



Commercial Development
Company PLC

DRIVEN BY PURPOSE. SERVED WITH PASSION.

ANNUAL REPORT 2025



Commercial Development
Company PLC

Driven by purpose. Served with passion.

At CDC, purpose is practical: to keep Commercial Bank's operations running smoothly, safely, and efficiently every day. In 2025, we translated that purpose into action by expanding service lines, strengthening technical capacity, and investing in people to ensure dependable delivery across critical support functions. From facility and fleet enhancements to new specialised solutions, our teams brought energy, care, and professionalism to every task. We remain committed to service that adds real value delivered with pride and passion.



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About the Company

Commercial Development Company PLC (CDC) was incorporated on March 14, 1980, for the purpose of constructing, owning, and managing property and related support services for its sole client, Commercial Bank of Ceylon PLC (“the Bank”). As of December 31, 2025, the Bank held 90% of the issued share capital of the Company.

The Company has been listed on the Colombo Stock Exchange since March 1983 and recorded a market capitalisation of Rs. 3,336 Mn. as at December 31, 2025

(Rs. 1,692 Mn. as at December 31, 2024). CDC operates within a defined mandate and is subject to the regulatory oversight of the Central Bank of Sri Lanka (CBSL). The Company conducts its activities in compliance with applicable laws, regulations, directions, and guidelines.

CDC provides a limited range of services exclusively to the Bank, in accordance with regulatory approvals. The Company’s principal activities comprise the renting of premises, outsourcing of staff, hiring of vehicles, and the provision of other utility and support services.

Renting of premises

Outsourcing of staff



The Company's portfolio includes "Commercial House" at No. 21, Sir Razik Fareed Mawatha, Colombo 01, which houses the Bank's Head Office and Corporate Branch, as well as properties in Negombo and Tangalle, which are leased to the Bank.

The Company has, from time to time, sought regulatory approvals to expand the scope of its permitted activities. While such approvals have been limited, CDC remains committed to operating within its approved mandate and maintaining appropriate standards of corporate governance, compliance, and accountability.

Providing other utility services



Hiring of vehicles



Timeline

1981

With the approval of the Urban Development Authority, groundwork commenced at No.21, Bristol Street, marking the beginning of the Commercial House project. The construction was entrusted to the Canadian firm, Collavino Construction Company.

1983

CDC's shares are listed on the Colombo Stock Exchange, with the public issue attracting an oversubscription.

2002

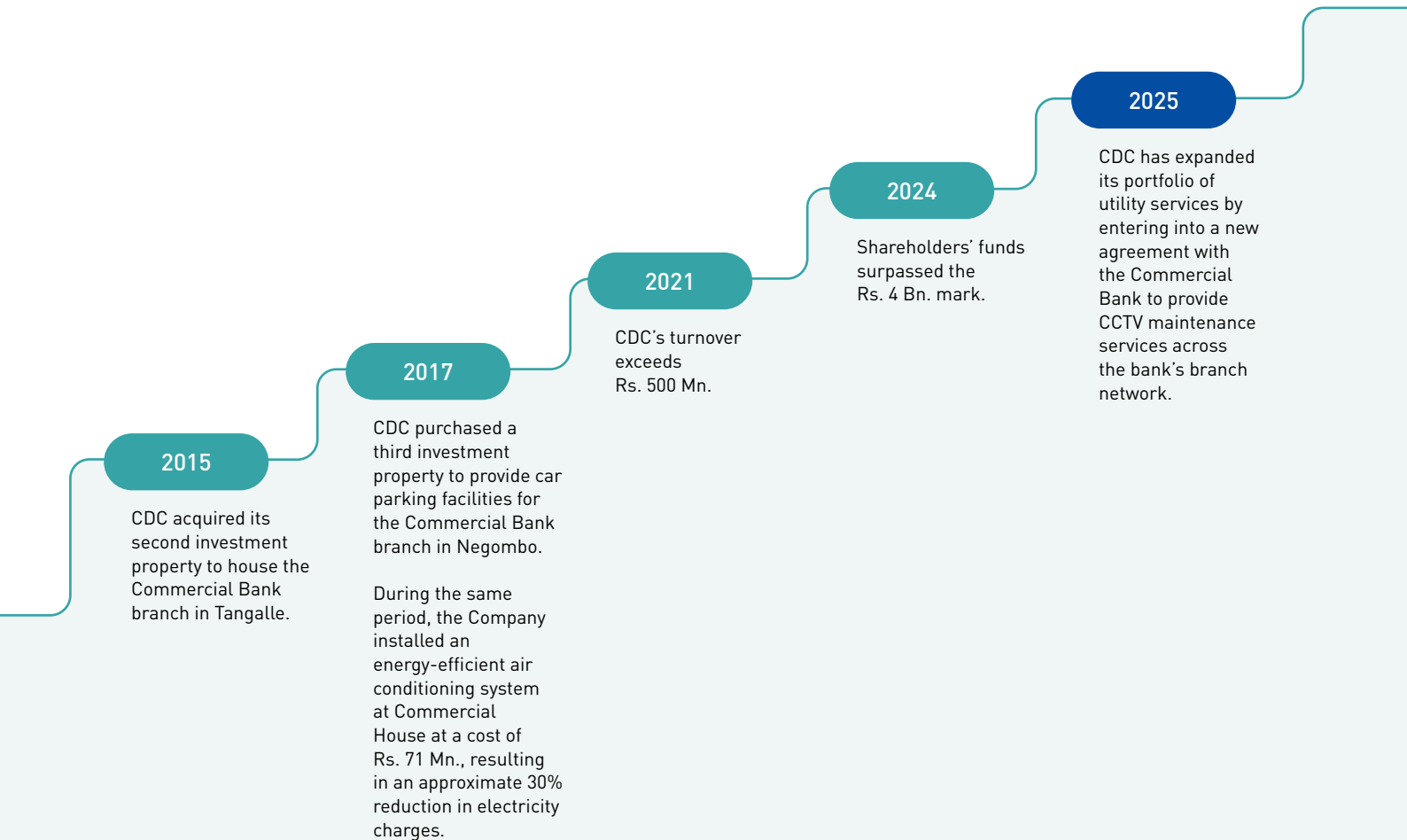
CDC commenced a new line of business with the provision of vehicle rental services to the Bank.

2006

CDC's turnover exceeds Rs. 100 Mn.

2014

CDC established a new line of business in staff outsourcing, increasing its total workforce from 55 to 245.



About the Report

The 46th Annual Report of Commercial Development Company PLC (CDC) presents a comprehensive and balanced account of the Company's financial and non-financial performance for the year ended December 31, 2025. The Report provides insight into the Company's strategy, operating context, governance practices, and performance outcomes, with due regard to regulatory requirements, stakeholder expectations, and long-term value creation.

The theme "Driven by purpose. Served with passion." reflects CDC's practical purpose: to keep the day-to-day operations of its parent and sole client, Commercial Bank of Ceylon PLC, running smoothly, safely and efficiently. In 2025, CDC translated this purpose into action by strengthening technical capacity, investing in people and enhancing service delivery across critical support functions. These efforts—ranging from facility and fleet improvements to specialised service solutions—reinforced CDC's commitment to dependable execution and value-added support. Guided by purpose and delivered with professionalism and care, CDC remains focused on service that contributes meaningfully to the Bank's performance and long-term success.

This Report outlines CDC's approach to identifying and managing material matters, the allocation and stewardship of resources across the six capitals financial, intellectual, manufactured, human, social, and relationship, and natural and the manner in which these contribute towards sustainable value creation.

Scope and Boundary

The scope of this Annual Report covers the operations and activities of CDC for the financial year from January 01, 2025, to December 31, 2025, in accordance with the Company's established reporting cycle. The Report includes,

- ◆ An overview of operational performance within the context of the prevailing operating environment, including key risks and opportunities;

- ◆ The audited financial results for the year ended December 31, 2025, and
- ◆ A description of the corporate governance, risk management, and compliance frameworks that guide the Company's operations.

Reporting Frameworks

This Annual Report has been prepared in compliance with all applicable regulatory requirements governing entities listed on the Colombo Stock Exchange (CSE). The Report integrates both financial and non-financial disclosures, reflecting the Company's commitment to transparency, accountability, and high standards of corporate reporting.

Financial Reporting Frameworks and Principles

The financial statements and related disclosures have been prepared in compliance with:

- ◆ The Companies Act No. 07 of 2007 and amendments there to;
- ◆ The Listing Rules of the Colombo Stock Exchange;
- ◆ Sri Lanka Accounting Standards (SLFRS and LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka); and
- ◆ The Sri Lanka Accounting and Auditing Standards (SLAAS) Act No. 15 of 1995 and amendments there to.

Corporate Governance

The Company's governance disclosures are aligned with:

- ◆ The Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka
- ◆ Listing rules of the CSE
- ◆ Directions issued by the Securities and Exchange Commission of Sri Lanka (SEC)
- ◆ Companies Act No. 07 of 2007 and amendments there to.

Target Audience

This Annual Report is intended primarily for the Company's shareholders and regulators, while also serving as a key source of information for other stakeholders, including investors, employees, customers, business partners, and the wider community.

Availability of the Report

Printed Copies

A limited number of printed copies of the Annual Report are available upon request, in line with the Company's commitment to environmentally responsible practices.

Online Access

The Annual Report can be accessed in PDF format at www.cdcpplc.net and www.cse.lk

Additionally, previous Annual Reports are publicly available on:

- ◆ The Colombo Stock Exchange website (<https://www.cse.lk>)
- ◆ The CDC website (<https://www.cdcpplc.net>)

To access the PDF version of the Annual Report, scan the QR code.



Forward-Looking Statements

This Report includes forward-looking statements relating to the Company's strategies, objectives, and future performance. Such statements are based on current expectations and assumptions and are subject to risks and uncertainties arising from economic conditions in Sri Lanka and globally. Accordingly, actual outcomes may differ materially from those expressed or implied. Forward-looking statements are provided without recourse or liability to the Board of Directors or the preparers of this Report.

Contact Information

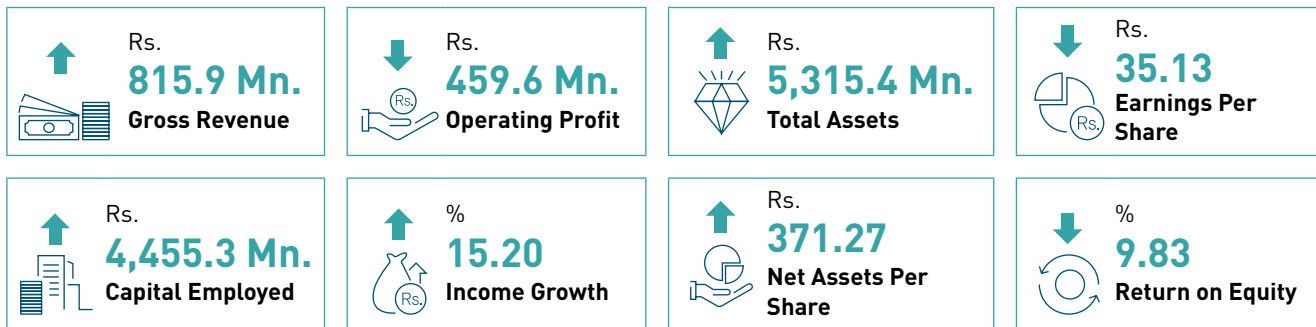
For any questions or comments regarding this Report, please contact;

Company Secretary,

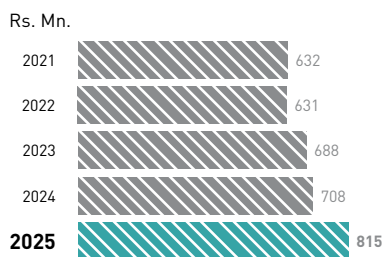
Commercial Development Company PLC
6th Floor, Paul VI Centre,
No. 24, Malwatta Road (Front Street),
Pettah, Colombo 11,
Sri Lanka.

Financial Highlights

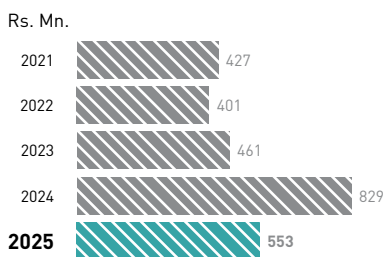
	2025	2024	Change (%)
■ RESULTS FOR THE YEAR (RS. '000)			
Gross revenue	815,909	708,260	15.20
Gross profit	375,197	294,261	27.50
Profit before taxation	553,484	829,055	(33.24)
Taxation	131,949	246,432	(46.46)
Profit after taxation	421,535	582,623	(27.65)
Gross dividends	84,000	84,000	-
■ POSITION AT THE YEAR END (RS. '000)			
Investment property	3,754,673	3,608,451	4.05
Current assets	1,182,293	1,247,918	(5.26)
Current liabilities	105,477	80,081	31.71
Total assets	5,315,426	4,909,396	8.27
Shareholders' funds	4,455,265	4,123,018	8.06
■ INFORMATION PER ORDINARY SHARE - (RS.)			
Net assets value at the year end	371.27	343.58	8.06
Earnings (Basic)	35.13	48.55	(27.64)
Dividends	7.00	7.00	-
Market value at the year end	278.00	141.00	97.16
■ KEY FINANCIAL RATIOS			
Return on average shareholders' funds – ROE (%)	9.83	15.05	(5.22)
Return on average assets – ROA (%)	8.25	12.62	(4.37)
Price earnings (times)	7.91	2.90	172.76
Year on year growth in earnings (%)	15.20	3.02	12.18
Dividend yield (%)	2.52	4.96	(2.44)
Dividend cover (times)	5.02	6.94	(27.67)
Dividend payout ratio (%)	19.93	14.42	5.51
Current ratio (times)	11.21	15.58	(28.05)
Interest cover (times)	42.99	47.58	(9.65)



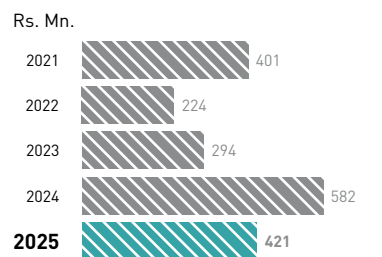
Gross Revenue



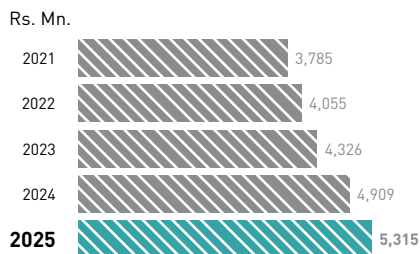
Profit Before Tax



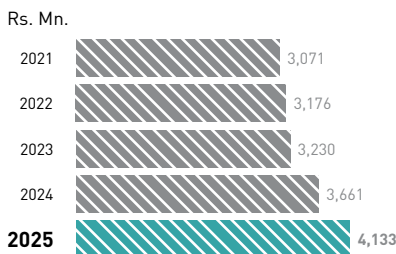
Profit After Tax



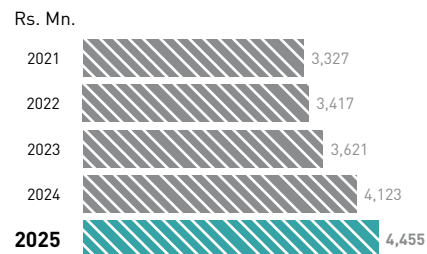
Total Assets



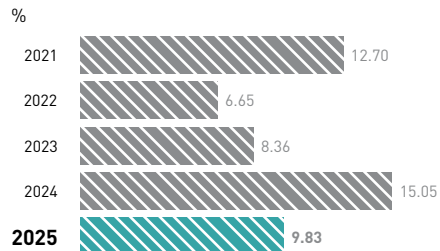
Non-current Assets



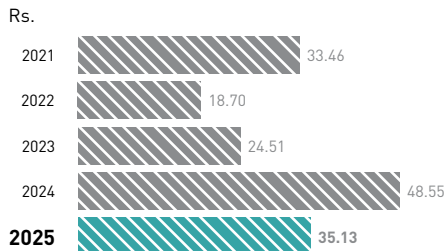
Shareholders' Funds



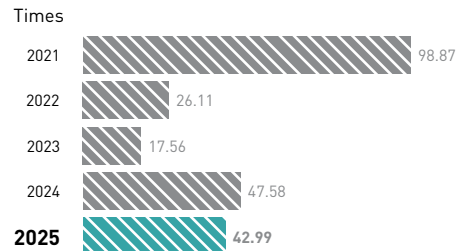
Return on Equity



Earnings Per Share



Interest Cover



Chairman's Message



Looking ahead, CDC will continue to focus on operational resilience, governance excellence and prudent capital management. With a strong financial foundation and a clearly defined strategic mandate, the Company is well positioned to deliver sustainable value to its valued shareholders.



A L Gooneratne

Chairman
Commercial Development Company PLC



I am pleased to present the Annual Report and audited financial statements of Commercial Development Company PLC for the year ended December 31, 2025.

Navigating a Stabilising Economic Environment

The year under review unfolded against the backdrop of a stabilising domestic economy and a gradually strengthening financial system. While global uncertainties persisted, Sri Lanka's macroeconomic environment reflected improved fiscal discipline, easing inflationary pressures, and enhanced foreign reserve stability.

As a subsidiary aligned exclusively with Commercial Bank of Ceylon PLC, CDC operated within a stable revenue framework. Nevertheless, the Board remained vigilant in overseeing emerging risks, regulatory developments, and structural shifts that may influence the long-term operating landscape.

Financial Performance

Reflecting stable core business activity, revenue increased by 15.2% to Rs. 815.9 Mn. for the year. This growth, however, did not translate into higher operating profit or profit after tax, primarily due to lower fair value gains on investment properties in 2025 compared to 2024. Net assets continued to increase, strengthening the balance sheet and improving net asset value per share. Overall, the results demonstrate the resilience of CDC's business model and disciplined stewardship of its financial and manufactured capital.

Strengthening Governance and Risk Oversight

Robust governance remains central to the Company's long-term sustainability. During the year, the Board approved several new policy frameworks, including the Enterprise Risk Management Policy, Policy on IT Administrative Internal Controls, Investment Policy, and Petty Cash Policy and Procedure. Existing Board Committee Terms of Reference were also reviewed and updated to align with evolving best practices and regulatory expectations.

The appointment of an Internal Auditor further strengthened the Company's internal control environment through structured quarterly reviews. These measures collectively reinforce accountability, transparency, and regulatory compliance.

Strategic and Operational Progress

Within its approved mandate, CDC continued to pursue operational enhancements and selective business expansion. A notable development during the year was the commencement of a new business line focused on CCTV installation, testing, commissioning, and maintenance services across the Bank's branch network, diversifying revenue streams while leveraging CDC's technical capabilities.

The Company also relocated its Head Office to Front Street, Colombo 11, under a long-term lease arrangement recognised as a Right-of-Use Asset, and secured competitive rental terms through a renewed tenancy agreement with Commercial Bank. At Commercial House, infrastructure issues identified during technical assessments were proactively addressed, with remedial works initiated to preserve long-term structural integrity and tenant comfort.

Driven by Purpose. Served with Passion.

CDC's value creation model is grounded in disciplined stewardship of financial, human, intellectual, manufactured, social, and natural capital. As a service-oriented organisation, we remain focused on delivering outcomes that are purpose-led and executed with professional commitment, supporting the Bank's operations with reliability, responsiveness and service excellence.

Appreciation and Outlook

We are pleased to welcome the incoming Director, Mr M D C P Dharmasena, Assistant General Manager – Services of Commercial Bank of Ceylon PLC, whose extensive experience across manufacturing, supply chain management and banking, complemented by strong technical and managerial qualifications, will add depth to the Board's deliberations. We also convey our sincere thanks to Mr U I S Tillakawardana, who has served on the Board since December 2011, for his dedicated service and the meaningful contribution he has made to CDC's governance and progress over the years.

On behalf of the Board, I extend my sincere appreciation to Commercial Bank of Ceylon PLC for its continued confidence and strategic guidance. I also thank the Bank's Internal Audit, Risk Management, and Compliance teams, as well as our External Auditors, Messrs KPMG, for their professionalism and constructive guidance. Finally, I acknowledge with gratitude the commitment of our employees and business partners, whose support continues to strengthen our service delivery and operational excellence.

Looking ahead, CDC will continue to focus on operational resilience, governance excellence, and prudent capital management. With a strong financial foundation and a clearly defined strategic mandate, the Company is well positioned to deliver sustainable value to its valued shareholders.



A L Gooneratne

Chairman
Colombo

February 13, 2026

Chief Executive Officer's Review



Serving our sole client, Commercial Bank of Ceylon PLC, we focused on reliability, responsiveness and control, delivering stable performance while strengthening the foundations for sustainable growth within our approved mandate.



Kirthi Basnayake

Chief Executive Officer
Commercial Development Company PLC



The year 2025 was marked by disciplined execution, operational strengthening and measured business expansion across CDC's core service lines. Serving our sole client, Commercial Bank of Ceylon PLC, we focused on reliability, responsiveness and control, delivering stable performance while strengthening the foundations for sustainable growth within our approved mandate.

Financial Performance and Value Creation

CDC recorded a strong financial performance for the year ended December 31, 2025. Total revenue amounted to Rs. 815.9 Mn. (2024: Rs. 708.3 Mn.), reflecting year-on-year growth of 15.2%, supported by steady performance across our core revenue streams.

Despite an increase in gross profit by 27.5%, operating profit decreased by 36.6% due to a drop in fair value gain on investment property to Rs. 146.2 Mn. compared to Rs. 479.3 Mn. in 2024. Consequently, profit before tax for the year decreased to Rs. 553.5 Mn. (2024: Rs. 829.1 Mn.) and profit after tax decreased to Rs. 421.5 Mn. (2024: Rs. 582.6 Mn.). Net assets strengthened to Rs. 4,455.3 Mn. as at December 31, 2025 (2024: Rs. 4,123.0 Mn.), resulting in a net asset value per share of Rs. 371.27 (2024: Rs. 343.58).

Business Expansion Within Our Mandate

In line with our strategy of measured growth within regulatory approvals, CDC commenced a new business line of CCTV installation, testing, commissioning and annual maintenance across Commercial Bank's branch network. This initiative is expected to contribute approximately Rs. 21.7 Mn. in annualised revenue over the coming years, subject to rollout timelines.

Additionally, the Company provided professional office design solutions to CBC Finance PLC, strengthening intra-group service integration. Our air-conditioning servicing capacity in the Western Province was enhanced by 10%, improving coverage and operational efficiency.

The Company planned an upgrade of its vehicle fleet in 2025; however, the acquisition of five vehicles will be completed in the first quarter of 2026.

Asset Management and Infrastructure Enhancement

Preserving the integrity and long-term value of Commercial House remained a key priority. During the year, several infrastructure enhancements were initiated, including remedial works addressing indoor air quality (IAQ) systems, shaft areas and pipeline networks. Total expenditure during the year amounted to Rs. 22.7 Mn., allocated primarily towards infrastructure improvements, asset maintenance and operational enhancements.

The successful relocation of our Head Office to Front Street, Colombo 11, under a long-term lease arrangement recognised as a Right-of-Use Asset, has improved administrative efficiency while allowing optimisation of owned asset utilisation.

Governance, Risk Management, and Controls

Strengthening governance and controls remained a core priority in 2025. During the year, the Company approved and implemented key policy frameworks, including the Enterprise Risk Management Policy, IT Administrative Internal Controls Policy, Investment Policy and Petty Cash Policy, and appointed an Internal Auditor to conduct quarterly audits, reinforcing accountability and timely remediation. Observations arising from Risk, Inspection, Audit and Compliance reviews were addressed within stipulated timeframes and reported to the Board. Collectively, these measures strengthen CDC's control environment and demonstrate its commitment to regulatory compliance and disciplined risk management within a highly supervised operating context.

Human Capital and Organisational Strength

As at December 31, 2025, CDC employed 212 employees. During the year, seven new employees were recruited directly into CDC, and the outsourced workforce was strengthened by twenty employees, including replacements for critical roles, supporting continuity of service delivery. In the previous year, a Voluntary Retirement Scheme was implemented for 12 employees to support structured workforce renewal.

Capability building remained a priority, with seven structured in-house training programmes delivered during the year, covering technical skills, compliance and governance.

Outlook and Strategic Priorities

Looking ahead, CDC has established a growth trajectory targeting approximately 10% year-on-year expansion through operational initiatives and enhanced business development within our approved mandate. For 2026, we aim to sustain revenue growth of 13%, maintain operating margins above 65%, continue disciplined capital allocation, strengthen digital enablement and process automation, and preserve asset quality and tenant value.

With total assets of Rs. 5,315.4 Mn. and a strong capital base, CDC is well positioned to navigate evolving economic conditions while delivering consistent, sustainable value to shareholders.

Appreciation

I extend my sincere appreciation to the Board of Directors for their strategic guidance, to our employees for their commitment and professionalism, and to Commercial Bank of Ceylon PLC for its continued trust and partnership. Together, we will continue to build on our strong foundations and advance CDC's position as a stable, disciplined and value-driven organisation.



Kirthi Basnayake

Chief Executive Officer
Colombo

February 13, 2026

Operational Context

Overview

CDC's performance for the period is assessed within the context of a stabilising domestic economy, evolving global conditions, and a strengthening financial system. While macroeconomic indicators reflected continued recovery, prevailing structural and external risks required prudent management and a disciplined operating approach.

Domestic Economic Environment

Sri Lanka's economy remained on a recovery trajectory in 2025, following the period of stabilisation achieved in the previous year. Real GDP growth during the first three quarters of the year was projected between 4.6% and 5.4%, supported by improved performance in manufacturing, construction and services. Strengthened foreign exchange reserves, fiscal consolidation, and the maintenance of a primary budget surplus contributed to enhanced macroeconomic stability.

Inflation remained subdued, enabling the Central Bank of Sri Lanka to maintain an accommodative monetary policy stance in support of economic activity. Notwithstanding these improvements, structural reform requirements and social challenges continued to influence the operating environment.

Global Economic Conditions

Global growth prospects remained subdued, reflecting heightened uncertainty, geopolitical tensions, and financial market vulnerabilities. While global inflation continued to ease, risks to growth remained tilted to the downside, underscoring the importance of sound policy frameworks and institutional credibility in maintaining economic stability.

Banking and Financial Sector Conditions

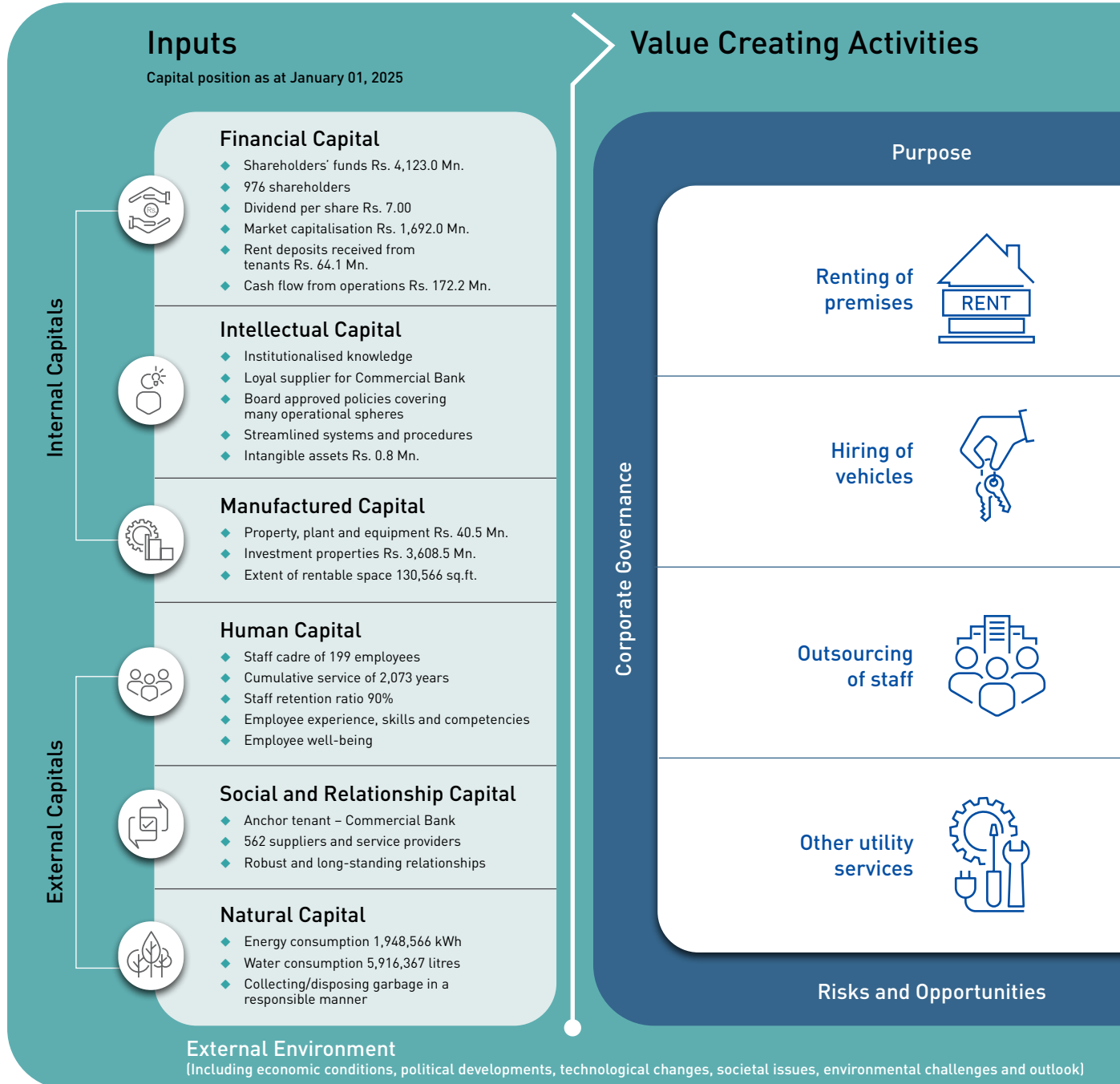
Domestic macrofinancial conditions improved during the period, supporting financial system stability despite external uncertainties. Credit growth recovered alongside improving business confidence and economic activity, while market interest rates stabilised at lower levels. Improvements in asset quality and fiscal performance further contributed to financial sector resilience, although ongoing monitoring of systemic risks remained necessary.

Implications for CDC

CDC's performance remains closely aligned with the stability of the banking sector, with Commercial Bank of Ceylon PLC as its sole client, providing a stable operating and revenue base. While the evolving regulatory environment continues to introduce enhanced compliance and governance requirements, it also supports alignment with recognised best practices, including in sustainability-related initiatives. The growing emphasis on sustainable finance presents opportunities for CDC to support its principal shareholder's objectives through energy-efficient infrastructure and environmentally responsible services. Supported by a strong financial position, an experienced workforce, and a clear strategic mandate, CDC remains well-positioned to navigate the operating environment and deliver sustainable value to its stakeholders.

Business Model for Sustainable Value Creation

Our Sustainable Value Creation Model



Outputs

Outputs to stakeholders

Shareholders

- ◆ Profit after tax Rs. 421.5 Mn.
- ◆ Net assets value per share Rs. 371.27
- ◆ Dividend per share Rs. 7.00
- ◆ Share price appreciation

Bankers and Other Financial Institutions

- ◆ Investment in fixed deposits – Rs. 930.15 Mn.
- ◆ Investment in Debentures – Rs. 235.1 Mn.

Government Institutions/Regulators

- ◆ Taxes paid Rs. 240.93 Mn.
- ◆ Compliant with the relevant rules and regulations as disclosed in this Annual Report

Tenants

- ◆ Reliable, responsive and resourceful service in an economically viable, socially responsible and environmentally friendly manner

Employees

- ◆ Total remuneration of Rs. 190.6 Mn.
- ◆ Training and development – Rs. 0.03 Mn.
- ◆ Enhanced employee productivity
- ◆ Job satisfaction and career progression

Business Partners

- ◆ Opex paid for services Rs. 503.9 Mn.
- ◆ Capex paid for Plant and Equipment Rs. 70.8 Mn.

Community

- ◆ CSR activities
- ◆ Proactively led the renovation of two classrooms and four toilet facilities at a government school in Delathura, Ja-Ela.

Outcomes

Capital position as at December 31, 2025
For the year ended December 31, 2025

Financial Capital

- ◆ Shareholders' funds Rs. 4,455.2 Mn.
- ◆ 1,172 shareholders
- ◆ Market capitalisation Rs. 3,336.0 Mn.
- ◆ Rent deposits received from tenants: Rs. 49.9 Mn.
- ◆ Cash flow from operations Rs. 169.0 Mn.

Intellectual Capital

- ◆ Institutionalised knowledge
- ◆ Board approved policies covering operations
- ◆ Loyal supplier for Commercial Bank
- ◆ Streamlined systems and procedures
- ◆ Intangible assets Rs. 0.4 Mn.

Manufactured Capital

- ◆ Property, plant and equipment Rs. 130.0 Mn.
- ◆ Investment properties Rs. 3,754.7 Mn.
- ◆ Extent of rentable space 130,566 sq.ft.

Human Capital

- ◆ Staff cadre of 212 employees
- ◆ Cumulative service of 2,236 years
- ◆ Staff retention ratio 94%
- ◆ Employee experience, skills and competencies
- ◆ Employee well-being

Social and Relationship Capital

- ◆ Anchor tenant – Commercial Bank
- ◆ 611 suppliers and service providers
- ◆ Robust and long-standing relationships

Natural Capital

- ◆ Energy consumption 2,016,292 kWh
- ◆ Water consumption 5,936,000 litres
- ◆ Collecting/disposing garbage in a responsible manner

Stakeholder-centred and Regulated Approach

As presented above, CDC's value creation model is underpinned by a clearly defined operating scope, sound governance practices, and compliance with applicable regulatory requirements. While the Company's operations are focused on serving its sole client, Commercial Bank of Ceylon PLC, CDC recognises a broader stakeholder base, including shareholders, regulators, employees, and service providers, whose expectations are integral to the sustainability of its business model.

Stewardship of Multiple Capitals

The Company adopts a structured approach to managing and stewarding multiple forms of capital—financial, intellectual, manufactured, human, social and relationship, and natural capital. These capitals serve as inputs to CDC's activities and are preserved, enhanced, or utilised through disciplined operations and ongoing stakeholder engagement. This approach supports sustainable value creation over the short, medium, and long term, in alignment with regulatory and governance expectations.

Integrated Value Creation Process

CDC's value creation process reflects the integration of its strategy, operations, and governance frameworks. The transformation of input capitals into outputs and outcomes is guided by oversight mechanisms designed to ensure accountability, transparency, and long-term resilience.

Core Business Activities and Purpose Approved Scope of Activities

CDC operates within an approved and clearly defined scope of business activities, aligned with its purpose, strategy, and regulatory framework. The Company's core activities comprise:

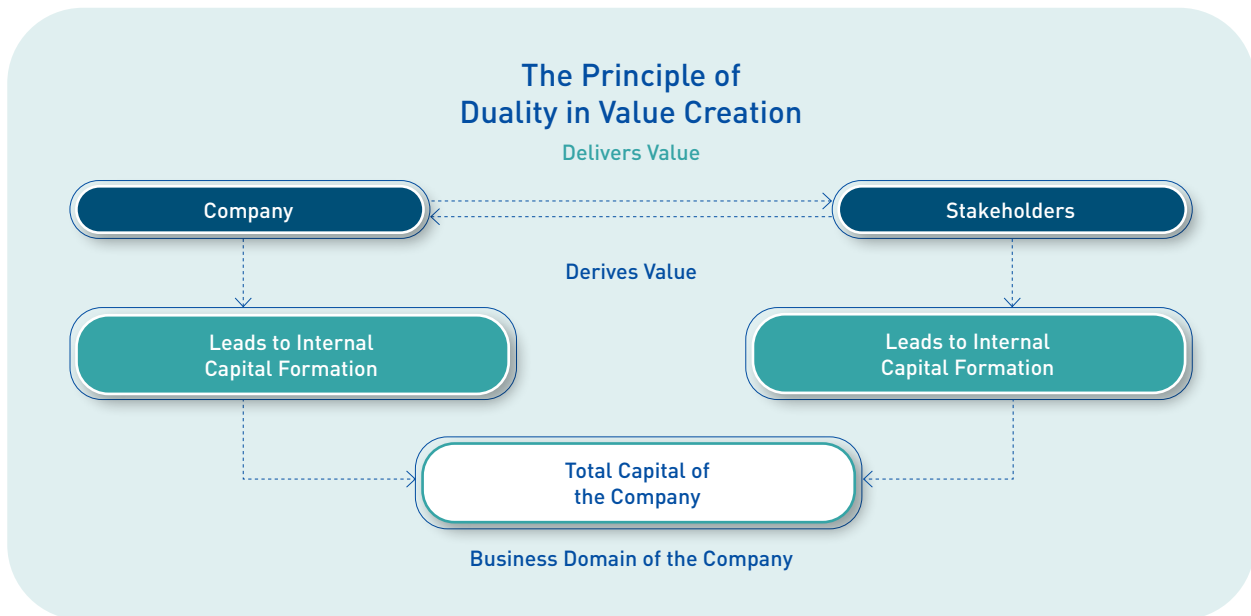
- ◆ Renting of premises;
- ◆ Outsourcing of staff;
- ◆ Hiring of vehicles; and
- ◆ Provision of utility and support services.

These activities are conducted within established governance, internal control, and risk management frameworks. CDC applies a structured process to identifying and assessing risks and opportunities arising from internal and external developments, including regulatory changes and operating environment conditions. This enables informed decision-making and ensures alignment with the Company's risk appetite and compliance obligations. Through this approach, CDC seeks to maintain operational stability, regulatory compliance, and the delivery of sustainable value to its stakeholders, while supporting the objectives of its principal shareholder.

Our Approach to Value Creation

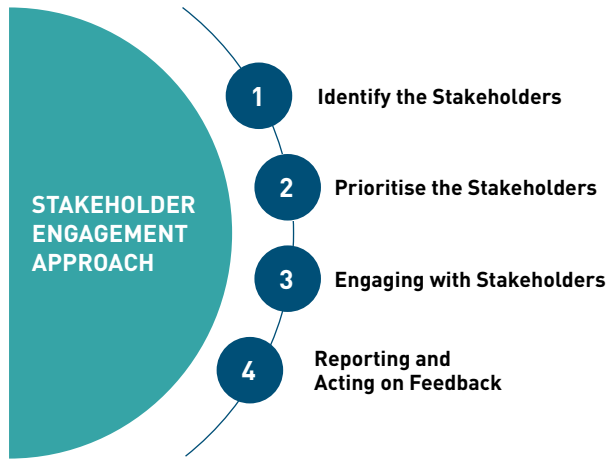
Our approach to value creation is founded on the Principle of Duality, which emphasizes that sustainable performance is achieved through a balanced and reciprocal interdependence between the value delivered to stakeholders and the value derived from their engagement and support. The Company's activities, conducted in alignment with its approved business model and strategy, are structured to support this mutually reinforcing cycle of value creation.

Through disciplined stewardship of its financial, human, intellectual, social and natural capital, CDC seeks to ensure that resources are utilised responsibly and in a manner consistent with its governance and regulatory obligations. This integrated approach supports organisational resilience, enables adaptability to changing operating conditions, and reinforces the Company's focus on long-term value creation for all stakeholders.



Stakeholder Engagement

As a publicly listed entity, CDC is committed to delivering sustainable value to its shareholders through responsible and well-governed business practices. In support of this objective, the Company has adopted a structured and systematic approach to stakeholder engagement, designed to ensure that stakeholder perspectives are appropriately considered in decision-making and aligned with the Company's strategic priorities. This disciplined engagement process supports effective outcomes, enhances accountability, and reinforces CDC's commitment to long-term value creation.



01. Identifying Stakeholders

Management plays a key role in the identification and ongoing review of the Company's stakeholder groups. Stakeholders are defined as individuals or entities external to the Company whose interests are materially affected by CDC's activities, or whose actions and decisions may influence the Company's ability to achieve its strategic objectives.

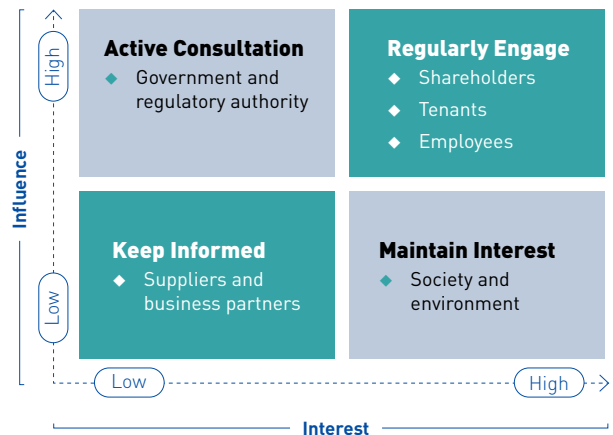
Based on this assessment, CDC has identified the following key stakeholder groups:

- ◆ Shareholders
- ◆ Tenants
- ◆ Employees
- ◆ Suppliers and business partners
- ◆ Government and regulatory authorities
- ◆ Society and the environment

This structured approach to stakeholder identification supports effective engagement, informed decision-making, and alignment with the Company's governance and regulatory responsibilities.

02. Prioritising Stakeholders

CDC prioritises its stakeholders through a structured assessment of their level of influence on, and interest in, the Company's operations. This prioritisation framework enables the Company to allocate resources appropriately and tailor engagement activities in line with the significance and nature of each stakeholder relationship, supporting effective governance and informed decision-making.



Identified stakeholders are categorised based on the nature and extent of their relationship with the Company:

- ◆ Stakeholders who are directly connected to CDC and have the capacity to materially influence business outcomes
- ◆ Those who are indirectly associated with the Company and maintain an interest in its activities and performance.

