borrowings	2,694,831	2,554,093	2,724,860	2,539,101
Lease Liability	27,437	42,659	-	-
Trade and Other Payables	629,175	330,159	427,964	90,709
Bank Overdrafts	511,155	408,508	393,089	279,171
Amount due to related Parties	-	-	52,992	37,253
Total Liabilities	4,693,461	4,166,282	4,429,768	3,777,097
Net(debt)/cash	(3,772,778)	(3,172,941)	(2,277,927)	(1,466,845)

40.3 Market Risk

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

(a) Foreign currency risk

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

The Group is exposed to currency risk on borrowings that are denominated in a currency other than Sri Lankan Rupees (LKR). The foreign currencies in which these transactions are primarily denominated is United States Dollars (USD).

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

	Group		Company	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Preference Facility Loan	2,510,665	2,423,525	2,510,665	2,423,525
Net Borrowing (Rs.)	2,510,665	2,423,525	2,510,665	2,423,525
Closing Exchange Rate (Rs.)	305.33	336.01	305.33	336.01
Net Borrowing (Functional Currency)	8,223	7,213	8,223	7,213
Increase Exchange rate in 25% (Rs.)	381.66	381.66	381.66	381.66
Impact to the PBT	(75,320)	(72,706)	(75,320)	(72,706)
Decrease Exchange rate in 25% (Rs.)	229.00	229.00	229.00	229.00
Impact to the PBT	75,320	72,706	75,320	72,706

(b) Interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

	Group		Company	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Fixed Rate Instruments				
Financial Liabilities				
Other Long term Loans	(444,345)	(683,409)	(52,403)	(35,057)
Variable Rate Instruments				
Financial Assets				
Reverse Repurchase Agreement	-	-	860	860
Financial Liabilities	-	-	-	-
Direct Borrowings	-	(45,705)	-	(45,705)
Reverse Repurchase Agreement	-	(796)	-	(796)
Preference Facility Loan	(2,510,665)	(2,423,525)	(2,510,665)	(2,423,525)
Lease Liability	(27,437)	(42,659)	-	-
Commercial papers	(106,029)	(14,907)	(176,768)	(40,623)
Bank Overdraft	(511,155)	(408,508)	(393,089)	(279,172)
	(3,599,631)	(3,619,509)	(3,132,064)	(2,824,018)

Cash flow sensitivity analysis for variable rate instruments

The Group is exposed to changes in market interest rates through bank overdraft & Commercial papers which were borrowed at a variable interest rate.

40.4 Operational Risk

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

41. FINANCIAL INSTRUMENTS

41.1. Valuation techniques and significant unobservable inputs

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

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets			
Unquoted equity securities	Net assets basis	Carrying Value of Assets and Liabilities adjusted for market participant assumption	Variability of inputs are insignificant to have an impact on fair values
Non financial assets			
Land and Building	Open market value basis for lands and depreciated replacement cost basis for buildings	Estimated price per perch, Estimated price per square feet	Estimated fair value would increase (decrease) if ; - Price per perch increases (decreases) - Price per square feet increases (decreases)
Investment Property	Investment method Open market method	Estimated price per perch, Estimated price per square feet	Estimated fair value would increase (decrease) if ; - Price per perch increases (decreases) - Price per square feet increases (decreases)

41.2 Fair Values Verses Carrying Amounts

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

	Group		Company	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Assets Carried at Fair Value				
Assets Carried at Amortized Cost				
Trade and Other Receivables	296,009	296,009	70,858	70,858
Other Financial Assets	20,999	20,999	860	860
Long-term Deposits and Advances	-	-	-	-
Amount Due from Related Company	580,853	580,853	2,076,666	2,076,666
Cash and Cash Equivalents	22,821	22,821	3,456	3,456
Liabilities Carried at Amortized cost				
Interest Bearing Borrowings	3,061,040	3,061,040	2,739,835	1,220,655
Lease liability	27,437	27,437	-	-
Non Interest Bearing Borrowings	830,863	830,863	830,863	830,863
Trade and Other Payables	629,175	629,175	427,964	427,964
Amount Due to Related Company	-	-	52,992	52,992
Bank Overdraft	511,155	511,155	393,089	393,089

