

45th

SERENDIB LAND PLC



ANNUAL REPORT 2025/26

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Notice of Meeting

NOTICE is hereby given that the Forty Fifth (45th) Annual General Meeting of SERENDIB LAND PLC (PQ 212) will be held as a virtual meeting [in terms of the Procedural Guidelines (Annexure 1) enclosed herewith] at HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10 on 28th September 2026 at 3.00 p.m. for the following purposes:

1. To receive and consider the Audited Financial Statements for the Year Ended 31st March 2026, together with the Reports of the Directors' and Auditors' thereon.
2. Directors
 - i. To re-elect Mr. G.G. Ponnambalam, as a Director, who retires by rotation at the Annual General Meeting in terms of Article 98 of the Company's Articles of Association.
 - ii. To re-appoint as a Director, Dr. Jayanta Mootatamby Swaminathan who vacates his office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act)

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Dr. Jayanta Mootatamby Swaminathan be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Dr. Jayanta Mootatamby Swaminathan"

- iii. To re-appoint as a Director, Mr. Thirunavukarasu Someswaran who vacates his office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act).

Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to his re-appointment.

"RESOLVED THAT Mr. Thirunavukarasu Someswaran be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Mr. Thirunavukarasu Someswaran".

- iv. To re-appoint as a Director, Dr. (Mrs.) Y. Ponnambalam who vacates her office in terms of Section 210 of the Companies Act No.07 of 2007 (the Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Act, in relation to her re-appointment.

"RESOLVED THAT Dr. (Mrs.) Y. Ponnambalam be and is hereby re-appointed a Director of the Company and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No.07 of 2007 shall not apply to the said Dr. (Mrs.) Y. Ponnambalam".

3. That no dividend is to be declared;.
4. To re-appoint the retiring Auditors M/s KPMG, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.

BY ORDER OF THE BOARD

S N Law Corporate Secretaries (Pvt) Ltd

Company Secretaries
Colombo
04th September 2026.

Notes:

1. The Procedural Guidelines (Annexure 1) to be followed for registration and participation by the Shareholder at the virtual Annual General Meeting (AGM) along with the Registration Form (Annexure 2) are enclosed. The Registration Form (Annexure 2) for this purpose must be duly completed by the Shareholder and deposited at the Registered Office of the Company, HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10, or forwarded by fax to 0112692592 or e-mailed to corporate@snlaw.lk not less than 4.45 p.m. on 26th September 2026, in order to enable the Company to forward the login information to the Shareholder's email address given in the Registration Form (Annexure 2).
2. A shareholder is entitled to appoint a Proxy to attend and vote instead of himself/herself and a Proxy need not be a Shareholder of the Company.
3. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the Registered Office of the Company, HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10, or forwarded by fax to 0112692592 or e-mailed to corporate@snlaw.lk not less than forty-eight (48) hours before the time fixed for the meeting.

Corporate Information

BOARD OF DIRECTORS

Dr. J.M. Swaminathan
Chairman

Dr. (Mrs.) Y. Ponnambalam
Director

Dr. (Ms.) M. Ponnambalam
Director

Mr. Gajendrakumar G. Ponnambalam
Director

Mr. T. Someswaran
Director

Mr. M. J. Ratnayake
Director

Mr. S. Senthil Aathavan
Director

Mr. P. Pranavan
Director

Mr. R. Dharmendra
Director

AUDIT COMMITTEE

Mr. M. J. Ratnayake
Chairman

Mr. T. Someswaran

Mr. P. Pranavan

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. P. Pranavan
Chairman

Mr. M.J. Ratnayake

Mr. R. Dharmendra

REMUNERATION COMMITTEE

Mr. P. Pranavan
Chairman

Mr. M.J. Ratnayake

Mr. R. Dharmendra

Nomination and Governance Committee

Mr. M. J. Ratnayake
Chairman

Mr. G.G. Ponnambalam

Mr. P. Pranavan

REGISTERED OFFICE

HQ Colombo (Level 4). No. 464A, T.B. Jayah Mawatha, Colombo 10.

SECRETARIES

SN Law Corporate Secretaries (Pvt) Ltd
HQ Colombo (Level 4)
464A T.B. Jayah Mawatha
Colombo 10.

REGISTRARS

S S P Corporate Services (Pvt) Ltd
546/7, Galle Road, Colombo 03.