03. Engaging with Stakeholders

CDC engages with its stakeholders through a range of structured communication channels and engagement mechanisms, conducted at appropriate intervals and focused on matters relevant to each stakeholder group. The nature, frequency, and depth of engagement are determined by the stakeholder's level of influence, potential impact, and the characteristics of the relationship.

Our methods of engagement with stakeholders include the following:

- ◆ Regular updates and meetings
- ◆ Targeted communication tailored to stakeholder-specific needs
- ◆ Collaboration on key issues, where applicable

This approach supports inclusive engagement, strengthens stakeholder confidence, and reinforces alignment with the Company's objectives and ongoing activities.

04. Feedback and action




Stakeholder feedback and insights are systematically captured, documented, and reported to Management. These inputs inform the development and periodic review of Company policies, commitments, and strategic priorities. CDC utilises structured and continuous engagement channels to ensure stakeholder perspectives are appropriately considered in decision-making processes.




Our stakeholder engagement mechanisms include,

- ◆ Formal and informal consultations
- ◆ Participation and collaboration initiatives
- ◆ Negotiations on material matters
- ◆ Targeted communication programmes
- ◆ Mandatory and voluntary disclosures
- ◆ Certification and accreditation programmes

The integration of stakeholder feedback into business strategies ensures alignment with stakeholder expectations, supports regulatory compliance, and reinforces transparency and trust.

The table below outlines the engagement mechanisms adopted for each stakeholder group.

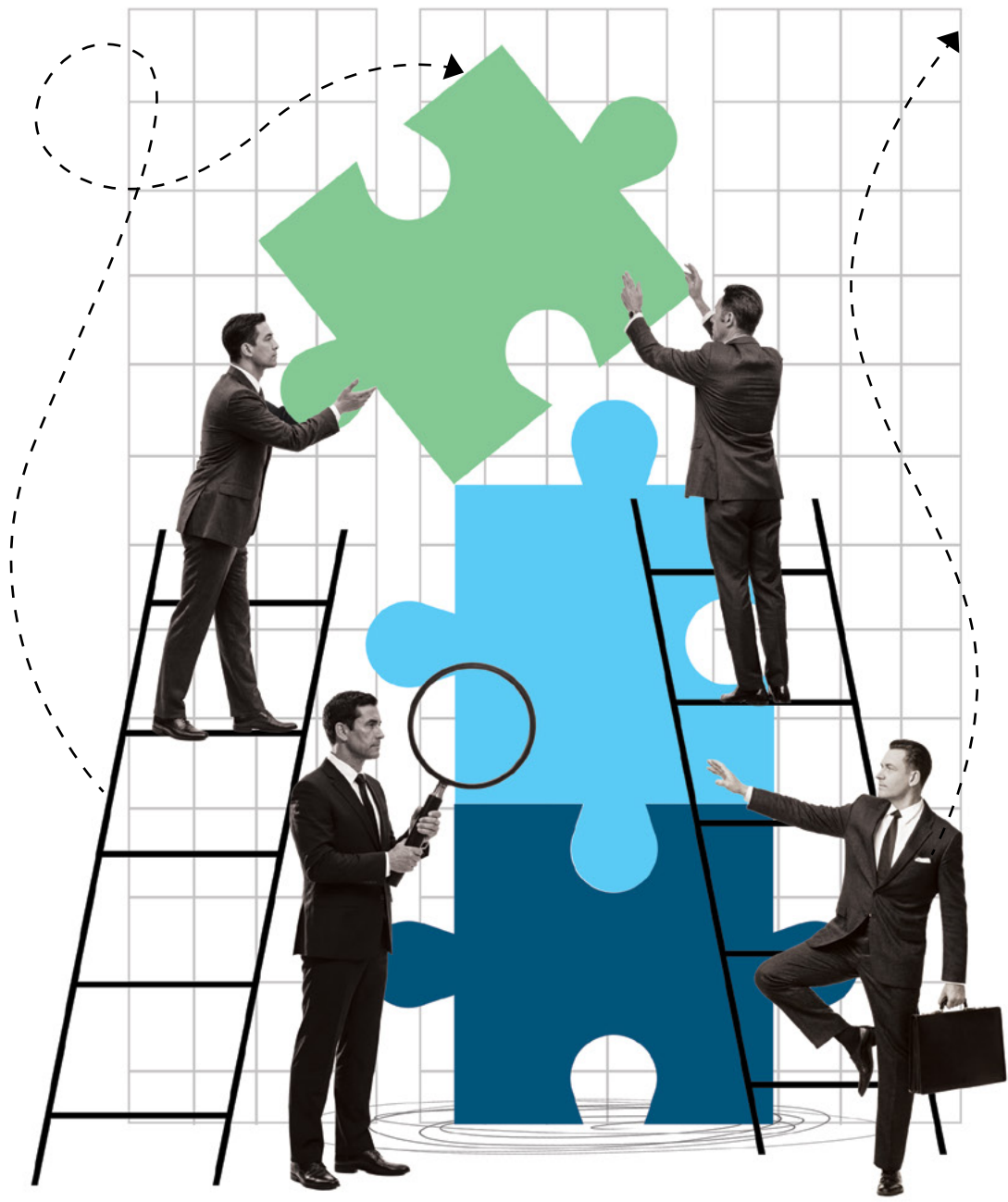
Stakeholder	Engagement mechanism	Frequency	Topics of concern	Our response
Shareholders 	Interim Financial Statements	Quarterly	Financial performance Business strategies and operational efficiency Related party transactions Governance stability and sustainability Risk management	CDC adopts a prudent and strategic approach to financial resource management, ensuring sufficient funds are reinvested to support business growth while consistently meeting all stakeholder obligations with integrity.
	Annual Report and AGM	Annually		
	Announcements to the CSE	As required		
	CDC's website			
	Press releases			
Tenants 	Review meetings	As required	Rent and other charges Facilities and utilities Maintenance and security Service quality Staff training/development Fire drills/risks associated	CDC ensures that rental and associated charges remain aligned with market rates while providing spaces and facilities that meet the highest standards of quality and excellence.
	Feedback evaluation			
	Correspondence			
	Periodic updates			
	Field visits			
	Announcements	At least once a year		
Employees 	HR digital platform (HRIS), WhatsApp Groups, Group Email	Continuous and ongoing	Employee engagement and communication Technology collaboration Industrial harmony Employee well-being Conducive work environment Career growth and improving productivity Employee development and enhancing quality of service Competitive remuneration benefits	CDC is dedicated to providing an exceptional employee experience across every stage of the employee lifecycle. The Company firmly believes that fostering a positive, supportive, and collaborative work environment significantly enhances both productivity and service quality. By embedding its core values into the organizational culture, CDC strives to cultivate a high-performance team, ensuring alignment with the Company's strategic goals and fulfilling the expectations of all stakeholders.
	One-on-one discussions	As required		
	Staff meetings			
	Regular performance reviews	Annually		
	Staff training	Ongoing		
	Remuneration and benefit reviews	Annually		

Stakeholder	Engagement mechanism	Frequency	Topics of concern	Our response
Government and regulatory authorities 	Statutory reporting	As specified	Compliance Tax liabilities Labour regulations Employee terminal benefits	CDC is committed to full compliance with all laws and regulations governing every aspect of its operations, ensuring accountability and adherence to the highest standards of governance
	Periodic payments and returns			
	Submissions to policymakers	As required		
	Meetings and consultations			
	CSE disclosures and announcements			
Suppliers and Business Partners 	Correspondence	As required	Registrations Quality Scope of work Terms and conditions Pricing Warranties	Suppliers are chosen through a thorough evaluation process, with external consultations sought when necessary, depending on the complexity of the matter at hand.
	One-to-one meetings			
	Policies and procedures			
	Media releases			
	Supplier visits			
	Resolving complaints			
	Collaborations			
Society and environment 	Being subject to Company's audit, risk, and compliance	Periodic	Ethical behaviour Business conduct CSR activities Social and environmental impact of business activities Compliance culture	CDC is steadfast in its commitment to enhancing community well-being and fostering the development of sustainable and resilient communities.
	Tone at the top	Ongoing		
	Compliance culture			
	Proactively led the renovation of two classrooms and four toilet facilities at a government school in Delathura, Ja-Ela.	Initiated in December 2025.		
	Shouldering the responsibilities of terminally ill employees	Ongoing		

028

Management Discussion and Analysis

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Financial Capital

The financial capital of Commercial Development Company PLC (CDC) comprises its stated capital, retained earnings, and other reserves, together with the pool of funds available for the provision of goods and services, as reflected in the Statement of Financial Position. The effective and prudent management of financial capital remains fundamental to the achievement of the Company's strategic objectives and regulatory obligations. This disciplined approach supports sustainable value creation, strengthens stakeholder confidence, and ensures the long-term viability and resilience of the business. An analysis of CDC's operating performance and financial position as at December 31, 2025 is presented in the sections that follow.

Composition of Total Revenue

	2025 Rs. '000	%	2024 Rs. '000	%
Rent income on premises	349,417	42.8	278,929	39.4
Outsourcing services	298,186	36.6	279,786	39.5
Vehicle hiring income	110,897	13.6	102,423	14.5
Other utility services	57,409	7.0	47,122	6.6
TOTAL REVENUE	815,909	100.0	708,260	100.0

Revenue growth for the year was primarily driven by three key factors. Firstly, the recognition of revised rental income from the Commercial House property following the implementation of updated lease terms made a positive contribution to earnings. Secondly, staff outsourcing income increased due to upward revisions in salaries and related staff costs of outsourced employees, together with the expansion of the outsourced cadre to the Bank by 20 employees, including replacements, during the year.

In addition, the Company commenced a new business line in August 2025 to provide CCTV operations for Commercial Bank of Ceylon PLC, generating additional revenue of Rs. 9.0 Mn. during the financial year. Collectively, these initiatives broadened the Company's revenue base and contributed to the overall year-on-year growth recorded in 2025.

Financial Performance

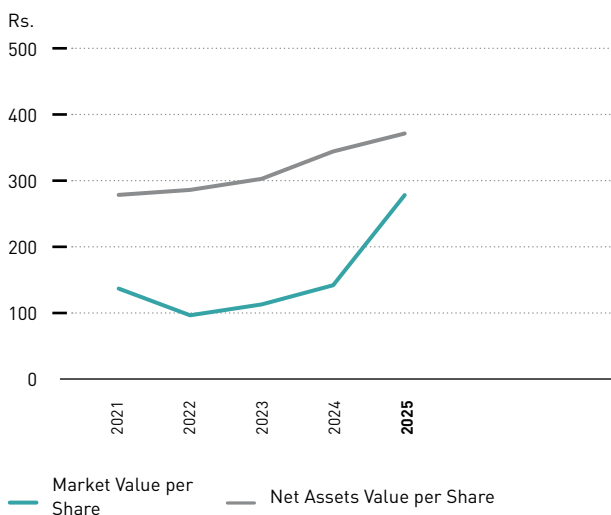
Net Profit declined to Rs. 421.5 Mn., reflecting a year-on-year decrease of 27.65%. This reduction was primarily attributable to lower fair value gains on investment properties, which amounted to Rs. 146.2 Mn. in 2025 compared to Rs. 479.3 Mn. in 2024. However, excluding fair value adjustments, operating profit increased to Rs. 313.3 Mn. from Rs. 245.6 Mn. in 2024, representing a growth of 27.6% in 2025. This performance highlights the resilience and strength of the Company's core operations, supported by stable and recurring income streams.

The decline in market interest rates during the year had a mixed impact on CDC's financial performance. Finance income decreased from Rs. 119.3 Mn. in 2024 to Rs. 104.6 Mn. in 2025, while finance costs declined from Rs. 15.2 Mn. to Rs. 10.7 Mn. Consequently, net finance income reduced by Rs. 10.1 Mn., representing a decline of 9.76%. Despite these pressures, profit after tax, excluding net fair value gains, increased to Rs. 284.6 Mn. from Rs. 247.2 Mn. in 2024, representing a growth of 15.12% over the previous year. This improvement reflects the Company's strengthened core operating performance and its ability to sustain earnings growth from recurring business activities despite external headwinds.

Financial Position

The Company's total assets increased to Rs. 5,315.4 Mn. as at December 31, 2025, compared to Rs. 4,909.4 Mn. at the end of the previous year. Investment properties, which generate rental income for the Company, remained the largest asset class, accounting for 70.6% of total assets as at year-end (2024: 73.5%). Net assets stood at Rs. 4,455.3 Mn. as at December 31, 2025, reflecting the continued strengthening of the Company's balance sheet. Accordingly, the net asset value per ordinary share increased from Rs. 343.58 in 2024 to Rs. 371.27 in 2025.

Net Assets Value and Market Price per Share



Value Added Statement

	2025 Rs. '000	2024 Rs. '000
VALUE ADDED		
Income from providing services	815,909	708,260
Cost of services	(146,004)	(126,593)
Value added by providing services	669,905	581,667
Other income	1,366	2,722
Fair value gain on investment properties	146,222	479,340
Net finance income	93,918	104,071
TOTAL VALUE ADDED	911,411	1,167,800

Distribution of Value Added

	2025 Rs. '000	%	2024 Rs. '000	%
VALUE ADDED TO EMPLOYEES:				
Salaries, wages, and other benefits	(329,404)	36	(311,864)	27
TO SHAREHOLDERS				
Dividends	(84,000)	9	(84,000)	7
TO GOVERNMENT				
Income and deferred tax	(131,949)	15	(246,432)	21
TO EXPANSION AND GROWTH				
Depreciation and amortisation	(28,523)	3	(26,881)	2
Retained profit	(337,535)	37	(498,623)	43
GROSS VALUE DISTRIBUTED	(911,411)	100	(1,167,800)	100

Intellectual Capital

Intellectual capital represents the collective knowledge, capabilities, systems, and relationships that underpin CDC's long-term performance, resilience, and market. At CDC, this capital is derived from strong leadership capability, a trusted brand, robust governance frameworks, effective systems and processes, and a deeply embedded organisational culture that supports ethical conduct and continuous improvement. Built over more than four decades, the Company's intellectual capital remains a key enabler of operational excellence, innovation, and sustainable value creation.

CDC continues to leverage the expertise of its parent company, Commercial Bank of Ceylon PLC, through a structured secondment framework for selected senior management roles. During the year, the number of seconded senior executives increased to two, reflecting a calibrated approach to resource optimisation while retaining access to specialised expertise. This arrangement enables CDC to benefit from best-in-class practices in areas such as human resources, compliance, cost management, and governance, while ensuring alignment with regulatory expectations and the strategic priorities of the Group.

The Company's brand strength and reputation are closely aligned with those of Commercial Bank, reinforcing stakeholder confidence and supporting strong risk management, compliance, and internal control standards. CDC's operations are subject to oversight by the parent company's Inspection, Compliance, and Risk Management functions, ensuring adherence to Central Bank of Sri Lanka guidelines and strengthening governance discipline across the business.

A strong repository of institutional knowledge, technical expertise, and tacit expertise has been developed over CDC's long operating history. The Company places emphasis on talent retention and knowledge continuity, enabling the effective transfer of skills across functions and generations. Knowledge sharing is encouraged through both formal mechanisms and collaborative workplace practices, fostering a culture of learning and adaptability.

Digital enablement remains a key pillar of CDC's intellectual capital. The continued enhancement of the Human Resource Information System (HRIS) has strengthened data accuracy, automation, and process efficiency across core HR functions, including attendance management, payroll, claims, and leave administration. These improvements have reduced manual intervention, supported cost optimisation, and contributed to environmental sustainability through reduced paper usage. In parallel, the migration of selected finance-related processes to a cloud-based Oracle platform has enhanced operational efficiency, scalability, and transparency.

Building on these foundations, the Company successfully launched a structured intranet platform, improving access to information, internal connectivity, and employee productivity. Developed with significant in-house expertise, the initiative reflects CDC's ability to innovate efficiently while maximising internal capabilities.

Through continued investment in people, systems, governance, and knowledge, CDC's intellectual capital remains a critical driver of strategic alignment, operational resilience, and long-term stakeholder value.

Manufactured Capital

Manufactured capital is central to CDC's value creation model, reflecting the Company's core focus on the ownership, enhancement, and efficient management of income-generating assets and supporting infrastructure. CDC's manufactured capital primarily comprises investment properties, plant and machinery, vehicle assets, and supporting facilities that enable the delivery of property rental, asset management, and related professional services.

Investment Property Portfolio

Investment properties represent the dominant component of CDC's manufactured capital, accounting for approximately 97% of the portfolio. Key assets include the landmark Commercial House in Colombo 01, the Commercial Bank branch premises in Tangalle, and the car park facility at the Commercial Bank branch in Negombo. During 2025, rental income from investment properties amounted to Rs. 349.4 Mn., contributing approximately 43% of operating income, with Commercial House accounting for the majority of rental revenue. A revised tenancy agreement for Commercial House came into effect from January 01, 2025, securing competitive rental rates and supporting improved income visibility over the tenancy period.

Located in Colombo's central business district, Commercial House has served as the Head Office of Commercial Bank of Ceylon PLC for over four decades. CDC continues to preserve the building's long-term value and relevance through planned upgrades and negotiated enhancements, including air-conditioning system improvements that have generated additional service-related revenue while enhancing tenant comfort.

Asset Maintenance, Safety, and Structural Integrity

CDC adopts a disciplined approach to asset maintenance through comprehensive Planned Preventive Maintenance (PPM) programmes covering all major mechanical, electrical, and plumbing systems at Commercial House. During the year, maintenance activities were carried out on generators, elevators, central air-conditioning systems, fire protection infrastructure, and core electrical and plumbing networks, ensuring operational reliability and compliance with safety standards.

In 2024 and 2025, several refurbishment and remedial projects were completed and initiated, including waterproofing works, common area upgrades, interior refurbishments, and external wall treatments. In addition, CDC identified and commenced remediation of key infrastructure issues at Commercial House, including elevated indoor air quality (IAQ) levels and required modifications to shaft areas, gully systems, fresh air handling units, chilled water pipelines, and freshwater pipelines.

To support long-term structural sustainability, a comprehensive feasibility study on the precast fascia panels of Commercial House was conducted by the Central Engineering Consultancy Bureau (CECB), in collaboration with the original building constructors. Based on the recommendations received, CDC will progress phased implementation solutions during 2025 and beyond.

Recognising the importance of accurate asset documentation, the Company also initiated the preparation of complete Mechanical, Electrical, and Plumbing (MEP) drawings for Commercial House. This project, completed in 2025, will strengthen maintenance planning, operational efficiency, and future development oversight.

Infrastructure Enhancement and Portfolio Development

In line with its asset optimisation strategy, CDC successfully relocated its Head Office to Front Street (Malwatta Road), Colombo 11, during 2025, securing a long-term lease arrangement recognised as a Right-of-Use asset. This move supports operational efficiency while allowing the Company to maximise the income-generating potential of its owned properties.

Further enhancement initiatives are planned across the property portfolio, including the refurbishment and expansion of the Tangalle vehicle park and the strengthening of boundary walls at the Negombo facility. These upgrades are intended to improve functionality, safety, and long-term asset value.

Business Expansion and Service Capability

Building on its technical expertise, CDC expanded its service offerings during 2025 by commencing a new business line focused on the installation, testing, commissioning, and annual maintenance of CCTV systems across Commercial Bank's branch network. The Company also designed and delivered office space solutions for CBC Finance Limited, reinforcing its professional services capabilities.

In parallel, CDC enhanced its operational capacity through a 10% increase in air-conditioning servicing coverage in the Western Province, improving responsiveness and service efficiency. The vehicle rental fleet was selectively upgraded with the acquisition of a high-end vehicle during the year, with a further addition planned for early 2026, supporting service continuity and sustainability objectives.

Valuation, Risk Management and Asset Protection

CDC continues to subject its investment properties to annual independent valuations using industry-accepted methodologies. The most recent valuation reflected a significant fair value uplift, driven by improving market conditions and increased demand for office space. While competition from new mixed-use developments and the Colombo Port City presents emerging challenges, CDC remains focused on preserving asset quality and tenant attractiveness.

The Company maintains a proactive approach to asset protection through the regular review and renewal of insurance cover, including building, vehicle, and public liability policies, as well as service and tenancy agreements. These measures support risk mitigation and safeguard the long-term value of CDC's manufactured capital.

Through disciplined asset management, targeted upgrades, and selective expansion of service capabilities, CDC continues to strengthen its manufactured capital base, supporting sustainable earnings, operational resilience, and long-term stakeholder value.

Human Capital

Strategic Overview

Human capital is the cornerstone of CDC’s ability to deliver consistent, high-quality services to its principal client, Commercial Bank of Ceylon PLC. As at the end of 2025, the Company employed a total workforce of 212 employees, of whom 185 are deployed at Commercial Bank’s premises to carry out essential support services. This embedded workforce model enables seamless integration with the parent organization’s operations while maintaining the agility, professionalism, and institutional depth that define CDC’s service culture.

Throughout 2025, CDC pursued a deliberate and structured approach to people management, focusing simultaneously on workforce stability, employee welfare, capability development, and long-term succession readiness. The initiatives launched during the year reflect the Company’s commitment to remaining an employer of choice while creating meaningful value for all stakeholders.

Workforce Composition and Stability

CDC’s workforce structure reflects a carefully balanced approach to operational continuity and flexibility. The Company’s people are categorized across permanent, contract, and seconded arrangements, each serving a distinct strategic role in maintaining uninterrupted service delivery. As at end 2025, **permanent employees accounted for 86.8%** of the total workforce, while **contract staff represented 12.3%** and seconded employees 0.9%.

Employee Category	2025	2024	2023
Permanent employees	184	186	192
Contract employees	26	12	17
Seconded employees	2	1	2
TOTAL	212	199	211

Workforce Composition Trends – 2025 | Source: Human Capital Report 2025

The 117% increase in contract staff compared to the previous year reflects deliberate steps to enhance operational capacity across all service lines, with due regard to quality, continuity, and cost-effectiveness. Permanent employee count remained stable, underpinning the institutional knowledge and service reliability that CDC’s clients depend on.

Service Tenure Profile

Employee retention remains a key organizational strength at CDC. An analysis of the 2025 tenure profile reveals that **60.8% of the workforce falls within the 11–15 year service band** the single largest cohort. More significantly, **72.6% of employees have served for more than 10 years, and 77.8% have been with the Company for over five years.** This depth of institutional tenure translates directly into operational excellence: reduced training costs, stronger client relationships, consistent service quality, effective risk management, and structured knowledge transfer across the organization.

Years of service	Female	Male	Total
Less than 5	8	39	47
5 – 10	2	9	11
11 – 15	56	73	129
16 – 20	3	12	15
Over 21	4	6	10
TOTAL	73	139	212

Service Analysis of Employees – 2025 | Source: Human Capital Report 2025

Age Profile

The age distribution of CDC’s workforce reflects a mature and experienced team, with a strong concentration in the 31–50 age bracket, a demographic that balances seasoned expertise with the capacity for continued contribution over the medium to long term.

Age (years)	Female	Male	Total
18 – 20	0	1	1
21 – 30	7	13	20
31 – 40	21	32	53
41 – 50	38	77	115
51 – 55	5	12	17
Over 56	2	4	6
TOTAL	73	139	212

Age Analysis of Employees – 2025 | Source: Human Capital Report 2025

Diversity and Inclusion

CDC's workforce gender composition stands at 65% male and 35% female employees, broadly aligned with industry patterns for technical and facilities services. The Company acknowledges the importance of progressively improving gender balance, particularly at leadership and specialist levels. Targeted initiatives to attract, retain, and advance female talent, including mentorship programmes and structured career development pathways, remain on the Company's strategic agenda.

Remuneration, Benefits, and Employee Welfare

Salary and Allowances

In recognition of the economic pressures faced by employees and in support of their financial well-being, CDC implemented a comprehensive remuneration enhancement programme during 2025.

- ◆ A consolidated **salary increment of 8%** was granted to all permanent employees in 2025, reflecting the Company's commitment to maintaining competitive and fair remuneration in a challenging economic environment.
- ◆ A structured **allowance framework** was introduced for executive-grade employees engaged in official duties, covering Meal Allowance, Dinner Allowance, Subsistence Allowance, Combined Allowance, and Travelling Cost Reimbursement.
- ◆ An **ex gratia payment** equivalent to one month's salary was disbursed in April 2025 for all permanent employees.
- ◆ A **performance bonus equivalent to two months' salary** was paid in December 2025 for all permanent employees.

Insurance and Protection Coverage

2025 marked a significant year for employee protection at CDC, with multiple insurance policies enhanced and new coverage introduced to address emerging statutory obligations and employee welfare needs.

Enhanced Insurance Limits

Insurance Policy	Average Coverage Increase
Surgical & Hospitalisation	+56.7%
Group Life with Critical Illness	+33.3%
Personal Accident Insurance	+29.2%

Insurance Coverage Enhancement Summary – 2025 | Average increase calculated across all applicable grades

New Insurance Coverage Introduced

In compliance with statutory compensation for work-related injuries and fatalities, CDC implemented a comprehensive Workmen's Compensation Insurance policy. This policy provides statutory coverage for all employees, including those on fixed-term contracts, ensuring full regulatory compliance and meaningful protection for every member of the workforce.

Additionally, an enhanced death benefit was secured under the Surgical and Hospitalization Policy, coverage from Rs.1.50 Mn. to Rs. 2.00 Mn. across all applicable grades in addition to the existing Group Life Policy.

Compassionate and Welfare Support

CDC's people-first culture was demonstrated in 2025 through several targeted welfare interventions beyond standard benefits:

- ◆ Special financial assistance was granted to employees affected by **Cyclone Ditwah**, acknowledging the hardship and displacement caused by the natural disaster.
- ◆ Bonus payments were advanced ahead of the normal processing schedule for all employees, providing timely financial relief during the crisis period.
- ◆ Two employees suffering from **critical illness** continued to receive sustained financial and medical support for expenses not covered by insurance, including outdoor medical bills and transport costs.
- ◆ **Special medical leave** was granted to an employee undergoing treatment for a critical illness, reflecting the Company's compassionate approach to human welfare.

Leadership and Organisational Development

CDC continued to invest in strengthening its leadership structure in 2025 to support governance, operational excellence, and long-term succession. The parent company seconded a highly experienced and qualified professional to CDC to serve as Head of Maintenance, a role critical to the quality, safety, and reliability of the Company's facilities and technical operations.

This appointment reflects CDC's commitment to bringing specialist expertise into key functional areas, reinforcing leadership depth and ensuring that operational teams are supported by capable, experienced management.

Talent Acquisition and Workforce Renewal

CDC's recruitment approach in 2025 focused on attracting qualified talent to meet growing service demands while ensuring alignment with the Company's culture of professionalism and dedication. In total, 27 new employees joined CDC across various age groups during the year.

Age (years)	Female	Male	Total
18 – 20	0	1	1
21 – 30	8	7	15
31 – 40	0	7	7
41 – 50	1	3	4
51 – 55	0	0	0
Over 56	0	0	0
TOTAL	9	18	27

Employee Recruitment by Age – 2025 | Source: Human Capital Report 2025

Staff Turnover

Overall staff turnover remained low by industry standards in 2025. Total separations amounted to 15 employees, primarily at non-executive level. This reflects the strength of CDC's employee engagement culture, competitive remuneration, and clearly defined career pathways.

Age (years)	Female	Male	Total
Senior management and above	0	0	0
Executive staff	0	1	1
Non-executive staff	5	9	14
TOTAL	5	10	15

Employee Turnover by Grade – 2025 | Source: Human Capital Report 2025

Age (years)	Female	Male	Total
18 – 20	0	1	1
21 – 30	3	0	3
31 – 40	0	6	6
41 – 50	2	2	4
51 – 55	0	0	0
Over 56	0	1	1
TOTAL	5	10	15

Employee Turnover by Age – 2025 | Source: Human Capital Report 2025

Learning, Development, and Career Progression

Capability development is central to CDC's long-term strategy. In 2025, the Company delivered seven structured training and awareness programmes covering 186 employees and a cumulative 49 training hours. These programmes spanned technical competencies, professional development, compliance awareness, and governance, equipping employees with future-ready skills while meeting current operational requirements.



Training Programme – 2025

Name of Course/Programme	Internal/ External	Participants	Hours
Awareness Session: Anti-Bribery, Whistleblowing & Information Security (Online)	Internal	73	3
AI for Business (Online)	External	5	4
Maintenance of CCTV Camera Systems	Internal	13	16
Induction Programme for New Recruits	Internal	8	6
Staff Insurance Benefits Awareness Session (Online)	Internal	84	4
Plumbing Systems for High-Rise Buildings	External	2	8
Driver Training: Scientific, Economical & Safe Driving	External	1	8
TOTAL		186	49

Training and Development Programmes Delivered to Employees – 2025

Employee Engagement and Wellbeing

CDC recognises that a motivated, connected workforce is the foundation of outstanding service delivery. Employee engagement initiatives in 2025 were designed to foster belonging, celebrate contribution, and support work-life balance.

The Company hosted its annual staff celebration and children’s party at Club Palm Bay Hotel, Marawila. The event brought together more than 300 participants including employees and their family members, a testament to CDC’s commitment to building a close-knit, inclusive organisational community. The gathering offered a platform for recognition, relaxation, and social connection, reinforcing the bonds that make CDC a cohesive and high-performing team.



Highlights from the Annual Employee Celebration – 2025

Digital Enablement and Future Focus

CDC continues to modernize its people processes through targeted digital initiatives. The intranet platform launched in early 2024 has matured into a centralised hub for policies, employee services, internal communications, and organizational updates, enhancing operational agility and access to information across all levels of the workforce.

Looking ahead, CDC remains focused on sustaining workforce stability while progressively enhancing leadership depth, specialist skills, and organisational agility. Continued investment in people, digital tools, and employee wellbeing will ensure that the Company remains an employer of choice, delivers consistent value to the parent Company, Commercial Bank of Ceylon PLC. and supports long-term value creation for all stakeholders.

Social and Relationship Capital

Creating and Sustaining Stakeholder Value

CDC remains committed to creating and delivering long-term value to its key stakeholders, including its customers, business partners, employees, and the wider community. This sustained focus has enabled the Company to build strong, trust-based relationships that support stability, resilience, and shared growth. Since its incorporation in 1980, CDC has maintained an exclusive parent–subsidiary relationship with Commercial Bank of Ceylon PLC, Sri Lanka’s largest private sector bank. This enduring partnership stands as a testament to mutual confidence, operational alignment, and consistent value creation over more than four decades.

Strategic Relationship with the Sole Customer

CDC’s financial performance and growth trajectory are closely linked to its role as a wholly aligned service provider to Commercial Bank of Ceylon PLC. As a subsidiary operating within the banking sector, CDC’s performance is influenced by macroeconomic conditions and developments within the financial services industry.

Beyond providing premises, vehicle rentals, utility services, and general maintenance, CDC has developed a high level of specialisation in staff outsourcing services tailored to the stringent confidentiality and professionalism requirements of the banking sector. This capability has positioned CDC as a trusted partner in supporting the Bank’s non-core operational needs.

Operational Excellence and Service Reliability

CDC plays a critical role in maintaining key infrastructure supporting the Bank’s operations. The Company is responsible for the maintenance of 330 air-conditioning units, including Water Cool Packages and Split Units, across the Commercial Bank Head Office and branch network. In addition, CDC maintains the Magnetic Bearing Centralised Chiller installed in 2017 and oversees the maintenance and repair of the main grid of the Commercial House building.

These services are delivered by skilled and trained technicians who ensure routine servicing, new installations, and prompt response to emergency breakdowns, enabling uninterrupted business operations. Service delivery is governed by annual service agreements, ensuring timely execution at market-competitive rates. CDC’s consistent performance continues to earn the confidence and appreciation of Commercial Bank.

CDC also manages a fleet of vehicles leased to the Bank and undertakes non-core support services such as janitorial, maintenance, and auxiliary services. By assuming responsibility for these activities, CDC enables the Bank to remain focused on its core banking functions while benefiting from a dependable and competent workforce.

The Company’s resilience and adaptability were particularly evident during periods of national and global disruption, including the COVID-19 pandemic and the financial crisis in 2022, further reinforcing CDC’s role as a reliable and strategic partner.

Growth, Adaptability, and Future Outlook

While regulatory requirements limit the scope for customer diversification, CDC continues to adopt a proactive and innovative approach within its operational framework. The Company actively explores opportunities to expand its service offerings, as demonstrated by the successful introduction of CCTV maintenance services and the expansion of technical support services provided to Commercial Bank.

Looking ahead, CDC remains committed to pursuing viable business opportunities within the Commercial Bank Group that align with its resources, technical expertise, and return expectations. The Company's proven service delivery capability positions it well to meet future operational demands and emerging opportunities.

Business Partnerships

CDC's service delivery is strengthened through strategic partnerships with engineering firms, technical specialists, and authorised local agents of vehicle manufacturers. These collaborations provide access to specialised expertise that complements the Company's internal capabilities. By engaging reputable and experienced partners, CDC enhances service quality, operational efficiency, and reliability, supporting its commitments to Commercial Bank and reinforcing its reputation for excellence.

Community Engagement and Social Responsibility

CDC extends its commitment to social responsibility beyond its core operations through targeted Corporate Social Responsibility (CSR) initiatives. In 2025, the Company has proactively led the renovation of two classrooms and four toilets facilities at a government school in Delathura, Ja-Ela. This contribution reflects CDC's continued dedication to making a positive and meaningful impact within the society it serves.

Natural Capital

Environmental Stewardship and Sustainability Commitment

Natural capital comprises the renewable and non-renewable environmental resources and ecosystem services that support organisational operations and long-term sustainability. As a service-oriented organisation, CDC's direct environmental footprint remains relatively limited. Nevertheless, the Company recognises its responsibility to minimise environmental impact and integrate sustainable practices across its operations.

CDC's environmental approach is closely aligned with the sustainability agenda of its parent company, Commercial Bank of Ceylon PLC, which has achieved carbon neutrality across its operations and continues its journey towards becoming a net-zero carbon organisation. This alignment reinforces CDC's commitment to responsible environmental stewardship and continual improvement in environmental performance.

Resource Efficiency and Digitalisation Initiatives

During the year under review, CDC implemented several initiatives aimed at reducing resource consumption and supporting environmental sustainability:

Paperless operations

The implementation of the Human Resource Information System (HRIS) significantly reduced the Company's reliance on paper-based processes. This transition has contributed to lower paper consumption, reduced waste generation, and improved administrative efficiency through streamlined digital workflows.

Intranet implementation

The introduction of a comprehensive intranet platform has further minimised the use of physical documentation. By enabling efficient digital access to policies, procedures, and operational information, the intranet has reduced manual processes, improved productivity, and supported CDC's digital-first and environmentally responsible approach.

Continuous Improvement and Future Outlook

CDC remains committed to embedding sustainable practices into its operational framework, in line with the broader environmental objectives of the Commercial Bank Group. The Company continues to explore opportunities to enhance resource efficiency, reduce its carbon footprint, and adopt environmentally responsible solutions where feasible. Through these efforts, CDC aims to contribute to the preservation of natural resources while supporting the long-term sustainability goals of its parent company and the communities it serves.

042

Governance and Risk Management

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Board of Directors and Profiles

Mr A L Gooneratne
Chairman

Mr S C U Manatunge
Director

Mr U I S Tillakawardena
Director

Mr P L P Withana
Director

Dr R A Attalage
Director

Eng N Abeyesuriya
Director

Mr M D C P Dharmasena
Director



Mr A L Gooneratne

Chairman

- ◆ Director since September 17, 1993
- ◆ Member of the Board Remuneration committee
- ◆ Non-Executive Non-Independent Director

Skills and Experience

Fellow Member of The Institute of Chartered Accountants in England and Wales

Fellow Member of The Institute of Chartered Accountants of Sri Lanka

Higher National Diploma in Business Studies, United Kingdom

Previous Appointments

Managing Director – Commercial Bank of Ceylon PLC (from 1996-2012) and Commercial Development Company PLC (from 1996-2012)

Founder Chairman – Financial Ombudsman Sri Lanka (Guarantee) Ltd.

Chairman – Sri Lanka Banks Association (Guarantee) Ltd.

Chairman – Commercial Insurance Brokers (PVT) Ltd.

Director – Commercial Leasing PLC

Director – Sri Lankan Airlines Ltd. (From 2002-2004)

Managing Director – Melstacorp PLC (from 2012-September 2022)

Board Member of several Melstacorp PLC Group subsidiary companies including the following Public Listed Subsidiary companies; Aitken Spence PLC, DCSL PLC, Browns Beach Hotel PLC, Balangoda plantations PLC.

Independent Non Executive Director

LIOC PLC – Resigned on December 31, 2024 after serving on the Board for Approximately 12 years.

Teejay Lanka PLC – Resigned end of March 2024. Served on the Board for Approximately 12 years.

Appointed as an Independent Non-Executive Director of Lanka Aluminum Industries PLC with effect from July 14, 2025

Shareholding in the Company: Nil



Mr S C U Manatunge

Director

- ◆ Director since May 12, 2022
- ◆ Non-Executive, Non-Independent Director

Skills and Experience

Fellow of the Chartered Institute of Management Accountants – UK (FCMA – UK)

Fellow of the Chartered Global Management Accountant (CGMA)

MBA – University of Sri Jayewardenepura (Merit Pass)

Fellow of the Institute of Bankers of Sri Lanka (FIB)

Fellow of the Institute of Certified Management Accountants of Sri Lanka (FCMA)

Fellow of the Chartered Management Institute, UK (FCMI)

Member of Sri Lanka Institute of Directors

Member of Certified Practising Accountant – CPA Australia

MSc in Sustainable Management – University of Bedfordshire, UK

Other Current Appointments

Managing Director/Chief Executive Officer – Commercial Bank of Ceylon PLC

Deputy Chairman – Commercial Bank of Maldives (Pvt) Limited

Vice Chairperson – Sri Lanka Banks' Association (Guarantee) Limited

Vice Chairman – The Employers' Federation of Ceylon

Member – UNICEF Business Council

Ex-Officio Member – Stakeholder Engagement Committee of the Central Bank of Sri Lanka

Member – The Ceylon Chamber of Commerce

Previous Appointments

Executive Director/Chief Operating Officer – Commercial Bank of Ceylon PLC

Deputy General Manager – Corporate Banking – Commercial Bank of Ceylon PLC

Chief Risk Officer – Commercial Bank of Ceylon PLC

President – Association of Banking Sector Risk Professionals in 2014

Shareholding in the Company: Nil



Mr U I S Tillakawardena

Director

- ◆ Director since December 1, 2011
- ◆ Non-Executive Non-Independent Director
- ◆ Resigned on December 31, 2025.

Skills and experience

Fellow Member – Association of HR Professionals Sri Lanka.

Graduate Member – Sri Lanka Institute of Directors

MBA – University of Sri Jayewardenepura.

Degree in Law (LLB) University of Colombo

MA – University of Colombo

Other current appointments

Non-Executive Director – Commercial Insurance Brokers (Pvt) Ltd.

Previous appointments

Former Deputy General Manager-Human Resources Management – Commercial Bank of Ceylon PLC

Past President of Association of HR Professionals Prior to joining the Bank, he has held leadership positions in the following organisations:

Group Director – HR, Hemas PLC

Chief Operating Officer – Sri Lanka Insurance Corporation

General Manager – HR, Union Assurance PLC

Assistant General Manager – Colombo Stock Exchange
Shareholding in the Company: Nil



Dr R A Attalage

Director

- ◆ Appointed on January 1, 2023
- ◆ Chairman of the Board Nominations and Governance Committee and the Board Remuneration Committee
- ◆ Member of the Board Audit Committee and the Board Related Party Transactions Review Committee
- ◆ Non-Executive Independent Director

Skills and Experience

Ph.D., Ecole Nationale Supérieure des Mines de Paris, France

D.E.A (Degree of Profound Studies), Ecole Nationale Supérieure des Mines de Paris, France

M. Eng., Asian Institute of Technology

B.Sc. Engineering (Hons) in Mechanical Engineering, University of Moratuwa

Member Institution of Engineers Sri Lanka – Chartered Engineer

Fellow National Academy of Sciences Sri Lanka

Other Current Appointments

Pro – Vice Chancellor (Academic)/Professor in Mechanical Engineering – Sri Lanka Institute of Information Technology

Professor Emeritus University of Moratuwa

Previous Appointments

Senior Professor in Mechanical Engineering – University of Moratuwa

Deputy Vice Chancellor – University of Moratuwa

Professor in Mechanical Engineering – University of Moratuwa

Commissioner – Public Utilities Commission Sri Lanka

Visiting Faculty Member – Asian Institute of Technology, Thailand

Visiting Professor in the International Cooperation Centre for Engineering Education Development (ICCEED) – Toyohashi University of Technology, Japan

Chairman – National Institute of Fisheries & Nautical Engineering, Government of Sri Lanka

Shareholding in the Company: Nil



Mr P L P Withana

Director

- ◆ Director since March 28, 2024
- ◆ Chairman of the Board Audit Committee and Board the Related Party Transactions Review Committee
- ◆ Member of the Board Nominations and Governance Committee and the Board Remuneration Committee
- ◆ Non-Executive Independent Director

Skills and Experience

Project Management Professional of PMI USA.
MBA – University of Sri Jayawardenepura.

BA (Hon) – Manchester Metropolitan University, UK

Fellow Member of the Institute of Chartered Accountants of Sri Lanka

Fellow Member of the Chartered Institute of Management Accountants – UK

Other Current Appointments

Managing Director – Agility Consulting Services (Pvt) Ltd

Director – Softlogic Insurance PLC.

Director – HNB Finance PLC.

Director – Citrus Leisure PLC.