NOTES TO THE FINANCIAL STATEMENTS

41.3 Fair Value Hierachy

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

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

As at 31st March	2023			
	Level 1	Level 2	Level 3	Total
	Rs '000	Rs '000	Rs '000	Rs '000
Group				
Fair Value Through Profit and Loss	-	-	-	-
Equity Instruments Measured at Fair Value	-	-	117,430	117,430
	-	-	117,430	117,430
Company				
Fair Value Through Profit and Loss	-	-	-	-
Equity Instruments Measured at Fair Value	-	-	117,430	117,430
	-	-	117,430	117,430

42. Events After the Reporting Period

- Mr. Yudhishtan Kanagasabai – Independent Non Executive Director was appointed as Chairman of both Asia Capital PLC and Asia Leisure Holdings (Pvt) Limited with effect from 11th July 2024 and 23rd July 2024.
- Mr. Stevenson Charles Independent Non – Executive Director - appointment – 3rd May 2024.
- The Directors of CC Trust Pte Ltd., a Japanese Company based in Singapore, filed a private plaint in the Fort Magistrate Court charging Asia Capital PLC, its Board along with two former employees with the offence of Cheating and Criminal Breach of Trust, punishable under Sections 403 and 398 of the Penal Code. The case was called up on the 26th of September 2024 and the private plaint filed was rejected by the Magistrates Court.
- The Lessor of the land on which an Asia Leisure Hotel is situated has filed for liquidation on the grounds that the lease commitments entered into had not been paid. The case was taken up on the 16th September 2024 and parties were given time to file submissions on 21st October 2024. Since then the Lessor and the Lessee had agreed on a settlement which is being negotiated by legal counsel.

There have been no material events occurring after the reporting date, that require adjustments to or disclosure in the Financial Statements.

43. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

43.1 Stock Exchange Listing,

The Issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange
 Ticker Symbol - ACAPN 0000
 Market Sector - Diversified Holdings

43.2. Market Price

	31st March 2024	31st March 2023
	(Rs. Per Share)	(Rs. Per Share)
Last traded	3.20	4.20
Last Traded Date	29.03.2024	31.03.2023
Highest	3.50	4.80
Lowest	2.80	3.80

	31st March 2024	31st March 2023
Float Adjusted Market Capitalization	119,226,763	156,485,127
Public Holding%	28.37%	28.37%
Number of Public Shareholders	6241	6199

44. PRIOR YEAR ADJUSTMENT

The policy followed by the company in accounting for interest on loans given by the parent company was changed during the year. Accordingly the monies advanced by the parent company from the inception were charged interest at AWPLR plus 0.5%. This change in the accounting treatment has been treated as a prior adjustment in accordance with Sri Lanka Accounting Standards No 08 - Change in Accounting policies and prior period adjustments as this is considered to reflect a fair representation of the results of the year and the status of the assets and liabilities at the balance sheet date. The adjustment has been made by restating comparatives and adjusting the opening balance of accumulated losses. A breakdown of the restatement is given below.

Statement of Financial Position

	As previously reported	Adjustments	As restated
01st April 2022			
Accumulated Losses	(1,220,831)	277,834	(942,997)

NOTES TO THE FINANCIAL STATEMENTS

	As previously reported	Adjustments	As restated
31st March 2023			
RPT Receivable	1,696,689	466,916	2,163,606
Others	1,922,266		1,922,266
Total Assets	3,618,955	466,916	4,085,872
Total Liability	3,831,263	-	3,831,263
stated Capital	1,498,498	-	1,498,498
Revaluation reserve	5,905	-	5,905
Retained Earnings	(1,716,711)	466,916	(1,249,795)
Total Equity	(212,308)	466,916	254,608
Totl Equity and Liabilities	3,618,955	-	4,085,872

Statement of Profit or loss and other comprehensive income

	As previously reported	Adjustments	As restated
For the year ended 31st March 2023			
Net Finance Cost	(207,704)	189,073	(18,631)

Cash Flows from operating activities

	As previously reported	Adjustments	As restated
For the year ended 31st March 2023			
Profit before taxation	(495,450)	189,072	(306,378)
Finance Income received	(2,752)	(189,072)	(191,825)