ACCOUNTANTS

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road, Colombo 03.

AUDITORS

KPMG
Chartered Accountants
P.O. Box 186,
Colombo 03.

BANKERS

Union Bank of Colombo PLC

Profiles of Board of Directors

Dr. J. M. Swaminathan

Chairman/Non-Executive Non-Independent Director

Attorney at Law, LLB(Ceylon), LLM, M.Phil. (Colombo) and LLD (Honoris Causa)

Dr. Jayanta Mootatamby Swaminathan is an Attorney-at-Law with over 55 years in practice. He was the former Senior Partner of Messrs. Julius & Creasy. He is a Member of the Office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Colombo. He is also a Member of the Company Law Advisory Commission and The Intellectual Property Law Advisory Commission. He is the Chairman of the Board of Studies of the Council of Legal Education and also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He is a Member of the Visiting Faculty of the LLM Course of the University of Colombo. He also serves on the Boards of several public and private companies.

Dr. (Mrs) Y. Ponnambalam

Non-Executive, Non-Independent Director

Dr. (Mrs.) Yogaluckshmi Ponnambalam is a Medical Doctor (Retired) and a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd.

Mr. G.G. Ponnambalam

Non-Executive, Non-Independent Director

Mr. Gajendrakumar Gangaser Ponnambalam is an Attorney-at-Law and a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd. He serves as a member of parliament.

Dr. (Ms.) M. Ponnambalam

Non-Executive, Non-Independent Director

Dr. (Ms.) Mrinalini Ponnambalam is an Ophthalmologist qualified in UK and also a Director of Gee Gee Properties (Pvt) Ltd and Geetanjali Gajaluckshmi (Pvt) Ltd.

Mr. T. Someswaran

Non-Executive, Non-Independent Director

Mr. Thirunavukarasu Someswaran a Chartered Accountant, in practice for more than 35 years and retired from the post of Senior Partner of SJMS Associates, a Firm of Accountants which is associated with Deloitte's in Sri Lanka. He is also a Fellow member of CMA and a member of its Governing Council. He is in the Audit Committee Forum of the SL Inst. of Directors. He serves on the Boards of CleanCo Lanka Ltd., Renewgen (Pvt) Ltd., ECSAT (Equality-based Community Support & Training), Chairman Institute for Development of Commercial Law & Practice. He also serves as a Director of the Center for Advancement of Resource Mobilization (CARM).

Mr. Someswaran has substantial experience in auditing, organizational development, leadership partnership building and entrepreneurship development and is passionate about networking & linking organizations to facilitate positive social change and development, with specific focus on governance, accounting ethics and resource mobilization.

Mr. M. J. Ratnayake

Non-Executive, Independent Director

Mr. Mohan Joseph Ratnayake is a Fellow member of the Chartered Institute of Management Accountants UK and has read for a MBA. He was the Chairman of the committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity- Sri Lanka Telecom PLC which traded on the Singapore stock exchange, for the expansion of SLT and Mobitel.

He currently serves as the Managing Director of Colonial Motors Ceylon Ltd. He also serves as an Independent Non-Executive Director of C M Holdings PLC and ACL Plastics PLC, UB Finance PLC, Swisstek PLC, Lanka Tiles PLC.

He was the Chairman of Lanka Realty Investments PLC (resigned with effect from 30th September 2024). He also serves on several Boards and chairs Audit Committees and other Statutory Committees.

Mr. S. A. Senthilvel

Non-Executive, Non-Independent Director

Mr. Senthil Aathavan Senthilvel holds an MBA from Edinburgh Napier University, UK (2019), and is a member of the Association of Business Executives. He is currently a Business Partner at Dollar Corporation and has corporate experience in the fields of management, marketing, and investment.

He currently serves as a Non-Executive Non-Independent Director of Sanasa General Insurance Co. Ltd and as an Executive Director of Senthilvel Holdings (Pvt) Ltd and Samindu Incense (Pvt) Ltd. He formerly served as a Non-Executive Non-Independent Director of Sanasa Development Bank PLC.

Mr. P. Pranavan

Non- Executive, Independent Director

Mr. Premarajah Pranavan holds a B.Sc. (Hons) in Engineering from the University of Moratuwa (2011) and is a Fellow of the Chartered Institute of Management Accountants (UK) as well as a Chartered Global Management Accountant (2012). He is currently an Associate Director at Acuity Knowledge Partners. He is an investment research professional with over 14 years of experience in equity research, valuation, and management.