Director – Hikkaduwa Beach Resort PLC

Director – Waskaduwa Beach Resort PLC

Director – Serendipity leisure (Pvt) Ltd.

Director – Hunter & company PLC ,

Director – Lanka Canneries (Pvt) Ltd.

Previous Appointments

Chief Executive Officer/Vice President – Brandix Group

Chief Executive Officer – Orit Apparels Ltd

Chief Operating Officer – Dilmah Tea/MJF group Chief

Executive Officer – Sri Lankan Catering Ltd

Director – Bank of Ceylon

Director – Dankotuwa Porcelain

Director – Merchant Bank of Sri Lanka

Director – Ceylease Limited

Director – Seylan Bank

Commissioner – Telecommunication Regulatory Commission of Sri Lanka

Shareholding in the Company: Nil



Eng N Abeysuriya

Director

- ◆ Director since March 28, 2024
- ◆ Member of the Board Audit Committee, Board Related Party Transactions Review Committee, Board Nominations and Governance Committee and the Board Remuneration Committee
- ◆ Non-Executive Independent Director

Skills and Experience

MEng in Structural Engineering – University of Moratuwa

BSc. Eng (Hons) in Civil Engineering – University of Peradeniya

Fellow Member – The Institution of Engineers’ Sri Lanka – FIE(SL)

Fellow Member – The Society of Structural Engineers Sri Lanka – FSSE(SL)

International Professional Engineer – The Institution of Engineers’ Sri Lanka – int PE(SL)

Corporate Member – The Association of Consulting Engineers Sri Lanka – MconsE(SL)

Chartered Engineer – Engineering New Zealand

President -The Society of Structural Engineers – Sri Lanka (2019-2020, 2021)

Vice President – Association of Consulting Engineers – Sri Lanka (2024, 2025)

Other Current Appointments

Managing Director – NCD Consultants Pvt Ltd

Faculty Board member – Faculty of Engineering, University of Moratuwa

Previous Appointments

Senior Structural Engineer – Mihindu Keerthirathne Associates Pvt. Ltd

Senior Design Engineer – Project Engineering Company Ltd

Civil Engineer – Grade II–Central Engineering Consultancy Bureau – Samanawewa Hydro Electric Project

Shareholding in the Company: Nil



Mr M D C P Dharmasena

Director

- ◆ Director since January 01, 2026
- ◆ Non-Executive Non Independent Director

Skills and Experience

MBA – Postgraduate Institute of Management (PIM)

BSc (Eng) Hons – University of Moratuwa

ISO 9000 LEAD Auditor

International Certification on Purchasing and Supply Management (International Trade Centre UNCTAD/WTO)

Supply Chain Excellence Qualification – Cranfield University, UK

Other Current Appointments

Assistant General Manager – Services –
Commercial Bank of Ceylon PLC

Visiting Lecturer at the Department of Transport and Logistics Management – University of Moratuwa (MBA and Degree Programs)

Previous Appointments

Head of Operations and Head of Supply Chain Management – Ceylon Tobacco Company (British American Tobacco)

General Manager-Production – Noratel International Katunayake (Norwegian MNC)

Visiting Lecturer on Supply Chain Management – CINEC Campus

Shareholding in the Company: Nil

Executive Management



Mr K Basnayake
Chief Executive Officer



Mr W H Wijsekara
Finance Manager



Mrs Kumari Perera
Head of Human Resource Management



Mr I J Thilakahewa
Head of Maintenance



Mr K Basnayake
Chief Executive Officer

Mr Kirthi Basnayake, a retired captain of the Sri Lanka Navy, has completed over 35 years of service, including over 25 years of experience in various senior capacities in the fields of Operations, Administration, Human Resources, Engineering, and Training. Prior to joining Commercial Development Company PLC as the CEO, he functioned as Head of Human Resource and Administration at Property Development PLC/Ltd. (PDL), a fully owned subsidiary of Bank of Ceylon. He functioned as the Registrar and Chief Administrative Officer at the General Sir John Kotelawala Defence University (KDU) and KDU Hospital prior to joining PDL. In addition, he was also the Senior Deputy Dean of the Faculty of Defence and Strategic Studies at KDU. At present, he is an Executive Committee member of the KDU Alumni.

Professional Qualifications

- ◆ Bachelor's degree in Mechanical Engineering – General Sir John Kotelawala Defence University (KDU)
- ◆ Master of Science in Management – KDU
- ◆ Master's in Defence and Strategic Studies – National University, Gazipur, Bangladesh
- ◆ Master's in Business Administration in E – Governance – KDU
- ◆ Associate member of the Institute of Management of Sri Lanka



Mr W H Wijesekara
Finance Manager

Mr Wijesekara joined CDC in April 2011. Prior to joining CDC, he also served as a Senior Assistant Accountant for ORYSYS Limited, a fully owned subsidiary of Commercial Bank of Ceylon PLC. Mr Wijesekara also possesses multi-sectoral financial experience in Information Technology, telecommunication services, and the travel and tourism industry with an overall tenure of 26 years.

Professional Qualifications

- ◆ Associate Member of the Institute of Certified Management Accountants of Sri Lanka (ACMA, SL)
- ◆ Finalist of Association of Chartered Certified Accountants, UK (ACCA-UK)



Mrs Kumari Perera

Head of Human Resource Management

Mrs Perera has been working at Commercial Bank for more than three decades. In 2020, she was seconded by the Commercial Bank management to undertake responsibilities in the Human Resources Division of Commercial Development Company PLC. Mrs Perera, a qualified HR professional, currently holds the position of Head of Human Resource Management at Commercial Development Company PLC.

Professional Qualifications

- ◆ Master of Business Administration – Cardiff Metropolitan University
- ◆ Associate Member of the Chartered Institute of Personnel Management, Sri Lanka (INC)
- ◆ Member of the Institute of Chartered Professional Managers of Sri Lanka
- ◆ Associate Member of the Association of Professional Bankers – Sri Lanka
- ◆ Certificate in Labour Law and Industrial Relations – The Employers’ Federation of Ceylon
- ◆ Diploma in Personal and Professional Communication – University of West London
- ◆ Past President of the Commercial Bank Toastmasters Club
- ◆ Competent Communicator/Competent Leader – International Toastmasters
- ◆ Advanced Leader Bronze – International Toastmasters



Mr. I J Thilakahewa

Head of Maintenance

Mr Thilakahewa has been working at Commercial Bank for nearly three decades in its Premises and Engineering Department, overseeing the air conditioning systems of its entire branch network. He has also been a key member of the project team that won Green Building Council of Sri Lanka (GBCSL) awards for Commercial Bank building projects in Galle Fort, Jaffna and Trincomalee. In 2025, he was seconded by the Commercial Bank management to undertake responsibilities in the Engineering/Maintenance Division of Commercial, Development Company PLC. Mr Thilakahewa, a qualified Engineering professional, currently holds the position of Head of Maintenance at Commercial Development Company PLC.

Professional Qualifications

- ◆ Master of Business Administration – Cardiff Metropolitan University
- ◆ Higher National Diploma in Engineering (HNDE) specializing in Mechanical Engineering
- ◆ Member of the Institution of Incorporated Engineers, Sri Lanka (IIESL)
- ◆ Member of the American Society of Heating, Refrigerating and Air-Conditioning Engineers INC (ASHRAE)

Corporate Governance

Commercial Development Company PLC (CDC) believes that strong and effective corporate governance is fundamental to sustainable value creation, long-term shareholder confidence, and responsible corporate citizenship. As a public quoted company in Sri Lanka, CDC is committed to maintaining the highest standards of governance, transparency, accountability, and ethical conduct in line with regulatory requirements and best practices.

Our corporate governance framework provides the structure through which the Company’s objectives are set, performance is monitored, and risks are managed, while balancing the interests of shareholders, employees, customers, regulators, and other stakeholders.

CDC operates within a robust corporate governance framework, supported by its parent company, Commercial Bank of Ceylon PLC. This framework integrates regulatory compliance, effective Board oversight, sound risk management practices, and a strong ethical culture. The Board of Directors, supported by its Committees and Senior Management, provides strategic direction and oversight to ensure the safeguarding of stakeholder interests and the promotion of sustainable long-term growth.

Our Principles of Governance

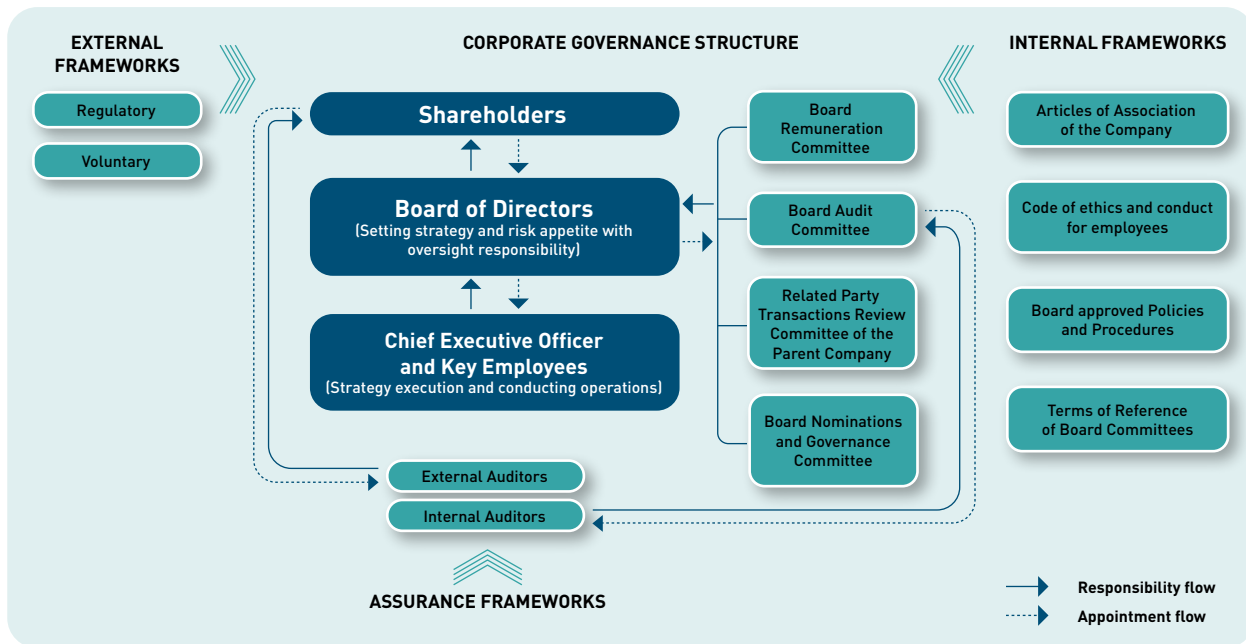


Governance Highlights – 2025

- ◆ Approval/Recommendation of final dividend for the year ended December 31, 2024 and an interim dividend for the year ended December 31, 2025
- ◆ Physical Annual General Meeting conducted
- ◆ Review and approval of twelve Board-approved Corporate Governance policies
- ◆ Review and approval of Terms of References of four Board Committees
- ◆ Shifting of the Corporate Office of the Company to a new Location.
- ◆ Initiative to account and report Green House Gas Emissions
- ◆ Formation of new policy documents on IT Administrative Internal Controls, Enterprise Risk Management Policy, Investment Policy, and Petty Cash Policy and Procedure further enhancing the corporate governance practices of the Company.
- ◆ Review of existing policy documents to accommodate changes and improvements required with the changes in the environment.

Through our governance practices, we uphold the principles of fairness, responsibility and transparency in all our dealings, striving to build trust and value for our shareholders, employees, customers and the communities we serve.

The Board confirms that Commercial Development Company PLC has complied with the corporate governance requirements set out in the Listing Rules of the Colombo Stock Exchange, the rules and regulations issued by the Securities and Exchange Commission of Sri Lanka, and the Code of Best Practice on Corporate Governance – 2023 throughout the year under review. The Board further affirms that all Directors and employees of the Company have discharged their duties and responsibilities in accordance with the corporate policies, procedures, and standards of conduct prescribed in the Internal Code of Business Conduct and Ethics applicable to Directors and employees.



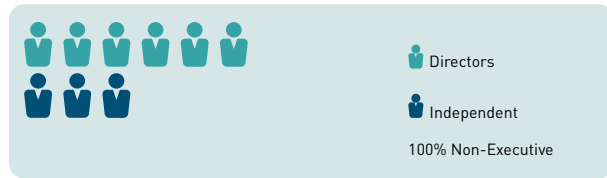
CDC's corporate governance framework has been designed having due regard to the Company's size, complexity, nature of operations, and risk profile. The framework establishes clear roles, responsibilities, authority levels, reporting lines, and accountability mechanisms across the organisation, thereby supporting effective oversight, informed decision-making, and disciplined execution of the Company's strategic objectives.

The governance structure assigns defined responsibilities to the Board of Directors, its Subcommittees, and Senior Management for the formulation, implementation, and monitoring of the Company's business strategies and performance. It also incorporates a comprehensive operating structure that clearly delineates responsibility assignments, approval authorities, and information flows throughout the Company.

The framework is underpinned by applicable statutory and regulatory requirements and recognised best practices, including the Companies Act No. 07 of 2007 and its subsequent amendments, the Listing Rules of the Colombo Stock Exchange, the rules and regulations issued by the Securities and Exchange Commission of Sri Lanka, and the Code of Best Practice on Corporate Governance – 2023 issued by the Institute of Chartered Accountants of Sri Lanka. In addition, the governance framework integrates internal control systems, risk management processes, compliance functions, and assurance mechanisms, including internal and external audit.

The Board ensures that the governance framework is subject to periodic review and continuous enhancement to maintain its relevance and effectiveness in response to regulatory developments, changes in the operating environment, and evolving best practices. Through this approach, the Company seeks to promote transparency, accountability, ethical conduct, and the long-term sustainability of its business.

Board of Directors



The Board of Directors is the apex governing body of CDC and bears ultimate responsibility for the stewardship and long-term sustainability of the Company. The Board provides strategic leadership, establishes the Company’s risk appetite, approves key policies, and oversees Management’s performance to ensure accountability and alignment with the Company’s objectives.

As at December 31, 2025, the Board comprised six Non-Executive Directors, of whom three are Independent Directors, thereby exceeding the minimum independence requirements prescribed under the Listing Rules of the Colombo Stock Exchange. The Board collectively brings a diverse range of skills and experience in accounting and finance, banking, engineering, human resources, and corporate leadership, enabling balanced, objective, and well-informed decision-making.

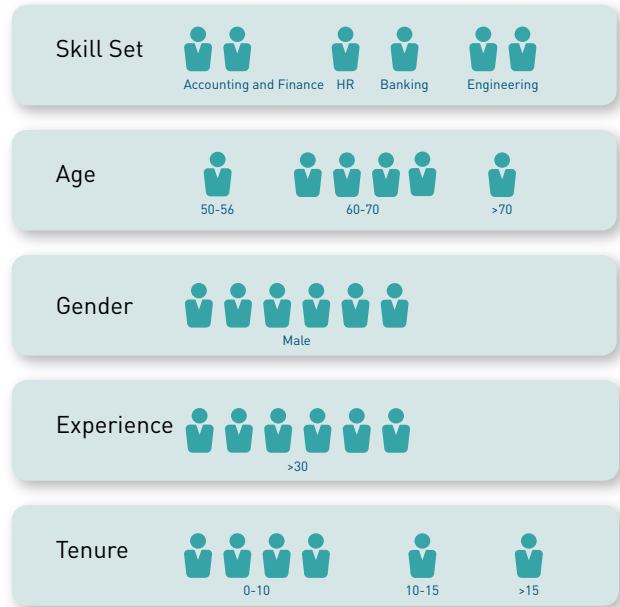
The Board operates under a formal Board Charter that clearly defines its roles, responsibilities, authority, and matters reserved for Board approval. In discharging its duties, the Board sets the tone at the top by fostering a culture of integrity, ethical conduct, transparency, and accountability throughout the organisation.

Composition of the Board and Board Balance

In terms of Rule 9.8 of the Listing Rules of the Colombo Stock Exchange (CSE), the Board of a listed company is required to comprise a minimum of five Directors. As at December 31, 2025, the Board of CDC consisted of six Directors, thereby complying with the minimum Board size requirement.

The Listing Rules further require that a listed company have at least two Independent Directors or one-third of the total number of Directors on the Board, whichever is higher. Accordingly, CDC is required to have a minimum of two Independent Directors. With three Independent Directors currently serving on the Board, the Company is in full compliance with the requirements relating to Board independence.

Board Composition as at December 31, 2025



The Board comprises six Non-Executive Directors, of whom three are Independent Directors. Following the resignation of Mr U I S Tillakawardana on December 31, 2025, Mr M D C P Dharmasena was appointed as a Director with effect from January 1, 2026. Mr Dharmasena is a highly experienced Corporate Management Professional with a strong background in service operations, supply chain management, and sustainability/carbon foot print initiatives. The composition reflects an appropriate balance of independence, skills, experience, and professional diversity, supporting effective oversight and informed decision-making.

Name of the Director	Designation	DOA	Age (Years)	Membership Status		Board Subcommittee Membership				Tenure on the Board
						BAC	BRC	BNGC	BRPTRC	
Mr A L Gooneratne	Chairman	September 17, 1993	73+	NED	NID	-	M	-	-	32+
Mr S C U Manatunge	Director	May 12, 2022	55+	NED	NID	-	-	-	-	3+
Dr R A Attalage	Director	January 1, 2023	68+	NED	ID	M	C	C	M	3
Mr P L P Withana	Director	March 28, 2024	64+	NED	ID	C	M	M	C	<2
Mr N Abeyesuriya	Director	March 28, 2024	62+	NED	ID	M	M	M	M	<2
Mr U I S Tillakawardana -resigned December,31.2025	Director	December 1, 2011	60+	NED	NID	-	-	-	-	14+

DOA – Date of Appointment / C – Chairman/ NED – Non Executive Director / M – Member / NID – Non Independent Director / ID – Independent Director

The profiles of the Directors are set out on pages 044 to 048 under the section titled “Board of Directors and Profiles”.

Board Independence

All Non-Executive Directors have submitted declarations regarding their independence or non-independence in compliance with Rule 9.19.2(b) of the CSE Listing Rules. In addition, the Independent Directors have submitted declarations confirming their independence in accordance with Rule 9.8.5(a) of the Listing Rules.

The Board has assessed the independence of its Independent Directors and determined that they are free from any business or other relationships that could materially interfere with the exercise of independent judgement. The institutions in which the Independent Directors hold directorships do not directly or indirectly participate in the operational management of the Company.

In accordance with Rule 9.8.3(vii)(b) of the Listing Rules, Mr S C U Manatunge is not considered an Independent Director as he serves as the Managing Director/Chief Executive Officer of Commercial Bank of Ceylon PLC, which has a significant shareholding in, and material business relationships with, the Company. Further, in terms of Rule 9.8.3(v), Mr U I S Tillakawardana is not considered an Independent Director as has served an aggregate period of nine (9) years on the Board of the Company from the date of his first appointment.

Board Balance and Skill Diversity

The Board comprises individuals with a diverse range of skills and experience in areas including accounting and finance, banking, engineering, human resources, and corporate leadership. This diversity supports robust debate, balanced judgement, and effective oversight of the Company’s strategy and performance.

The Non-Executive Directors contribute extensive industry knowledge and an external perspective, while the Independent Directors provide objectivity and independent challenge, particularly in matters relating to strategy formulation, performance monitoring, and risk oversight.

Board Effectiveness and Decision-Making

CDC’s governance framework is designed to ensure that decisions are taken at the appropriate level and subject to the necessary degree of oversight and challenge. While certain aspects of the business require timely and agile decision-making, this is supported by an effective collaboration between the Board and Management on complex and strategic matters.

Separation of Roles

The roles of the Chairman and the Chief Executive Officer are clearly defined and separated to ensure an appropriate balance of authority and accountability. The Chairman is responsible for leading the Board and facilitating its effective functioning, while the Chief Executive Officer is responsible for the day-to-day management of the Company's operations. The Chairman also serves as the primary point of contact for shareholders on matters relating to corporate governance.

Conflicts of Interest

Each Director is required to identify and disclose any actual or potential conflicts of interest arising from external appointments or personal interests, in accordance with the Company's policies and applicable regulatory requirements.

Board Evaluation and Succession

The composition and balance of the Board are reviewed annually by the Nominations and Governance Committee. This review assesses the alignment of the Board's skills, experience, independence, and diversity with the Company's strategic direction. The outcomes of this evaluation are considered in Director appointments, re-elections, and succession planning to ensure the continued effectiveness of the Board.

Strengthening Corporate Governance Through Strategic Policy Enhancement: CDC's 2025 Policy Framework Transformation

Commercial Development Company PLC has undertaken a significant strengthening of its corporate governance framework during 2025, implementing new strategic policies that address critical areas of risk management, technology governance, and operational oversight. This comprehensive policy enhancement program reflects the Board's proactive approach to contemporary governance challenges and demonstrates the Company's commitment to maintaining the highest standards of accountability, transparency, and stakeholder protection in an increasingly complex operating environment.

Addressing the Digital Governance Imperative

The Board's approval of an updated Information Security Policy and the introduction of a new Policy on IT Administrative Internal Controls in August 2025 represent a strategic recognition that technology governance has evolved from an operational concern to a material board-level priority. These policies establish comprehensive frameworks for managing cybersecurity risks, protecting sensitive information assets, and ensuring robust controls over technology infrastructure and administration.

The enhanced Information Security Policy addresses the increasing sophistication of cyber threats and the growing regulatory focus on data protection and privacy. The policy establishes clear accountability structures for information security oversight, defines risk tolerance levels for technology-related risks, and prescribes systematic processes for identifying, assessing, and mitigating security vulnerabilities. By elevating information security governance to a board-level concern, the Company demonstrates its understanding that technology risks can have material implications for operational continuity, reputation, regulatory compliance, and stakeholder confidence.

The complementary Policy on IT Administrative Internal Controls provides detailed frameworks for managing access rights, system administration, change management processes, and technology operations. This policy ensures that appropriate checks and balances are embedded within technology management practices and that proper segregation of duties is maintained across critical system functions. Together, these two policies create a comprehensive technology governance framework that addresses both strategic oversight and operational control requirements.

Establishing Enterprise-Wide Risk Management and Business Continuity

In November 2025, the Board approved an Enterprise Risk Management (ERM) Policy, establishing an integrated, enterprise-wide framework for identifying, assessing, monitoring, and managing risks across the Company. The policy provides a holistic view of the risk landscape, defines clear risk ownership and risk appetite parameters, and strengthens Board oversight through structured risk reporting, stress testing, and scenario analysis. This approach aligns with evolving best practices in corporate governance and supports informed decision-making in pursuit of strategic objectives.

During the year, the Company also implemented a Business Continuity Management Policy to enhance operational resilience and ensure continuity of critical business functions during disruptive events. To validate its effectiveness, the Company conducted a comprehensive Business Continuity Plan test, including a full office shutdown, which confirmed the ability to sustain key operations through alternative arrangements. The exercise further identified opportunities for improvement, reinforcing the Board's commitment to preparedness, resilience, and the protection of stakeholder interests.

Strengthening Information Governance and Capital Allocation Frameworks

The Board's approval of an updated Policy on Document Classification, Management, Retention and Destruction in November 2025 addresses fundamental aspects of information governance that underpin accountability, regulatory compliance, and operational efficiency. This policy establishes systematic frameworks for classifying corporate information based on sensitivity and importance, managing documents throughout their lifecycle, and ensuring appropriate retention and secure destruction in accordance with legal and regulatory requirements.

Effective document management is essential for maintaining corporate memory, supporting informed decision-making, enabling efficient operations, and demonstrating regulatory compliance. The policy ensures that critical information is properly preserved and readily accessible when needed, while also ensuring that obsolete or sensitive information is appropriately disposed of to minimize storage costs and reduce information security risks.

The implementation of an Investment Policy in August 2025 establishes clear parameters and approval frameworks for capital allocation decisions and investment activities. This policy defines investment objectives, establishes risk tolerance levels for different types of investments, prescribes due diligence requirements, and establishes clear approval authorities based on investment size and risk profile. By formalizing investment governance processes, the policy ensures that capital allocation decisions are made systematically, with appropriate oversight and accountability, and in alignment with the Company's strategic objectives and risk appetite.

Enhancing Financial Controls and Accountability

The Board's approval of a Petty Cash Policy and Procedure in August 2025, while focused on a relatively modest area of financial management, demonstrates the Company's commitment to establishing appropriate controls and accountability mechanisms across all aspects of financial operations. This policy establishes clear limits, authorization requirements, documentation standards, and reconciliation procedures for petty cash management, ensuring that even minor financial transactions are subject to appropriate controls and oversight.

The systematic approach to petty cash management contributes to the overall integrity of the Company's internal control environment and demonstrates that management and the Board recognize that effective governance requires attention to detail and consistency in applying control principles across all areas of operations, regardless of materiality.

Integration with Existing Governance Framework

These new policy implementations complement the Company's existing suite of board-approved corporate governance policies that were comprehensively reviewed and updated during 2025. The existing policies address fundamental governance matters including board operations and committee functions, director nominations and remuneration, business conduct and ethics, internal control and risk management, shareholder relations, environmental and social sustainability, asset management, corporate disclosure, whistleblowing, and anti-bribery and corruption.

The integration of the new policies with the existing governance framework creates a comprehensive policy architecture that addresses the full spectrum of governance requirements and stakeholder expectations. This holistic approach ensures consistency in governance standards across the organization, reduces gaps and overlaps in policy coverage, and provides clear guidance to directors, management, and employees regarding expected standards of conduct and accountability.

Demonstrating Governance Leadership

The comprehensive policy enhancement program undertaken during 2025 positions Commercial Development Company PLC at the forefront of governance practice in Sri Lanka's listed company sector. By proactively addressing emerging governance priorities such as technology risk management, integrated enterprise risk oversight, business continuity and operational resilience, and information governance, the Company demonstrates that its Board is forward-looking and committed to maintaining governance standards that meet evolving stakeholder expectations and regulatory requirements.

The systematic review and enhancement of the policy framework also demonstrates effective board oversight and engagement with governance matters. The Board's active involvement in policy review and approval reflects an understanding that effective governance requires continuous attention and adaptation to changing circumstances, rather than viewing governance as a static compliance exercise.

These policies continue to form an integral part of the Company's corporate governance framework and are implemented through clearly defined procedures, designated responsibilities, and regular awareness and training programmes. Compliance with the policies is monitored on an ongoing basis, and the Board is kept informed of any material developments, amendments, or emerging governance requirements.

Adherence to CSE Listing Rules and Access to Governance Policies

In accordance with Rule 9.5.2 of the CSE Listing Rules, the Directors confirm that the requirements set out in the Policy on Matters Relating to the Board of Directors were duly complied with during the year under review. Further, in compliance with Rules 9.2.1 and 9.2.3 of the CSE Listing Rules, the following twelve Corporate Governance policies, which were reviewed and approved by the Board without any changes during the year, have been published on the Company's website at www.cdcplc.net.

- i. Policy on the matters relating to the Board of Directors.
- ii. Policy on Board Committees
- iii. Policy on Corporate Governance, Nominations and Re-election

- iv. Policy on Remuneration
- v. Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- vi. Policy on Internal controls and Risk management
- vii. Policy on Relations with Shareholders and Investors
- viii. Policy on Environmental, Social and Governance Sustainability
- ix. Policy on Control and Management of Company Assets and Shareholder Investments
- x. Policy on Corporate Disclosures
- xi. Policy on Whistleblowing
- xii. Policy on Anti-Bribery and Corruption

Shareholders may also obtain copies of these policies upon submission of a written request to the Company Secretary. Such policies will be provided within a reasonable timeframe, either in hard copy or in a secured electronic format.

Roles and Responsibilities of the Board

The role and responsibilities of the Board of Directors are governed by the Company's Articles of Association and the provisions of the Companies Act No. 07 of 2007 and its subsequent amendments. In discharging their duties, Directors are required to act in good faith and in the best interests of the Company and its shareholders as a whole. Directors are expected to ensure that their personal interests do not conflict with those of the Company, and any actual or potential conflicts are disclosed in accordance with applicable policies and regulations. The Board undertakes periodic reviews to ensure continuous compliance with statutory and regulatory requirements.

The formulation of the Company's overall strategic direction and the oversight of its effective and efficient implementation are collective responsibilities of the Board. To support the discharge of its stewardship responsibilities, the Board has established Board Committees with clearly defined mandates. These Committees assist the Board by reviewing and monitoring key areas including internal controls, internal and external audit, risk management, and financial reporting. Notwithstanding such delegation, the Board retains ultimate responsibility for the integrity of the Company's financial information and the effectiveness of its internal control and risk management systems.

Key Functions of the Board

The principal functions of the Board include, but are not limited to, the following:

- ◆ Formulating and approving the Company's short-term and long-term strategies to support sustainable growth
- ◆ Ensuring compliance with applicable laws, regulations, and governance standards
- ◆ Establishing and overseeing effective internal control systems and risk management process
- ◆ Reviewing Management and operational performance and key management information
- ◆ Approving the Annual Report and Interim Financial Statements prior to publication
- ◆ Reviewing the Company's exposure to key operational, financial, and strategic risks
- ◆ Approving annual budgets and monitoring performance against approved budgets
- ◆ Approving major capital expenditure, investments, and acquisitions

Role of the Company Secretary

The Company Secretary is responsible for advising the Board on governance matters and for ensuring that Board procedures are properly followed and that the Company complies with applicable laws, regulations, and Listing Rules. All Directors have access to the advice and services of the Company Secretary. These arrangements facilitate the effective functioning of the Board and support ongoing evaluation of its performance and effectiveness.

Stakeholder Responsibility

In governing the affairs of the Company, the Board seeks to balance the interests of shareholders, employees, customers, regulators, and other stakeholders, while maintaining a focus on the long-term performance and sustainability of the Company.

Financial Acumen and Knowledge

The Board of Directors collectively brings a broad and balanced range of expertise necessary to guide the Company's overall direction, strategy, and achievement of its financial objectives. Several Board members possess substantial experience in finance-related disciplines, including two senior Chartered Accountants. Their professional qualifications and experience provide the Board with strong financial acumen and the ability to offer informed guidance on financial and related matters.

Details of the individual and collective experience of Directors, together with their directorships in public and private sector institutions, are set out on pages 044 to 048 of the Board of Directors and Profiles section.

Fitness of Directors and the Chief Executive Officer

The conduct of all Directors and the Chief Executive Officer (CEO) has been exemplary, with no incidents that could call into question their honesty, integrity, or reputation. There have been no events or circumstances that could adversely affect their standing or credibility.

All Directors and the CEO are professionally qualified in their respective fields and bring a wide range of experience, competencies, and skills to their roles. They are also considered financially sound, with no reported matters that could undermine their financial stability, in compliance with Rule No. 9.7.3(c) of the Listing Rules of the Colombo Stock Exchange (CSE).

Accordingly, the Directors of the Company have continuously satisfied the "Fit and Proper" criteria as stipulated under Rule No. 9.7.3 of the CSE Listing Rules.

Access to Information

Through the Board Audit Committee (BAC), the Board is provided with accurate, timely, and comprehensive information to support effective deliberations and informed decision-making. Board papers relating to agenda items are circulated well in advance of meetings and typically include detailed financial analyses, operational reports, background and explanatory information, disclosure documents, budgets, and forecasts.

Interim Financial Statements are also submitted in advance of Board meetings to facilitate thorough review and informed discussion. Directors have continuous access to advice and information on emerging issues, regulatory developments, and best practices through the Company's Management. Where Directors consider it necessary to seek independent professional advice in the discharge of their duties, the Company bears the related costs.

Appointment to the Board and Re-election

In accordance with the Company's Articles of Association, one-third of the Directors, including the Chairman, are required to retire and offer themselves for re-election at each Annual General Meeting. The Directors who are required to retire are those who have served the longest period in office since their last appointment or reappointment, as applicable. The Company also maintains a formal and transparent procedure for the appointment of new Directors to the Board.

During the year under review, no new Directors were appointed. However, two Directors, Mr M D C P Dharmasena, who was appointed on January 01, 2026, and Mr A L Gooneratne, the Chairman of the Company, who is over 70 years of age are due to seek re-election at the Company's 46th Annual General Meeting.

The Articles of Association further provide that any Director appointed to fill a casual vacancy or appointed as an additional Director shall hold office only until the next Annual General Meeting following such appointment, at which time he or she must submit themselves for re-election.

Appraisal of Board and Chief Executive Officer Performance

The Board, under the leadership of the Chairman, undertakes regular evaluations of its performance to ensure effectiveness and continuous improvement. Board Committees conduct annual self-assessments to review their efficiency and effectiveness in discharging their respective responsibilities.

The performance of the CEO is evaluated annually by the Board against pre-agreed targets. The evaluation of the Chairman and the Board is carried out individually by all Directors. The Chairman, with the assistance of the CEO, evaluates the performance of Non-Executive Directors, while the Non-Executive Directors together with the Chairman assess the performance of the CEO.

The outcomes of these evaluations are submitted to the Nomination and Governance Committee, which reviews the results and makes recommendations to the Board on actions required to enhance the balance of skills, experience, independence, industry knowledge, and strategic capability, thereby strengthening the overall effectiveness of the Board.

Board Audit Committee

The Board Audit Committee (BAC) is chaired by Mr P L P Withana and comprises two other Non-Executive Independent Directors. Mr Withana is a senior Chartered Accountant, while the other members are senior professionals with expertise in mechanical and structural engineering. The collective skills and experience of the Committee ensure a balanced and effective oversight of financial and operational matters.

The BAC is responsible for overseeing the financial reporting process, the effectiveness of internal controls and risk management systems, the audit process, and the Company's compliance with the Companies Act and other applicable laws and regulations. The Committee also reviews and monitors the independence of the Company's External Auditors, Messrs KPMG, and has satisfied itself that the auditors remain independent in accordance with regulatory and professional requirements.

The Report of the Board Audit Committee is set out on page 082 of this Annual Report.

Board Remuneration Committee

The Board Remuneration Committee (BRC) is chaired by Dr R A Attalage and comprises three other Non-Executive Directors, namely Mr A L Gooneratne, Mr P L P Withana, and Mr N Abeysuriya.

The primary mandate of the BRC is to establish and recommend policies and guidelines for remuneration that attract, motivate, and retain suitably qualified and experienced Directors and key management personnel. In discharging its responsibilities, the Committee considers criteria such as qualifications, experience, competencies, and key attributes when formulating remuneration structures and when evaluating appointments or promotions.

The Report of the Board Remuneration Committee appears on page 085 of this Annual Report. Details of the aggregate remuneration paid to Directors are disclosed in Note 10 to the Financial Statements on page 140.

Board Nominations and Governance Committee

The Board Nominations and Governance Committee (BNGC) is chaired by Dr R A Attalage and includes Mr P L P Withana and Mr N Abeyesuriya as members. All members of the Committee are Non-Executive Independent Directors, in compliance with the Listing Rules of the Colombo Stock Exchange.

The BNGC is responsible for ensuring an effective Board composition and robust nomination and governance practices. Its functions include identifying and recommending suitably qualified candidates for appointment to the Board, assessing their skills, experience, and expertise to ensure diversity and competence, and overseeing Board and Director performance evaluations. The Committee also facilitates Director training, where necessary, and periodically reviews the Company's corporate governance framework to ensure its continued effectiveness and alignment with regulatory requirements and industry best practices.

Board Related Party Transactions Review Committee

The Board Related Party Transactions Review Committee (BRPTRC) is chaired by Mr P L P Withana, a Non-Executive Independent Director. Dr R A Attalage and Mr N Abeyesuriya, both Non-Executive Directors considered independent, serve as the other members of the Committee.

The BRPTRC was established last the year to comply with the requirements of the Listing Rules of the Colombo Stock Exchange. In addition, related party transactions of the Company are also subject to review by the Related Party Transactions Review Committee of Commercial Bank of Ceylon PLC, the parent company.

The Committee is responsible for reviewing and evaluating transactions with related parties to identify potential conflicts of interest and to ensure that such transactions are conducted on normal commercial terms and are fair to the Company and its stakeholders. Through this oversight, the Committee upholds high ethical standards and safeguards the interests of shareholders and other stakeholders.

Directors' Attendance at Board and Committee Meetings

Name of the Director	Main Board		Board Audit Committee (BAC)		Board Remuneration Committee (BRC)		Board Nominations and Governance Committee (BNGC)		Board Related Party Transactions Review Committee (BRPTRC)	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr A L Gooneratne (Chairman)	4	4	N/A	N/A	1	1	N/A	N/A	N/A	N/A
Mr S C U Manatunge	4	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr U I S Tillakawardana*	4	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr R A Attalage	4	4	4	4	1	1	1	1	2	2
Mr P L P Withana	4	4	4	4	1	1	1	1	2	2
Mr N Abeyesuriya	4	4	4	4	1	1	1	1	2	2

* Resigned w.e.f December 31, 2025

N/A-Not applicable

Accountability and Audit

The Board regards accountability and transparency as among its highest priorities and is committed to ensuring full and fair disclosure of both financial and non-financial information, within the bounds of prudent and realistic commercial practice. In this regard, the Board places significant emphasis on the adoption of sound, consistent, and accurate reporting practices.

The Board strives to ensure that the financial statements and other disclosures present a balanced, clear, and honest assessment of the Company's performance, position, and prospects at all times. It recognises its responsibility to present regulatory and statutory reports in a manner that is transparent, objective, and understandable to stakeholders.

A formal affirmation of this responsibility is set out in the Statement of Directors' Responsibility for Financial Reporting, which appears on pages 100 and 101 of this Annual Report. The Independent Auditors' Report, providing an objective assessment of the financial statements, is presented on pages 115 to 117.

Shareholders

The Board and Management recognise their responsibility to safeguard and represent the interests of shareholders and to enhance long-term shareholder value. In fulfilling these responsibilities, the Company is guided by a commitment to transparency, accountability, and effective engagement with shareholders.

In meeting shareholder expectations, the Company pursues the following key objectives:

- ◆ To provide a reasonable return to shareholders by maintaining a satisfactory return on equity.
- ◆ To ensure an equitable and sustainable distribution of dividends out of profits earned.
- ◆ To communicate effectively and efficiently with shareholders, keeping them adequately informed of the Company's performance, operations, and strategic developments.
- ◆ To ensure that Directors are made aware of significant issues, concerns, and expectations raised by shareholders.

In compliance with Rule No. 9.4.2 of the Listing Rules of the Colombo Stock Exchange (CSE), the Company has adopted a written Policy on Relations with Shareholders and Investors. This policy facilitates structured and transparent engagement and ensures that key shareholder concerns are appropriately communicated to the Board. Shareholders and investors are also encouraged to communicate directly with the Chairman on material matters of concern.

The Annual General Meeting (AGM) represents a key forum for dialogue between the Company and its shareholders and serves as an important mechanism for encouraging active shareholder participation. Shareholders are encouraged to attend the AGM and exercise their voting rights. To support informed participation, the Company ensures the timely dispatch of notices and related documentation.

To promote transparency and effective stewardship, separate resolutions are proposed for each major agenda item at the AGM, enabling shareholders to consider and vote on matters independently. The Board is of the view that these practices foster accountability, enhance shareholder confidence, and strengthen the overall governance framework of the Company.

Compliance with Corporate Governance Rules – Section 9 of the Listing Rules of the Colombo Stock Exchange

The following table sets out the Company's level of compliance with the Corporate Governance requirements prescribed under Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE). The Board of Directors confirms that the Company has complied with the applicable provisions of Section 9 throughout the financial year, unless otherwise disclosed. Where relevant, references are made to sections of this Annual Report and other disclosures that provide further information.

Section 9 – Corporate Governance Compliance Statement

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.1.3	Statement of compliance	Publish a statement confirming the extent of compliance with the Corporate Governance Rules	Complied	A formal statement confirming compliance with Section 9 of the Listing Rules is set out under the Corporate Governance section (Page 053) and the Annual Report of the Board of Directors (Page 098)
9.2 POLICIES				
9.2.1	Availability of policies	<p>Establish, maintain, and disclose Board approved following policies covering all areas specified under Rule 9.2.1</p> <ul style="list-style-type: none"> a. Policy on the matters relating to the Board of Directors b. Policy on Board Committees c. Policy on Corporate Governance, Nominations, and Re-election d. Policy on Remuneration e. Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f. Policy on Internal Controls and Risk Management g. Policy on Relations with Shareholders and Investors h. Policy on Environmental, Social and Governance Sustainability i. Policy on Control and Management of Company Assets and Shareholder Investments j. Policy on Corporate Disclosures k. Policy on Whistleblowing l. Policy on Anti-Bribery and Corruption 	Complied	<p>The Company has adopted Board-approved policies covering governance, Board matters, committees, remuneration, ethics, risk management, shareholder relations, ESG, disclosures, whistleblowing and anti-bribery. These policies are published on the Company's website.</p> <p>A formal statement confirming compliance with Section 9 of the Listing Rules is set out under the Corporate Governance section (Page 058)</p>
9.2.2	Waivers	Disclosure of any waivers or exemptions from the Internal Code of Business Conduct and Ethics	Not applicable	No waivers or exemptions were granted during the year
9.2.3	Disclosure of policies	Disclosure of the list of policies in place and any changes thereto	Complied	Details of governance policies and confirmation of periodic reviews are disclosed under Corporate Governance (Page 058)
9.2.4	Availability of policies	Policies to be made available to shareholders upon written request	Complied	A formal process is in place to provide policies to shareholders upon request (Page 058)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.3 BOARD COMMITTEES				
9.3.1	Board Committees	Establishment of mandatory Board Committees a. Nominations and Governance Committee b. Remuneration Committee c. Audit Committee (To perform Audit and Risk Functions) d. Related Party Transactions Review Committee.	Complied	The Board has established and maintained mandatory Board Committees and are functioning effectively. Corporate Governance (Page 052)
9.3.2	Committee composition and responsibilities	Compliance with prescribed composition, responsibilities and disclosures	Complied	Committee composition, mandates, and activities are disclosed in the respective Committee Reports Report of the Board Audit Committee (Page 082) Report of the Board Remuneration Committee (Page 085) Report of the Board Related Party Transactions Review Committee (Page 087) Report of the Board Nominations and Governance Committee (Page 089)
9.3.3	Chairman of Committees	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees	Complied	The Chairman of the Board does not chair any Board Committee Report of the Board Audit Committee (Page 082) Report of the Board Remuneration Committee (Page 085) Report of the Board Related Party Transactions Review Committee (Page 087) Report of the Board Nominations and Governance Committee (Page 089)
9.4 ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS				
9.4.1	Records of General Meetings	Maintenance of records relating to resolutions and voting a. The number of shares in respect of which proxy appointments have been validly made; b. The number of votes in favour of the resolution; c. The number of votes against the resolution; and d. The number of shares in respect of which the vote was directed to be abstained	Complied	The Company maintains records of all resolutions and other information. The Company shall provide copies of the same at the request of the Exchange and/or the SEC.