SUPPLEMENTARY INFORMATION

TEN YEAR SUMMARY

Year ended 31st March	2024	2023	2022	2021	2020
OPERATING RESULTS					
Revenue	128,886	460,006	350,816	56,473	405,845
Profit/loss before taxation	(532,836)	(761,102)	(962,964)	(299,869)	(805,995)
Taxation	(316)	1,939	1,411	22	-
Profit/Loss after Taxation	(533,152)	(759,163)	(961,553)	(299,847)	(805,995)
Minority Interest	76,858	84,105	86,746	138,260	115,534
Profit(Loss) attributable to Shareholders	(456,294)	(675,058)	(874,807)	(161,587)	(690,461)
ASSETS					
Property, Plant & Equipment	3,332,317	2,956,737	3,017,623	3,155,036	2,864,738
Right of Use Assets	6,062	14,278	20,451	12,934	-
Intangible Assets	334,597	336,721	338,461	340,622	13,514
Investment Property	-	-	130,634	127,780	0
Long Term Investment	178,978	170,121	170,577	171,072	171,496
Investment in Joint venture	-	-	-	-	-
Financial Assets -Equity instruments measured at fair value through OCI	117,430	117,430	117,430	117,430	120,548
Deffered Taxation	-	-	-	-	-
ESOP Loan	-	-	-	-	-
Other Non Current Assets	-	568	568	5,147	5,147
Current Assets	1,023,061	1,101,642	1,030,040	999,535	1,720,041
Assets Classsified as Held for Sale	-	-	-	-	-
Total Assets	4,992,443	4,697,498	4,825,784	4,929,556	4,895,484
EQUITY AND LIABILITIES					
Stated Capital	1,498,498	1,498,498	1,498,498	1,498,498	1,498,498
Capital Redemption Reserve Fund	-	-	-	-	-
Revaluation Reserve	1,937,404	1,401,970	1,331,872	1,242,858	1,361,370
Available For Sale Reserve	-	-	-	-	-
Capital Reserve	-	-	-	-	-
General Reserve	-	-	-	-	-
Accumulated Profits/(Loss)	(4,126,024)	(3,751,433)	(3,025,625)	(2,091,998)	(1,927,527)
Shareholders' Fund	(690,122)	(850,965)	(195,255)	649,358	932,341
Minority Interest	563,014	706,919	809,246	952,009	935,493
	(127,108)	(144,046)	613,991	1,601,367	1,867,834
Non-Current Liabilities	1,191,592	1,452,912	1,358,298	1,308,406	1,081,879
Current Liabilities	3,927,960	3,388,631	2,853,495	2,019,783	1,945,771
Total Liabilities	5,119,552	4,841,543	4,211,793	3,328,189	3,027,650
Total Equity & Liabilities	4,992,444	4,697,498	4,825,784	4,929,556	4,895,484

	2019	2018	2017	2016	2015
	1,108,108	900,013	539,984	498,791	1,651,075
	(33,289)	175,001	(761,990)	(433,448)	(380,927)
	(1,683)	(52,368)	(1,343)	29,323	(7,680)
	(34,972)	122,633	(763,333)	(404,125)	(388,607)
	95,027	(85,460)	50,045	27,768	41,439
	60,055	208,093	(713,288)	(376,357)	(347,168)
	2,924,524	2,142,240	3,117,197	3,281,437	1,492,604
	116,021	115,306	115,681	121,460	127,402
	173,166	174,656			
			36,532	35,118	
	114,853	114,853	114,853	114,853	10,000
	5,127	14,019	11,913	11,947	29,325
	1,523,849	1,063,231	313,936	582,532	982,001
	-	126,666			
	4,857,540	3,750,971	3,710,112	4,147,347	2,641,332
	1,498,498	1,498,498	1,498,498	1,498,498	1,498,498
	1,361,370	852,694	1,197,364	1,226,812	43,634
					-
					-
					-
	(1,185,425)	(1,411,333)	(1,325,293)	(732,683)	(1,192,237)
	1,674,443	939,859	1,370,569	1,992,627	349,895
	913,661	663,645	677,705	471,114	19,852
	2,588,104	1,603,504	2,048,274	2,463,741	369,747
	1,146,993	419,151	351,210	989,698	1,888,863
	1,122,443	1,728,316	1,310,629	693,908	382,722
	2,269,436	2,147,467	1,661,839	1,683,606	2,271,585
	4,857,540	3,750,971	3,710,113	4,147,347	2,641,332

GLOSSARY

A | Accounting Policies

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

Accrual Basis

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

Amortisation

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

B | Borrowings

All interest and non-interest-bearing liabilities.