He serves as an Independent Non-Executive Director of Sanasa Life Insurance PLC and is also a Director of Prempra Capital (Pvt) Ltd.

Mr. R. Dharmendra

Non- Executive, Independent Director

Mr. Rajiv Dharmendra is the Chief Executive Officer of MAS Intimates and has over 21 years of experience with MAS Holdings. During his career, he has held several senior leadership positions, including Business Director – MAS Intimates, CEO of Silueta, Director – Limited Brands, and Chief Marketing Officer of MAS Intimates. He also leads the MAS Innovation Board, which oversees the Group's innovation strategy and pipeline.

Mr. Dharmendra holds a BSc. in Mathematics and Economics from King's College, London and an MSc. in Finance from the London School of Economics. His executive education was from the business schools of Harvard and INSEAD. He was appointed to the Board of the Sri Lanka Insurance Corporation in the capacity of a Non – Executive Director to both Life and General Insurance companies with effect from 1st January 2025.

Chairman's Review

On behalf of the Board of Directors, I take pleasure in welcoming you to the 45th Annual General Meeting of Serendib Land PLC. It is my privilege to present to you the Annual Report of the Company together with the Audited Financial Statements for the Year ended 31st March 2026.

Sri Lankan Economy

Sri Lanka's economy continued its recovery trajectory during the financial year 2025/26, supported by ongoing macroeconomic reforms, progress in debt restructuring and continued engagement with the International Monetary Fund ("IMF") under the Extended Fund Facility ("EFF") programme. Following the strong rebound recorded in 2024 and 2025, economic activity remained resilient, underpinned by improvements in investor confidence, tourism earnings, worker remittances and private sector activity. The IMF noted that Sri Lanka's reform programme had continued to deliver positive outcomes, while supporting the restoration of macroeconomic stability and fiscal sustainability.

Inflation remained largely contained during most of the year, although external developments and higher energy costs exerted some upward pressure on prices towards the latter part of the period. Foreign exchange reserves continued to strengthen, supported by IMF disbursements, tourism receipts and remittance inflows, enhancing the country's resilience to external shocks. Progress in fiscal consolidation and public debt restructuring further reinforced confidence in Sri Lanka's economic recovery and medium-term prospects.

Notwithstanding these positive developments, challenges remain. Global geopolitical tensions, volatility in energy markets and broader economic uncertainties continue to present risks to growth. Domestically, the need to sustain fiscal discipline, attract foreign investment, improve productivity and address structural constraints remains critical to ensuring long-term economic resilience and inclusive growth.

Against this backdrop, the Board remains cautiously optimistic regarding Sri Lanka's economic outlook. Continued policy consistency, prudent macroeconomic management and the successful implementation of ongoing reforms are expected to further strengthen business confidence and support sustainable economic growth in the years ahead.

Real Estate Sector in Sri Lanka

The real estate sector demonstrated encouraging signs of recovery during the year under review, benefiting from the gradual stabilization of the broader economy and improving investor sentiment. Lower inflation, greater exchange rate stability and increased confidence in the economic reform agenda contributed to a more favourable operating environment for the sector compared to recent years.

Demand for commercial and residential property continued to improve gradually, particularly in prime urban locations, although investment decisions remained measured in view of prevailing financing costs and evolving market conditions. Increased activity in tourism, retail and business services sectors also contributed positively to demand for certain categories of real estate assets.

The medium - to long-term outlook for the sector remains positive. As economic conditions continue to stabilize and investor confidence strengthens, the real estate market is expected to benefit from increased domestic and foreign investment, infrastructure development and renewed business activity. The Board believes that well-located and professionally managed real estate assets will continue to offer attractive growth opportunities and long-term value creation for stakeholders.

The Company remains committed to prudently managing its portfolio while pursuing opportunities that align with its long-term strategy and deliver sustainable returns to shareholders.

Financial Performance

During the year under review the Company recorded a turnover of Rs. 6,761,661 and a Profit Before Taxation of Rs. 53,749,300 compared with a turnover of Rs. 27,046,644 and Profit Before Taxation of Rs. 19,862,058 in the previous year. The Company revalued its land & building in the current financial year and a revaluation gain has arisen, amounting to Rs. 68,257,739 Please refer Note 12 of the financial statements for further information. An income tax expense of Rs. 9,372,157 comprising a deferred tax charge was recognised for the year under review.