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.4.2	Shareholder communication	a. The Policy on effective communication and relations with shareholders and investors b. The contact person for such communication c. The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	Complied	The Company maintains a formal policy on shareholder and investor relations, including identification of a contact person Corporate Governance (Page 062) Stakeholder Engagement (Page 024)
9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS				
9.5.1	Policy on Board matters	Establishment of a formal policy governing matters relating to the Board	Complied	The Board operates under a formal Board Charter covering composition, roles, performance evaluation, and governance practices Corporate Governance (Page 058)
9.5.2	Confirmation of compliance	Confirmation of compliance with the Board policy	Complied	The Board confirms full compliance with the Policy on Matters Relating to the Board Corporate Governance (Page 058)
9.6 CHAIRPERSON AND CEO				
9.6.1	Chairman and CEO	Separation of roles of Chairman and CEO	Complied	The roles of Chairman and CEO are clearly separated and held by two different individuals Corporate Governance (Page 056)
9.6.2	Market Announcement	Disclosure where Chairperson and CEO roles are combined	Not applicable	Not applicable since there is a clear separation of duties between the roles of the Chairman and CEO
9.6.3 – 9.6.4	Senior Independent Director (SID)	Appointment and reporting by the SID	Complied	A Senior Independent Director has been appointed in accordance with the Code of Best Practice on Corporate Governance 2023 issued by the CA Sri Lanka (A.5.7) and has provided an annual statement on the effectiveness of the role Statement of the Senior Independent Director (Page 093)
9.7 FITNESS OF DIRECTORS AND CEOS				
9.7.1	Fit and Proper criteria	Directors and CEO to satisfy Fit and Proper criteria	Complied	All Directors and the CEO satisfy the Fit and Proper Assessment Criteria set out in the Listing Rules Corporate Governance (Page 059)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.7.2	Fit and Proper criteria for appointments	Ensure that persons recommended by the Nominations and Governance Committee for Directorship are fit and proper as required by the rule.	Complied	The Board Nominations and Governance Committee ensures that persons recommended as Directors when a Director is coming up keep together/appointment at the AGM are fit and proper as required under the Listing Rules. Report of the Board Nominations and Governance Committee (Page 089)
9.7.3	Fit and Proper assessment criteria	Fit and Proper assessment criteria specified under a. Honesty, Integrity and Reputation b. Competence and Capability c. Financial Soundness	Complied	Corporate Governance (Page 059)
9.7.4	Declarations	Annual Fit and Proper declarations	Complied	Annual declarations confirming compliance with Fit and Proper criteria is obtained from all Directors
9.7.5	Disclosure	Statement on Fit and Proper compliance	Complied	The required statement is disclosed under Corporate Governance (Page 059)
9.8 BOARD COMPOSITION				
9.8.1	Board size	Board at minimum to consist of five (5) Directors	Complied	The Board comprises the minimum number of Directors required. The Board as at the reporting date comprised six Directors. Corporate Governance (Page 054)
9.8.2	Independent Directors	Minimum number of Independent Directors, (Min: 2 or 1/3 of total number, whichever is higher)	Complied	The Board includes the required number of Independent Directors. As at the reporting date, out of the six Directors, three are independent. Corporate Governance (Page 054)
9.8.3	Criteria for defining independence	Criteria for determining independence	Complied	The Board Nominations and Governance Committee took into consideration, the criteria laid out in rule 9.8.3 when determining the independence of Directors. Corporate Governance (Page 055)
9.8.5	Independence declarations and disclosure of Independent Directors	Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" and set out the names of Directors determined to be "Independent"	Complied	Corporate Governance (Page 055)
9.9 ALTERNATE DIRECTORS				
9.9	Alternate Directors	Requirements relating to Alternate Directors	Not applicable	No Alternate Directors were appointed during the year

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.10 DISCLOSURES RELATING TO DIRECTORS				
9.10.2	Market Announcement on new appointments to the Board	Appointment of a new Director to its Board, make an immediate Market Announcement	Complied	The Company published Market Announcement on new appointments to the Board.
9.10.3	Market Announcement on Composition of Board Committees	Immediate Market Announcement regarding any changes to the composition of the Board of Directors, and Board Committees	Complied	The Company made a Market Announcement during the year with regard to the new composition of Board members.
9.10.4	Directors details	<p>Directors details</p> <p>a. Name, qualifications, and brief profile</p> <p>b. Nature of his/her expertise in relevant functional areas</p> <p>c. Whether either the Director or Close Family Members has any material business relationships with other Directors</p> <p>d. Whether Executive, Non-Executive and/or independent Director</p> <p>e. Whether functions as Executive or Non-Executive</p> <p>f. Number of Board meetings attended</p> <p>g. Names of Board Committees in which the Director serves as Chairperson or a member</p> <p>h. Attendance of Board Committee meetings</p>	Complied	<p>Profiles of the Board of Directors (Page 044)</p> <p>Corporate Governance (Page 052)</p>
9.11 BOARD NOMINATIONS AND GOVERNANCE COMMITTEE (BNGC)				
9.11.1	Nominations and Governance Committee	Establishment of Nominations and Governance Committee	Complied	The Company has a Nominations and Governance Committee. Report of the Board Nominations and Governance Committee (Page 089)
9.11.2	Formal procedure for the appointment of Directors	Establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board	Complied	The Committee maintains a formal procedure for the appointment of new Directors and the re-election of Directors to the Board, which is delegated to the Board's Nominations and Governance Committee. (Page 089)
9.11.3	Terms of Reference	Meetings should have written Terms of Reference that clearly define the scope, authority, duties, and matters related to the quorum.	Complied	The Committee has adopted a Term of Reference which define the scope, authority and duties, and matters pertaining to the quorum of meetings. (Page 089)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.11.4	Composition	Composition of the Nominations and Governance Committee	Complied	Report of the Board Nominations and Governance Committee (Page 089)
9.11.5	Functions	Functions of the Nominations and Governance Committee	Complied	Functions of the Committee are stated in the Terms of Reference. (Page 089)
9.11.6	Disclosures in Annual Report	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson	Complied	Report of the Board Nominations and Governance Committee (Page 089)
9.12 BOARD REMUNERATION COMMITTEE (BRC)				
9.12.2	Availability of a Remuneration Committee	Establishment of a Remuneration Committee	Complied	A Board Remuneration Committee is in place that complies with the requirements under the Listing Rules. Report of the Board Remuneration Committee (Page 085)
9.12.3	Remuneration Policy	Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors.	Complied	The Remuneration Committee operates independently and has disclosed its policy. No Director shall be involved in fixing his/her own remuneration. Report of the Board Remuneration Committee (Page 085)
9.12.4	Remuneration for Non-Executive Directors	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied	Remuneration for Non-Executive Directors are based on non-discriminatory pay practices among them to ensure that their independence is not impaired Report of the Board Remuneration Committee (Page 085)
9.12.5	Terms of Reference	Remuneration Committee shall have a written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied	The Committee has adopted a Terms of Reference which defines the scope, authority and duties, and matters pertaining to the quorum of meetings. Report of the Board Remuneration Committee (Page 085)
9.12.6	Composition	Composition of the Remuneration Committee	Complied	Report of the Board Remuneration Committee (Page 085)
9.12.7	Functions	Functions of the Remuneration Committee	Complied	The Committee has documented the functions of the Committee in the Terms of Reference. Report of the Board Remuneration Committee (Page 085)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.12.8	Disclosure in Annual Report	Remuneration Committee Report a. Names of chairperson and members with nature of directorship b. Remuneration Policy c. The aggregate remuneration of the Executive and Non-Executive Directors	Complied	Report of the Board Remuneration Committee (Page 085)
9.13 BOARD AUDIT COMMITTEE (BAC)				
9.13.1	Audit Committee	Audit and risk oversight	Complied	Both the risk and audit functions are performed by the Board Audit Committee Report of the Board Audit Committee (Page 082)
9.13.2	Terms of Reference	Committee shall have a written Terms of Reference clearly defining its scope, authority and duties	Complied	The Committee has adopted a Terms of Reference which defines the scope, authority, and duties. Report of the Board Audit Committee (Page 082)
9.13.3	Composition	Composition of the Audit Committee	Complied	Report of the Board Audit Committee (Page 082)
9.13.4	Functions	Functions of the Audit Committee	Complied	The Committee has documented the functions of the Committee in the Terms of Reference Report of the Board Audit Committee (Page 082)
9.13.5	Disclosures in Annual Report	Audit Committee Report a. Names of chairperson and members with nature of directorship b. Status of internal control and risk management c. Statement on CEO and CFO assurance on operations and finances d. Opinion on compliance with financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. e. Availability of formal audit charter f. Internal audit assurance and summary of the work internal audit g. Details demonstrating effective discharge of functions and duties h. Statement on External Auditors' assurance on their independence i. Confirmation on determining Auditor's independence	Complied	Report of the Board Audit Committee (Page 082)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.14 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (BRPTRC)				
9.14.1	Availability of the Related Party Transactions Review Committee	Establishment of a Related Party Transactions Review Committee	Complied	A Board Related Party Transactions Review Committee is in place that complies with the requirements under the Listing Rules. Report of the Board Related Party Transactions Review Committee (Page 087)
9.14.2	Composition	Composition of the Related Party Transactions Review Committee	Complied	Report of the Board Related Party Transactions Review Committee (Page 087)
9.14.3	Functions	Functions of the Related Party Transactions Review Committee	Complied	The Committee has documented the functions of the Committee in the Terms of Reference Report of the Board Related Party Transactions Review Committee (Page 087)
9.14.4	General Requirements	<ol style="list-style-type: none"> 1. The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2. The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3. Where necessary, the Committee shall request the Board of Directors to approve the related party transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant related party transaction. 4. If a Director of the Company has a material personal interest in a matter being considered at a Board meeting to approve a related party transaction as required in Rule 9.14.4(3), such Director shall not: <ol style="list-style-type: none"> a. be present while the matter is being considered at the meeting; and, b. vote on the matter 	Complied	Report of the Board Related Party Transactions Review Committee (Page 087)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.14.5	Review of related party transactions	Review of related party transactions by the Related Party Transactions Review Committee	Complied	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.
9.14.6	Shareholder Approval	The Company shall obtain shareholder approval by way of a Special Resolution for the related party transactions	Not Applicable	There were no transactions requiring shareholder approval during the year.
9.14.7	Immediate Disclosures	Immediate Market Announcement to the Exchange	Not Applicable	The Company ensures to make immediate market disclosures in respect of the related party transactions exceeding the thresholds specified under the Listing Rules. However no such requirement arose during the year.
9.14.8 (1)	Related Party Disclosures – Non-recurrent Related Party Transactions	<p>Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)</p> <ul style="list-style-type: none"> ◆ Name of the RP ◆ Relationship ◆ Value of RPT ◆ Value as percentage of equity and total assets ◆ Terms and Conditions ◆ Rationale 	Complied	Note 34.4 to the Financial Statements (Page 176)
9.14.8 (2)	Related Party Disclosures – Recurrent Related Party Transactions	<p>Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format)</p> <ul style="list-style-type: none"> ◆ Name of the RP ◆ Relationship ◆ Nature of RPT ◆ Value of aggregate RPT ◆ Value as % of gross income ◆ Terms and Conditions 	Complied	Note 34.4 to the Financial Statements (Page 176)
9.14.8 (3)	Related Party Transactions Review Committee Report	<p>Related Party Transactions Review Committee Report;</p> <ul style="list-style-type: none"> ◆ Names of the Directors comprising the Committee ◆ Statement that Committee has reviewed RPTs and communicated comments/ observations to the Board ◆ Policies and procedures adopted by the Committee 	Complied	Report of the Board Related Party Transactions Review Committee (Page 087)

CSE Rule No.	Subject	Applicable Requirement	Compliance Status	Applicable Section in the Annual Report/ Other Remarks
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	Complied	Report of the Board Related Party Transactions Review Committee (Page 087)
9.14.9	Acquisition and Disposal of Assets	Acquisition and Disposal of Assets from/to related parties	Not Applicable	The Company has neither acquired nor disposed any substantial assets from/to related parties.
9.17	Additional Disclosures by Board of Directors	<p>Additional disclosures by Board of Directors Declaration on following;</p> <ul style="list-style-type: none"> ◆ All material interests in contracts and have refrained from voting on matters in which they were materially interested ◆ Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; ◆ Made themselves aware of applicable laws, rules, and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; ◆ Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations 	Complied	<p>Annual Report of Board of Directors (Page 094)</p> <p>Report of the Board Audit Committee (Page 082)</p> <p>CEO's and Finance Manager's Responsibility Statement (Page 102)</p> <p>Corporate Governance Report (Page 052)</p>

The Board of Directors confirms that the company has complied with the corporate governance requirements of the Colombo Stock Exchange Listing Rules during the financial year under review.

Compliance with the Code of Best Practice on Corporate Governance 2023 Issued by The Institute of Chartered Accountants of Sri Lanka.

The table below summarises CDC’s compliance with the Code of Best Practice on Corporate Governance.

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
SECTION 1 – THE COMPANY			
A. Directors			
A.1. The Board			
A.1	The Board	The Board headed by the Chairman, consists of six Directors and all are Non-Executive Directors. Out of the five Non-Executive Directors, three Directors are considered to be independent. The Board consists of skilled professionals in the fields of finance and engineering.	Complied
A.1.1	Board meetings	The Board meets at least four times a year and additional meetings are held as necessary. The Board met four times during the period ended December 31, 2025.	Complied
A.1.2	Board’s responsibility	The Board’s role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. Directors are made aware of their duties and responsibilities with regard to monitoring and managing the risks associated with capitals, value creation activities, business operations and impacts. The roles and responsibilities of the Board are set out in the Board Charter as summarised on page 059.	Complied
A.1.3	Compliance with laws and obtaining independent professional advices	The Board collectively and Directors individually act in accordance with the laws of the country and the Board members are permitted to obtain independent professional advice from a third party including the Company’s External Auditors and other professional Consultants whenever deemed necessary at the expense of the Company.	Complied
A.1.4	Access to Company Secretary	All Directors have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary is a matter involving the whole Board under the advice of the BNGC, as it is a Key Management Position.	Complied
A.1.5	Independent judgement of Directors	All Directors exercise independent judgement in all decisions pertaining to strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	Complied
A.1.6	Dedication of adequate time and effort by Directors	The Board met on four occasions during the year. The Board is satisfied that the Chairman and all other Directors committed sufficient time during the financial year 2025 to fulfil their duties. The Board papers and the agenda are received by the Directors ahead of Board meetings, enabling the Directors to review the papers and obtain clarifications ahead of the meetings.	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
A.1.7	Call for resolution by Directors	One third of Directors can call for a resolution to be presented to the Board where they feel it is in best interest to the Company to do so.	Complied
A.1.8	Training for Directors	Training and development needs of the Directors are recognised by the Board. Directors are briefed on the changes in laws and regulations, tax laws and accounting standards from time to time, during the Board meetings.	Complied
A.2. Chairman and Chief Executive Officer (CEO)			
A.2	Chairman and Chief Executive Officer (CEO)	The Chairman is responsible for effectively leading the Board. The CEO's role is primarily to conduct the business activities of the Company with the help of the Management and the staff. As a result, the roles of the Chairman and the CEO are clearly distinct from one another and hence have been separated.	Complied
A.3. Chairman's Role			
A.3- A.3.1	Chairman's Role	The Board is headed by the Chairman who is responsible for preserving order and facilitating the effective discharge of Board functions. As the Chairman, he ensures the effective participation and contribution of all Directors within their respective capabilities for the benefits of the Company.	Complied
A.4. Financial Acumen			
A.4	Financial Acumen	The Board includes Directors who are skilled, experienced and possess the necessary knowledge and competence to offer expert opinions on financial matters to the Board. Out of the six Directors, two Directors are senior Chartered Accountants. Other members of the Board have the ability to offer guidance on matters of finance to the Board.	Complied
A.5. Board Balance			
A.5- A.5.1	Board Balance	The Board of the Company has a balanced composition Non-Executive Directors. Further, all six Directors are considered to be Non-Executive Directors.	Complied
A.5.2	Independent Non-Executive Directors	More than two-third of Non-Executive Directors appointed to the Board should be independent. Out of the six Non-Executive Directors, three Directors are considered to be independent.	Complied
A.5.3	Directors independent from management	The Director who is considered to be independent is independent of management and free of any business or other relationships that could materially interfere with their professional judgement.	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
A.5.4	Annual Declaration of Independence by Non-Executive Director	Every Non-Executive Director of the Company has made written submissions as to their independence or non-independence against specified criteria set out by the schedule "C" of the Code.	Complied
A.5.5	Determination of Independence	The Board has determined the independence of the Non-Executive Directors based on the declarations submitted by the Non-Executive Directors and after taking into consideration all the relevant circumstances as provided in Section 9.8.3 of the Listing Rules.	Complied
A.5.6	Alternate Director	No alternate Directors were appointed.	Complied
A.5.7	Appointment of Senior Independent Director	Since the Chairman is not an Independent Director, a Senior Independent Director has been appointed.	Complied
A.5.8	Confidential discussion with Senior Independent Director	The Senior Independent Director is available for confidential discussions with other Directors who may have concerns over any issue that they believe have not been addressed by the Board as a whole which pertain significant issues that may be detrimental to the Company.	Complied
A.5.9	Chairman's meetings with Non-Executive Directors	The Chairman has held meetings with the Non-Executive Directors. All Directors are considered to be Non-Executive Directors.	Complied
A.5.10	Recording of Concerns raised by Directors in Board Minutes	Concerns raised by the Directors during the financial year, if any, are adequately recorded in the minutes of Board meetings by the Company Secretary.	Complied
A.6. Supply of Information			
A.6.1	Supply of Information	The Board is provided with timely information in a form and of a quality appropriate to enable it to discharge its duties. Directors make further inquiries where necessary if information provided by the management is deemed to be not enough.	Complied
A.6.2	Adequate Time for Conduct of Board meetings	The agenda for the Board meeting and connected Board papers are ordinarily circulated to the Directors seven (7) days in advance to facilitate the effective conduct of the meeting. In addition, minutes of the meetings have ordinarily been provided to Directors within two weeks after the meeting date.	Complied
A.7. Appointments to the Board: Nomination Committee			
A.7.1	Establishing a Nomination Committee	The Company has a Board Nominations and Governance Committee.	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
A.7.2	Annual assessment of Board composition	The Committee annually assessed the Board composition against predefined criteria to ensure that the combined knowledge and experience of the Board matches the strategic demand facing the Company. Further, the findings of such assessments have been considered for the appointment of new Directors.	Complied
A.7.3	Succession plan for CEO and Key Management Personnel	The Committee has ensured that there is a succession plan for the Chief Executive Officer and for all Key Management Personnel of the Company, giving due consideration for the training requirements for those identified as successors.	Complied
A.7.4	Disclosure to the shareholders	All new appointments are communicated to the shareholders by way of announcement through the Colombo Stock Exchange. Mr M D C P Dharmasena was appointed as a Director w.e.f. January 01, 2026 and the Company made required disclosure to the CSE during the year.	Complied
A.7.5	Nomination Committee Report to be disclosed in a separate section of the Annual Report	The Chairman and the members of the Nomination Committee have been identified in the Annual Report. The Report of the Board Nominations and Governance Committee is given on page 089.	Complied
A.8. Re-election			
A.8.1- 8.2	Re-election	Re-elections taken place as per the provisions of the Articles of Association.	Complied
A.8.3	Resignation	Mr U I S Tillakawardana submitted his letter of resignation effective from December 31, 2025.	Complied
A.9. Appraisal of Board Performance			
A.9.1 - A.9.4	Appraisal of Board Performance	The annual self-evaluation of the Board's and its subcommittees performance was done.	Complied
A.10. Disclosure of information in Respect of Directors			
A.10	Disclosure of Information in Respect of Directors	The details in respect of Directors are disclosed in the Annual Report covering: <ul style="list-style-type: none"> ◆ Name, qualifications, and brief profile ◆ The nature of his/her expertise in relevant functional areas ◆ Immediate family and/or material business relationships with other Directors of the Company ◆ Whether Executive, Non-Executive and/or Independent Director ◆ Names of listed companies in Sri Lanka in which the Director concerned serves as a Director ◆ Number of Board meetings of the Company attended during the year ◆ Number of committee meetings attended during the year – Refer to the “Committee Reports” 	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
A.11. Appraisal of Chief Executive Officer			
A.11.1 – A.11.2	Appraisal of Chief Executive Officer	At the commencement of the financial year, the Board in consultation with the CEO has set short, medium and long-term objectives, and reasonable financial and non-financial targets that should be met by the CEO during the year. The performance of the CEO has been evaluated by the Board to ascertain whether the targets have been achieved.	Complied
B. Directors' Remuneration			
B.1. Remuneration Procedure			
B.1	Remuneration procedure	The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. Its purpose is to assist the Board of Directors in matters relating to compensation of the Company's Directors and Key Management Personnel.	Complied
B.2. Remuneration Committee			
B.2 - B.2.16	The level and make up of remuneration	The Board ensures that Executive Directors and Non-Executive Directors are provided with an attractive remuneration package to attract and retain them with the Company.	Complied
B.3 - B.3.2	Disclosure of remuneration	The Annual Report contains a statement from the Remuneration, Committee, on Remuneration Policy and details of remuneration of the Board as a whole.	Complied
C. Relationship with Shareholders			
C.1 – C.1.5	Constructive use of the AGM and conduct of General Meetings	AGM for 2024 was held in March 2025. Notice of the AGM, form of the proxy and related papers are sent to shareholders before the Meeting, in order to provide an opportunity for all shareholders to attend the AGM.	Complied
C.2 – C.2.7	Effective communication with shareholders	Effective communication with shareholders has been established.	Complied
C.3 – C.3.3	Major and material transactions	The related party transactions for the year are disclosed in the Annual Report. The Related Party Transactions Committee reviews the major related party transactions that require prior approval.	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
D. Accountability and Audit			
D.1. Financial and Business Reporting			
D.1.1	Financial and business reporting	The Board has presented the Annual Report, which includes the Financial Statements of the Company that is true and fair, balanced and understandable and prepared and presented in accordance with LKASs and SLFRSs as required by statutory requirements.	Complied
D.1.2	Board responsibility for fair reporting extends to interim and price-sensitive report, regulatory reporting, and statutory information	<p>The Board is aware of its responsibility to present regulatory and statutory reporting and other price-sensitive information in a balanced and understandable manner.</p> <p>The Company has strictly complied with the requirements of the Companies Act No. 07 of 2007 in the preparation of Interim and Annual Financial Statements which are prepared and presented in conformity with the Sri Lanka Accounting Standards.</p> <p>Further, the Company has complied with the reporting requirements prescribed by Listing Rules of the Colombo Stock Exchange.</p>	Complied
D.1.3	The Board should obtain a declaration from the CEO and the Finance Manager	The Finance Manager and the Chief Executive Officer are responsible for ensuring that the financial records of the Company have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of CDC's performance for the financial year. The Finance Manager and the Chief Executive Officer are required to review quarterly and at the year-end, the Company's Financial Statements before submitting it to the Audit Committee and Board.	Complied
D.1.4	The Directors' Report in the Annual Report	The Annual Report of Board of Directors is included from page 094.	Complied
D.1.5	Directors' and Auditors' Responsibility for the Financial Statements	<p>Statement setting out the responsibilities of the Board of Directors for the preparation and presentation of financial statements is given on page 100.</p> <p>A statement by the Auditors about their reporting responsibilities is given on page 115.</p>	Complied
D.1.6	Management Discussion and Analysis	Section on Management Discussion and Analysis is available on page 028.	Complied
D.1.8	Related party transactions	The transactions entered into by the Company with the related parties is disclosed on Note 34 of the Financial Statements on page 174.	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
D.2. Internal Control and Risk Management			
D.2 – D.2.2.4	Policy for determining the nature and extent of principal risks it is willing to take in achieving its strategic objectives. A process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets.	<p>A internal control and risk management system is effected by the Board under the internal audit, which will report to the Board Audit Committee.</p> <p>The Board, through the Audit Committee has established a monitoring system to review the Company's internal control and risk management systems. The Company through the internal audit function facilitated by the Inspection Department of the parent company assesses the effectiveness of the internal control system through regular review of all processes and carries out risk assessments and presents it to the Board Audit Committee. In addition, the Company has developed a formal Enterprise Risk Management Policy to further strengthen risk management process.</p>	Complied
D.3 Audit Committee			
D.3 – D.3.2	Audit Committee	<p>The Board has established a formal and transparent arrangements for considering how they should select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensuring the independence of the Company's Auditors.</p> <p>The Report of the Board Audit Committee on page 082 explains the extent of compliance with this principle in detail.</p>	Complied
D.3.3	Disclosures - Activities of the Audit Committee	The Audit Committee Report, describing the scope of the Committee in discharging its responsibilities is included in the Annual Report on page 082.	Complied
D.4	Risk Committee	The Company does not have a separate Risk Committee. However, all functions as described under this principle is covered by the Audit Committee. Accordingly the Audit Committee of the Company additionally perform the risk functions as set out in the 9.13.1 of the Listing Rules of the CSE.	Complied
D.5 Related Party Transactions Review Committee			
D.5 – D.5.3	Related Party Transactions Review Committee	<p>The Board, through the operating procedures with regard to entering transactions with related parties ensures that all transactions with related parties are carried out on arm's length basis, where no favourable treatment is given to related parties.</p> <p>The Company has established a Related Party Transactions Review Committee during the year under review.</p> <p>The Report of the Board Related Party Transactions Review Committee appears on page 087.</p>	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
D.6 Code of Business Conduct and Ethics			
D.6	Code of Business Conduct and Ethics	A written policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including policies on trading in the Entity's Listed Securities have been implemented during the year.	Complied.
D.7 Corporate Governance Disclosures			
D.7	Corporate Governance Disclosures	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the Code and is included in the Annual Report on page 052.	Complied
Section 2 – Shareholders			
E. Institutional Investors			
E.1	Shareholder voting	Institutional shareholders are given the right to use their votes.	Complied
E.2	Evaluation of Governance Disclosures	Corporate governance related matters, along with the adequate disclosures, are communicated to all shareholders via the Annual Report and the AGM as mentioned.	Complied
F. Other Investors			
F.1	Individual Shareholder's Investing/Divesting decision	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Complied
F.2	Individual Shareholder voting	Individual shareholders are encouraged to participate in General Meetings and exercise their voting rights.	Complied
Section 3 – Other Matters			
G. Internet of things and Cybersecurity			
G	Internet of things and Cybersecurity	<p>The Board fulfils this responsibility through the shared services provided by the Information Technology Department of the Commercial Bank of Ceylon PLC (the parent company) as the internet connection of the Company has been obtained through the parent company's network.</p> <p>The parent company adopts stringent cybersecurity controls throughout the Combank Group which are thoroughly reviewed by the Integrated Risk Management Department of the parent company (IRMD of the Commercial Bank). The reports of the IRMD of the Commercial Bank with management comments are tabled to the Board of Directors of CDC.</p>	Complied

Reference to CA Sri Lanka Code	Corporate Governance Principle	Level of Compliance	Status
H. Sustainability: Environment, Society and Governance (ESG) Risks and Opportunities			
H	Environment, Society and Governance Risks and Opportunities	Annual Report contains information on Environment (Page 041 – Natural Capital), Social (Social and Relationship Capital – page 039) and Governance (Corporate Governance Report – page 052), that will enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured, and reported.	Complied
I. Establishment and Maintenance of Policies			
I	Establishment and maintenance of policies relating to governance and Board of Directors	The Company has established 12 policies in relation to its governance and has disclosed the fact of existence of such policies in the Company's website www.cdplc.net .	Complied

Level of Compliance with Disclosures Required by the Companies Act No. 07 of 2007.

This section provides a navigation on the level of compliance to the Companies Act.

Section Reference	Requirement	Annual Report Reference (Page)
168 (1) (a)	The nature of the business of the Company, together with any change thereof during the accounting period	Note 1.3 to the Financial Statements – Page 124
168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed	Audited Financial Statements – Page 119
168 (1) (c)	Auditors' Report on Financial Statements of the Company	Auditor's Report – Page 115
168 (1) (d)	Accounting Policies and any changes therein	Material Accounting Policies to the Financial Statements – Page 126
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	"Entries in the Interest Register" under Annual Report of Board of Directors – Page 095
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Note No. 10 to the Financial Statements – Page 140
168 (1) (g)	Total amount of donations made by the Company during the accounting period	Annual Report of Board of Directors – Page 095
168 (1) (h)	Information on the Directorate of the Company during and at the end of the accounting period	Annual Report of Board of Directors – Page 097
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Annual Report of Board of Directors – Page 098
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	Annual Report of Board of Directors – Page 098
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board (Annual Report of the Board of Directors)	Annual Report of Board of Directors – Page 099

Report of the Board Audit Committee

Purpose

The Board Audit Committee is established to assist the Board in discharging its oversight responsibilities in relation to the Company’s financial reporting framework, internal control systems, compliance with applicable legal and regulatory requirements, risk management processes, and internal audit function. The Committee also oversees the independence, performance, and effectiveness of the external auditors, with the objective of safeguarding the interests of shareholders and other stakeholders.

Composition of the Committee

The Board has established the Audit Committee (“the Committee”), which comprises the following Non-Executive Directors of the Company, each of whom brings extensive experience in finance, engineering, and related disciplines, as at December 31, 2025. The Committee is chaired by an Independent Non-Executive Director who is a Fellow of the Institute of Chartered Accountants of Sri Lanka.

Members of the Committee and Attendance at Meetings

	Eligible to attend/ attended
Mr P L P Withana – Chairman Non-Executive, Independent Director	4/4
Dr R A Attalage Non-Executive, Independent Director	4/4
Mr N Abey Suriya Non-Executive, Independent Director	4/4

The composition of the Audit Committee complies with the provisions of the Code of Best Practice on Corporate Governance and the Listing Rules of the Colombo Stock Exchange regarding Audit Committee membership.

The Chief Executive Officer, who is responsible for the overall operations of the Company, attends Committee meetings by invitation. In addition, the Finance Manager, responsible for the preparation of the Financial Statements, attends meetings by invitation. The Company Secretary serves as the Secretary to the Committee.

The profiles of the Committee members are provided on pages 044 to 048. The responsibilities of the Committee are governed by the rules and regulations approved and adopted by the Board. The Board retains overall responsibility to the shareholders for the integrity of the Company’s financial reporting process in accordance with the Companies Act No. 07 of 2007 and subsequent amendments, as well as other legislative reporting requirements, including the adequacy of disclosures in the Financial Statements prepared in accordance with Sri Lanka Accounting Standards.

The Committee is also responsible for ensuring that the Company’s system of internal controls complies with legal and regulatory requirements. It evaluates the performance and independence of the Company’s external auditors, as well as the internal audit function facilitated by the Inspection Department of the parent Company. Further, the Company has engaged a reputable firm of Chartered Accountants to carry out its internal audit function, with the objective of enhancing the robustness of its corporate governance practices.

Terms of Reference

The Committee focuses on the following areas in discharging its responsibilities:

- ◆ **Review of Accounting Policies and Financial Reporting:** Oversee the preparation and presentation of Financial Statements, ensuring adequacy of disclosures in accordance with Sri Lanka Accounting Standards, including management estimates, judgements, and the adoption of new accounting standards.

- ◆ **Regulatory and Governance Compliance:** Ensure compliance with the Companies Act No. 07 of 2007 (and subsequent amendments), the Securities and Exchange Commission Act (SEC), the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice, and other financial reporting requirements. The Committee promotes high standards of corporate governance, ethical conduct, and industry best practices in the best interest of all stakeholders.
- ◆ **Internal Controls and Risk Management:** Evaluate the adequacy, efficiency, and effectiveness of risk management measures, internal controls (including information systems controls), and governance processes designed to prevent, mitigate, or transfer both current and emerging risks.
- ◆ **Internal and External Audit Oversight:** Monitor all aspects of the Company's internal audit activities, risk reviews, and external audit programs. Review audit reports and follow up with management on responses to findings and recommendations.
- ◆ **Auditor Independence and Performance:** Ensure the independence, effectiveness, and performance of both external and internal auditors. Recommend the appointment and fees of auditors where applicable.
- ◆ **Financial Statement Review:** Review the Company's interim and annual Financial Statements to ensure the integrity of the information disclosed prior to submission to the Board.
- ◆ **Going Concern Assessment:** Provide oversight in assessing the Company's ability to continue as a going concern in the foreseeable future.

Mandate and Role

The Committee examines matters relating to the Company's financial reporting system, as well as its internal and external audit processes. Its responsibilities include a detailed review of the Financial Statements and Management Accounts, internal controls and risk management procedures, Accounting Policies, and compliance with Sri Lanka Accounting Standards. The Committee also reviews the adequacy of systems for compliance with legal, regulatory, and ethical requirements.

The Committee considers and approves the appointment and fees of the External Auditors, taking into account their independence. It also assesses the major business and control risks, along with the overall control environment within the Company.

During the year, the Committee reviewed and recommended the Annual Report, the Annual Accounts, and the Interim Financial Statements for submission to the Board. Members of the Company's Management were invited to participate in meetings whenever necessary.

The Committee also reviewed the Positive Assurance Statement submitted by the Finance Manager and was satisfied that the Financial Statements provide a true and fair view of the Company's operations and financial position. Additionally, the Committee reviewed its Terms of Reference during the year under review.

Internal Controls and Risk Management

The Committee reviews the adequacy of the Company's internal controls and provides guidance on further strengthening them. Risk assessments conducted by the Company are evaluated in detail at Audit Committee meetings, where significant risks and their corresponding controls are discussed. Key risks that exceed the Company's risk appetite are highlighted, and appropriate risk management strategies are implemented.

During the year under review, the Board approved the **Enterprise Risk Management Policy – 2025**, reflecting the Company's commitment to a structured and forward-looking risk management approach. This policy, aligned with ISO 31000:2009 international standards and tailored to the specific requirements of property management and building operations, formalizes CDC's Enterprise Risk Management (ERM) framework and strengthens risk governance practices across the Company.

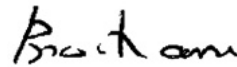
The Inspection Department and the Integrated Risk Management Department of Commercial Bank of Ceylon PLC, acting as Internal Auditors for the Company, reviewed operations and performance from the perspective of a Bank subsidiary. In addition, the Company has engaged a reputable firm of Chartered Accountants to carry out its internal audit function, further enhancing the robustness of its corporate governance practices. The Committee considered all internal audit findings and instructed Management to take corrective actions where necessary. Observations from audit reports were reviewed, and Management's responses to reported weaknesses were monitored. Based on these reviews, the Committee is satisfied that adequate internal controls and procedures are in place to provide reasonable assurance that the Company's assets are properly accounted for, safeguarded, and that its financial position is monitored using reliable information.

The Committee also confirmed, based on Directors' awareness and written confirmation from the External Auditors, that the External Auditors are independent and have no interests in contracts with the Company. Accordingly, the Committee has recommended to the Board that Messrs KPMG, Chartered Accountants, be reappointed as External Auditors for the financial year ending December 31, 2026, subject to shareholder approval at the forthcoming Annual General Meeting.

The Committee is satisfied that the Company's organizational structure, accounting policies, and operational controls provide reasonable assurance that its affairs are conducted in accordance with accepted policies and that assets are properly accounted for and adequately safeguarded.

Meetings

The Committee convened four times during the year under review. A table detailing members' attendance at these meetings is presented on Page 061. The proceedings and key discussions of each Committee meeting were consistently reported to the Board.



P L P Withana

Chairman – Board Audit Committee

Colombo

February 13, 2026

Report of the Board Remuneration Committee

Purpose

The Remuneration Committee assists the Board in fulfilling its responsibility to shareholders by ensuring that the Company’s remuneration policy and practices are fair, responsible, and clearly linked to corporate and individual performance, while complying with statutory and regulatory requirements.

The objective of the policy is to attract, retain, and motivate the Board of Directors and to provide recommendations on all new Board appointments. This ensures that the Board possesses the right mix of expertise, knowledge, skills, and experience to meet the strategic needs of the Company.

Composition of the Committee

The Board appointed the Remuneration Committee (“the Committee”), which consisted of the following Non-Executive Directors:

Board Members and their Attendance

	Eligible to attend/attended
Dr R A Attalage – Chairman Non-Executive, Independent Director	1/1
Mr A L Gooneratne Non-Executive, Non Independent Director	1/1
Mr P L P Withana Non-Executive, Independent Director	1/1
Mr N Abey Suriya Non-Executive, Independent Director	1/1

This composition complies with the Code of Best Practice on Corporate Governance and the Listing Rules of the Colombo Stock Exchange regarding Remuneration Committee composition.

The Company Secretary serves as Secretary to the Committee. Profiles of the members are provided on pages 044 to 048. Aggregate remuneration paid to Directors is disclosed in Note 10 to the Financial Statements on page 140.

Terms of Reference

The Committee is vested with power to evaluate, assess, decide and recommend to the Board of Directors on any matter that may affect the Human Resources Management of the Company and shall specifically include:

- ◆ Recommending to the Board, the matters such as compensation of the Chairman, other members of the Board of Directors while ensuring that no Director is involved in deciding or recommending his or her own remuneration
- ◆ Determining the compensation and benefits of the key management personnel and establishing performance parameters in setting their individual targets and oversee the implementation there of
- ◆ Setting goals and targets for the Directors, Chief Executive Officer and other Key Management Personnel and evaluating the performance of the Chief Executive Officer and other Key Management Personnel against the pre-agreed targets and goals
- ◆ To set guidelines for policies with regard to compensation and benefit packages that motivate/retain the capable qualified staff and highly skilled staff of the Company
- ◆ To assess and recommend to the Board with regard to succession planning of Key Management Personnel and align the organisational structure accordingly
- ◆ To set the criteria such as qualifications, experience, and the required competencies to be considered for appointment of the Key Management Positions and to make recommendations to the Board of Directors from time to time of the additional/new expertise required at the Company

- ◆ To direct on relevant matters connected to general areas of Human Resource Management of the Company in order to uphold the best human resources practices in formulating policies
- ◆ Make recommendations/decisions/directions pertaining to the statutory payments made by the Company on behalf of its employees, ensuring the effective fulfillment of all commitments arising as a result of the employer – employee relationship
- ◆ Recommend/decide/direct on disciplinary matters resulting in a significant financial loss to the Company caused by Key Management Personnel of the Company

Mandate and Role

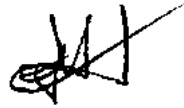
The Committee's mandate is to design a remuneration policy that attracts and retains highly qualified personnel while rewarding performance appropriately. It determines the compensation of all Directors and Key Management Personnel.

The remuneration of the Chairman is determined by the Board, excluding the Chairman, while the remuneration of the Non-Executive Directors is determined by the Board, including the Non-Executive Directors.

The Chief Executive Officer and Key Management Personnel provide the Committee with relevant information, including market data, to support effective remuneration decisions.

Meetings

The Committee met once during the year ended December 31, 2025, and reviewed its Terms of Reference during the year. A table showing attendance at meetings appears on page 061. The proceedings of the Committee meetings were regularly reported to the Board.



Dr R A Attalage

Chairman – Board Remuneration Committee

Colombo

February 13, 2026

Report of the Board Related Party Transactions Review Committee

Purpose

The Board of Directors of Commercial Development Company PLC (the “Board”) has delegated authority to the Board Related Party Transactions Review Committee (the “Committee”) to oversee related party transactions (RPTs) and ensure that the interests of shareholders as a whole are protected. The Committee ensures that Directors, Key Management Personnel (KMP), and substantial shareholders do not gain undue advantage from their positions, and that the economic and commercial substance of transactions takes precedence over their legal form.

The Committee performs its oversight role in compliance with the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka, and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission. It independently reviews transactions with related parties, both before and after completion, while the parent company’s Committee provides additional review for group-level transactions. The Committee also ensures proper safeguards are in place to prevent conflicts of interest, promoting transparency and fairness in all related party dealings.

Composition of the Committee

The Board appointed the following Non-Executive Directors to the Committee:

Board Members and their Attendance

	Eligible to attend/attended
Mr P L P Withana – Chairman Independent Non-Executive Director	2/2
Dr R A Attalage Independent Non-Executive Director	2/2
Mr N Abey Suriya Independent Non-Executive Director	2/2

The Chief Executive Officer and the Finance Manager regularly attended meetings by invitation.

The Company Secretary functions as the Secretary of the Committee.