C | Capital Employed

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

Cash Equivalents

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

Contingent Liabilities

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

Corporate Governance

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

Current Ratio

Current assets divided by current liabilities.

D | Deferred Taxation

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

Dividend per Share (DPS)

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

E | EBIT

Earnings before interest and tax.

Earnings per Share (EPS)

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

Equity

Shareholders' funds.

F | Fair Value

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

G | Guarantees

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

General Reserve

Reserves available for distributions and investment.

Gross Domestic Product (GDP)

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

Gross Dividend

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

Gross Profit Ratio

The percentage of gross profit to net turnover.

I | Impairment

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

Interest Cover

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

K | Key Performance Indicators (KPI)

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

M | Market Value per Share

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

Market Capitalisation

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

Materiality

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

N | Net Assets per Share

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

Net Profit Margin

Net profit as a percentage of net turnover.

P | Price Earnings Ratio

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

R | Related Parties

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

Return on Average Capital Employed (ROCE)

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

Return on Equity (ROE)

Net Profit as a percentage of shareholders' equity.

Return On average Net Assets (RONA)

Profit after tax divided by the average net assets.

Rights Issue

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

S | Segment

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

Stated Capital

Consists of issued and paid capital.

Substance over Form

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

Strategy

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

Sustainability

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

Stakeholder

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

T | Total Assets

Current assets plus fixed assets.

Total Shareholder Return

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

U | Unrealised Gain

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

W | Working Capital

Capital required to finance the day-to-day operations computed as the excess the of current assets over current liabilities.

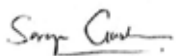
NOTICE OF THE 32ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Virtual 32nd Annual General Meeting of Asia Capital PLC will be held on the 29th November 2024 at 8.30 a.m. at 6th Floor, No. 46/46, Green Lanka Towers, Nawam Mawatha, Colombo 07 via online platform.

AGENDA

- 1) To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st March 2024 and the report of the auditors thereon.
- 2) To re-elect Jr. Valentine Siva retires by rotation in accordance with Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election under Article 99 of the Articles of Association.
- 3) To re-elect Mr. Y. Kanagasabai who was appointed to the Board on 10th July 2024 cease to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offer himself for re-election.
- 4) To re-elect Mr. S. Charles who was appointed to the Board on 3rd May 2024 cease to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offer himself for re-election.
- 5) To re-appoint Messrs. BDO Partners Chartered Accountants as the Auditors to the Company for the ensuing year and to authorize the Directors to determine their remuneration.

BY ORDER OF THE BOARD



Company Secretaries
P. R. Secretarial Services (Pvt) Ltd
Colombo, 04 October 2024

Note:

- No shareholder/ proxy holder will be permitted to be physically present at the venue except for the Board of Directors and the key officials in Company.
- Shareholders who wish to participate at the Virtual Annual General Meeting are kindly requested to register their participation for the meeting by completing the enclosed Online Registration Form and have it emailed to info@asiacapital.lk 24 hours prior to the commencement of the meeting (Between 8.30 a.m. to 4.30 p.m.).
- A Shareholder entitled to attend and vote at the meeting, is entitled to appoint a Proxy to attend and vote instead of him/her.
- A Proxy need not be a Shareholder of the Company.
- In the case of a Company/Corporation, the Proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by Articles of Association/ Act of Incorporation.
- A Shareholder wishing to vote by Proxy at the meeting may use the Form of Proxy form enclosed herewith.
- To be valid the completed Form of Proxy must be lodged at the Registered Office of the company c/o P R. Secretarial Services (Pvt) Ltd, No. 59, Gregory's Road (Srimath R. G. Senenayaka Mawatha), Colombo 07, Sri Lanka not less than 48 hours before the time appointed for the holding of the meeting (Between 8.30 a.m. to 4.30 p.m.).

FORM OF PROXY

I/We.....of.....
being a Shareholder/s* of the above named Company, hereby appoint (1).....of.....
failing him/her.