Terms of Reference

The Committee carries out the following duties:

- ◆ Developing, updating, and recommending for adoption by the Board of Directors of the Company, a RPT Policy consistent with that proposed by the Section 9 of the Listing Rules on Corporate Governance issued by the CSE
- ◆ Updating the Board of Directors on the RPTs of each of the listed companies of the Group on a quarterly basis
- ◆ Advising the Board in making immediate market disclosures on applicable RPTs as required by Section 9.14.7 of the Listing Rules of the CSE
- ◆ Advising the Board in making appropriate disclosures on RPTs in the Annual Report as required by Section 9.14.8 of the Listing Rules of the CSE
- ◆ Reviewing and recommending RPTs as per the RPTs Policy for the approval of the Board of Directors

The Company submits details of recurrent and non-recurrent related party transactions in the form of a quarterly return to the Committee. The Committee reviews all such transactions with the parent and other related companies in the Commercial Bank Group to ensure that Directors, KMP, and substantial shareholders do not obtain any undue advantage.

Based on the mandate and methodology adopted by the Committee, the Board is satisfied that the Company has complied with Rule 9.14 of the CSE Listing Rules.

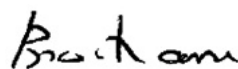
Methodology Adopted by the Committee

- ◆ Review mechanisms to obtain declarations from all Directors, at appointment and annually thereafter, regarding any existing or potential RPTs by them or their Close Family Members (CFMs), and updates when changes occur.
- ◆ Review mechanisms for Directors to declare new appointments as KMPs in other entities to capture related transactions.
- ◆ Ensure accurate collection and recording of RPT information, including details on KMPs, CFMs, subsidiaries, and associates.
- ◆ Ensure annual declarations are submitted directly to the Company's External Auditors for audit purposes.

Meetings

The Committee met twice during the year to review all related party transactions and its Terms of Reference, recommending these for Board approval. The Company ensured that all relevant staff are fully aware of the RPT rules. Proceedings of Committee meetings, including activities under its Terms of Reference, were regularly reported to the Board.

Additionally, the BRPTRC of the parent company, CBC, met four times during the year to review related party transactions of the group.



P L P Withana

Chairman – Related Party Transactions Review Committee

Colombo

February 13, 2026

Report of the Board Nominations and Governance Committee

Purpose

The Board of Directors of Commercial Development Company PLC (“the Board”) has delegated to the Board Nominations and Governance Committee (“the Committee”) the authority and responsibility to assist the Chairman in regularly reviewing the composition of the Board and its Committees and to lead the nomination process for appointments thereto. The Committee is also responsible for ensuring a proactive and structured approach to succession planning and the assessment of suitable candidates for the appointment and continuity of Executive and Non-Executive Directors, the Chief Executive Officer, and other Key Management Personnel, in order to support effective leadership and the long-term sustainability of the Company.

The Committee, which was established in compliance with Rule No. 9.3.1 of the Listing Rules of the Colombo Stock Exchange, operates within a framework of sound corporate governance practices approved by the Board.

Composition of the Committee

The Board appointed BNGC of the Company consisted of the following Non-Executive Directors.

	Eligible to attend/attended
Dr R A Attalage – Chairman Independent Non-Executive Director	1/1
Mr P L P Withana Independent Non-Executive Director	1/1
Mr N Abeyuriya Independent Non-Executive Director	1/1

The Company Secretary functions as the Secretary of the Committee.

The profiles of the members are given on pages 044 to 048.

Terms of Reference

The overall focus of the Committee is to:

- ◆ Review the composition of the Board and its Board Committees and make recommendations for approval by the Board of the membership of Board and Board Committees.
- ◆ Review the leadership needs of the organisation, both executive and non-executive with a view to ensuring long-term sustainability of the organisation to compete effectively in the marketplace.
- ◆ Implement a procedure for the appointment and reappointment of Directors to the Board taking into account factors such as fitness, propriety including qualifications, competencies, independence and Implement a procedure for the selection/appointment of Managing Director/Chief Executive Officer, Chief Operating Officer and other Key Management Personnel
- ◆ Set the criteria such as qualifications, competencies, experience, independence, conflict of interest and other key attributes required for the eligibility to be considered for the appointment or promotion to the position of Chief Executive Officer and Key Management Personnel.
- ◆ Prior to any appointment being made to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- ◆ Consider in respect Key Management Personnel proposals for their appointment or promotion and any proposal for their dismissal or any substantial change in their duties or responsibilities or the terms of their appointment.
- ◆ Prior to the appointment of a Director ensure that the proposed appointee would disclose any other business interests that may result in a conflict of interest and report any future business interests that could result in a conflict of interest.
- ◆ Consider and recommend from time to time, the requirements of additional/new expertise for Directors and other Key Management Personnel.

- ◆ Propose the maximum number of listed Company Board representations which any Director may hold in accordance with relevant statutory provisions and regulations.
- ◆ Peruse duly completed affidavits and declarations of all Directors and Key Management Personnel and recommend same for approval of the Board.
- ◆ Formulates and regularly review plans for succession for Key Management Personnel, Executive and Non-Executive Directors in the Board and in particular the key roles of Chairman and Chief Executive taking into account challenges and opportunities facing the Company and skills needed in the future.
- ◆ Make recommendations to the Board concerning, suitable candidates for the role of Senior Independent Director in instances where Chairman is not an Independent Director, membership of other Board Committees as appropriate in consultation with the Chairpersons of those Committees and the re-election of Directors at the Annual General Meeting by the shareholders or the retirement by rotation according to the provisions of the Articles of Association of the Company.
- ◆ Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the CSE, other applicable regulatory requirements and industry/international best practices.
- ◆ Monitor the progress of any relevant corporate governance or regulatory developments and recommend any actions or changes it considers necessary for board approval and ensure compliance with existing laws and regulations.
- ◆ Be authorised to express their independent views when making decisions.
- ◆ Be authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Terms of Reference.
- ◆ Make recommendations to the Board concerning an indemnity and insurance cover to be taken in respect of all Directors and Key Management Personnel in accordance with the Articles of Association, relevant statutory provisions and regulations.
- ◆ Invite any member of the Management, any member of the Company staff or any external advisers to attend meetings as and when appropriate and necessary.

Mandate and Role

The mandate of the Committee is to:

- ◆ Recommend policies for the appointment and reappointment of Directors to the Board;
- ◆ Recommend persons for appointment and reappointment to Board Subcommittees;
- ◆ Evaluate the performance of Board members and the Chief Executive Officer;
- ◆ Establish and maintain a robust corporate governance framework aligned with applicable regulations and best practices; and
- ◆ Monitor compliance with governance policies, regulatory requirements, and statutory obligations.

Meetings

The Committee met once during the year ended December 31, 2025. During the year, the Committee reviewed its Terms of Reference and recommended the same for approval by the Board.

A table showing the record of attendance at meetings is presented on page 061 of the Annual Report. The proceedings and recommendations of the Committee meetings were duly reported to the Board.



Dr R A Attalage

Chairman – Board Nominations and Governance Committee

Colombo

February 13, 2026

Directors' Statement on Internal Control and Risk Management

This Report is presented in accordance with the requirement to publish the Directors' Statement on Internal Controls and Risk Management as per Section D.1.5 of the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka.

The Board of Directors of the Company acknowledge the fact that maintaining a sound system of internal controls and risk management to safeguard shareholders' investment and the Company's assets is the responsibility of the Board and the Top Management.

Further, the Board of Directors is responsible for the adequacy and effectiveness of the Company's system of internal control and risk management on financial reporting. The system of internal control and risk management has been however designed to manage the Company's key risk areas within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the Company's policies and objectives. Hence, the Company's internal control system can only provide reasonable but not absolute assurance against material misstatements of management and financial information and records or against financial losses.

The Board has established a mechanism for identifying, evaluating and managing material risks on an ongoing basis. This process includes enhancing the system of internal control when needed in line with changes in the business environment or regulation. The Management assists the Board in the implementation of the policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation, and monitoring of suitable internal controls to control risks.

In designing, operation and monitoring of suitable internal controls to control risks faced by the Company, following factors are taken into account:

- a. Nature and risk faced by the Company
- b. Adequacy of the existing risk management framework of the Company

- c. Extent and type of risks, which the Company can accept to bear
- d. The likelihood of risks being materialised
- e. The Company's ability to curtail the risks that do materialise and the impact of these risks to the Company.
- f. Cost benefit analysis of managing the risks

Strengthening System of Internal Control and Risk Management

The following processes have been established for reviewing the adequacy and integrity of the system of internal controls and risk management pertaining to financial reporting:

- ◆ Relevant Heads of Departments have been delegated the task of applying controls to capture and record transactions for financial reporting. The Finance Manager has been delegated the task of preparing the management accounts, interim and annual Financial Statements in line with applicable standards and other regulations.
- ◆ Development and Board approval of the Enterprise Risk Management Policy – 2025.
- ◆ The Company has outsourced the internal audit function to an independent firm of Chartered Accountants, which carries out periodic internal audits to verify compliance with policies and procedures and the effectiveness of the internal control and risk management systems and providing feedback of such reviews to the Audit Committee on any non-compliance and recommendations for improvements.
- ◆ The internal audit function has sought confirmations by Management on internal controls adopted and confirmed to the Board on same upon testing of such controls.

- ◆ As a subsidiary of Commercial Bank of Ceylon PLC, Company's operations are subjected to review by the Bank's Inspection, Risk Management and Compliance Departments, as required by the directions of the CBSL. The feedback of such reviews is periodically submitted to the Board Audit Committee.
- ◆ The Board Audit Committee which is set up on Terms of Reference approved by the Board of Directors meets regularly to review internal control and risk management issues identified by Internal Auditors in their periodic reviews, matters highlighted by the External Auditors following statutory audit and any other matters referred to it by the Management.
- ◆ The Board Audit Committee further reviews work of Internal Auditors on their scope and quality of audits. The Committee follows up with the Management and in turn provides feedback to the Board on any matters of concern for their deliberation and resolution.
- ◆ The matters highlighted by the External Auditors relating to the internal controls and risk management in 2024 were attended to and corrective measures were initiated to rectify such concerns.

Confirmation by the Board

The Board is of the view that the system of internal controls and risk management in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting. Based on the established internal control mechanism explained above, the Board confirms that the financial reporting system of the Company has been designed and continuously upgraded to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes is done in line with Sri Lanka Accounting Standards.

By Order of the Board,



A L Gooneratne
Chairman



S C U Manatunge
Director

Colombo


February 13, 2026

Statement of the Senior Independent Director

As the Chairman of the Company is a Non-Independent Director, the Board of Directors resolved to appoint a Senior Independent Director in compliance with the Listing Rules of the Colombo Stock Exchange (CSE) and in line with best practices set out in the Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka.

The role of the Senior Independent Director is intended to strengthen the governance framework of the Company by providing an independent channel for the evaluation of the effectiveness of the Board and the performance of the Chairman, while enhancing transparency and accountability in governance processes. In this capacity, I work closely with the Chairman on key strategic, governance, and Board-related matters.

During the financial year under review, I actively engaged with the Board through discussions with the Non-Executive Directors and the Chief Executive Officer on matters relating to corporate governance, with a view to further strengthening the governance framework of the Company. I also remain available to Directors for confidential discussions on any concerns relating to the affairs of the Company, should the need arise.



Dr R A Attalage
Senior Independent Director
Colombo.
February 13, 2026

Annual Report of the Board of Directors

Annual Report of the Board of Directors on the affairs of the Company and statement of compliance of the contents of the Annual Report as required by the Section 168 of the Companies Act No. 07 of 2007 and amendments thereto.

1. General

The Directors have pleasure in presenting to the members their Report together with the Audited Financial Statements for the year ended December 31, 2025 of the Commercial Development Company PLC, ("the Company") and the Independent Auditors' Report on these Financial Statements, conforming to the requirements of the Companies Act No. 07 of 2007 ("the Companies Act") and amendments thereto.

The details set out herein provide the pertinent information required by the Companies Act, the Listing Rules of the CSE and recommended best practices on corporate governance.

This Report was approved by the Board of Directors on February 13, 2026. The appropriate number of copies of the Annual Report will be submitted to the CSE and to the Sri Lanka Accounting and Auditing Standards Monitoring Board within statutory deadlines.

The Company is a public limited liability company incorporated in Sri Lanka on March 14, 1980 under the Companies Ordinance No. 51 of 1938, quoted in the Colombo Stock Exchange ("the CSE") in March 1983 and re-registered as per the requirements of the Companies Act on January 17, 2008, under the Company Registration No. PQ 114.

The registered office of the Company is situated at 6th Floor, Paul VI Centre, No 24, Malwatta Road (Front Street), Pettah, Colombo 11, Sri Lanka.

Ordinary voting shares of Commercial Development Company PLC is listed in Diri Savi Board of the CSE.

Percentage of public holding in the stated capital of the Company as at December 31, 2025 was 10% and there were 1171 shareholders representing the public holding percentage stated above.

Existing Float Adjusted Market Capitalisation of the Company as at December 31, 2025 was Rs. 333.6 Mn. (Rs. 169.2 Mn. as at December 31, 2024)

2. Review of Business

2.1 Review on operations of the Company

The "Chairman's Message", "Chief Executive Officer's Review" and the "Management Discussion and Analysis" appearing on pages 014, 016, and 028 provide an overall assessment on the financial performance and financial position of the Company and the state of the affairs as required by the Section 168 of the Companies Act and the recommended best accounting practices.

2.2 Principal business activities

The nature of the principal business activities of the Company as required by the Section 168 (1) (a) of the Companies Act is given in Note 1.3 to the Financial Statements on page 124. There were no significant changes in the nature of the principal business activities of the Company during the financial year under review.

2.3 Financial Statements

The Financial Statements of the Company prepared in compliance with the requirements of the Sections 151 and 168 (1) (b) of the Companies Act, are given on pages 119 to 183.

2.4 Directors' responsibility for financial reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. The Directors are of the view that the Income Statement, Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Material Accounting Policies and Notes thereto appearing on pages 119 to 183 have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards as mandated by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Companies Act and the Listing Rules of the CSE.

The "Statement of Directors' Responsibility for Financial Reporting" appearing on pages 100 and 101 forms an integral part of this Report.

2.5 Independent Auditors' Report

The "Independent Auditors' Report" on the Financial Statements for the year ended December 31, 2025, as required by the Section 168 (1) (c) of the Companies Act is given on pages 115 to 117.

2.6 Material Accounting Policies and changes during the year

As required by the Section 168 (1) (d) of the Companies Act, the Material Accounting Policies adopted in the preparation of the Financial Statements of the Company are stated on pages 126 to 183. There were no changes to the Accounting Policies adopted by the Company during the year except the changes as required by new Accounting Standards.

Changes in Material Accounting Policies are disclosed in Note 5 to the Financial Statements on Page 126.

2.7 Entries in the Interests Register

An interests register is maintained by the Company, as per the requirements of the Companies Act. All Directors have made declarations as provided for in the Section 192 (1) and (2) of the Companies Act aforesaid. All related entries were made in the Interests Register on Directors' interests in contracts, remuneration paid to the Directors, etc. during the year under review. The Directors do not hold shares in the Company as disclosed on page 98 under the subheading of "Directors' Interest in Shares". The Interests Register is available for inspection by shareholders or their authorised representatives as required by the Section 119 (d) of the Companies Act.

2.8 Directors' remuneration

Directors' remuneration, in respect of the Company for the financial year ended December 31, 2025 is given in Note 10 to the Financial Statements on page 140 as required by the Section 168 (f) of the Companies Act.

2.9 Donations

The Company has proactively led the renovation of two classrooms and four toilet facilities at a Government School in Delathura, Ja-Ela.

This information forms an integral part of the Report of the Board of Directors as required by the Section 168 (1) (g) of the Companies Act.

3. Gross Income

The gross income of the Company for 2025 was Rs. 815.9 Mn., (Rs. 708.3 Mn., in 2024).

4. Dividends and Reserves

4.1 Profit and appropriations

Details of appropriation of Profit of the Company are given below:

For the year ended December 31,	2025 Rs.'000	2024 Rs.'000
Profit from operations for the year	459,566	724,984
Add: Net finance income	93,918	104,071
PROFIT BEFORE TAX	553,484	829,055
Less: Income tax expense	(131,949)	(246,432)
NET PROFIT AFTER TAXATION	421,535	582,623
Add/Less: Amounts recognised in other comprehensive income, net of tax	(5,762)	2,562
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (*)	415,773	585,185
Add: Unclaimed dividends written back	475	372
Less: Reversal of previously written back dividends	-	(12)
Add: Unappropriated profit brought forward	1,167,973	1,001,843
Transfers to fair value reserve – investment property	(136,937)	(335,415)
PROFIT AVAILABLE FOR APPROPRIATION	1,447,284	1,251,973
Less: Interim dividend of Rs. 3.00 per share (Rs. 3.00 per share in 2024)	(36,000)	(36,000)
Less: Final dividend of Rs. 4.00 per share (Rs. 4.00 per share in 2024)	(48,000)	(48,000)
UNAPPROPRIATED PROFIT CARRIED FORWARD	1,363,284	1,167,973

4.2 Provision for taxation

Income tax expense has been computed at the rate of 30% as given in Note 12 to the Financial Statements on page 143.

The Company has also provided for deferred tax on all known temporary differences under the liability method, as permitted by the Sri Lanka Accounting Standard – LKAS 12 on “Income Taxes”.

4.3 Dividend on ordinary shares

The Company paid an interim dividend of Rs. 3.00 per ordinary share in December 2025 (an interim dividend of Rs. 3.00 per share was paid in December 2024).

In addition, Directors recommended the payment of Rs. 4.00 per share as a final dividend for the year 2025. (Rs. 4.00 per share in 2024). This final dividend is to be approved at the Annual General Meeting to be held on March 30, 2026

On this basis, the total dividend payout ratio amounts to 19.93% of the profit after tax of 2025 compared to 14.42% for 2024.

The Board of Directors fulfilled the requirement of the solvency test in terms of the Section 31 (3) of the Companies Act immediately after the payment of the interim dividend and would ensure the compliance of solvency test after the payment of aforesaid final dividend proposed to be paid on April 23, 2026. Provided however in instances where the shareholder has given accurate dividend disposal instructions to the CDS or the Company by providing the bank account number, the proposed final dividend shall be directly credited to such bank account on or before April 08, 2026 which is within three (3) market days from and excluding the “Record Date”.

The Board of Directors provided the Statement of Solvency to the Auditors and obtained Certificates of Solvency from the Auditors in respect of each dividend payment conforming to the statutory requirements.

4.4 Reserves

A summary of the Company's reserves is given below;

As at December 31,	2025 Rs. '000	2024 Rs. '000
Fair value reserve – investment property	2,923,982	2,787,045
Retained earnings	1,411,284	1,215,973
TOTAL	4,335,266	4,003,018

5. Property, Plant and Equipment

Details on capital expenditure on property, plant and equipment are given in Note 17 to the Financial Statements on page 148. There was no capital expenditure approved and contracted for at the year-end.

6. Investment Property

The land and buildings held to earn rental income and for capital appreciation are classified as investment property. Investment property is stated at "Fair Value" based on the valuations carried out by professional valuers and the difference between the carrying values and the fair values had been taken to the Income Statement. The Directors are of the opinion that the revalued amounts are not in excess of the current market values of the property. The residual lease period of the land in Colombo as at December 31, 2025 was 56 years.

Details of the investment property are given in Note 19 to the Financial Statements on page 154.

7. Information on Shares

7.1 Stated capital

The stated capital as at December 31, 2025 was Rs. 120.0 Mn., consisting of 12,000,000 ordinary shares and this remained unchanged during the year under review.

7.2 Share information

Information on market value of ordinary shares is given on page 191.

7.3 Shareholdings

There were 1,172 registered shareholders (976 in 2024) holding ordinary voting shares as at December 31, 2025. The distribution of shareholding is given on page 190.

7.4 Substantial shareholdings

The details of top twenty shareholders are given on page 188.

7.5 Equitable treatment to shareholders

All shareholders have been treated equitably in accordance with the original terms of issue.

8. Directors

8.1 List of Directors

Names of the Directors of the Company as at the end of 2025, as required by the Section 168 (1) (h) of the Companies Act are given below:

Mr A L Gooneratne (Chairman) – Non Executive
Non Independent Director

Mr S C U Manatunge – Non Executive
Non Independent Director

Mr U I S Tillakawardana – Non Executive
Non Independent Director (Resigned w.e.f
December 31, 2025)

Dr R A Attalage – Non Executive Independent Director

Mr P L P Withana – Non Executive Independent Director

Mr N Abey Suriya – Non Executive Independent Director

Mr M D C P Dharmasena – Non Executive
Non Independent Director (Appointed w.e.f
January 01, 2026)

8.2 New appointments

There were no new appointments during the year.

However, following the resignation of Mr U I S Tillakawardana with effect from December 31, 2025, Mr M D C P Dharmasena was appointed as a Director of the Company with effect from January 1, 2026.

8.3 Retirements, resignations and relinquishments

Mr U I S Tillakawardana-resigned with effective from December 31, 2025.

8.4 Recommendations for re-election

Mr A L Gooneratne

A Special Notice has been received by the Company from Mr T Vedamanickam, a shareholder of the Company, informing his intention to move an ordinary resolution stating that age limit stipulated in Section 210 of the Companies Act shall not be applicable to Mr A L Gooneratne who has attained the age of 73 years.

(Resolution is stated on page 201 under Notice of Meeting)

Mr M D C P Dharmasena

In terms of Clause 91 of the Articles of Association of the Company, Mr M D C P Dharmasena who was appointed to the Board on January 01, 2026 holds office until the Annual General Meeting to be held on March 30, 2026 following his appointment. Mr M D C P Dharmasena being eligible for re-election offers himself for re-election by the shareholders.

8.5 Directors' interests in shares

The Directors (including the Chief Executive Officer) did not hold shares of the Company as at December 31, 2025 (The Directors, including the Chief Executive Officer did not hold shares as at December 31, 2024).

8.6 Directors' interests in contracts or proposed contracts

Directors' interests in contracts or proposed contracts with the Company, both direct and indirect are disclosed in Note 34 under "Related Party Disclosures" on page 174. These interests have been declared at Directors' meetings. As a practice, Directors have refrained from voting on matters in which they were interested. Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

9. Compliance with Laws and Regulations

The Company has not engaged in any activities contravening the laws and regulations.

10. Environmental Protection

The Company has not, to the best of its knowledge, engaged in any activity which is harmful to the environment.

11. Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments to the Government, other regulatory institutions and related to the employees have been made in time.

12. Events After the Reporting Period

There have not been any material events that occurred subsequent to the date of the Statement of Financial Position that require adjustments to the Financial Statements other than those disclosed in Note 39 to the Financial Statements on page 183.

13. Auditors

13.1 Appointment of Auditors

The retiring Auditors, Messrs KPMG have signified their willingness to continue in office. A resolution to reappoint them as Auditors and granting authority to the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting to be held on March 30, 2026.

13.2 Auditors' remuneration and Interest in contracts with the Company

The Auditors, Messrs KPMG were paid Rs. 1,521,704 for the year ended December 31, 2025 (Rs. 1,352,625 in 2024) as audit and audit related services by the Company. In addition, they were paid Rs. 475,909 for the year ended December 31, 2025 (Rs. 368,472 in 2024) by the Company, for non-audit related services including tax consultancy services. This information is disclosed as required by the Section 168 (1) (i) of the Companies Act.

As far as the Directors are aware, the Auditors do not have any other relationship or interest in contracts with the Company. This information is disclosed as required by the Section 168 (j) of the Companies Act.

14. System of Internal Controls

The Board of Directors has taken steps to oversee the implementation of an effective and comprehensive system of internal controls and risk management covering financial operations and compliance control required to carry on the business of the Company in an orderly manner, safeguard its assets and secure as far as possible the accuracy and reliability of the records. Controls over financial reporting were also reviewed during the year to ensure that the financial reporting process is sound.

15. Corporate Governance

Governance is adequately and practically dealt with. The Board of Directors has focused on the necessary resources and processes required to ensure that the Company is compliant with the Codes of Best Practice on Corporate Governance issued by regulators as detailed in the Section on "Corporate Governance" on pages 052 to 081.

16. Outstanding Litigation

There were no litigations pending against the Company as at December 31, 2025 as given in Note 38.1 to the Financial Statements on page 183.

17. Going Concern

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

18. Notice of Meeting

Notice of Meeting relating to forty-sixth Annual General Meeting is given on page 201.

19. Acknowledgement of the Contents of the Annual Report

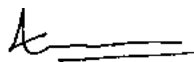
As required by the Section 168 (1) (k) of the Companies Act, the Board of Directors does hereby acknowledge the contents of this Annual Report.



A L Gooneratne
Chairman



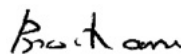
S C U Manatunge
Director



U I S Tillakawardana
Director



R A Attalage
Director



P L P Withana
Director



N Abeyesuriya
Director

Statement of Directors' Responsibility for Financial Reporting

This Statement sets out the responsibilities of the Directors in relation to the Financial Statements of Commercial Development Company PLC ("the Company"). The responsibilities of the Company's External Auditors in respect of the Financial Statements are set out in the Independent Auditors' Report on pages 115 to 117.

In terms of Sections 150 (1), 151 (1), 152, and 153 (1) and (2) of the Companies Act No. 07 of 2007 and amendments thereto, the Directors are responsible for ensuring that the Company keeps proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Company as at end of each financial year and of the financial performance of the Company for each financial year and place them before a General Meeting. The Financial Statements comprise the Statement of Financial Position as at December 31, 2025, the Income Statement, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

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

- ◆ The financial position of the Company as at December 31, 2025 and
- ◆ The financial performance of the Company for the financial year ended on the reporting date.

Compliance Report

The Board of Directors also wishes to confirm that:

- a. In preparing the Financial Statements exhibited on pages 119 to 183 including, appropriate Accounting Policies have been selected and applied based on the financial reporting framework on a consistent basis, while reasonable and prudent judgements have been made so that the form and substance of transactions are properly reflected.

- b. The Financial Statements for the year 2025, prepared and presented in this Annual Report are in agreement with the underlying books of account and are in conformity with the requirements of the Sri Lanka Accounting Standards Companies Act No. 07 of 2007 and amendments thereto, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange ("the CSE") and the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).
- c. Under the Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which correctly record and explain the Company's transactions and the Company's financial position are maintained, with reasonable accuracy, at any point of time, enabling preparation of the Financial Statements, in accordance with the Companies Act to facilitate proper audit of the Financial Statements. They have taken appropriate steps to ensure that the Company maintains proper books of account and reviews the financial reporting system at their regular meetings and also through the Board Audit Committee ("the BAC"). The Report of the BAC is given on pages 082 to 084. The Board of Directors also approves the Interim Financial Statements prior to their release, following a review and recommendation by the BAC.
- d. They accept responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report.
- e. They also have taken reasonable measures to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls, comprising internal checks, internal audit, financial and other controls required to carry on the business of the Company in an orderly manner and safeguard its assets and secure as far as practical, the accuracy and reliability of the records.

- f. To the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or, where relevant, provided for.
- g. As required by the Section 56 (2) of the Companies Act, they have authorised distribution of dividends paid and proposed upon being satisfied that the Company would satisfy the solvency test after such distributions are made in accordance with the Section 57 of the Companies Act and have obtained in respect of dividends paid and proposed, and also for which approval is now sought, necessary certificates of solvency from the External Auditors.
- h. As required by the Sections 166 (1) and 167 (1) of the Companies Act, this Annual Report is prepared in time. A copy thereof is sent to every shareholder of the Company who have expressed desire to receive a hard copy within the stipulated period of time as required by the Rule No. 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the CSE, instead of sending a soft copy in a CD. We also have hosted a soft copy of this Annual Report in the Company's website (<https://www.cdplc.net>), in addition to the soft copy thereof available in the CSE website for the benefit of other shareholders within the stipulated period of time.
- i. All shareholders have been treated equitably in accordance with the original terms of issue.
- j. The Company has met all the requirements under the Section 07 on Continuing Listing Requirements of the Listing Rules of the CSE (where applicable).
- k. After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the "Code on Best Practice on Corporate Governance – 2023" issued by CA Sri Lanka, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the Financial Statements.
- l. The Financial Statements of the Company have been certified by the Company's Finance Manager, the officer responsible for their preparation, as required by the Section 150 (1) (b) and 152 (1) (b) of the Companies Act. In addition, the Financial Statements of the Company have been signed by two Directors of the Company on February 13, 2026 as required by the Section 150 (1) (c) and 152 (1) (c) of the Companies Act.
- m. The Company's External Auditors, Messrs KPMG who were appointed in terms of the Section 158 of the Companies Act and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors of the Company together with all the financial records, related data and minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on pages 115 to 117.

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

By order of the Board,



L W P Indrajith

Company Secretary

Colombo

February 13, 2026

Chief Executive Officer's and Finance Manager's Responsibility Statement

The Financial Statements of the Company are prepared and presented in compliance with the Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007 and amendments thereto, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange and Guidelines issued by the Securities and Exchange Commission of Sri Lanka.

The Accounting Policies used in the preparation of the Financial Statements are appropriate and are consistently applied, unless otherwise stated in the Notes accompanying the Financial Statements. Application of Significant Accounting Policies and estimates that involve a high degree of judgement and complexity were discussed with the Board Audit Committee ("the BAC") and Company's External Auditors. Comparative information has been restated to comply with the current presentation, where applicable. We confirm that to the best of our knowledge, the Financial Statements, Significant Accounting Policies, and other financial information included in this Annual Report, fairly present in all material respects the financial position, results of the operations and the cash flows of the Company during the year under review. We also confirm that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

There were no changes to the Accounting Policies and methods of computation since the publication of the Annual Report for the year ended December 31, 2024.

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgements relating to the Financial Statements were made on a prudent and reasonable basis, in order to ensure that the Financial Statements reflect true and fair manner, the form and substance of transactions, and reasonably present the Company's state of affairs. Accordingly, the Company has taken proper and sufficient care in designing a system of internal control and accounting records, for safeguarding assets, preventing and detecting frauds as well as other irregularities, which are regularly reviewed, evaluated

and updated on an ongoing basis. Our Internal Auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were constantly followed. Inherent limitations however need to be recognised in weighing the assurance provided by any system of internal control and accounting.

The Financial Statements of the Company were audited by our External Auditors Messrs KPMG, Chartered Accountants and their Report is given on pages 115 to 117. The BAC of the Company meets quarterly in order to review reports of Internal Auditor, Financial Statements and connected reports to be submitted to shareholders, and to discuss issues arising from audit, internal controls and financial reporting etc. Both External and Internal Auditors are afforded full and free access to the members of the BAC to discuss any matter of substance, if any.

We confirm that the Company has complied with all applicable laws and regulations.

There were no litigations against the Company as stated in Note 38.1 to the Financial Statements on page 183.

We also confirm that all taxes, duties, levies, and statutory payments of the Company and contributions, levies, and taxes payable on behalf of and in respect of the employees of the Company as at the reporting date have been paid or where relevant provided for.



K Basnayake
Chief Executive Officer



W H Wijesekara
Finance Manager
Colombo

February 13, 2026

Risk Management

CDC Approach to Managing Risk

Commercial Development Company PLC (CDC) recognises that effective risk management is fundamental to achieving its objectives and protecting stakeholder value. As a service company providing premises/facilities support, outsourced staff, vehicle hire and other utilities primarily to Commercial Bank of Ceylon PLC (the principal customer/tenant), CDC’s risk profile is primarily operational, centred on life safety, asset integrity, service continuity, compliance, and disciplined financial management.

During 2025, CDC further strengthened its risk governance and management practices by adopting a structured Enterprise Risk Management (ERM) approach, formalised through the development and Board approval of the Enterprise Risk Management Policy – 2025, aligned to ISO 31000 principles and adapted to CDC’s operating context (property management and support services).

As a 90% owned subsidiary of Commercial Bank of Ceylon PLC, CDC continues to benefit from the Group’s oversight, expertise and shared services, while remaining accountable for identifying, assessing and managing risks specific to CDC’s operations and service obligations.

Risk Management Philosophy

Risk is inherent in all business activities and represents the possibility that actual outcomes may differ from expected outcomes. CDC recognises that risk and return are interrelated and that prudent risk-taking supports sustainable performance. Accordingly, CDC seeks to manage risk within clearly defined tolerance levels while safeguarding the interests of shareholders, employees, customers/tenants, visitors and other stakeholders.

CDC’s approach is guided by the following principles:

- ◆ Protect life and safety first—zero tolerance for life safety risks.
- ◆ Comply with laws and standards applicable to CDC’s services and listed entity obligations.

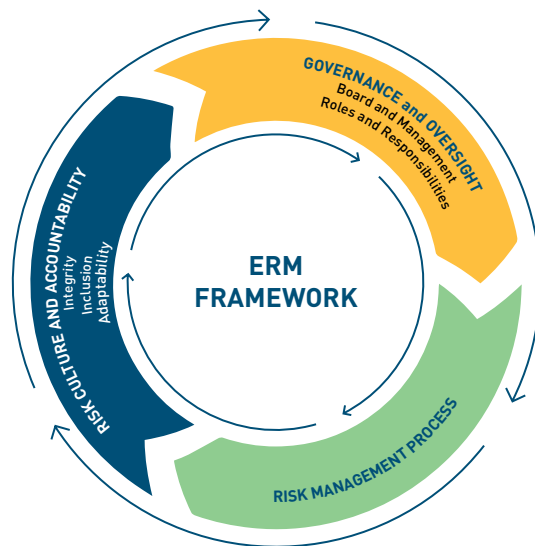
- ◆ Maintain service continuity for essential support services and premises operations.
- ◆ Embed risk management in decisions and operations, not as a separate activity.
- ◆ Assign clear accountability for risks, controls and corrective actions.
- ◆ Monitor and improve through KRIs, reviews, audits and independent assessments.

The Board of Directors retains ultimate responsibility for risk governance, supported by the Board Audit Committee and management governance forums.

Enterprise Risk Management Framework

CDC’s ERM framework provides a structured approach to identify, assess, treat and monitor risks across the Company. As depicted in the diagram below, the framework integrates:

1. Governance and oversight (Board, Board Audit Committee, Management Committees)
2. Risk management process (identify → assess → treat → monitor/report)
3. Risk culture and accountability (roles, responsibilities, “three lines of defence”)



Risk Governance Structure

CDC has established a risk governance structure that ensures appropriate oversight, clear accountability and effective escalation of risk matters.

Risk Management Committee (Management)

Chaired by the Chief Executive Officer and comprising Heads of Departments, the Committee meets quarterly to:

- ◆ review CDC's risk profile and key risk developments
- ◆ maintain and update the risk register
- ◆ monitor key risk indicators (KRIs)
- ◆ track corrective actions arising from audits, inspections and risk reviews
- ◆ escalate significant risk matters to the Board Audit Committee/Board.

Board Audit Committee (Board oversight)

The Board Audit Committee maintains supervisory responsibility for risk management oversight on behalf of the Board, including:

- ◆ reviewing adequacy and effectiveness of the risk management framework
- ◆ reviewing material risks, incidents and emerging risks
- ◆ monitoring compliance with applicable laws and regulatory requirements
- ◆ reviewing the operating environment and relevant trends affecting CDC's risk profile.

Executive Management Responsibility

Executive Management is responsible for day-to-day risk identification, mitigation and reporting within approved tolerance levels, and for ensuring that policies, procedures and controls operate effectively. CDC is also subject to periodic reviews by the parent Bank's risk management, inspection, audit and compliance functions, providing an additional layer of assurance and oversight.

Risk Champions

Departmental Risk Champions support consistent operational-level risk identification and maintenance of departmental risk registers, and serve as contact points for risk-related matters.

RISK GOVERNANCE STRUCTURE



Key Developments in 2025 (Risk and Control Perspective)

From a risk and control perspective, CDC undertook a number of initiatives that strengthened operational resilience, governance and service delivery during the year, which included:

- ◆ addressing key infrastructure issues identified at Commercial House, including indoor air quality (IAQ) and building system modifications, with remedial works initiated
- ◆ strengthening policy and control documentation (including IT administrative internal controls, ERM Policy, Investment Policy and petty cash procedures) and updating Terms of Reference for Board Committees
- ◆ implementing precautionary measures arising from risk, inspection, audit and compliance reports within specified timeframes, with observations and corrective actions tabled to the Board
- ◆ strengthening assurance through the appointment of an Internal Auditor to conduct quarterly internal audits (in addition to relevant inspections/assessments)
- ◆ enhancing fleet and service capability in line with operational needs
- ◆ commencing a new business line of installation, testing, commissioning, and annual maintenance of CCTV systems at Commercial Bank’s branch network, and enhancing AC servicing capacity, diversifying revenue streams and leveraging technical capabilities.
- ◆ augmenting organisational capabilities and improving succession planning by enrolling additional staff.

Risk Appetite and Tolerance Framework

The Board has established a risk appetite framework that defines the amount and type of risk CDC is willing to accept in pursuit of its objectives. CDC’s risk appetite reflects its commitment to stakeholder safety, compliance and service continuity while supporting sustainable performance.

Risk Appetite and Tolerance Framework

CDC

The Board has established a clear risk appetite framework that defines the amount and type of risk the Company is willing to accept in pursuit of its strategic objectives. This framework provides guidance for decision-making at all levels of the organization and ensures that risk-taking remains within acceptable boundaries.

Risk Appetite Statement	Financial Risk Tolerance Thresholds																									
<p>CDC’s risk appetite reflects the Company’s commitment to protecting the safety and interests of all stakeholders while supporting sustainable business growth.</p> <ul style="list-style-type: none"> Zero Tolerance for risks that could result in loss of life or serious injury to employees, tenants, or visitors Zero Tolerance for risks that could result in criminal liability for the Company or its Directors Low Tolerance for risks that could impact more than 10% of annual revenue Moderate Tolerance for strategic risks within established controls and mitigation measures Higher Tolerance for strategic risks that support long-term growth objectives and value creation 	<p>To provide clear guidance for risk assessment and escalation, the Board has established quantified financial impact thresholds that define risk severity levels.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #004a7c; color: white;"> <th>Risk Level</th> <th>Single Event P&L Impact</th> <th>Annual Cumulative Impact</th> <th>Business Continuity Impact</th> <th>Escalation Level</th> </tr> </thead> <tbody> <tr style="background-color: #4CAF50; color: white;"> <td>Moderate (1)</td> <td>< LKR 5 Mn.</td> <td>< 2% of annual revenue</td> <td>1 day operational disruption</td> <td>Department Level</td> </tr> <tr style="background-color: #FFC107; color: white;"> <td>Significant (2)</td> <td>LKR 5–25 Mn.</td> <td>2–8% annual revenue</td> <td>1–7 days operational disruption</td> <td>Risk Management Committee</td> </tr> <tr style="background-color: #F44336; color: white;"> <td>Critical (3)</td> <td>LKR 25–100 Mn.</td> <td>8–20% annual revenue</td> <td>1–4 weeks operational disruption</td> <td>Board Audit Committee</td> </tr> <tr style="background-color: #D32F2F; color: white;"> <td>Catastrophic (4)</td> <td>> LKR 100 Mn.</td> <td>> 20% of annual revenue</td> <td>> 1 month operational disruption</td> <td>Full Board (Immediate)</td> </tr> </tbody> </table> <p style="font-size: 0.9em; margin-top: 10px;">These thresholds are reviewed annually by the Board and may be adjusted based on the Company’s performance, market conditions, and strategic objectives. During the review under review, the Board confirmed that the established thresholds remain appropriate for the Company’s risk profile and business context.</p>	Risk Level	Single Event P&L Impact	Annual Cumulative Impact	Business Continuity Impact	Escalation Level	Moderate (1)	< LKR 5 Mn.	< 2% of annual revenue	1 day operational disruption	Department Level	Significant (2)	LKR 5–25 Mn.	2–8% annual revenue	1–7 days operational disruption	Risk Management Committee	Critical (3)	LKR 25–100 Mn.	8–20% annual revenue	1–4 weeks operational disruption	Board Audit Committee	Catastrophic (4)	> LKR 100 Mn.	> 20% of annual revenue	> 1 month operational disruption	Full Board (Immediate)
Risk Level	Single Event P&L Impact	Annual Cumulative Impact	Business Continuity Impact	Escalation Level																						
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Catastrophic (4)	> LKR 100 Mn.	> 20% of annual revenue	> 1 month operational disruption	Full Board (Immediate)																						

Risk Landscape

CDC’s risk landscape is concentrated around a small number of principal risks that align to its service lines and obligations:

1. Building safety and infrastructure resilience (premises/facilities)
2. Business continuity and crisis readiness (premises unavailability and essential service continuity)
3. Human resource and outsourced staff risk (availability, conduct, capability, service delivery)
4. Fleet operational and safety risk (vehicle availability and liability exposure)
5. Revenue concentration and contract/tenant risk (primary customer/tenant)

6. Legal and regulatory compliance risk (Listing Rules, tax, company law, building codes, labour laws, internal policies)
7. Information technology and cybersecurity risk (administrative systems, data protection, continuity)
8. Insurance adequacy and risk transfer (coverage aligned to asset base and exposures)

CDC maintains a risk register that records principal risks, potential impacts, likelihood, existing controls and required mitigation actions, which is reviewed by management and reported through governance channels.

Risk Assessment Approach

CDC assesses risks based on two practical dimensions:

- ◆ Impact (life safety, service continuity, compliance/legal, financial and reputational impact)
- ◆ Likelihood (based on experience, condition assessments and operating environment)

Probability	1 - MODERATE	2 - SIGNIFICANT	3 - CRITICAL	4 - CATASTROPHIC
	SEVERITY LEVEL (IMPACT)			
6 - VERY HIGH < 1 Week	6 MEDIUM	12 HIGH	18 VERY HIGH	24 EXTREME
5 - HIGH 1 Week - 3 Months	5 LOW	10 MEDIUM	15 HIGH	20 VERY HIGH
4 - OCCASIONAL 3 Months - 1 Year	4 LOW	8 MEDIUM	12 HIGH	16 HIGH
3 - LOW 1 Year - 15 Years	3 LOW	6 MEDIUM	9 MEDIUM	12 HIGH
2 - VERY LOW 15 Years - 100 Years	2 LOW	4 LOW	6 MEDIUM	8 MEDIUM
1 - ALMOST IMPOSSIBLE > 100 Years	1 LOW	2 LOW	3 LOW	4 LOW

Principal Risk Areas and Mitigation

1. Building Safety and Infrastructure Resilience (Premises and Facilities)

As a property and facilities management company, building safety and infrastructure reliability represent CDC's highest operational priority. CDC maintains zero tolerance for risks that could compromise life safety. Controls include preventive maintenance programmes and independent professional assessments (structural, fire safety, and electrical), with remediation tracked to closure through management governance and Board oversight.