- | | | | |
|-------------------------------|----------------|------------------------------|----------------|
| 1) Mr. Y. Kanagasabai | or failing him | 5) Mr. S. S. Balasubramaniam | or failing him |
| 2) Mr. D. A. S. A. Abeyesinhe | or failing him | 6) Mr. R. Radha | or failing him |
| 3) Mr. V. Siva Jr. | or failing him | 7) Mr. S Charles | |
| 4) Mr. A.D. Ross | or failing him | | |

as my/our* proxy to represent me/ us* and speak and vote for me/us* on my/our* behalf at the Virtual 32nd Annual General Meeting of Asia Capital PLC to be held on 29th November 2024 at 8.30 a. m. at 6th Floor, No. 46/46, Green Lanka Towers, Nawam Mawatha, Colombo 02 via online platform and at any poll which may be taken in consequence thereof at the aforesaid meeting, and at any adjournment thereof.

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

	For	Against
1. To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st March 2024 and the report of the auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Jr. Valentine Siva retires by rotation in accordance with Article 98 of the Articles of Association of the Company and being eligible, offers himself for re-election under Article 99 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. Y. Kanagasabai who was appointed to the Board on 10th July 2024 cease to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offer himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. S. Charles who was appointed to the Board on 3rd May 2024 cease to be a director in accordance with Article 103 of the Articles of Association of the Company and being eligible, offer himself for re-election.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Messrs. BDO Partners Chartered Accountants as the Auditors to the Company for the ensuing year and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this onday of.....2024

.....
 Signature of shareholder

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

Note:

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

FORM OF PROXY

Instructions as to completion

1. Kindly perfect the Form of Proxy by filing in legibly your full name, National Identity Card/ Passport/ Company Registration Number, your address and your instructions as to voting and by signing in the space provided and filing in the date of signature. Please ensure that all details are legible.
2. Please mark "X" in appropriate cages, to indicate your instructions as to voting on each resolution. If no indication is given, the Proxy holder in his/her discretion will vote as he/her thinks fit.
3. To be valid, the completed Form of Proxy must be deposited at P. R. Secretarial Services (Pvt) Ltd No. 59, Gregory's Road (Srimath R. G. Senenayaka Mawatha), Colombo 07, Sri Lanka not less than 48 hours before the time appointed for the holding of the meeting (Between 8.30 a.m. to 4.30 p.m.).
4. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your Proxy, please insert the relevant details (1) overleaf and initial against this entry.
5. In the case of a Company/Corporation, the Proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by Articles of Association/ Act of Incorporation.
6. In the case of a Proxy signed by an Attorney, a certified copy of the Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

CORPORATE INFORMATION

NAME

Asia Capital PLC

LEGAL FORM

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

COMPANY REGISTRATION NUMBER

New: No. PQ 119

Old: No. N (PVS) 8282/PBS

STOCK EXCHANGE LISTING

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

REGISTERED OFFICE

No. 46/46, 6th Floor, Green Lanka Tower, Nawam Mawatha, Colombo 02

Telephone : +94 11 5320000

Facsimile: +94 11 2331756

Website: www.asiacapital.lk

SUBSIDIARIES

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

SUB-SUBSIDIARIES

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

ASSOCIATE

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

BOARD OF DIRECTORS

Y. Kanagasabai (Chairman – DOA 11.07.2024)
R. Radha (Managing Director DOA 09.01.2024)
J. T. Sumathipala (Chairman - DOR 19.03.2024)
R. A. T. P. Perera (Director / CEO - DOR 31.01.2024)
A. D. Ross
V. Siva Jr.
S. A. Abeysinghe
S. S. Balasubramaniam
D. Swarnasinghe (DOR 03.10.2024)
S. Charles (DOA 03.05.2024)

AUDIT COMMITTEE

S. S. Balasubramaniam
V. Siva Jr.
S. Charles (DOA – 03.05.2024)

REMUNERATION COMMITTEE

D. Swarnasinghe (DOR 03.10.2024)
V. Siva Jr.
A. D. Ross

NOMINATION COMMITTEE

J.T. Sumathipala (DOR 19.03.2024)
S. A. Abeysinghe
D. Swarnasinghe (DOR 03.10.2024)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

D. Swarnasinghe (DOR 03.10.2024)
V. Siva Jr.

SECRETARIES

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

REGISTRAR

Business Intelligence Limited
08, Tickell Road, Colombo 08

AUDITORS

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

LAWYERS

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

BANKERS

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

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