2. Business Continuity and Crisis Preparedness (Utilities and Essential Services)

CDC maintains business continuity arrangements to support continuity of critical operations during disruptions, including premises unavailability. During 2025, CDC tested its Business Continuity Plan through a complete office premises shutdown exercise, validating arrangements for alternative operating modes and identifying opportunities for enhancement.

3. Human Resource and Outsourced Staff Risk (Outsourcing of Staff)

CDC recognises that employees and outsourced resources are critical to service delivery, particularly in technical and operational areas. Risk is managed through workforce planning, replacement/continuity arrangements for critical roles, training and supervision practices, and monitoring of conduct/compliance matters through established governance processes.

4. Fleet Operational and Safety Risk (Vehicle Hire)

CDC manages fleet-related risks through appropriate fleet management practices, incident reporting and insurance cover. Where third-party service providers are used, CDC monitors vendor performance and service availability to support continuity of transport requirements.

5. Financial Risk (Liquidity, Interest Rate and Tenant Concentration)

CDC monitors market interest rate movements and their potential impact on investment returns. The Company maintains sufficient cash and liquid assets to meet obligations as they fall due, supported by cash flow projections reviewed regularly and through governance forums.

With Commercial Bank of Ceylon PLC as the primary tenant/customer, CDC manages concentration and receivables risk by monitoring payment performance, maintaining effective working relationships, and ensuring tenancy and service agreements include appropriate terms and conditions.

6. Legal and Regulatory Compliance

CDC operates within a comprehensive framework including Listing Rules, tax regulations, company law, building codes, labour laws and internal policies. CDC applies systematic compliance monitoring, supported by management reviews, internal audit, external audit and parent Bank oversight.

7. Information Technology and Cybersecurity

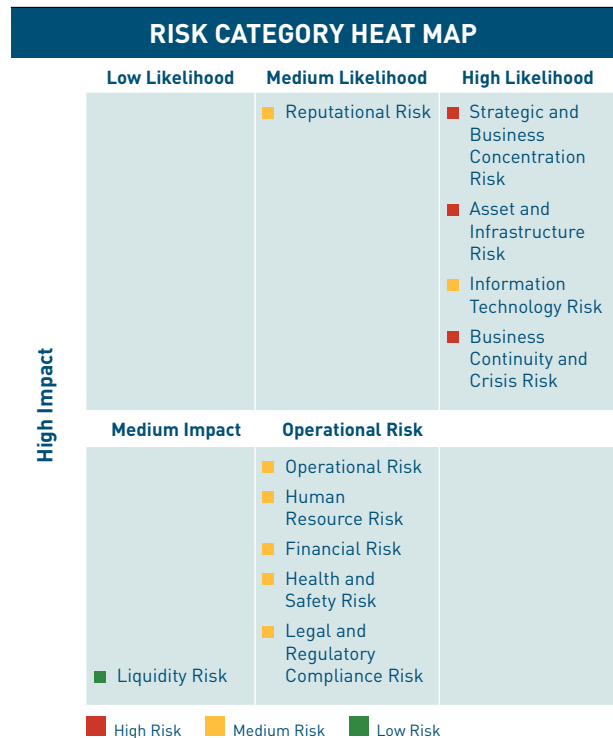
CDC maintains IT administrative internal controls and information security measures appropriate to its operations, supported by policies and oversight. System availability and continuity arrangements form part of CDC’s broader business continuity planning.

8. Insurance and Risk Transfer

CDC maintains insurance as a key risk transfer mechanism for residual risks that cannot be fully mitigated operationally. Coverage includes property, machinery, public liability, directors’ and officers’ liability (Available under group cover) and workmen’s compensation. All policies are reviewed annually with the support of independent insurance consultants to ensure adequacy and optimise premiums.

Risk Heat Map – 2025

CDC assesses its principal risks based on their likelihood of occurrence and potential impact on strategic objectives, operations, financial performance, regulatory compliance, health and safety, and reputation. The resulting risk ratings are mapped on the heat map below to facilitate prioritization, escalation, and focused management attention.



Risk Profile and Performance Indicators

During the year and as at year-end, CDC reported no incidents resulting in material financial losses or reputational damage. CDC also reported no pending litigation by or against the Company (as disclosed in the Financial Statements). CDC continues to focus on proactive risk identification, prevention and timely remediation of control gaps, supported by governance reporting, audits and independent assessments.

Risk Monitoring and Reporting

Key Risk Indicators (KRIs)

CDC monitors a set of KRIs monthly to provide early warning of potential risk materialisation and enable proactive management action. These are reported through the Risk Management Committee and escalated as required to the Board Audit Committee / Board.

KRI Category	Specific Indicators	Monitoring Frequency	Threshold/Target
Building Safety	<ul style="list-style-type: none"> ◆ Structural maintenance deferrals ◆ Fire system test failure rates ◆ Emergency evacuation drill completion rates ◆ Tenant safety complaints/incidents ◆ Regulatory inspection findings 	Monthly	Zero critical findings
Financial Performance	<ul style="list-style-type: none"> ◆ cash flow projections reviewed regularly ◆ Tenant payment delinquency rates ◆ Insurance coverage gaps ◆ Major maintenance cost overruns ◆ Interest rate exposure 	Monthly	Zero payment delays > 30 days
Operational Efficiency	<ul style="list-style-type: none"> ◆ Staff turnover in critical positions ◆ System downtime incidents ◆ Vendor performance issues ◆ Compliance breach notifications 	Monthly	Staff turnover < 10% annually
Compliance Status	<ul style="list-style-type: none"> ◆ Regulatory reporting timeliness ◆ Policy compliance attestations ◆ Training completion rates ◆ Audit findings status 	Monthly	100% on-time regulatory reporting

Risk Reporting Framework

The Board receives risk reporting through:

- ◆ quarterly risk register updates and risk profile summaries
- ◆ updates on KRI trends and any threshold breaches
- ◆ status of corrective actions and control enhancements
- ◆ findings from internal audit, external audit and professional assessments
- ◆ material incidents, near-misses and emerging risks requiring attention.

Crisis Management and Emergency Preparedness

CDC maintains crisis management protocols for emergency situations that could threaten life safety, cause significant disruption or create material financial/reputational impact. A Crisis Management Team is in place with defined roles (Crisis Commander – CEO; Operations – Head of Maintenance; Communications – Head of HR & Administration; Financial Controller – Head of Finance). The Team is activated for serious injury/death risk events, structural concerns, major fire/safety system failures, evacuation events, significant continuity threats or major regulatory breaches.

CDC maintains emergency response procedures for evacuation and continuity, including tested evacuation routes and assembly points, communications arrangements and continuity options to maintain critical functions during disruptions.

Third-Party Risk Management and Professional Assessments

CDC engages qualified external professionals to assess critical risk areas to ensure evaluations reflect expert judgment and good practice, including:

- ◆ structural engineering assessment (as scheduled)
- ◆ fire safety system audit
- ◆ electrical system inspection
- ◆ annual insurance adequacy review.

Linking Risk Management to ESG and Sustainability

CDC recognises that effective risk management supports sustainable value creation and aligns with ESG priorities:

Environmental (E): asset integrity and efficient building systems, preventive maintenance, and planning for climate-related disruptions; IAQ remediation during 2025 demonstrates proactive environmental risk management.

Social (S): life safety and health & safety, workforce continuity and capability, and service quality supporting stakeholder satisfaction.

Governance (G): compliance monitoring, policy framework, audits, Board and Committee oversight, ethical conduct, and related party transactions governance.



Linking Risk Management to ESG and Sustainability

CDC recognizes that effective risk management is integral to sustainable value creation and is closely aligned with the Company's Environmental, Social, and Governance (ESG) priorities. The Enterprise Risk Management framework ensures that ESG-related risks are identified, assessed, and managed in a structured and forward-looking manner.



Environmental (E)

Risk Area	ESG Link
<ul style="list-style-type: none"> • Asset Integrity and Infrastructure • Business Continuity 	<p>Energy efficiency, responsible resource use</p> <p>Climate resilience</p>

The Company's focus on maintaining efficient building systems, implementing preventive maintenance programs, and planning for climate-related disruptions demonstrates CDC's commitment to environmental stewardship while managing operational risks.

The Company's focus on maintaining efficient building systems, implementing preventive maintenance programs, and planning for climate-related disruptions demonstrates CDC's commitment to environmental stewardship while managing operational risks. The identification and remediation of indoor air quality issues at Commercial House during 2025 exemplifies the Company's proactive approach to environmental risk management.



Social (S)

Risk Area	ESG Link
<ul style="list-style-type: none"> • Health and Safety • Human Capital Risk • Operational Risk 	<p>Employee and public safety</p> <p>Skills, retention, and wellbeing</p> <p>Service quality and stakeholder satisfaction</p>

CDC's robust governance framework, stringent oversight of regulatory compliance, and commitment to ethical conduct ensure that risk management practices are aligned with the highest standards of stakeholder trust and accountability.

CDC's zero-tolerance approach to life safety risks, comprehensive health and safety programs, investment in employee development, and commitment to service excellence reflect the Company's recognition that social factors are fundamental to sustainable operations and stakeholder trust.



Governance (G)

Risk Area	ESG Link
<ul style="list-style-type: none"> • Cybersecurity and IT Data protection and stakeholder trust • Legal and Compliance Risk regulatory adherence • Reputational Risk Ethical conduct • Related Party Transactions 	<p>Strong IT governance supported by the parent Bank</p> <p>Policies, audits, Board and Committee oversight</p> <p>Code of Conduct, whistleblowing and disciplinary processes</p> <p>Independent Board Committee oversight</p>

CDC's robust governance framework, stringent oversight of regulatory compliance, and commitment to ethical conduct ensure that risk management practices are aligned with the highest standards of stakeholder trust and accountability.

CDC's robust governance framework, stringent oversight of regulatory compliance, and commitment to ethical conduct ensure that risk management practices are aligned with the highest standards of stakeholder trust and accountability.

Risk Monitoring, Reporting and Assurance

Risk exposures are monitored through KRIs, management reviews, audits, inspections and preventive maintenance programmes. Material risks and control weaknesses are escalated to the Risk Management Committee, Board Audit Committee and Board as appropriate.

CDC relies on multiple sources of assurance:

- ◆ Internal audit (quarterly/internal audit plan)
- ◆ External audit (annual statutory audit)
- ◆ Parent Bank oversight (inspection/review by Bank risk, inspection, audit and compliance functions)
- ◆ Expert assessments (structure, fire safety, electrical infrastructure and insurance adequacy).

Emerging Risks

CDC monitors emerging risks that could affect property/facilities operations and service expectations over time, including:

- ◆ climate-related physical risks (extreme weather, flooding, temperature stress on systems)
- ◆ evolving technology requirements for modern buildings and facilities (smart systems, energy management, tenant expectations)
- ◆ regulatory evolution (building codes, environmental and governance requirements)
- ◆ changing workplace patterns affecting commercial space utilisation.

Outlook

CDC will continue to strengthen its risk management practices, with emphasis on practical controls aligned to its operating model. Priorities include:

- ◆ strengthening preventive maintenance and life safety assurance
- ◆ enhancing KRI monitoring and early warning signals
- ◆ strengthening training and risk awareness
- ◆ maintaining robust compliance and governance discipline
- ◆ leveraging parent Bank expertise and shared services where relevant
- ◆ continuing alignment between risk management and ESG objectives.

The Board is satisfied that the risk management framework in place during the year was adequate and effective in managing CDC's principal risks, supported by governance oversight, monitoring and assurance mechanisms.

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Financial Calendar 2025 and 2026

Dividend Calendar – 2025

Final Dividend for 2024 paid on April 04, 2025 and April 22, 2025

Interim Dividend for 2025 paid on November 28, 2025 and December 12, 2025

Final Dividend for 2025 proposed to be paid on or before April 08, 2026 and April 23, 2026

Annual General Meeting Calendar – 2025

Annual Report and Accounts for 2025 signed on February 13, 2026

Forty Sixth Annual General Meeting to be held on March 30, 2026

Submission of the Interim Financial Statements in terms of Rule 7.4 of the Colombo Stock Exchange – 2025

For the 3 months ended March 31, 2025 (unaudited) – Submitted on May 14, 2025

For the 3 and 6 months ended June 30, 2025 (unaudited) – Submitted on August 05, 2025

For the 3 and 9 months ended September 30, 2025 (unaudited) – Submitted on November 10, 2025

For the 3 months and year ended December 31, 2025 (unaudited) - Submitted on February 13, 2026

Dividend Calendar – 2026

Final Dividend for 2025 to be paid on or before April 08, 2026 and April 23, 2026

Interim Dividend for 2026 to be paid in December 2026

Final Dividend for 2026 proposed to be paid in April 2027

Annual General Meeting Calendar – 2026

Annual Report and Accounts for 2026 to be signed in February 2027

Forty Seventh Annual General Meeting to be held in March 2027

Submission of the Interim Financial Statements in terms of Rule 7.4 of the Colombo Stock Exchange – 2026

For the 3 months ending March 31, 2026 (unaudited) – will be submitted on or before May 15, 2026

For the 3 and 6 months ending June 30, 2026 (unaudited) – will be submitted on or before August 14, 2026

For the 3 and 9 months ending September 30, 2026 (unaudited) – will be submitted on or before November 13, 2026

For the 3 months and year ending December 31, 2026 (unaudited) – will be submitted on or before February 26, 2027

Independent Auditor's Report



KPMG
(Chartered Accountants)
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To the Shareholders of Commercial Development Company PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Commercial Development Company PLC ("the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

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Valuation of Investment Property

Refer Note 19 to the Financial Statements

Risk Description	Our response
<p>As at the reporting date December 31, 2025, land and buildings (including buildings on leasehold land) carry at fair value, classified as Investment properties amounted to Rs. 3,755 Mn.</p> <p>Investment property comprises of leasehold land with a value of Rs. 1,736 Mn., freehold land of Rs. 220 Mn. and building of Rs. 1,799 Mn. located in Colombo, Negombo and Tangalle, and represented 71% of total assets. The Company has recorded a fair value gain of Rs. 146 Mn. during the year, in respect of its investment property.</p> <p>Management assessment of fair value of these investment properties is based on the valuation performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>The valuation of the investment property requires the application of significant judgment and estimation in the selection of the appropriate valuation methodology to be used and in estimating the key assumptions applied. These key assumptions include gross monthly rental income, price per perch for land, discount rate, and yield. A change in key assumptions will have a significant impact on the valuation</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> ◆ Assessing the objectivity, independence, competence and qualifications of the independent external property valuers; ◆ Assessing the appropriateness of the valuation techniques used by the external valuer, including key assumptions applied and conclusions made in deriving the fair value of the properties and comparing the same with evidence of current market practice. ◆ Assessing the key inputs used in the valuation by the independent external valuer against our expectations based on our experience, externally published market comparable and our knowledge of property market, consultation with internal valuation specialist; and ◆ Assessing the adequacy of the disclosures in the Financial Statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
February 27, 2026

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Income Statement

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000	Change %
Revenue	8	138	815,909	708,260	15.20
Cost of sales			(440,712)	(413,999)	6.45
GROSS PROFIT			375,197	294,261	27.50
Other income	9	140	1,366	2,722	(49.81)
Administrative expenses			(63,219)	(51,339)	23.14
Fair value gain/(loss) on investment property	19	155	146,222	479,340	(69.50)
OPERATING PROFIT	10	140	459,566	724,984	(36.61)
Finance income	11.1	142	104,609	119,308	(12.32)
Finance costs	11.2	142	(10,691)	(15,237)	(29.83)
NET FINANCE INCOME			93,918	104,071	(9.76)
PROFIT BEFORE TAX			553,484	829,055	(33.24)
Income tax expense	12	143	(131,949)	(246,432)	(46.46)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY			421,535	582,623	(27.65)
EARNINGS PER SHARE					
BASIC AND DILUTED (RS.)	13	145	35.13	48.55	(27.65)

The Accounting Policies and Notes appearing on pages 124 to 183 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000	Change %
PROFIT FOR THE YEAR			421,535	582,623	(27.65)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS					
Actuarial gain/(loss) on defined benefit plans	27	165	(8,231)	3,660	(324.88)
Related tax	29	169	2,469	(1,098)	(324.88)
NET ACTUARIAL GAIN/(LOSS) ON DEFINED BENEFIT PLANS			(5,762)	2,562	(324.88)
OTHER COMPREHENSIVE INCOME, NET OF TAX			(5,762)	2,562	(324.88)
TOTAL COMPREHENSIVE INCOME			415,773	585,185	(28.95)

The Accounting Policies and Notes appearing on pages 124 to 183 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

As at December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000	Change %
ASSETS					
NON-CURRENT ASSETS					
Property, plant, and equipment	17	148	130,058	40,521	220.96
Intangible assets	18	152	394	886	(55.56)
Investment property	19	154	3,754,673	3,608,451	4.05
Financial investments	22	161	235,149	-	-
Deposits receivable	20	160	12,859	11,620	10.67
TOTAL NON-CURRENT ASSETS			4,133,133	3,661,478	12.88
CURRENT ASSETS					
Trade and other receivables	21	161	122,555	58,171	110.68
Financial investments	22	161	930,149	1,027,495	(9.47)
Cash and cash equivalents	23	162	129,589	162,252	(20.13)
TOTAL CURRENT ASSETS			1,182,293	1,247,918	(5.26)
TOTAL ASSETS			5,315,426	4,909,396	8.27
EQUITY AND LIABILITIES					
EQUITY					
Stated capital	24	162	120,000	120,000	-
Fair value reserve – investment property	25	163	2,923,982	2,787,045	4.91
Retained earnings			1,411,284	1,215,973	16.06
TOTAL EQUITY			4,455,266	4,123,018	8.06
NON-CURRENT LIABILITIES					
Deposits payables	26	163	49,876	64,088	(22.18)
Employee benefits	27	164	115,576	90,212	28.12
Lease liabilities – long-term	28	167	53,600	19,690	172.22
Deferred taxation	29	168	535,632	532,307	0.62
TOTAL NON-CURRENT LIABILITIES			754,684	706,297	6.85
CURRENT LIABILITIES					
Trade and other payables	30	171	45,109	38,681	16.62
Lease liabilities – short-term	28	167	12,747	14,024	(9.11)
Deferred revenue	31	172	17,289	2,792	519.11
Current tax liabilities	32	172	30,331	24,584	23.38
TOTAL CURRENT LIABILITIES			105,476	80,081	31.71
TOTAL LIABILITIES			860,160	786,378	9.38
TOTAL EQUITY AND LIABILITIES			5,315,426	4,909,396	8.27
NET ASSETS VALUE PER ORDINARY SHARE (RS.)			371.27	343.58	8.06

The Notes appearing on pages 124 to 183 form an integral part of these Financial Statements.

These Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007 and amendments thereto.



W H Wijesekara
Finance Manager

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;



A L Gooneratne
Chairman
Colombo,
February 13, 2026



S C U Manatunge
Director

Statement of Changes in Equity

	Note	Page	Stated Capital Rs. '000	Fair Value Reserve - Investment Property Rs. '000	Retained Earnings Rs. '000	Total equity Rs. '000
BALANCE AS AT JANUARY 01, 2024			120,000	2,451,630	1,049,843	3,621,473
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year 2024			-	-	582,623	582,623
Other comprehensive income for the year 2024			-	-	2,562	2,562
TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2024			-	-	585,185	585,185
TRANSACTION WITH EQUITY HOLDERS, RECOGNISED DIRECTLY IN EQUITY						
Final dividend for 2023			-	-	(48,000)	(48,000)
Interim dividend for 2024			-	-	(36,000)	(36,000)
Reversal of previously written back dividends			-	-	(12)	(12)
Write back of unclaimed dividends			-	-	372	372
Transfer of fair value gains/(losses) on investment property	25.1	163		335,415	(335,415)	-
BALANCE AS AT DECEMBER 31, 2024			120,000	2,787,045	1,215,973	4,123,018
BALANCE AS AT JANUARY 01, 2025			120,000	2,787,045	1,215,973	4,123,018
TOTAL COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year 2025			-	-	421,535	421,535
Other comprehensive income for the year 2025			-	-	(5,762)	(5,762)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2025			-	-	415,773	415,773
TRANSACTION WITH EQUITY HOLDERS, RECOGNISED DIRECTLY IN EQUITY						
Final dividend for 2024			-	-	(48,000)	(48,000)
Interim dividend for 2025			-	-	(36,000)	(36,000)
Write back of unclaimed dividends			-	-	475	475
Transfer of fair value gains/(losses) on investment property	25.1	163	-	136,937	(136,937)	-
BALANCE AS AT DECEMBER 31, 2025			120,000	2,923,982	1,411,284	4,455,266

The Notes appearing on pages 124 to 183 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended December 31,			2025	2024
	Note	Page	Rs. '000	Rs. '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax			553,484	829,055
NON-CASH ADJUSTMENTS TO RECONCILE PROFIT BEFORE TAX TO NET CASH FLOWS				
Depreciation	17	148	28,031	26,265
Amortisation	18	152	492	616
Fair value (gain)/loss on investment property	19	154	(146,222)	(479,340)
Interest income	11	142	(104,609)	(119,308)
Provision for employee benefits	27	164	17,670	18,848
Interest expense	11	142	10,345	14,948
Gain on disposal of property, plant, and equipment	9	140	-	(479)
			359,191	290,605
CHANGES IN:				
Trade and other receivables			(64,384)	42,567
Deposits receivable			(1,239)	(433)
Deposits payables			(18,505)	(616)
Deferred revenue			14,496	(3,297)
Trade and other payables			6,339	(15,390)
CASH GENERATED FROM OPERATING ACTIVITIES				
			295,898	313,436
Employee benefits paid	27	164	(537)	(11,140)
Interest paid on leases			(6,052)	(11,328)
Current tax paid	32	172	(120,409)	(118,778)
NET CASH GENERATED FROM OPERATING ACTIVITIES				
			168,900	172,190
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant, and equipment			(70,858)	(571)
Proceeds from sale of property, plant, and equipment			-	22,654
Investment in debentures			(233,020)	-
Interest received			107,802	154,824
Investment in/(withdrawal of) fixed deposits			92,025	(210,022)
NET CASH GENERATED FROM INVESTING ACTIVITIES				
			(104,051)	(33,115)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities			(14,077)	(35,424)
Dividend paid			(83,435)	(83,772)
NET CASH USED IN FINANCING ACTIVITIES				
			(97,512)	(119,196)
Net increase in cash and cash equivalents			(32,663)	19,879
Cash and cash equivalents at the beginning of the year			162,252	142,373
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR				
	23	162	129,589	162,252

The Notes appearing on pages 124 to 183 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Notes to the Financial Statements

1. Reporting Entity

1.1 Corporate Information

Commercial Development Company PLC ('the Company') is a public limited liability Company listed on the Colombo Stock Exchange ('the CSE'), incorporated on March 14, 1980, [and domiciled] in Sri Lanka. The Company was re-registered under the Companies Act No. 07 of 2007 ('the Companies Act'). The registered office of the Company is situated at 06th Floor, Paul VI Centre, No. 24, Malwatta Road (Front Street), Petteh, Colombo 11, Sri Lanka. The ordinary shares of the Company have a listing on the CSE.

The staff strength of the Company as at December 31, 2025 was 212 (199 as at December 31, 2024).

1.2 Parent Entity and Ultimate Parent Entity

The Company's controlling entity and ultimate parent undertaking is Commercial Bank of Ceylon PLC which is incorporated in Sri Lanka.

1.3 Principal Business Activities and Nature of Operations of the Company

Property development and related ancillary services and providing the manpower needs for various support services which are unrelated to providing core banking services to the customers of Commercial Bank of Ceylon PLC.

There were no significant changes in the nature of the principal business activities of the Company during the financial year under review.

1.4 Financial Statements

These Financial Statements as at and for the year ended December 31, 2025 comprise the Company only.

2. Basis of Preparation

2.1 Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- ◆ Sri Lanka Financial Reporting Standards ("SLFRS");
- ◆ Sri Lanka Accounting Standards ("LKAS");
- ◆ Statements of Recommended Practices (SoRPs);
- ◆ Statement of Alternate Treatment (SoATs) and
- ◆ Financial Reporting Guidelines issued by the CA Sri Lanka.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act and the SLFRSs.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the 'Annual Report of the Board of Directors', 'Statement of Directors' Responsibility' and the certification on the Statement of Financial Position on pages 94, 100 and 121 respectively.

These Financial Statements include the following components:

- ◆ an Income Statement and a Statement of Profit or Loss and Other Comprehensive Income (OCI) providing the information on the financial performance of the Company for the year under review (Refer pages 119 and 120),
- ◆ a Statement of Financial Position providing the information on the financial position of the Company as at year-end (refer page 121),
- ◆ a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review (Refer page 122),

- ◆ a Statement of Cash Flows providing the information to the users, on the ability of the Company to generate cash and cash equivalents and the needs to utilise those cash flows (Refer page 123), and
- ◆ Notes to the Financial Statements comprising Accounting Policies and other explanatory information (Refer pages 124 to 183).

2.3 Approval of Financial Statements by the Board of Directors

The Financial Statements of the Company for the year ended December 31, 2025 (including comparatives) were approved and authorised for issue by the Board of Directors on February 13, 2026.

2.4 Basis of Measurement

The Financial Statements of the Company have been prepared on historical cost basis except for the following material items in the Statement of Financial Position:

Item	Basis of measurement	Note	Page
Investment property	Investment property is measured at cost at the time of acquisition and subsequently at fair value	19	154
Net defined benefit liability	Liability for defined benefit obligations is recognised as the present value of the defined benefit obligation plus unrecognised actuarial gains, less unrecognised past service cost and unrecognised actuarial losses	27.2	165

No adjustments have been made for inflationary factors affecting the Financial Statements.

2.5 Presentation of Financial Statements

The assets and liabilities of the Company presented in its Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on ‘Presentation of Financial Statements’.

2.7 Rounding

The amounts in the Financial Statements have been rounded-off to the nearest Rupees thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on ‘Presentation of Financial Statements’.

2.8 Going Concern

The Directors have made an assessment of the Company’s ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

2.9 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period’s Financial Statements and to enhance the inter period comparability.

3. Functional and Presentation Currency

These Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

There was no change in the Company's presentation and functional currency during the year under review.

4. Use of Judgements and Estimates

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

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

4.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements is included in the following notes:

Item	Note	Page
Revenue recognition: whether revenue is recognised over time or at a point in time	8	138
Fair value of investment property: whether the company is able to generate revenues up to the end of the lease period	19	154
Lease term: whether the Company is reasonably certain to exercise extension options	6.3	130

4.2 Assumptions and Estimation

Information about assumptions and estimation uncertainties as at December 31, 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Item	Note	Page
Measurement of defined benefit obligations: key actuarial assumptions	27.3	166
Determining the fair value of investment properties on the basis of significant unobservable inputs	19.3.2	158
Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources	38	182

5. Changes in Material Accounting Policies

The Company did not have any changes to its accounting policies from those applied in the Financial Statements as at and for the year ended December 31, 2025.

6. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the Financial Statements of the Company, except as specified in Note 5

These accounting policies have been applied consistently by the Company.

Set out below is an index of the significant accounting policies:

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6.1 Foreign currency

6.1.1 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rate at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest, impairment and payments during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

6.1.2 Foreign Operations

The Company does not have any foreign operations that is a subsidiary, associate, joint venture or a branch. Therefore there is no exchange differences recognised in other comprehensive income.

6.2 Financial Assets and Financial Liabilities

6.2.1 Recognition and Initial Measurement

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

A financial asset or financial liability is measured initially at fair value plus, for an item not at Fair Value through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial instrument at initial recognition is generally its transaction price.

6.2.2 Classification

6.2.2.1 Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL).

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payment of Principle and Interest (SPPI) on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

All other financial assets not classified as measured at amortised cost or FVOCI are classified as FVTPL measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

6.2.2.1.1 Business Model Assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether Management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

6.2.2.1.2 Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest (SPPI)

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

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

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

Equity instruments have contractual cash flows that do not meet the SPPI criterion. Accordingly, all such financial assets are measured at FVTPL unless the FVOCI option is selected.

6.2.2.1.3 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

6.2.2.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

6.2.3 Derecognition

6.2.3.1 Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

6.2.3.2 Financial Liabilities

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

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

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

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

6.2.4 Subsequent Measurement and Gains and Losses

6.2.4.1 Financial Assets

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

6.2.4.2 Financial Liabilities

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

6.2.5 Offsetting

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

Income and expenses are presented on a net basis only when permitted under SLFRSs, or for gains and losses arising from a Company of similar transactions such as in the Company's trading activity.

6.3 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in SLFRS 16.

This policy is applied to contracts entered into, on or after January 01, 2019.

6.3.1 As a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made or payable at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liability' in the Statement of Financial Position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

6.3.2 As a Lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies SLFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straightline basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from SLFRS 16.

6.4 Impairment

6.4.1 Non Derivative Financial Assets

Financial Instruments and Contract Assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

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

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

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

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

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

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

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

Measurement of ECLs

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

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

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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

6.4.2 Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment properties, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are categorised together into the smallest Company of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

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

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

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

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

6.5 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

6.6 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

6.6.1 Use of Assumptions and Estimation Uncertainty

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to management.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following Notes:

- Note 19.3 – Investment Property on pages 157 to 160;
- Note 35 – Financial Instruments on pages 176 to 178.

6.7 New Accounting Standards Issued During the Year/Changes to Already Existing Accounting Standards

The Company applied for the first-time certain standards and amendments, if applicable, which are effective for annual periods beginning on or after January 01, 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The amendments to the following Accounting Standards, did not have a material impact on the Financial Statements of the Company.

- ◆ Non-current Liabilities with Covenants – Amendments to IAS 1
- ◆ Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- ◆ Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- ◆ Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

6.8 Accounting Standards Issued but not yet Effective as at December 31, 2025

A number of new accounting standards are effective for annual reporting periods beginning after January 01, 2025 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 01, 2027. The new accounting standard introduces the following key new requirements:

- ◆ Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.

- ◆ Management-defined performance measures (MPMs) are disclosed in a single note in the Financial Statements.
- ◆ Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the Financial Statements, including for items currently labelled as 'other'.

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated Financial Statements:

- ◆ Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) and
- ◆ Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).

7. Operating Segments

Accounting Policy

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Company's other components, whose operating results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's Corporate Management include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

7.1 Basis for Segmentation

The Company has the following four strategic divisions, which are its reportable segments. These divisions offer different services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment;

Reportable segment	Operations
Rent income on premises	Property development and letting of investment property
Outsourcing services	Provision of manpower needs for various support services which are unrelated to providing core banking services to the customers of Commercial Bank of Ceylon PLC
Vehicle hiring income	Hiring of motor vehicles to the Commercial Bank of Ceylon PLC
Other utility services	Provision of janitorial services, air conditioning services and other premises related maintenance services to the Commercial Bank of Ceylon PLC

7.2 Information about Reportable Segments and Reconciliations to SLFRS Measures

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries

As at December 31,	2025 %	2024 %
ASSETS		
Rent income on premises	97	99
Outsourcing services	1	-
Vehicle hiring income	2	1
Other utility services	-	-
TOTAL	100	100

For the year ended December 31,	2025 %	2024 %
EXTERNAL REVENUE		
Rent income on premises	43	39
Outsourcing services	36	40
Vehicle hiring income	14	14
Other utility services	7	7
TOTAL	100	100

For the year ended December 31,	2025 %	2024 %
PROFIT BEFORE TAX		
Rent income on premises	84	93
Outsourcing services	2	(1)
Vehicle hiring income	12	7
Other utility services	2	1
TOTAL	100	100

For the year ended December 31, 2025	Reportable segments						
	Rent income on premises	Outsourcing services	Vehicle hiring income	Other utility services	Total	Unallocated amounts	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
External revenue	349,417	298,186	110,897	57,409	815,909	-	815,909
Inter-segment revenue	-	-	-	-	-	-	-
SEGMENT REVENUE	349,417	298,186	110,897	57,409	815,909	-	815,909
SEGMENT PROFIT BEFORE TAX	423,344	11,349	58,108	8,963	501,764	51,720	553,484
Interest income	-	-	-	-	-	104,609	104,609
Interest expense	(4,293)	-	(5,615)	-	(9,908)	(783)	(10,691)
Depreciation/amortisation	-	-	(24,145)	-	(24,145)	(4,379)	(28,524)
Fair value gain on investment property	146,222	-	-	-	146,222	-	146,222
Income tax expense	-	-	-	-	-	(131,949)	(131,949)
SEGMENT ASSETS	3,793,940	34,484	78,112	19,565	3,926,102	1,389,324	5,315,426
Capital expenditure	-	-	-	-	-	69,738	69,738
SEGMENT LIABILITIES	72,134	102,046	19,690	3,348	197,217	662,944	860,161

For the year ended December 31, 2024	Reportable segments						
	Rent income on premises	Outsourcing services	Vehicle hiring income	Other utility services	Sub total	Unallocated amounts	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
External revenue	278,929	279,786	102,423	47,122	708,260	-	708,260
Inter-segment revenue	-	-	-	-	-	-	-
SEGMENT REVENUE	278,929	279,786	102,423	47,122	708,260	-	708,260
SEGMENT PROFIT BEFORE TAX	711,046	(6,856)	48,609	9,133	761,932	67,123	829,055
Interest income	-	-	-	-	-	119,308	119,308
Interest expense	(3,621)	-	(10,771)	-	(14,392)	(845)	(15,237)
Depreciation/amortisation	-	-	(20,643)	-	(20,643)	(6,238)	(26,881)
Fair value gain on investment property	479,340	-	-	-	479,340	-	479,340
Income tax expense	-	-	-	-	-	(246,432)	(246,432)
SEGMENT ASSETS	3,637,171	3,356	38,321	17,521	3,696,369	1,213,027	4,909,396
Capital expenditure	-	-	-	-	-	571	571
SEGMENT LIABILITIES	73,622	79,523	29,933	370	183,448	602,930	786,378

7.3 Major Customer

Revenue of the Company is mainly represented by the revenue with the Commercial Bank of Ceylon PLC (The Parent), which is approximately Rs. 808.3 Mn. (2024: Rs. 701.3 Mn.) of the Company's total revenue.

7.4 Geographic Information

The Company functions in one geographic location (Sri Lanka only). Accordingly, geographic information is not presented in the Financial Statements.

8. Revenue

Accounting Policy

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Rent income on premises	This represents the income from letting the Company's investment property. The performance obligation is satisfied over time as the properties are being used by the customer. The customer is invoiced on a monthly basis.	Rent income is recognised as revenue on a straight line basis over the term of the lease (recognition over time).
Outsourcing services	This represents the income from the outsourcing of staff to the Commercial Bank of Ceylon PLC. The performance obligation is satisfied as and when the Company's staff have completed a month of work based on the agreements. The customer is invoiced on a monthly basis.	This income is recognised over time on a monthly basis.
Vehicle hiring income	Hiring of motor vehicles to the Commercial Bank of Ceylon PLC. The performance obligation is satisfied as and when the service is rendered by the Company. The customer is invoiced on a monthly basis.	This income is recognised over time on a monthly basis.
Other utility services	Provision of janitorial services, air conditioning services, other premises related maintenance services and bungalow administration services to the Commercial Bank of Ceylon PLC. The performance obligation is satisfied as and when the service is rendered by the Company. The customer is invoiced on a monthly basis.	This income is recognised over time on a monthly basis.

8.1 Revenue Streams

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Rent income on premises	349,417	278,929
Outsourcing services	298,186	279,786
Vehicle hiring income	110,897	102,423
Other utility services	57,409	47,122
TOTAL REVENUE	815,909	708,260

8.2 Disaggregation of Revenue from Contracts with Customers

The Company's revenue is from local customers in Sri Lanka and the products and services offered by the Company to its customers are services in its line of business. Revenue from contracts with customers is disaggregated by the timing of revenue recognition as follows;

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
TIMING OF REVENUE RECOGNITION		
PRODUCTS AND SERVICES TRANSFERRED OVER TIME		
Rent income on premises	349,417	278,929
Outsourcing services	298,186	279,786
Vehicle hiring income	110,897	102,423
Other utility services	57,409	47,122
	815,909	708,260
PRODUCTS TRANSFERRED AT A POINT IN TIME	-	-
TOTAL REVENUE	815,909	708,260

8.3 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

As at December 31,	Note	Pages	2025 Rs. '000	2024 Rs. '000
Receivables, which are included in trade and other receivables	21	161	95,313	32,961
Deferred revenue	31	172	17,289	2,792
Deposits payable	26	163	49,876	64,088

No revenue was recognised in 2025 from performance obligations satisfied (or partially satisfied) in previous periods.

No information is provided about remaining performance obligations as at December 31, 2025 or as at December 31, 2024 that have an original expected duration of one year or less, as allowed by SLFRS 15.

9. Other Income

Accounting Policy

Other Income includes gains or losses on sale of property, plant and equipment and miscellaneous income which are recognised when the related performance obligation is satisfied.

Gains and losses on disposal of assets

Net gains and losses of a revenue nature arising from the disposal of property, plant, and equipment are accounted for, in the statement of profit or loss after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Gain on disposal of property, plant, and equipment	-	479
Saving income from deposit with CEB	1,035	2,189
Miscellaneous income	331	54
	1,366	2,722

10. Operating Profit

Accounting Policy

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities.

Expense recognition

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement.

For the purpose of presentation of the Income Statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's performance.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except those that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the cost of the asset during the period of such development.

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

For the year ended December 31,	Note	2025 Rs. '000	2024 Rs. '000
OPERATING PROFIT IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:			
Auditor's Remuneration			
Statutory audit and audit related services		1,522	1,353
Non audit services		476	368
Directors' emoluments	10.1	6,480	6,075
Depreciation and amortisation		28,524	26,881
Staff costs	10.2	208,265	188,762
Direct operating expenses on investment property that generated rental income		49,520	38,873

10.1 Directors' Emoluments

Directors' emoluments represents fees paid to both Executive and Non-Executive Directors of the Company.

10.2 Staff Costs

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Salaries	165,735	147,751
Employees' Provident Fund	19,888	17,730
Employees' Trust Fund	4,972	4,433
Provision for employee benefits	17,670	18,848
TOTAL STAFF COSTS	208,265	188,762

11. Net Finance Income

Accounting Policy

Finance Income and Costs

The Company's finance income and expenses include:

- Interest income
- Interest expense

Interest income and costs are recognised using the effective interest rate method.

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

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

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

11.1 Finance Income

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Interest on money market investments	5,352	5,862
Interest on fixed deposits	94,504	110,563
Interest on debenture investments	2,129	-
Interest on staff loans and other deposits	2,624	2,883
TOTAL FINANCE INCOME	104,609	119,308

11.2 Finance Costs

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Interest expense on leases recognised for right-of-use assets	28	167	6,052	11,327
Interest expense on rent deposits made by tenants			4,293	3,621
Bank charges			346	289
TOTAL FINANCE COSTS			10,691	15,237
NET FINANCE INCOME			93,918	104,071

12. Income Tax Expense Accounting Policy

Income tax expense comprises current and deferred tax.

Income tax expense is recognised in the Income Statement except to the extent it relates to items recognised directly in Equity or in OCI, in which case it is recognised in Equity or in OCI.

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

12.1 Current Taxation

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.

Accordingly, provision for taxation is made on the basis of the accounting profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent gazette notifications thereto. According to this act, the Company is liable for current tax at 30%.

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

12.2 Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the Reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of Investment Property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

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

12.3 Tax Exposures

In determining the amount of current and deferred tax, the Company considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgements regarding the adequacy of existing tax liabilities. Such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

12.4 Recognised in Profit or Loss

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
CURRENT TAX EXPENSE				
Current tax expense for the year	32	172	126,006	104,607
Under/provision for prior years	32	172	150	851
TOTAL CURRENT TAX			126,156	105,458
DEFERRED TAX EXPENSE				
Origination (reversal) of deferred tax liabilities	29.1	168	10,529	143,151
Origination of deferred tax assets	29.2	169	(4,735)	(2,177)
TOTAL DEFERRED TAX			5,794	140,974
INCOME TAX EXPENSE			131,949	246,432

12.5 Recognised in Other Comprehensive Income

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Items that will not be reclassified to profit or loss – Remeasurement of defined benefit liability	29.4	170	(2,469)	1,098
TOTAL DEFERRED TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME			(2,469)	1,098

12.6 Reconciliation of Effective Tax Rate

A reconciliation between Tax Expense and the product of Accounting Profit multiplied by the Statutory Tax Rate is as follows;

For the year ended December 31,	2025		2024	
	%	Rs. '000	%	Rs. '000
Profit for the year		421,535		582,623
Income tax expense		131,949		246,432
Profit before tax		553,484		829,055
Tax effect using the domestic tax rate	30.0	166,045	30	248,716
Tax effect on non-deductible expenses	27.9	154,387	1.7	13,867
Tax effect on tax-exempt income	-7.9	(43,867)	-17.3	(143,802)
Tax effect on deductible expenses	-27.2	(150,559)	-1.7	(14,174)
Under/provision of tax for the previous year	0.0	150	0.1	851
TOTAL CURRENT TAX EXPENSES	22.8	126,156	12.7	105,458

13. Earnings per Share

Accounting Policy

The calculation of Basic Earnings per Share is done by dividing the profit attributable to Ordinary Shareholders of the Company, by the weighted average number of Ordinary Shares in issue during the year. Diluted Earnings Per Share is calculated by dividing the profit attributable to Ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding, adjusted for the effects of all potentially dilutive ordinary shares.

13.1 Basic Earnings per Share

For the year ended December 31,	2025	2024
Profit attributable to ordinary shareholders (Rs. '000)	421,535	582,623
Weighted average number of ordinary shares ('000)	12,000	12,000
BASIC EARNINGS PER SHARE (RS.)	35.13	48.55

13.2 Diluted Earnings per Share

There was no dilution of Ordinary Shares outstanding at any time during the year. Therefore, Diluted Earnings per Share is the same as Basic Earnings per Share.

14. Dividend Per Share

Accounting Policy

Dividend per share is calculated by dividing the dividend paid/proposed for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of Directors and approved by the shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Company.

Dividends for the year, that are approved after the reporting date and not provided for, are disclosed as an event after the reporting period in accordance with the Sri Lanka Accounting Standard – LKAS 10 on “Events after the Reporting Period” as stated in Note 39 on page 183.

For the year ended December 31,	Note	Page	2025	2024
Dividend paid/proposed during the year (Rs. '000)	14.1	146	84,000	84,000
Weighted average number of ordinary shares ('000)			12,000	12,000
DIVIDEND PER SHARE (RS.)			7.00	7.00

14.1 Dividend Paid/Proposed during the Year

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Interim dividend of Rs. 3.00 per share for 2024 paid on November 25 and December 06, 2024	-	36,000
Final dividend of Rs. 4.00 per share for 2024 paid on April 04, 2025 and April 22, 2025	-	48,000
Interim dividend of Rs. 3.00 per share for 2025 paid on November 28 and December 12, 2025	36,000	-
Final dividend of Rs. 4.00 per share proposed for 2025	48,000	-
TOTAL DIVIDEND PAID/PROPOSED FOR THE YEAR	84,000	84,000

14.2 Compliance with Section 56 and 57 of the Companies Act No. 07 of 2007

As required by Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the Company satisfied the solvency test in accordance with Section 57, subject to relevant regulatory adherence, prior to declaring the dividends.

15. Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (Adjusted EBITDA)

Management has presented the performance measure adjusted EBITDA because it monitors this performance measure at a consolidated level and it believes that this measure is relevant to an understanding of the Company's financial performance. Adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of net finance income, taxation, depreciation, amortisation and share of profit of equity-accounted investee.

Adjusted EBITDA is not a defined performance measure in SLFRS Standards. The Company's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

15.1 Reconciliation of adjusted EBITDA to Profit from Continuing Operations

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Profit from continuing operations			421,535	582,623
Income tax expense	12	143	131,949	246,432
Profit before tax			553,484	829,055
ADJUSTMENTS FOR:				
- Net finance income	11	142	(93,918)	(104,071)
- Depreciation/amortisation	17and18	148 and 152	28,524	26,881
ADJUSTED EBITDA			488,090	751,865

16. Classification of Financial Assets and Financial Liabilities

See Accounting Policies in Note 6.2 on page 128.

The following table provides a reconciliation between line items in the Statement of Financial Position and categories of financial instruments.

Item	As at December 31, 2025				As at December 31, 2024					
	Note	Page	Fair value through profit or loss Rs. '000	Fair value through other comprehensive income Rs. '000	Amortised cost Rs. '000	Total Rs. '000	Fair value through profit or loss Rs. '000	Fair value through other comprehensive income Rs. '000	Amortised cost Rs. '000	Total Rs. '000
FINANCIAL ASSETS										
Deposits receivable	20	160	-	-	12,859	12,859	-	-	11,620	11,620
Trade and other receivables	21	161	-	-	112,689	112,689	-	-	47,799	47,799
Financial investments	22	161	-	-	1,165,298	1,165,298	-	-	1,027,495	1,027,495
Cash and cash equivalents	23	162	-	-	129,368	129,368	-	-	162,201	162,201
TOTAL FINANCIAL ASSETS			-	-	1,420,214	1,420,214	-	-	1,249,115	1,249,115
FINANCIAL LIABILITIES										
Deposits payables	26	163	-	-	49,876	49,876	-	-	64,088	64,088
Dividend payables	30	171	-	-	8,520	8,520	-	-	8,430	8,430
Lease liabilities	28	167	-	-	66,347	66,347	-	-	33,714	33,714
TOTAL FINANCIAL LIABILITIES			-	-	124,743	124,743	-	-	106,232	106,232

17. Property, Plant, and Equipment Accounting Policy

The Company applies the requirements of the Sri Lanka Accounting Standard – LKAS 16 on “property, plant, and equipment” in accounting for its owned assets which are held for and used in the provision of services, for rental to others or for administrative purposes and are expected to be used for more than one year.

Basis of Recognition

Property, plant, and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be reliably measured.

When significant parts of an item of property, plant, and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant, and equipment.

Basis of Measurement

An item of property, plant, and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent costs (excluding the costs of day-to-day servicing). The cost of self-constructed assets

includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

Cost Model

The Company applies the Cost Model to all property, plant, and equipment and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

Subsequent Cost

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant, and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative years are as follows:

Class of Asset	% Per Annum	Period
Leased building (right-of-use asset)	-	Over the lease period
Motor vehicles	20	5 years
Leased motor vehicles	20	5 years
Computer equipment	20	5 years
Office equipment	20	5 years
Furniture and fittings	20	5 years
Interior decorations and partitions	20	5 years

The depreciation rates are determined separately for each significant part of an item of property, plant, and equipment and commence to depreciate when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Derecognition

An item of property, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset), is recognised in profit or loss in the year the asset is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant, and equipment, the remaining carrying amount of the replaced part is derecognised as required by the Sri Lanka Accounting Standard – LKAS 16 on “Property, plant, and equipment”.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss.

17.1 Reconciliation of Carrying Amount

	Right-of-use assets building Rs. '000	Motor vehicles Rs. '000	Right-of-use asset-leased motor vehicles Rs. '000	Computer equipment Rs. '000	Office equipment Rs. '000	Furniture and fittings Rs. '000	Interior decorations and partitions Rs. '000	Total Rs. '000
COST								
Balance as at January 01, 2024	19,244	198,588	116,710	4,527	1,831	1,865	3,499	346,264
Additions for the year 2024	-	-	-	-	571	-	-	571
Disposals during the year 2024	-	-	(38,967)	-	(30)	-	-	(38,997)
BALANCE AS AT DECEMBER 31, 2024	19,244	198,588	77,743	4,527	2,372	1,865	3,499	307,838
Additions for the year 2025	-	64,600	-	267	1,509	55	3,307	69,738
Recognition ROU asset on new lease	47,830	-	-	-	-	-	-	47,830
Disposals during the year 2025	-	-	-	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2025	67,074	263,188	77,743	4,794	3,881	1,920	6,806	425,406

	Right-of-use assets building	Motor vehicles	Right-of-use asset-leased motor vehicles	Computer equipment	Office equipment	Furniture and fittings	Interior decorations and partitions	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ACCUMULATED DEPRECIATION								
Balance as at January 01, 2024	11,226	194,538	41,251	3,832	1,703	1,842	3,482	257,874
Charge for the year 2024	4,811	2,233	18,410	595	183	16	17	26,265
Disposals during the year 2024	-	-	(16,792)	-	(30)	-	-	(16,822)
BALANCE AS AT DECEMBER 31, 2024	16,037	196,771	42,869	4,427	1,856	1,858	3,499	267,317
Charge for the year 2025	3,606	10,207	13,939	51	163	7	58	28,031
Disposals during the year 2025	-	-	-	-	-	-	-	-
BALANCE AS AT DECEMBER 31, 2025	19,643	206,978	56,808	4,478	2,019	1,865	3,557	295,348
CARRYING VALUE								
AS AT DECEMBER 31, 2025	47,431	56,210	20,935	316	1,862	55	3,249	130,058
AS AT DECEMBER 31, 2024	3,207	1,817	34,874	100	516	7	-	40,521

17.2 Leased Property, Plant, and Equipment

The details of leased property, plant and equipment are as follows;

As at December 31,	Carrying value of the asset		Carrying value of the liability	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Leased motor vehicles	20,935	34,874	19,690	29,933
Right-of-use assets – Building **	47,431	3,207	46,658	3,781
TOTAL CARRYING VALUE	68,366	38,081	66,348	33,714

** The future rentals of the Building have been discounted and recognised as right-of-use-assets. The corresponding liabilities have been recorded as lease liabilities.

17.3 Acquisition of property, plant, and equipment during the year

During the financial year, the Company acquired property, plant, and equipment to the aggregate value of Rs. 117,567,877 (2024 – Rs. 570,797). Cash payments amounting to Rs. 70,857,536 (2024 – Rs. 570,797) was paid during the year for the acquisition of property, plant, and equipment.

17.4 Capitalisation of Borrowing Costs

There were no capitalised borrowing costs relating to the acquisition of property, plant, and equipment during the year (2024 – Nil).

17.5 Temporarily idle Property, Plant, and Equipment

There were no temporarily idle property, plant and equipment as at the reporting date (2024 – Nil).

17.6 Fully-depreciated Property, Plant, and Equipment

The cost of fully-depreciated property, plant and equipment of the Company which are still in use is as follows:

As at December 31,	2025 Rs. '000	2024 Rs. '000
Motor vehicles	198,588	188,448
Computer equipment	4,364	4,346
Computer software	1,008	-
Office equipment	1,766	1,552
Interior decorations and partitions	3,499	3,499
Leased motor vehicles	8,050	8,050
Furniture and fittings	1,850	1,850
	219,125	207,745

17.7 Title Restrictions on Property, Plant, and Equipment

There were no property, plant, and equipment pledged as security for liabilities, except for leased motor vehicles as described in Note 17.2. Hence there were no restrictions on the title of such property, plant and equipment as at the reporting date, except for those motor vehicles obtained under finance leases.

17.8 Impairment of Property, Plant, and Equipment

The Board of Directors has assessed the potential impairment loss of property, plant and equipment as at December 31, 2025 especially considering the impact that present economic condition could have on Company assets. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of property, plant and equipment.

17.9 Compensation from Third Parties for Items of Property, Plant, and Equipment

There were no compensation received/receivable from third parties for items of property, plant and equipment that were impaired, lost or given up.

17.10 Amount of Contractual Commitments for the Acquisition of Property, Plant, and Equipment

The Company had no contractual commitments for the acquisition of property, plant and equipment as at the reporting date. (2024: Nil)

18. Intangible Assets

Accounting Policy

The Company applies the requirements of Sri Lanka Accounting Standards – LKAS 38 on “Intangible Assets” in accounting for its identifiable non-monetary assets without physical substance.

Basis of recognition

An intangible asset is recognised if it is possible that future economic benefits associated with the assets will flow to the Company and cost of the asset can be measured reliably.

Research and Development	<p>Expenditure on research activities is recognised in profit or loss as incurred</p> <p>Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses</p>
Other intangible assets	Other intangible assets are acquired by the Company and have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

Useful economic lives, amortisation, and impairment

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation of intangible assets with a finite life is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date on which they are available for use. The estimated useful lives are as follows:

Asset category	% per annum	Amortisation period (years)
Computer software	20	5

Derecognition of intangible assets

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss.

18.1 Reconciliation of Carrying Amount

	Computer software Rs. '000
Balance as at January 01, 2024	3,420
Additions for the year 2024	-
BALANCE AS AT DECEMBER 31, 2024	3,420
Additions for the year 2025	-
BALANCE AS AT DECEMBER 31, 2025	3,420
ACCUMULATED AMORTISATION	
Balance as at January 01, 2024	1,918
Amortisation for the year 2024	616
BALANCE AS AT DECEMBER 31, 2024	2,534
Charge for the year 2025	492
BALANCE AS AT DECEMBER 31, 2025	3,026
CARRYING VALUE	
AS AT DECEMBER 31, 2025	394
AS AT DECEMBER 31, 2024	886

Software in intangible assets mainly consists of the HRIS system and computer software user license acquired by the Company.

Intangible assets with a cost of Rs.1,007,689 (2024 – Rs. 937,800) have been fully amortised and continue to be in use by the Company.

There were no intangible assets pledge by the Company as security for facilities obtained from the Banks (2024 – Nil).

19. Investment Property

Accounting Policy

Classification

Property which is held to earn rental income or for capital appreciation or for both are classified as investment property.

Basis of Measurement

Investment property is measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property.

Subsequent Measurement

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in the Income Statement in the period in which they arise. Fair values are evaluated annually by accredited external independent valuers, applying a valuation model recommended by the relevant accounting standard.

Derecognition

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Income Statement in the period of derecognition.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change

in use. If owner occupied property becomes an investment property or inventory (WIP), the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Fair Value Reserve – Investment Property

The fair value reserve – investment property represents the net (post-tax) cumulative difference between the carrying amount of investment property at cost and its fair value, arising from revaluations recognised from the date the asset was classified as investment property.

This reserve reflects unrealised fair value gains and losses that are recognised in other comprehensive income (OCI), to the extent that the entity's accounting policy requires such gains/losses to bypass profit or loss.

Disposal of Investment Property

On disposal of an investment property, the gain or loss is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of sale. This gain or loss is recognised in profit or loss.

Upon disposal, the related balance in the fair value reserve is transferred to retained earnings, as it is no longer required to be maintained.

Rental Income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

19.1 Reconciliation of Carrying Amount

	Leasehold Land Rs. '000	Freehold Lands Rs. '000	Buildings Rs. '000	Total Rs. '000
Balance as at January 01, 2024	1,621,411	202,520	1,305,180	3,129,111
Change in fair value	(411)	6,880	472,871	479,340
BALANCE AS AT DECEMBER 31, 2024	1,621,000	209,400	1,778,051	3,608,451
Balance as at January 01, 2025	1,621,000	209,400	1,778,051	3,608,451
Change in fair value	115,271	10,150	20,801	146,222
BALANCE AS AT DECEMBER 31, 2025	1,736,271	219,550	1,798,852	3,754,673

19.2 Details of Investment Property

Location As at December 31,				Carrying Amount/Fair Value	
	Note	Page	Extent	2025 Rs. '000	2024 Rs. '000
No. 21, Sir Razik Fareed Mawatha, Colombo 01	19.2.1	156			
– Leasehold Land			58.48P	1,736,271	1,621,000
– Building			126,809Sq.ft	1,775,952	1,755,151
SUB TOTAL				3,512,223	3,376,151
No. 48, Matara Road, Tangalle	19.2.2	156			
– Freehold Land			48.76P	104,850	102,400
– Building			4,284Sq.ft	22,900	22,900
SUB TOTAL				127,750	125,300
No. 18, Fernando Avenue, Negombo	19.2.3	157			
– Freehold Land			18.65P	114,700	107,000
SUB TOTAL				114,700	107,000
BALANCE AS AT DECEMBER 31,				3,754,673	3,608,451

The above mentioned investment property are stated at fair value, and has been determined based on the valuations performed by a professionally qualified Independent Valuers as at December 31, 2025. Investment property were appraised in accordance with the Sri Lanka Accounting Standards – LKAS 40 on Investment Property. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used which are based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate, remaining lease period and making reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are approximated within an appropriate range of values.

The leasehold land held under an operating lease, classified as investment property has been stated at fair value as required by paragraph 34 of LKAS 40 – “Investment Property”.

19.2.1 Property Situated in Colombo

Investment Property situated at Colombo is stated at fair value, and has been determined based on the valuation performed by M/s WikiFrank Chartered Valuers (Pvt) Ltd, a Chartered Valuer as at December 31, 2025 in the report dated January 14, 2026.

The significant assumptions used by the Valuer are as follows;

	2025 %	2024 %
Long-term growth in future rentals (per annum)	3 – 5	4
Anticipated maintenance cost (per annum)	25	45
Yield/discount rate (per annum)	12.00	6.25
Method	Discounted Cash Flow	Discounted Cash Flow

Income from investment property situated in Colombo

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Rental income from investment property	341,033	271,089
Direct operating expenses (including maintenance) generating rental income	(49,478)	(38,484)
NET PROFIT FROM INVESTMENT PROPERTY CARRIED AT FAIR VALUE	291,555	232,605

The residual lease period of the Land as at December 31, 2025 was 56 years. The remaining useful lifetime of the Building as at December 31, 2025 was 35 years.

19.2.2 Property situated in Tangalle

This Property is stated at fair value, and has been determined based on the valuation performed by Wikifrank Chartered Valuers (Pvt) Ltd, an Independent Incorporated Valuer as at December 31, 2025 in the report dated January 13, 2026.

The significant assumptions used by the Valuer are as follows;

	2025 %	2024 %
Anticipated maintenance cost (per annum)	20	20
Yield (per annum)	6 – 6.25	6 – 6.25
Discount rate	12	12
Method	Discounted Cash Flow	Discounted Cash Flow

Income from investment property situated in Tangalle

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Rental income from investment property	8	138	4,163	4,117
Direct operating expenses (including maintenance) generating rental income			(41)	(77)
NET PROFIT FROM INVESTMENT PROPERTY CARRIED AT FAIR VALUE			4,122	4,040

Remaining period of lifetime of the building as at December 31, 2025 was 41 years.

19.2.3 Property Situated in Negombo

This Property is stated at fair value, and has been determined based on the valuation performed by Wikifrank Chartered Valuers (Pvt) Ltd, an Independent Incorporated Valuer as at December 31, 2025 in the report dated January 13, 2026

Income from investment property situated in Negombo

For the year ended December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Rental income from investment property	8	138	4,221	3,723
Direct operating expenses (including maintenance) generating rental income			-	(312)
NET PROFIT FROM INVESTMENT PROPERTY CARRIED AT FAIR VALUE			4,221	3,411

19.3 Information on Fair Value Measurement**19.3.1 Fair value hierarchy**

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Company's investment property portfolio every year.

The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

19.3.2 Summary of Fair Value Measurement of Investment Property

For the year ended 31 December 2025 Name of professional valuer/location and address	Method of valuation and significant unobservable inputs	Range of estimates for unobservable inputs
(1) WIKIFRANK CHARTERED VALUERS (PVT) LTD		
No 21, Sir Razik Fareed Mawatha, Colombo 01	Discounted Cash flow method	
- Land	Gross monthly rental	Rs.25,810,862p.m
- Building	Price per perch for land	Rs.29,500,000p.p
	Discount rate	12.00%
	Yield	6%-6.25%
(2) WIKIFRANK CHARTERED VALUERS (PVT) LTD		
No 48, Matara Road, Tangalle	Discounted cash flow method	
- Land	Gross monthly rental	Rs.344,530p.m
- Building	Price per perch for land	Rs.2,150,000p.p
	Discount rate	12%
	Yield	6%-6.25%
WIKIFRANK CHARTERED VALUERS (PVT) LTD		
No 18, Fernando Avenue, Negombo	Market comparable method	-
- Land	Price per perch for land	Rs.6,150,000p.p.
TOTAL		

Carrying value before revaluation of			Revalued amount of			Revaluation gain/(loss) recognised on		
Land Rs. '000	Buildings Rs. '000	Total Rs. '000	Land Rs. '000	Buildings Rs. '000	Total Rs. '000	Land Rs. '000	Buildings Rs. '000	Total Rs. '000
1,621,000	1,755,151	3,376,151	1,736,271	1,755,151	3,512,223	115,271	20,801	136,072
102,400	22,900	125,300	104,850	22,900	127,750	2,450	-	2,450
107,000	-	105,000	114,700	-	114,700	7,700	-	7,700
1,830,400	1,778,051	3,608,451	1,955,821	1,798,852	3,754,673	125,421	20,801	146,222

Description of the above valuation techniques together with narrative descriptions on sensitivity of the fair value measurement to changes in significant unobservable inputs are tabulated below:

Valuation technique	Significant unobservable valuation inputs (Ranges of each property are given in the table above)	Sensitivity of the fair value measurement to inputs
MARKET COMPARABLE METHOD		Estimated fair value would increase/(decrease) if;
This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location and the condition of specific property. In this process, outlier transactions, indicative of particularly motivated buyers or sellers are too compensated for since the price may not adequately reflect the fair market value.	Price per perch for land	Price per perch of land increase/(decrease)
	Price per square feet for building	Price per square feet for building increase/(decrease)
	Depreciation rate for building	Depreciation rate for building increases/(decreases)
DISCOUNTED CASH FLOW METHOD		Estimated fair value would increase/(decrease) if;
This is a valuation model that seeks to determine the value of real estate investment property by examining its future net income or projected cash flow from the investment and then discounting that cash flow to arrive at an estimated current value of the investment.	Gross annual rentals	Gross annual rentals increases/(decreases)
	Yield	Yield increases/(decreases)
	Discount rate	Discount rate increases/(decreases)

20. Deposit Receivables

See Accounting Policy in Note 6.2 on page 128.

As at December 31,	2025 Rs. '000	2024 Rs. '000
Refundable deposit – Ceylon Electricity Board (CEB)	8,740	8,740
Refundable Deposit – ROU Assets	3,978	2,789
Refundable deposits with other suppliers	141	91
TOTAL DEPOSIT RECEIVABLES	12,859	11,620

20.1 No fair value adjustment has been made for refundable deposits with CEB and other suppliers as these deposits do not have a defined period.

21. Trade and Other Receivables

See Accounting Policy in Note 6.2 on page 128.

A receivable represents the Company's right to an amount of consideration that is unconditional.

As at December 31,	Note	2025 Rs. '000	2024 Rs. '000
FINANCIAL ASSETS			
Trade receivables	21.1	7,889	4,747
Amount due from Commercial Bank of Ceylon PLC		87,424	28,213
RECEIVABLES FROM CONTRACTS WITH CUSTOMERS		95,313	32,960
Staff loans		15,626	14,242
Other receivables		1,750	597
TOTAL FINANCIAL ASSETS		112,689	47,799
NON-FINANCIAL ASSETS			
Prepaid staff cost		711	575
Insurance premium paid and other prepayments		9,155	9,797
TOTAL NON-FINANCIAL ASSETS		9,866	10,372
TOTAL TRADE AND OTHER RECEIVABLES		122,555	58,171

21.1 Trade receivables are non-interest bearing and generally on 15 to 30 day credit terms.

22. Financial Investments

See Accounting Policy in Note 6.2 on page 128

As at December 31,	Note	2025 Rs. '000	2024 Rs. '000
Investments in fixed deposits – at amortised cost	22.1	930,149	1,027,495
Investment in debentures – at amortised cost	22.2	235,149	–
TOTAL FINANCIAL INVESTMENTS		1,165,298	1,027,495

22.1 The Company has invested Rs. 884,996,866 in fixed deposits for 1 year at 9.5% – 10.0% p.a. interest at CBC Finance Limited which is a fully owned subsidiary of Commercial Bank of Ceylon PLC (the Parent).

22.2 The Company has invested Rs. 233,020,000 in listed, redeemable debentures with a tenure of five years, issued by CBC Finance Limited, carrying an interest rate of 11.5% per annum.

23. Cash and Cash Equivalents

Accounting Policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, if any.

Statement of Cash Flows

The Statement of Cash Flows has been prepared by using the “Indirect Method” of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on “Statement of Cash Flows”. Cash and cash equivalents includes of 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.

As at December 31,	2025 Rs. '000	2024 Rs. '000
Cash at bank	129,368	162,201
Cash in hand	221	51
	129,589	162,252

The Company's cash at bank consists of balances with Commercial Bank of Ceylon PLC (the Parent).

24. Stated Capital

Accounting Policy

The ordinary shares of the Company are quoted in the Colombo Stock Exchange. Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible to one vote per share at the General Meeting of the Company.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with LKAS 12.

As at December 31,	2025 Rs. '000	2024 Rs. '000
12,000,000 ordinary shares	120,000	120,000
	120,000	120,000

25. Fair Value Reserve-Investment Property

Any gains arising from the fair value adjustments from investment property are transferred from retained earnings to the fair value reserve – Investment property and any losses incurred are transferred to the fair value reserve – Investment property to the extent that the loss does not exceed the balance held in the said reserve.

As at December 31,	Note	2025 Rs. '000	2024 Rs. '000
Balance as at January 01,		2,787,045	2,451,630
Transfer of fair gains/(losses) on investment property	25.1	136,937	335,415
BALANCE AS AT DECEMBER 31,		2,923,982	2,787,045

25.1 Transfer of Fair Value Gains on Investment Property

For the year ended December 31,	2025			2024		
	Pre-tax Fair Value Gain/(Loss) Rs. '000	Related-tax Rs. '000	Post-tax Fair Value Gain/(Loss) Rs. '000	Pre-tax Fair Value Gain/(Loss) Rs. '000	Related Tax Rs. '000	Post-tax Fair Value Gain/(Loss) Rs. '000
Leasehold land	115,271	–	115,271	(411)	–	(411)
Freehold land	10,150	(3,045)	7,105	6,880	(2,064)	4,816
Building	20,801	(6,240)	14,561	472,871	(141,861)	331,010
TOTAL	146,222	(9,285)	136,937	479,340	(143,925)	335,415

26. Deposits Payables

Accounting Policy

See Accounting Policy in Note 6.2 on page 128

Deposits payables are the aggregate amount of obligations to pay for deposits received from tenants which are refundable. Deposits payable are initially recorded at their fair value and subsequently carried at amortised cost.

As at December 31,	2025 Rs. '000	2024 Rs. '000
Balance as at January 01,	64,088	61,083
Deposits received during the year	124	253
Day 1 difference	(18,629)	(219)
Notional interest expense for the year	4,293	3,621
Deposits refunded during the year	–	(650)
BALANCE AS AT DECEMBER 31,	49,876	64,088

26.1 The deposits payables as at the reporting date consists of deposits received from Commercial Bank of Ceylon PLC and other tenants which should be repaid after the termination of the tenancy agreements. Average tenancy period is 4 years.

The balance includes deposits payables of 48.4 Mn. (2024 : Rs. 62.7 Mn.) with Commercial Bank of Ceylon PLC (The Parent).

27. Employee Benefits

Accounting Policy

A. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Income Statement in the periods during which related services are rendered by employees.

Employees' Provident Fund

All employees of the Company are members of the Employees' Provident Fund (EPF). The Company and employees contribute 12% and 8% respectively of the salary to Employees' Provident Fund managed by the Central Bank of Sri Lanka.

Employees' Trust Fund

All employees of the Company are members of the Employees' Trust Fund (ETF). The Company contributes at the rate of 3% of the salaries of each employee to the Employees' Trust Fund managed by the Central Bank of Sri Lanka.

B. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and discounting that amount to determine its present value. The calculation is performed annually by a qualified independent actuary using the projected unit credit method. When the calculation results in a

potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

With the adoption of Sri Lanka Accounting Standards LKAS 19 on "Employee Benefits", which became effective from January 1, 2013, the re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

27.1 Defined Contribution Plans

Following contributions have been made to Employees' Provident Fund and Employees' Trust Fund during the year.

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
EMPLOYEES' PROVIDENT FUND		
Employer's contribution (12%)	19,888	17,730
Employees' contribution (8%)	13,259	11,820
Employees' Trust Fund (3%)	4,972	4,433

27.2 Defined Benefit Plans – Provision for Employee Benefits

As at December 31,	Note	2025 Rs. '000	2024 Rs. '000
Present value of unfunded obligation	27.2.1	115,576	90,212
BALANCE AS AT DECEMBER 31,		115,576	90,212

27.2.1 Movement in the Present Value of the Employee Benefits Unfunded Obligation

As at December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Balance as at January 01,			90,212	86,164
Provision recognised during the year	27.2.1.1		17,670	18,848
Actuarial (gain)/loss during the year	27.2.1.2	166	8,231	(3,660)
SUB TOTAL			116,113	101,352
Payments made during the year			(537)	(11,140)
BALANCE AS AT DECEMBER 31,			115,576	90,212

27.2.1.1 Provision recognised in the Income Statement

As at December 31,	2025 Rs. '000	2024 Rs. '000
Current service cost	8,649	7,648
Interest on obligation	9,021	11,200
TOTAL PROVISION RECOGNISED IN INCOME STATEMENT	17,670	18,848

27.2.1.2 Provision recognised in Other Comprehensive Income

As at December 31,	2025 Rs. '000	2024 Rs. '000
Actuarial (gain)/loss during the year	8,231	(3,660)
TOTAL ACTUARIAL (GAIN)/LOSS RECOGNISED IN OTHER COMPREHENSIVE INCOME	8,231	(3,660)

27.3 Principal Actuarial Assumptions Used

As at December 31,	2025	2024
(a) Discount rate (%)	9.5	10.0
(b) Future salary increase rate (%)	9.0	9.0
(c) Retirement age (years)	60 Years	60 Years

The Company obtained an actuarial valuation from Mr M Poopalanathan (AIA), Qualified Actuary, of Messrs Actuarial and Management Consultants (Pvt) Ltd., using Projected Unit Credit Method dated January 13, 2026.

27.4 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation from the amounts shown below.

As at December 31,	2025		2024	
	%	Effect Rs. '000	%	Effect Rs. '000
INCREASE				
Discount rate (1% movement)	10.5	(9,355)	11.0	(7,129)
Future salary growth (1% movement)	10.0	10,538	10.0	8,081
DECREASE				
Discount rate (1% movement)	8.5	10,619	9.0	8,093
Future salary growth (1% movement)	8.0	(9,454)	8.0	(7,242)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

27.5 Maturity Analysis of the Payments

The following payments are expected on employee benefit liabilities in future years.

As at December 31, Future working life time	2025 Defined benefit obligation Rs. '000	2024 Defined benefit obligation Rs. '000
Less than one year	102,045	5,364
Between 1-2 years	5,215	9,223
Between 3-5 years	533	15,426
Between 6-10 years	2,814	26,161
Beyond 10 years	4,969	34,038
	115,576	90,212

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.88 years for the Company (2024 – 9.30 years).

28. Lease Liabilities Accounting Policy

See Accounting Policy in Note 6.3 on page 130

As explained in Note 6.3 to the Financial Statements, the Company has applied SLFRS 16 using the modified retrospective approach in 2019 and therefore the comparative information has not been restated and continues to be reported under LKAS 17 and IFRIC 4.

As at December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Balance as at January 01			33,714	69,138
Recognition of right-of-use asset			46,710	-
Interest expense for the year			6,052	11,327
Repayments during the year			(20,129)	(46,751)
BALANCE AS AT DECEMBER 31,			66,347	33,714
THE ABOVE BALANCE IS MADE UP AS FOLLOWS				
Payable within one year			12,747	14,024
Payable after one year			53,600	19,690
TOTAL			66,347	33,714
Lease liabilities arising from purchase of a motor vehicle	28.1	168	19,690	29,933
Lease liabilities arising from right-of-use assets			46,657	3,781
			66,347	33,714

28.1 The above balance consists of the lease creditor balance with Commercial Bank of Ceylon PLC in respect of purchasing motor vehicles under finance leases. Details of carrying value of the assets pledged as securities are given in Note 17.7 to the Financial Statements on page 151.

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 36 on page 178.

28.1.1 Terms and Repayment Schedule

The terms and conditions of outstanding lease payable to Commercial Bank of Ceylon PLC are as follows:

	Currency	Nominal interest rates	Year of maturity	As at December 31, 2025		As at December 31, 2024	
				Face value	Carrying amount	Face value	Carrying amount
				Rs. '000	Rs. '000	Rs. '000	Rs. '000
Lease liabilities arising from purchase of motor vehicles	LKR	13.75% – 22.5%	2027	23,232	19,690	39,090	29,933
TOTAL FINANCE LEASE LIABILITIES				23,232	19,690	39,090	29,933

29. Deferred Taxation Accounting Policy

See Accounting Policy in Note 12 on page 143.

Net deferred tax (assets)/liabilities of an entity cannot be set-off against another entity's deferred tax (assets)/liabilities as there is no legally enforceable right to set-off.

As at December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Deferred tax liabilities	29.1		570,072	559,543
Deferred tax assets	29.2	169	(34,440)	(27,236)
TOTAL			535,632	532,307

29.1 Deferred Tax Liabilities

As at December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Balance as at January 01,			559,543	416,392
Provision/(reversal) during the year recognised in Income Statement	29.4	170	10,529	143,151
BALANCE AS AT DECEMBER 31,			570,072	559,543

29.2 Deferred Tax Assets

As at December 31,	Note	Page	2025 Rs. '000	2024 Rs. '000
Balance as at January 01,			27,236	26,157
(Reversal)/origination during the year recognised in Income Statement	29.4	170	4,735	2,177
(Reversal)/origination during the year recognised in Other Comprehensive Income	29.4	170	2,469	(1,098)
BALANCE AS AT DECEMBER 31,			34,440	27,236

29.3 Reconciliation of Deferred Tax Liabilities and Deferred Tax Assets

As at December 31,	Statement of Financial Position					
			2025		2024	
	Note	Page	Temporary difference Rs. '000	Tax effect Rs. '000	Temporary difference Rs. '000	Tax effect Rs. '000
DEFERRED TAX LIABILITIES						
Investment property – building			1,791,344	537,403	1,770,007	531,002
Property, plant, and equipment			12,507	3,752	8,888	2,666
Intangible assets			394	118	404	121
Fair value gain on freehold land	29.5	170	95,996	28,799	85,846	25,754
TOTAL			1,900,241	570,072	1,865,145	559,543
DEFERRED TAX ASSETS						
Employee benefits			115,576	34,672	90,214	27,064
Lease liabilities			46,658	13,997	3,781	1,134
Right-of-use asset			(47,431)	(14,229)	(3,207)	(962)
TOTAL			114,803	34,440	90,788	27,236

29.4 Movement of Deferred Tax Liabilities and Deferred Tax Assets

For the year ended December 31, 2025		Balance as at January 01, 2025	Recognised through Income Statement	Recognised through Other Comprehensive Income	Balance as at December 31, 2025
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
DEFERRED TAX LIABILITIES					
Investment property – building		531,002	6,401	–	537,403
Property, plant, and equipment		2,666	1,086	–	3,752
Intangible assets		121	(3)		118
Fair value gain on freehold land	29.5	25,754	3,045	–	28,799
TOTAL		559,543	10,529	–	570,072
DEFERRED TAX ASSETS					
Employee benefits		27,064	5,139	2,469	34,672
Lease liabilities		1,134	12,863	–	13,997
Right-of-use assets		(962)	(13,267)	–	(14,229)
TOTAL		27,236	4,735	2,469	34,440

For the year ended December 31, 2024		Balance as at January 01, 2024	Recognised through Income Statement	Recognised through Other Comprehensive Income	Balance as at December 31, 2024
	Note	Rs. '000	Rs. '000	Rs. '000	Rs. '000
DEFERRED TAX LIABILITIES					
Investment property – building		388,659	142,343	–	531,002
Property, plant, and equipment		3,890	(1,224)	–	2,666
Intangible assets		153	(32)		121
Fair value gain on freehold land	29.5	23,690	2,064	–	25,754
TOTAL		416,392	143,151	–	559,543
DEFERRED TAX ASSETS					
Employee benefits		25,849	2,313	(1,098)	27,064
Lease liabilities		2,714	(1,579)	–	1,134
Right-of-use assets		(2,406)	1,443	–	(962)
TOTAL		26,157	2,177	(1,098)	27,236

29.5 As per the Inland Revenue Act No. 24 of 2017, which became effective from April 01, 2018, capital assets/ business assets attract tax at applicable corporate tax rate on gains at the time of disposal. Accordingly, deferred tax liability of Rs. 28,798,115 has been recognised as at December 31, 2025 (2024: Rs. 25,753,865) at the rate of 30% on revaluation surplus relating to Freehold Land which are classified as business assets for tax purposes, although the same is classified as Investment Property for accounting purposes.

29.6 Unrecognised Deferred Tax Assets and Liabilities

There were no unrecognised deferred tax assets or liabilities as at the reporting date (2024: Nil).

30. Trade and Other Payables

Accounting Policy

See Accounting Policy in Note 6.2 on page 128.

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Non-financial liabilities include accruals and advances and these payables are recorded at the amounts that are expected to be paid.

Trade and other payables are normally non - interest bearing and settled within one year.

As at December 31,	2025 Rs. '000	2024 Rs. '000
FINANCIAL LIABILITIES		
Dividend payable	8,520	8,430
	8,520	8,430
NON-FINANCIAL LIABILITIES		
VAT payable	10,972	9,674
Accrued expenses	14,136	11,234
Overtime payable	5,025	3,767
EPF and ETF payable	3,376	2,989
Other payables	3,080	2,587
	36,589	30,251
TOTAL	45,109	38,681

31. Deferred Revenue

Accounting Policy

See Accounting Policy in Note 8 on page 138.

As at December 31,	2025 Rs. '000	2024 Rs. '000
Rent received in advance	17,289	2,792
TOTAL	17,289	2,792

32. Current Tax Liabilities

Accounting Policy

See Accounting Policy in Note 12 on page 143.

As at December 31 ,	2025 Rs. '000	2024 Rs. '000
Balance as at January 01,	24,584	37,904
Provision made during the year	126,006	104,607
(Over)/under provision for prior years	150	851
Payments made during the year	(120,409)	(118,778)
BALANCE AS AT DECEMBER 31,	30,331	24,584

33. Leases

33.1 Leases as lessee (SLFRS 16)

The Company entered into a lease agreement with Urban Development Authority for lease of property for a period of 99 years ending April 01, 2081. This property has been sub-let and the existing sub-lease effective from January 01, 2025 will expire after a period of 4 years ending December 31,2028.

The Company entered into a lease agreement with The Archbishop of Colombo of the Archbishop's House for lease of office space for a period of 10 years ending November 30, 2035.

Information about leases for which the Company is a lessee is presented below.

33.1.1 Right-of-use Assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant, and equipment.

As at December 31, 2025	Property, plant, and equipment		Investment property	Total
	Building Rs. '000	Motor vehicles Rs. '000	Leasehold land Rs. '000	Rs. '000
Balance at January 1	3,207	34,874	1,621,000	1,659,081
Recognition ROU asset on new lease	47,830	-	-	47,830
Depreciation for the year	(3,606)	(13,939)	-	(17,545)
Change in fair value	-	-	115,271	115,271
BALANCE AT 31 DECEMBER	47,431	20,935	1,736,271	1,804,637

33.1.2 Amounts Recognised in Profit or Loss

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Interest on lease liabilities	6,052	11,327
Depreciation of right-of-use assets	17,545	23,221
TOTAL	23,597	34,548

33.1.3 Amounts Recognised in Statement of Cash Flows

The Company has classified:

- cash payments for the principal portion of lease payments as financing activities.
- cash payments for the interest portion as operating activities consistent with the presentation of interest payments chosen by the Company.
- short-term lease payments and payments for leases of low-value assets as operating activities.

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Total cash outflow for leases	20,129	46,751
TOTAL	20,129	46,751

33.2 Leases as Lessor

33.2.1 Operating Leases

The Company leases out its investment property. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 19 on page 154 sets out information about the operating leases of investment property.

Rental income recognised by the Company during 2025 was Rs. 349,417,044 (2024 : Rs. 278,928,867).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
OPERATING LEASES UNDER SLFRS 16		
Less than one year	324,409	9,591
One to two years	324,679	8,395
Two to three years	331,760	3,490
Three to four years	576	893
TOTAL	981,424	22,369

34. Related Party Disclosures

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with parties who are defined as related Parties as per the Sri Lanka Accounting Standard LKAS 24 on "Related Party Disclosures".

34.1 Parent and Ultimate Controlling Party

The Company's immediate and ultimate controlling party is Commercial Bank of Ceylon PLC.

34.2 Key Management Personnel

According to LKAS 24 "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors and the Chief Executive Officer of the Company have been classified as Key Management Personnel (KMP) of the Company.

Commercial Bank of Ceylon PLC is the ultimate parent of the Company, and the Board of Directors of the Bank have the authority and responsibility for planning, directing and controlling the activities of the Company. Therefore, the Directors of the Commercial Bank of Ceylon PLC have also been identified as Key Management Personnel of the Company.

34.2.1 Transactions with Key Management Personnel

For the year ended December 31,	2025 Rs. '000	2024 Rs. '000
Short-term benefits	16,028	8,015
Post employment benefits	-	-

No other payments such as termination benefits and share based payments have been paid to KMP during the year.

34.2.2 Transactions with Close Family Members (CFM) of KMP

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the Company. They may include KMP's domestic partner and children, children of the KMP's domestic partner and dependents of the KMP or the KMP's domestic partner. CFM are related parties to the Company.

There are not transactions with the CFM of the KMP of the Company during the year (2024: Nil).

34.3 Related Party Transactions

The value of all transactions carried out by the Company with its related parties during the year ended December 31, 2025 and comparative year are summarised below:

Name of the Related Party	Relationship	Nature of Transactions	Value of Transactions	
			2025 Rs. '000	2024 Rs. '000
Commercial Bank of Ceylon PLC	Parent	INCOME		
		Rent income on premises	341,805	271,980
		Outsourcing services	298,186	279,786
		Vehicle hiring income	110,897	102,423
		Other utility services	57,409	47,122
		Interest income	5,352	5,862
		Reimbursement of expenses	83,557	96,366
		EXPENSES		
		Bank charges	346	289
		Lease interest expense	5,615	10,771
		Insurance renewals through bancassurance	-	3,716
		Expenses incurred	83,557	96,366
		INVESTMENTS		
Investments in fixed deposit	-	-		
Commercial Insurance Brokers (Pvt) Limited	Affiliate	EXPENSES		
		Insurance renewal	17,466	15,204
CBC Finance Limited	Affiliate	INCOME		
		Interest income	97,396	107,806
		INVESTMENTS		
		Investment in fixed deposit	930,912	1,027,495
		Investment in debentures	235,149	-
CBC Tech Solutions Limited	Affiliate	EXPENSES		
		Purchase IT services	683	844

The Deposits Payables to Commercial Bank of Ceylon PLC as at the Reporting date amounted to Rs. 68.4 Mn. (Rs. 62.7 Mn. in 2024)

Receivable from Commercial Bank of Ceylon PLC is disclosed in Note 21 on page 161.

34.4 Related Party Transactions Review Committee

A summary of all transactions carried out by the Company with CBC is tabled at the meetings of the Board Related Party Transactions Review Committee (RPTRC) of the Company as well as the RPTRC of the CBC for the review of the members of both Committees.

Disclosure Requirement under Section 9.14.8 (1) and 9.14.8 (2) of the CSE Listing Rules

As per Rule No. 9.14.8 (1) the Company does not have any non-recurrent related party transactions carried out during the financial year under review with a value exceeding 10% of the equity or 5% of the total assets whichever is lower, as per the audited Financial Statements of the Company.

As per Rule No. 9.14.8 (2), the Company has following recurrent related party transactions carried out during the financial year under review with value exceeding 10% of the gross revenue/income as per the latest Audited Financial Statements of the Company.

Name of the related party	Relationship	Nature of the transaction	Aggregate value of related party transactions entered into during the financial year		Aggregate value of related party transactions as a % of gross revenue	
			2025 Rs. '000	2024 Rs. '000	2025 %	2024 %
Commercial Bank of Ceylon PLC	Parent	Rent income, outsourcing services, vehicle hiring income, other utility service, interest income and reimbursement of expenses	897,206	803,538	110%	113%
		Bank charges, lease interest expense, insurance renewals through bancassurance and expenses incurred	89,518	111,141	11%	16%

The Company carried out transactions in the ordinary course of business on an arm's length basis at terms and conditions under normal commercial terms.

35. Fair Values of Financial Instruments

Accounting Policy

See Accounting Policy in Note 6.6 on page 133.

35.1 Valuation models

The Company measures fair values using the fair value hierarchy, as described in Note 6.6.1 on page 133.

35.2 Valuation Framework

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Finance Manager.

When third party information, such as broker quotes or pricing services is used to measure fair value, the evidence so obtained to support the conclusion that such valuations meet the requirements of SLFRSs/LKASs is documented.

This includes:

- Verifying that the broker or pricing service is approved by the Company for use in pricing the relevant type of financial instrument
- Several quotes obtained from randomly selected brokers for the same financial instrument and the fair value determined on this basis

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Any changes to the fair value methodology is reported to the Company's Audit Committee.

35.3 Fair values of Financial Assets and Liabilities not carried at Fair Value

Set out below is a comparison of the carrying amounts and fair values of the financial instruments of the Company which are not measured at fair value in the Financial Statements. This tables does not include non-financial assets and liabilities.

	2025		2024	
	Carrying value Rs. '000	Fair value Rs. '000	Carrying value Rs. '000	Fair value Rs. '000
FINANCIAL ASSETS AT AMORTISED COST				
Deposits receivable	12,859	12,859	11,620	11,620
Trade receivables	7,889	7,889	4,747	4,747
Amount due from Commercial Bank of Ceylon PLC	87,424	87,424	28,213	28,213
Staff loans	15,626	15,626	14,242	14,242
Financial investments	1,165,298	1,165,298	1,027,495	1,027,495
Cash and cash equivalents	129,368	129,368	162,201	162,201
Other receivables	1,750	1,750	597	597
TOTAL	1,420,214	1,420,214	1,249,115	1,249,115
OTHER FINANCIAL LIABILITIES				
Deposits payables	49,876	49,876	64,088	64,088
Lease liabilities	66,347	66,347	33,714	33,714
Dividend payable	8,520	8,520	8,430	8,430
TOTAL	124,743	124,743	106,232	106,232

Determination of Fair Values

Financial Assets

The carrying amount of cash and cash equivalents approximate fair value due to the relatively short maturity of the financial instruments.

The fair value of the Loans to staff has been computed based on the interest rates prevailing at loan grant date.

Carrying values of deposits and trade and other receivables have been considered as the fair value due to the timing of cash flows.

Financial Liabilities

Carrying value of all Financial Liabilities has been considered as the fair value due to the timing of cash due.

Fair Valuation Methodology and Significant Unobservable Valuation Inputs

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated based on the Discounted Cash Flow approach. This approach employs the current market interest rates of similar financial instruments as a significant unobservable input in measuring the fair value and hence it is categorised under Level 3 in the fair value hierarchy.

Sensitivity of Fair Value Measurement to Unobservable Inputs

A significant increase/(decrease) in the market interest rate would result in lower/(higher) fair value being disclosed.

Assets for which Fair Value Approximates Carrying Value

For financial assets and liabilities with short-term maturities or with short-term re-pricing intervals, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings deposits which do not have a specific maturity.

36. Financial Risk Management

Introduction and Overview

The Company has exposure to the following risks from its use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Interest Rate risk
4. Operational risk

This Note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout this Financial Statement.

Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The objective of the financial risk management strategy of the Company is to minimize the impact of risks that arise due to the use of financial instruments. The risks that are unmanaged can potentially result in the Company being unable to achieve its budgeted profits in a given financial year. Hence, importance is given by the Company to manage financial risk.

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

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management function in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

36.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

The maximum credit risk of the Company is limited to the carrying value of these financial assets.

Carrying Value as at December 31,	2025 Rs. '000	2024 Rs. '000
Trade receivables	7,889	4,747
Amounts due from Commercial Bank of Ceylon PLC ("the Parent")	87,424	28,213
Staff loans	15,626	14,242
Deposits receivable	12,859	11,620
Financial investments	1,165,298	1,027,495
Cash and cash equivalents	129,368	162,201
Other receivables	1,750	597
TOTAL	1,420,214	1,249,115

No impairment losses on financial assets and contract assets are recognised in profit or loss for the year ended December 31, 2025 (2024: Nil).

i. Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Details of concentration of revenue are included in Note 8 on page 138.

A summary of the Company's exposure to credit risk for trade receivables and contract assets is as follows:

As at December 31,	2025		2024	
	Non-credit impaired Rs. '000	Credit impaired Rs. '000	Non-credit impaired Rs. '000	Credit impaired Rs. '000
Current (Not past due)	7,889	-	4,747	-
1-30 days past due	-	-	-	-
31-90 days past due	-	-	-	-
More than 90 days past due	-	-	-	-
Total gross carrying amount	7,889	-	4,747	-
(-) Loss allowance	-	-	-	-
TOTAL	7,889	-	4,747	-

ii. Amount due from Commercial Bank of Ceylon PLC (the Parent)

Revenues of the Company is mainly represented by the revenue from the Commercial Bank of Ceylon PLC (The Parent), which is approximately Rs. 808 Mn. (2024: Rs. 701 Mn.) of the Company’s total revenue. The Commercial Bank of Ceylon PLC is a public limited liability company listed on the Colombo Stock Exchange (CSE), incorporated on June 25, 1969. It is a licensed commercial bank regulated under the Banking Act No. 30 of 1988 and amendments thereto. Its credit rating, AA-(lka) was rated by Fitch Ratings Lanka Ltd. as at the reporting date (2024: A(lka)).

iii. Cash and Cash Equivalentents

The cash and cash equivalentents are held with the Commercial Bank of Ceylon PLC which is rated AA-(lka) by Fitch Ratings Lanka Ltd. (2024: A(lka)).

iv. Financial Instruments

The Fixed Deposit held with the CBC Finance Limited which is rated A(lka) by Fitch Ratings Lanka Ltd. (2024: BBB+(lka)).

36.2 Liquidity Risk

The liquidity risk of the Company arises from having insufficient cash resources to meet its obligations as they arise. Insufficient liquidity resources could have an adverse impact on the Company’s operations while impairing investor, customer and supplier confidence thereby weakening its competitive position. The Company has adopted a number of strategies in order to ensure that sufficient cash resources are available to meet both operational and investment liquidity whilst meeting its debt servicing obligations.

The Company closely monitors cash inflows and outflows both at consolidated and sector levels to ensure matching of cash flows wherever possible.

As at December 31, 2025	Carrying Amount Rs. '000	Contractual Cash Flows			
		Total Rs. '000	6 Months or Less Rs. '000	6-12 Months Rs. '000	Over One Year Rs. '000
FINANCIAL LIABILITIES					
Deposits payables	97,457	64,806	10,269	10,308	76,879
Lease liabilities	66,347	97,456	10,269	10,308	76,879
Dividend payables	8,520	8,520	8,520	-	-
TOTAL	124,743	139,673	14,870	7,099	117,704

As at December 31, 2024	Carrying Amount Rs. '000	Contractual Cash Flows			
		Total Rs. '000	6 Months or Less Rs. '000	6-12 Months Rs. '000	Over One Year Rs. '000
FINANCIAL LIABILITIES					
Deposits payables	64,088	64,683	62,662	-	2,021
Lease liabilities	33,714	42,970	10,839	8,899	23,232
Dividend payables	8,430	8,430	8,430	-	-
TOTAL	106,232	116,083	81,931	8,899	25,253

The Company has implemented a strategic working capital management plan across whereby the receivables are closely monitored and debtor’s period is minimised.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 360 days. The ratio of investments to total financial liabilities was 10.39 at 31 December 2025 (2024: 11.2).

36.3 Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices-will affect the Company’s 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 optimising the return.

The Company’s exposure to market risk is limited only to Interest Rate Risk as at the reporting date.

36.3.1 Interest Rate Risk

The interest rate risk of the Company arises from financial instruments which are exposed to variable or fixed interest rates. Variable interest rates expose the Company to cash flow difficulties due to the impact on the quantum of interest payable. Financial instruments with fixed interest rates are subject to variations in fair values due to market interest movements.

The Company closely monitors market interest rate movements and implements appropriate strategies in order to minimise the interest rate risk associated with financial instruments.

The interest rate profile of the Company’s interest-bearing financial instruments as reported to the Management is as follows.

Fixed Interest Rate

Carrying value as at December 31,	2025 Rs. '000	2024 Rs. '000
FINANCIAL ASSETS		
Financial investments	1,165,298	1,027,495
FINANCIAL LIABILITIES		
Lease liabilities	66,347	33,714

36.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company’s processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company’s operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to Senior Management of the Company.

37. Capital Management

The Company’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of “net debt” to “adjusted equity”. Net debt is calculated as total liabilities (as shown in the Statement of Financial Position) less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's net debt to adjusted equity ratio was as follows:

As at December 31,	2025 Rs. '000	2024 Rs. '000
Total liabilities	860,161	786,378
Cash and cash equivalents	(129,589)	(162,252)
NET DEBT	730,572	624,126
Total equity	4,455,265	4,123,018
Adjusted equity	4,455,265	4,123,018
NET DEBT TO ADJUSTED EQUITY RATIO	16%	15%

Significant increase in fair value gains recognised on investment property has resulted to the increase in the equity and subsequently a reduction in the net debt to adjusted equity ratio from 16% to 15%. Liabilities has increased mainly due to increase in deferred tax on fair value gains recognised on investment properties.

38. Contingent Liabilities and Commitments

Accounting Policy

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard – LKAS 37 on “Provisions, Contingent Liabilities and Contingent Assets”.

All material capital commitments and contingent liabilities of the Company are disclosed in the respective notes to the Financial Statements.

The Company receives legal claims against it in the normal course of business. Management has made judgements as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions.

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

38.1 Litigations and Claims

There were no significant contingent litigations and claims against the Company outstanding as at the reporting date.

38.2 Capital Commitments

There were no contracts for capital expenditure of material amounts approved or contracted for as at reporting date.

38.3 Financial Commitments

The Company does not have any significant financial commitments as at the reporting date.

39. Events Occurring after the Reporting Date

No circumstances have arisen since the reporting date which would require adjustments or disclosure in the Financial Statements, other than disclosed below:

39.1 Final Dividend – 2025

The Board of Directors has recommended the payment of a final dividend of Rs. 4 per share for the year ended December 31, 2025 which was approved at the board meeting held on February 13, 2026.

This final dividend is yet to be approved at the Annual General Meeting to be held on March 30, 2026. In accordance with the Sri Lanka Accounting Standard – LKAS 10 on “Events After the Reporting Period”, this proposed final dividend has not been recognised as a liability as at December 31, 2025. Under the Inland Revenue Act No. 24 of 2017, a withholding tax of 15% has been imposed on dividends declared.

Compliance with Sections 56 and 57 of Companies Act No. 07 of 2007

As required by the Section 56 of the Companies Act No. 07 of 2007, the Board of Directors of the Company satisfied the solvency test in accordance with the Section 57, prior to recommending the final dividend. A Statement of Solvency completed and duly signed by the Directors on February 13, 2026 has been audited by Messrs KPMG.

40. Comparative information

Where necessary information has been restated to conform to current year’s presentation and classification.

41. Board of Director's responsibility for financial reporting

The Directors are responsible for the preparation 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.

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Investor Information

1. Compliance Report on the Contents of the Annual Report in Terms of the Listing Rules of the Colombo Stock Exchange (CSE)

Commercial Development Company PLC has complied with all the requirements of Section 7.6 of the Listing Rules of CSE on the contents of the Annual Report and Accounts of a listed entity. The table below provides reference to the relevant sections of this Annual Report where specified information is found together with page references for the convenience of the readers.

Rule No.	Disclosure Requirement	Section/Reference	Page/s
7.6 i	Names of persons who held the position of Directors during the financial year	Section 8.1 in the Annual Report of the Board of Directors	097
7.6 ii	Principal activities of the Company during the year and any changes therein	Note 1.3 to the Financial Statements	124
7.6 iii	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Section 3 of the Investor Information	188
7.6 iv	The float adjusted market capitalisation, public holding percentage, number of public shareholders, and the option under which the Company complies with the Minimum Public Holding requirement	Section 4 of the Investor Information	189
7.6 v	Directors' and Chief Executive Officer's holding in shares at the beginning and at the end of the financial year	Section 8.5 in the Annual Report of the Board of Directors	098
7.6 vi	Information pertaining to material foreseeable risk factors	Section 5 of the Investor Information	189
7.6 vii	Details of material issues pertaining to employees and industrial relations	Section 6 of the Investor Information	189
7.6 viii	Extents, locations, valuations, and the number of buildings of the landholdings and investment properties	Section 7 of the Investor Information	189
7.6 ix	Number of shares representing the stated capital	Note 24 to the Financial Statements on "Stated Capital"	162
7.6 x	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Section 8 of the Investor Information	190
7.6 xi	Ratios and market price information: Equity – Dividend per share, dividend payout ratio, net asset value per share, market value per share Debt – (Only if listed) – Interest rate of comparable government security, debt/equity ratio, interest cover and quick asset ratio, market prices and yields during the year, any changes in credit rating Highest, lowest, and closing prices of the share recorded during the financial year	Financial Highlights The Company has not issued debt securities that are listed on CSE Section 9 of the Investor information.	012 191

Rule No.	Disclosure Requirement	Section/Reference	Page/s
7.6 xii	Significant changes in the Company's fixed assets and the market value of land, if the value differs substantially from the book value	Note 19.1 to the Financial Statements on "Investment Property"	155
7.6 xiii	Details of funds raised through Public Issues, Rights Issues, and Private Placements during the year	The Company did not issue any shares during the year	-
7.6 xiv	Information in respect of Employee Share Option Plan (ESOP) schemes : Total number of shares allotted during the financial year, price at which shares were allotted, and the details of funding granted to employees (if any) Highest, lowest, and closing prices of the share recorded during the financial year	The Company does not have ESOPs Section 9 of the Investor Information	- 191
7.6 xv	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules	Corporate Governance Report Profiles of the Board of Directors Board Remuneration Committee Report Board Audit Committee Report Annual Report of Board of Directors	052 044 085 082 094
7.6 xvi	Disclosures on Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower	Note 34 to the Financial Statements on "Related Party Disclosures"	174

2. Stock Exchange Listing

The ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange (CSE).

The unaudited Interim Financial Statements for the first three quarters of 2025 were submitted to CSE within 45 days of the respective quarter ends, as required by the Rule No. 7.4 (a) (i) of the Listing Rules of CSE. (The Company duly complied with this requirement for 2024)

The Company duly submitted the unaudited Interim Financial Statements for the year 2025 to CSE on February 12, 2026 (within applicable statutory deadlines) as required by Rule No. 7.4 (a) (i) of the Listing Rules of CSE. (The Company duly complied with this requirement for 2024)

The Audited Income Statement and the Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2025, and the Audited Statement of Financial Position as at December 31, 2025, will be submitted to CSE within five months from the date of the Statement of Financial Position, which is within the required deadline as required by Rule No. 7.5 (a) of the Listing Rules of CSE. (The Company duly complied with this requirement for 2024.)

The Stock Exchange ticker symbol for Company's shares is "COMD".

3. Twenty Largest Shareholders (As per rule No. 7.6 (iii) of the Listing Rules of the CSE)

	2025		2024 (*)	
	Number of Shares	%	Number of Shares	%
1. Commercial Bank Of Ceylon Plc	10,800,000	90.00	10,800,000	90.00
2. Talpawila Kankanmge Don Aruna Prasad Samarasinghe	100,000	0.83	-	-
3. People's Leasing & Finance Plc/Mr K K Shujeevan	69,052	0.58	58,047	0.48
4. Assetline Finance Limited/British American Technologies Pvt Ltd	56,100	0.47	56,100	0.47
5. Citizens Development Business Finance Plc/K Laveendrakumar	48,371	0.40	-	-
6. Binanthi Shamani Rasanayagam	44,570	0.37	44,570	0.37
7. Amirally Lukmanjee	44,168	0.37	44,168	0.37
8. Dinesh Anthony Perera	30,446	0.25	30,396	0.25
9. People's Leasing & Finance Plc/Mr K Laveendrakumar	30,228	0.25	30,228	0.25
10. Gajath Chrysantha Goonetilleke	30,077	0.25	30,077	0.25
11. Surendra Wickremasinghe	27,200	0.23	27,200	0.23
12. Sithamparapillai Gowrisangar	27,000	0.23	27,000	0.23
13. Henry Anthony Rohan Pieris	26,000	0.22	-	-
14. Sampath Bank Plc/Mr Abishek Sithampalam	26,000	0.22	26,000	0.22
15. Zoebaly Gulambass Carimjee	25,000	0.21	25,000	0.21
16. Manel Senanayake	24,000	0.20	24,000	0.20
17. Wijewickrama Pathinayakage Asanka Dinunuwan Gunathilake	22,000	0.18	22,000	0.18
18. Durga Sithampalam	21,500	0.18	21,500	0.18
19. Arunasalam Sithampalam	19,055	0.16	19,055	0.16
20. Gunendra Rasitha Sellahewa	18,399	0.15	18,850	0.16
	11,489,166	94.88	11,304,191	94.21
Other	510,834	4.25	695,809	5.79
TOTAL	12,000,000	100.00	12,000,000	100.00

* Comparative shareholdings as at December 31, 2024 of the 20 largest shareholders as at December 31, 2025.

4. The Public Holding (As per rule No. 7.6 (iv) and 7.13.1 of the Listing Rules of the CSE)

Existing Float-Adjusted Market Capitalisation of the Company as at December 31, 2025, was Rs. 333,600,000 (Rs. 169,200,000 as at December 31, 2024).

The Percentage of Public Holding in the share capital of the Company as at December 31, 2025, was 10%, representing 1,171 shareholders (10% representing 975 shareholders as at December 31, 2024).

The Company complies with the Minimum Public Holding as a continuous listing requirement as per Option 2 of the Listing Rule No. 7.13.1 (b) of CSE.

5. Information Pertaining to Material Foreseeable Risk Factors of the Entity (As per rule No. 7.6 (vi) of the Listing Rules of the CSE)

The Company does not foresee any material risks affecting its business in the foreseeable future.

6. Details of Material Issues Pertaining to Employees and Industrial Relations of the Entity (As per rule No. 7.6 (vii) of the Listing Rules of the CSE)

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

There were no litigations against the Company as given in Note 38 to the Financial Statements on page 182.

7. Extents, Locations, Valuations, and the Number of Buildings of the Entity's Landholdings and Investment to Property (As per Rule No 7.6 (viii) of the Listing Rules of the CSE)

Location	Extent	Cost or revaluation of Land	Number of Buildings	Buildings	Cost or revaluation of Building	Total Value
	(Perches)	(Rs. '000)		(Square feet)	(Rs. '000)	
1. "Commercial House" Building No. 21, Sir Razik Fareed Mawatha, Colombo 01.	58.48	1,736,271	1	126,809	1,775,952	3,512,223
2. No. 148, Matara Road, Tangalle	48.76	104,850	1	4,284	22,900	127,750
3. No. 18, Fernando Avenue, Negombo.	18.65	114,700	-	-	-	114,700

The Company did not hold land and buildings as at the Statement of Financial Position date, except for the investment properties mentioned above.

8. Analysis of Shareholders (As per rule No. 7.6 (x) of the Listing Rules of the CSE)

8.1 Distribution schedule of the number of holders and percentage of holding in ordinary shares

As at December 31,	2025				2024			
	Number of Shareholders	%	Number of Shares	%	Number of Shareholders	%	Number of Shares	%
1 to 1,000 shares	1,029	87.80	162,423	1.35	814	83.40	137,989	1.15
1,001 to 10,000 shares	122	10.41	336,411	2.80	137	14.04	417,551	3.48
10,001 to 100,000 shares	20	1.71	701,166	5.85	24	2.46	644,460	5.37
100,001 to 1,000,000 shares	0	0	0	0	0	0	0	0
Over 1,000,000 shares	1	0.08	10,800,000	90.00	1	0.10	10,800,000	90.00
TOTAL	1,172	100.00	12,000,000	100.00	976	100.00	12,000,000	100.00

8.2 Composition of shareholders

As at December 31,	2025				2024			
	Number of Shareholders	%	Number of Shares	%	Number of Shareholders	%	Number of Shares	%
Resident	1,162	99.15	11,992,708	99.94	964	98.77	11,981,827	99.85
Non-resident	10	0.85	7,292	0.06	12	1.23	18,173	0.15
TOTAL	1,172	100.00	12,000,000	100.00	976	100.00	12,000,000	100.00

9. Market Value of Shares (As per rule No. 7.6 (xi) of the Listing Rules of the CSE)

The market value of the Company's ordinary shares was as shown below.

	2025	2024
Highest price during the year (Rs.)	297.00	146.00
Date of the highest price	October 31	December 26
Lowest price during the year (Rs.)	116.00	90.00
Date of the lowest price	April 09	January 12
Year-end price (Rs.)	278.00	141.00

10. Market Capitalisation

Market capitalisation of the Company, which is the number of ordinary shares in issue multiplied by the market value of a share, was Rs. 3,336.0 Mn. (Rs. 1,692.0 Mn. as at December 31, 2024).

Decade at a Glance

Statement of Comprehensive Income

Year ended December 31	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
OPERATING RESULTS				
Revenue	815,909	708,260	687,511	631,128
Cost of sales	(440,712)	(413,999)	(420,758)	(324,607)
Gross profit	375,197	294,261	266,753	306,521
Other income	1,366	2,722	17,978	2,040
Administrative expenses	(63,219)	(51,339)	(44,992)	(36,730)
Fair value gain on investment properties	146,222	479,340	97,895	64,503
OPERATING PROFIT	459,566	724,984	337,634	336,334
Net finance income	93,918	104,071	124,343	64,955
Share of profit of equity accounted investee, net of tax	-	-	-	-
Profit before tax	553,484	829,055	461,977	401,289
Income tax expense	(131,949)	(246,432)	(167,917)	(176,912)
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	421,535	582,623	294,060	224,377
OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS				
Actuarial gains/(losses) on defined benefit plans, net of tax	(5,762)	2,562	(6,337)	(294)
Share of other comprehensive income of the equity accounted investee, net of tax	-	-	-	-
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS				
Net change in fair value of debt investments at FVOCI, net of tax	-	-	-	185
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	(5,762)	2,562	(6,337)	(109)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	415,773	585,185	287,723	224,268

2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000	2015 Rs. '000
632,287	454,906	453,849	396,770	354,489	329,257	316,988
(292,384)	(252,017)	(264,407)	(221,914)	(187,436)	(183,363)	(173,004)
339,903	202,889	189,442	174,856	167,053	145,894	143,984
78	23,163	4,930	13,436	8,672	12,433	8,337
(32,824)	(31,182)	(32,609)	(28,733)	(29,198)	(24,977)	(22,149)
89,132	(45,046)	237,283	197,174	317,588	240,826	178,677
396,289	149,824	399,046	356,733	464,115	374,176	308,849
30,976	12,011	4,786	5,488	12,681	12,354	9,041
-	9,438	9,158	6,566	5,742	5,124	4,007
427,265	171,273	412,990	368,787	482,538	391,654	321,897
(25,759)	(48,691)	(49,773)	(40,240)	(55,760)	(65,212)	(62,103)
401,506	122,582	363,217	328,547	426,778	326,442	259,794
2,621	(709)	841	(2,675)	(6,366)	736	6,767
-	44,213	14	(66)	(33)	99	(188)
(185)	71	101	(236)	9	90	(38)
2,436	43,575	956	(2,977)	(6,390)	925	6,541
403,942	166,157	364,173	325,570	420,388	327,367	266,335

Statement of Financial Position

As at December 31	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	130,058	40,521	88,390	131,768
Intangible assets	394	886	1,502	2,132
Investment properties	3,754,673	3,608,451	3,129,111	3,031,216
Equity accounted investee	-	-	-	-
Financial investments	235,149	-	-	-
Deposits receivable	12,859	11,620	11,187	10,980
	4,133,133	3,661,478	3,230,190	3,176,096
CURRENT ASSETS				
Inventories	-	-	-	-
Trade and other receivables	122,555	58,171	100,737	53,042
Financial investments	930,149	1,027,495	852,989	671,482
Cash and cash equivalents	129,589	162,252	142,373	154,462
	1,182,293	1,247,918	1,096,099	878,986
TOTAL ASSETS	5,315,426	4,909,396	4,326,289	4,055,082
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	120,000	120,000	120,000	120,000
Other reserves	2,923,982	2,787,045	2,451,630	2,406,680
Retained earnings	1,411,284	1,215,973	1,049,843	890,744
TOTAL EQUITY	4,455,266	4,123,018	3,621,473	3,417,424
NON-CURRENT LIABILITIES				
Lease liabilities	53,600	19,690	50,642	69,138
Deposits payables	49,876	64,088	61,083	56,760
Employee benefits	115,576	90,212	86,164	61,078
Deferred tax liabilities	535,632	532,307	390,235	346,815
	754,684	706,297	588,124	533,791
CURRENT LIABILITIES				
Trade and other payables	45,109	38,681	54,203	26,894
Lease creditors	12,747	14,024	18,496	15,963
Deferred revenue	17,289	2,792	6,089	8,515
Current tax liabilities	30,331	24,584	37,904	52,495
	105,476	80,081	116,692	103,867
TOTAL EQUITY AND LIABILITIES	5,315,426	4,909,396	4,326,289	4,055,082
INFORMATION ON SHARES				
Earnings per share (Rs.)	35.13	48.55	24.51	18.70
Dividend per share (Rs.)	7.00	7.00	7.00	7.00
Net assets value per share (Rs.)	371.27	343.58	301.79	284.79
OTHER INFORMATION				
No. of employees	212	199	211	213

2021 Rs. '000	2020 Rs. '000	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000	2015 Rs. '000
90,897	96,893	129,777	142,835	91,816	99,861	90,149
2,762	589	615	85	139	193	182
2,966,713	2,876,679	2,911,000	2,673,717	2,472,183	2,005,826	1,765,000
-	-	57,274	51,102	46,602	42,693	39,270
-	-	-	-	-	-	-
10,857	11,181	11,014	10,818	10,690	8,896	8,896
3,071,229	2,985,342	3,109,680	2,878,557	2,621,430	2,157,469	1,903,497
-	18	18	105	85	86	63
43,011	47,429	41,623	62,051	53,842	14,975	14,854
565,585	206,288	73,329	67,269	62,340	159,289	123,101
105,524	210,433	119,282	16,810	15,688	32,858	22,846
714,120	464,168	234,252	146,235	131,955	207,208	160,864
3,785,349	3,449,510	3,343,932	3,024,792	2,753,385	2,364,677	2,064,361
120,000	120,000	120,000	120,000	120,000	120,000	120,000
2,418,164	2,287,444	2,327,101	2,091,222	1,887,396	1,580,795	1,364,117
789,199	587,661	453,609	391,096	328,859	275,072	223,722
3,327,363	2,995,105	2,900,710	2,602,318	2,336,255	1,975,867	1,707,839
14,374	1,626	5,974	3,146	-	-	-
54,492	37,796	34,120	27,199	23,959	29,063	27,345
50,966	51,776	41,533	36,618	28,247	16,633	13,970
263,159	311,652	319,253	314,253	313,189	297,536	272,247
382,991	402,850	400,880	381,216	365,395	343,232	313,562
16,958	16,609	20,629	21,503	21,706	18,387	17,648
5,080	4,347	5,374	618	-	-	-
10,566	1,841	8,336	10,374	12,800	6,351	5,135
42,391	28,758	8,003	8,763	17,229	20,840	20,177
74,995	51,555	42,342	41,258	51,735	45,578	42,960
3,785,349	3,449,510	3,343,932	3,024,792	2,753,385	2,364,677	2,064,361
33.46	10.22	30.27	27.38	35.56	27.20	21.65
6.50	5.50	6.00	5.50	5.00	5.00	5.00
277.28	249.59	241.73	216.86	194.69	164.66	142.32
207	212	212	214	215	226	234

Glossary

Accounting Policies

The specific principles, bases, conventions, rules, and practices adopted by an entity in preparing and presenting Financial Statements.

Accrual Basis

Recognition of the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

Actuarial Gain/Loss

Gain or loss arising from the difference between estimates and actual experience in an entity's pension plan.

Amortisation

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

Amortised Cost

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

Business Model

The organisational structure that enables the Company to undertake its activities to deliver value to and derives value from the stakeholders, leading to sustainable value creation.

Cash Equivalents

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Generating Unit (CGU)

The smallest group of assets that independently generates cash flow and the cash flow is largely independent of the cash flows generated by other assets.

Commitments

Credit facilities approved but not yet utilised by the clients as at the reporting date.

Compound Annual Growth Rates (CAGR)

The constant rate of growth of a variable such as revenue or assets over a period of time if it were to grow at an even rate.

Contingencies

A condition or situation, the ultimate outcome of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events.

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of entity, the supervision of executive actions and accountability to owners and others.

Credit Risk

Risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade other receivables and investment in debt securities.

Current Assets Ratio

Current assets divided by current liabilities

Deferred Taxation

Sum set aside in the Financial Statements for taxation that may become payable/receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

Depreciation

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

Derivatives

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. interest rate) that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

Dividend Cover

Profit after tax divided by gross dividends. This ratio measures the number of times dividend is covered by the current year's distributable profits.

Dividend Payout Ratio

Dividends per share divided by earnings per share, indicates the percentage of the Company's earnings that is paid out to shareholders in cash.

Dividend Yield

Dividend earned per share as a percentage of its market value.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Earnings before interest and tax includes other operating income.

Earnings per Ordinary Share (EPS)

The profit attributable to ordinary shareholders divided by the number of ordinary shares in issue.

Effective Interest Rate (EIR)

Rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Effective Tax Rate (ETR)

Provision for taxation excluding deferred tax expressed as a percentage of the profit before taxation.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Finance Lease

A lease in which the lessee acquires all financial benefits and risks attaching to ownership of the asset under lease.

Financial Instrument

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial Assets Measured at Amortised Cost

Financial asset is measured at amortised cost if the asset is held within a business model whose objective is to hold assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)

FVOCI include debt and equity instruments measured at fair value through other comprehensive income. A debt instrument is measured at FVOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Equity investments may be irrevocably classified as FVOCI when they meet the definition of Equity under LKAS 32 Financial Instruments: Presentation, and are not held for trading.

Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)

All financial assets other than those classified at Amortised Cost or FVOCI are classified as measured at FVTPL. These are held for trading or managed and their performance is evaluated on a fair value basis as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Gearing

Proportion of total interest bearing liabilities to capital employed.

Guarantees

Three party agreement involving a promise by one party (the guarantor) to fulfil the obligations of a person owing a debt if that person fails to perform.

Impairment

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

Impairment loss

Impairment losses are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective (portfolio).

Interest Cover

Number of times interest charge is covered by earnings before interest and tax.

Investment Properties

Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative services; or sale in the ordinary course of business.

Key Management Personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

Market Capitalisation

The value of an entity obtained by multiplying the number of ordinary shares in issue by its market value as at a date.

Market Risk

This refers to the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Materiality

The relative significance of a transaction or an event, the omission or misstatement of which could influence the economic decisions of users of Financial Statements.

Net Assets

Total assets minus current liabilities, long term liabilities, and non-controlling interests.

Operational Risk

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Parent Company

A Parent company is a company that owns enough voting stock in another entity firm to control management and operation by influencing or electing its Board of Directors.

Price Earnings Ratio (P/E Ratio)

Market price of a share divided by the earnings per share.

Price to Book Value

Market price of a share divided by the net assets value of a share.

Quick Assets Ratio

Current assets excluding inventories, divided by current liabilities.

Related Parties

One party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Related Party Transaction (RPT)

RPT is a transfer of resources, services or obligations between a reporting entity and a related party, regardless whether a price is charged.

Return on Average Assets (ROA)

Profit after tax expressed as a percentage of the average assets.

Return on Average Shareholders' Funds (ROE)

Net profit attributable to owners expressed as a percentage of average ordinary shareholders' equity.

Segment Reporting

Disclosure of the Company's assets, income and other information, broken down by activity and geographical area.

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Notice of Meeting – Annual General Meeting

Notice is hereby given that the Forty-Sixth Annual General Meeting (AGM) of Commercial Development Company PLC (the “Company”) will be held on March 30, 2026, at 9.30 am at the Auditorium of Commercial Bank of Ceylon PLC, 9th Floor, Union Place Branch Building, No. 01, Union Place, Colombo 02, for the following purposes.

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the Statement of Compliance and the Financial Statements for the year ended December 31, 2025 together with the Report of the Auditors thereon.
2. To declare a dividend as recommended by the Board of Directors.
3. To re-elect/elect the following Directors who, in terms of the Company’s Articles of Association, retire by rotation or otherwise as given below:
 - a) To re-elect Mr Amitha Lal Gooneratne*
 - b) To elect Mr Mahagedarawattage Don Chinthaka Pushpajith Dharmasena who was appointed to the Board in terms of Article 91 of the Articles of Association of the Company
4. a) To re-appoint Messrs KPMG, Chartered Accountants, as recommended by the Board of Directors, as Auditors to the Company for the financial year ending December 31, 2026.
b) To authorise the Board of Directors to determine the remuneration of the Auditors for the ensuing year.
5. To authorise the Board of Directors to determine donations for 2026.

By Order of the Board



L W P Indrajith
Company Secretary

Colombo
March 06, 2026

Notes

1. A shareholder entitled to attend, speak, and vote at the AGM is entitled to appoint a proxyholder to attend, speak, and vote instead of him/her.
2. A proxyholder need not be a member of the Company. The Form of Proxy is enclosed at the end of this Annual Report.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, 06th Floor, Paul VI Centre, No 24, Malwatta Road (Front Street), Pettah, Colombo 11, not less than 48 hours before the time appointed for the holding of the Meeting.

SPECIAL NOTICE

*A Special Notice dated February 03, 2026 has been received by the Company from Mr T Vedamanickam a shareholder of the Company giving notice of his intention to move the following resolution in regard to the re-election of Mr A L Gooneratne, at the forthcoming AGM of the Company.

“That the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not be applicable to Mr Amitha Lal Gooneratne, who attained the age of 73 years on April 27, 2025, and that he be re-elected as a Director of the Company”.

Form of Proxy

I/We.....of
being a member/s of Commercial
 Development Company PLC, hereby appoint
 (NIC No.) of..... whom failing:

Mr Amitha Lal Gooneratne	Whom failing
Mr Sanath Chandima Udayakumara Manatunge	Whom failing
Dr Rahula Anura Attalage	Whom failing
Mr Punsisi Lalith Patuwatha Withana	Whom failing
Mr Nandana Abeysuriya	Whom failing
Mr Mahagedarawattage Don Chinthaka Pushpajith Dharmasena	

as my/our Proxyholder to represent me/us and*.....to vote for
 me/us on my/our behalf as indicated below at the Forty Sixth Annual General Meeting of the Company to be held on
 March 30, 2026, and at any adjournment thereof and at every poll which may be taken in consequence thereof.

(Please indicate your preference with an "X" in the relevant box).

	For	Against
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the Statement of Compliance and the Financial Statements for the year ended December 31, 2025, together with the Report of the Auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a dividend as recommended by the Board of Directors	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect/elect the following Directors who, in terms of the Company's Articles of Association, retire by rotation or otherwise as given below:		
a) To re-elect Mr Amitha Lal Gooneratne (Please see Special Notice received from Mr T Vedamanickam)	<input type="checkbox"/>	<input type="checkbox"/>
b) To elect Mr Mahagedarawattage Don Chinthaka Pushpajith Dharmasena who was appointed to the Board in terms of Article 91 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
4. a) To re-appoint Messrs KPMG, Chartered Accountants, as recommended by the Board of Directors, as Auditors to the Company for the financial year ending December 31, 2026.	<input type="checkbox"/>	<input type="checkbox"/>
b) To authorise the Board of Directors to determine the remuneration of the Auditors for the ensuing year	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the Board of Directors to determine donations for 2026	<input type="checkbox"/>	<input type="checkbox"/>

In witness my/our hand/seal given on this day of
 Two Thousand and Twenty Six.

..... Folio Number Signature/s of Shareholder/s NIC/PP/Co. Reg. No. of Shareholder/s
-----------------------	---------------------------------------	---

** If you wish your Proxyholder to speak at the meeting you should insert the words "to speak and" in the space indicated with the asterisk and initial such insertion.*

Instructions as to Completion

1. Perfect the Form of Proxy, after filling in legibly your full name and address, by signing in the space provided and filling in the date of signature.
2. In case of a company/corporation, the proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
3. The completed Form of Proxy should be deposited at the registered office of the Company at the under noted address not less than forty-eight (48) hours before the time appointed for the holding of the meeting.

Commercial Development Company PLC

06th Floor, Paul VI Centre,
No 24, Malwatta Road (Front Street),
Pettah, Colombo 11, Sri Lanka.

Stakeholder Feedback Form

Dear Reader,

We welcome your valuable ideas/comments on our Annual Report.

To request information or submit a comment/query to the Company, please provide the following details and return this page to –

Company Secretary
Commercial Development Company PLC,
06th Floor, Paul VI Centre,
No 24, Malwatta Road (Front Street),
Pettah, Colombo 11,

Name :

:

Permanent Mailing Address :

:

:

Contact Number/s –

– Phone :

– e-Mail :

Name of Company (If Applicable) :

Designation (If Applicable) :

Company Address (If Applicable) :

Queries/Comments

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.....

.....

.....

Corporate Information

Name of the Company

Commercial Development Company PLC

Legal Form

A public limited liability company incorporated in Sri Lanka on March 14, 1980, under the Companies Ordinance No. 51 of 1938 and quoted in the Colombo Stock Exchange in March 1983. The Company was reregistered under the Companies Act No. 07 of 2007, on January 17, 2008.

Company Registration No.

PQ 114

Accounting Year-End

December 31

Stock Exchange Listing

The Ordinary Shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange.

Registered Office

06th Floor, Paul VI Centre,
No 24, Malwatta Road
(Front Street), Pettah,
Colombo 11,
Sri Lanka.
Telephone: +94 11 2447300
Email: info@cdcplc.net
Website: www.cdcplc.net

Tax Payer Identification No. (TIN)

124010578

Lawyers

Julius & Creasy, Julius & Creasy Building, No. 371, R A De Mel Mawatha, P.O. Box 154, Colombo 3, Sri Lanka.
Phone: +94 11 242 2601 (5 Lines)
Facsimile: +94 11 244 6663
Email: juliusc@lankacom.net
jcship@sltnet.lk

Auditors

KPMG,
Chartered Accountants, 32A,
Sir Mohamed Macan Markar
Mawatha, Colombo 3, Sri Lanka.

Registrars

S S P Corporate Services (Pvt) Ltd., No. 101, Inner Flower Road, Colombo 3, Sri Lanka.
Phone: +94 11 257 3894,
+94 11 257 6871
Facsimile: +94 11 257 3609
Email: sspsec@sltnet.lk
(Kindly direct any queries about the administration of the shareholding to the above Company)

Principal Banker

Commercial Bank of Ceylon PLC

Board of Directors

Mr A L Gooneratne - Chairman
Mr S C U Manatunge
Mr U I S Tillakawardana
[Resigned w.e.f. 31.12.2025]
Dr R A Attalage
Mr P L P Withana
Mr N Abeysuriya
Mr M D C P Dharmasena
[Appointed w.e.f. 01.01.2026]

Company Secretary

Mr L W P Indrajith

Board Audit Committee

Mr P L P Withana – Chairman
Dr R A Attalage
Mr N Abeysuriya

Board Remuneration Committee

Dr R A Attalage – Chairman
Mr A L Gooneratne
Mr P L P Withana
Mr N Abeysuriya

Related Party Transactions Review Committee

Mr P L P Withana – Chairman
Dr R A Attalage
Mr N Abeysuriya

Nominations and Governance Committee

Dr R A Attalage – Chairman
Mr P L P Withana
Mr N Abeysuriya



Commercial Development Company PLC

06th Floor, Paul VI Centre, No 24, Malwatta Road (Front Street),
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Phone : +94 11 244 7300
Email: info@cdcplc.net