Directorate

During the year, the Board of Directors welcomed the appointment of Two (02) Independent Directors, strengthening the governance framework of the Company. As at date, the Board comprises Nine (09) Non-Executive Directors. The Directors on the Board maintain a balanced representation of Major Shareholders and the minority groups and are eminent and competent persons with years of experience in Corporate Administration and Financial Management.

Tenancy

Following the termination of Indenture of Lease by the former Lessee, Janashakthi Insurance PLC, with effect from 15.06.2025, the Company has identified a suitable tenant for the premises and is currently in the process of negotiating the terms and conditions of the proposed lease.

Appreciation

I wish to thank my colleagues on the Board for their valued contribution, guidance and commitment, as well as the members of the Board Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and Nomination & Governance Committee for diligently monitoring the Company's affairs.

I wish to thank our Secretaries S N Law Corporate Secretaries (Pvt) Ltd and our Registrars S S P Corporate Services (Pvt) Ltd for their excellent service. I also wish to thank Messrs Ernst & Young for their continued support and valuable contribution. Finally, on behalf of the Board, I wish to place on record my sincere appreciation and gratitude to our valuable shareholders for their continued faith, confidence and trust in us. Your support remains a constant source of strength as we look to the future with optimism and determination.



J.M. Swaminathan

Chairman

04th September 2026.

CEO's Review

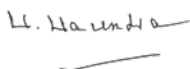
The financial year 2025/26 was a challenging yet significant period for Serendib Land PLC. Following the termination of the lease agreement with Janashakthi Insurance PLC on 15 June 2025, the Company generated rental income only during the first three months of the year. Consequently, revenue decreased to Rs. 6.76 million from Rs. 27.05 million in the previous year.

Despite the reduction in recurring rental income, the Company reported a profit after tax of Rs. 44.38 million compared to Rs. 13.43 million in the previous year. This improvement was mainly attributable to a fair value gain of Rs. 68.26 million recognised on the revaluation of investment properties as at 31 March 2026. As a result, the value of the Company's investment property portfolio increased to Rs. 806.24 million, strengthening the Company's asset base and shareholders' equity.

Total assets increased to Rs. 872.30 million, while shareholders' funds rose to Rs. 748.54 million. The Company maintained a strong balance sheet position with current assets significantly exceeding current liabilities, providing a sound platform to pursue future opportunities.

During the year, management focused on preserving shareholder value while actively exploring opportunities to secure a new long-term tenant for the Company's properties. As disclosed in the financial statements, discussions are ongoing with leading financial service company regarding a potential lease arrangement.

Looking ahead, the Company's priority remains the restoration of sustainable rental income through successful occupancy of its investment properties while maintaining prudent financial management and enhancing long-term shareholder value. The Board remains confident in the underlying strength of the Company's property portfolio and its future growth prospects.



N Nagendra

CEO

04th September 2026.

Statement of Directors' Responsibilities

Directors' Responsibilities for the Preparation of Financial Statements

This Statement of Directors' Responsibilities is to be read in conjunction with the Auditors' Report and is made to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the Financial Statements contained in this Annual Report.

The Directors of your Company are required by the Companies Act No.07 of 2007 to prepare Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year.

The Directors confirm that, the Financial Statements of the Company for the Year Ended 31st March, 2026 included in the Annual Report have been prepared in accordance with the Sri Lanka Accounting Standards and the Companies Act No.07 of 2007. In preparing the Financial Statements, the Directors have selected the appropriate accounting policies and have applied them consistently. Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed and the Financial Statements have been prepared on a going concern basis.

The Directors are of the view that adequate funds and other resources are available within the Company for the Company to continue in operation for the foreseeable future.

The Directors have taken all reasonable steps expected of them to safeguard the assets of the Company and to establish appropriate systems of internal controls in order to prevent, deter and detect any fraud, misappropriation or other irregularities. The Directors have also taken all reasonable steps to ensure that the Company maintains adequate and accurate accounting books of record which reflect the transparency of transactions and provide an accurate disclosure of the Company's financial position.

As required by Section 56 (2) of the Companies Act No.07 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfies the Solvency Test, immediately after the proposed Final Dividend distribution, which is to be declared by the Shareholders at the Annual General Meeting.

The Directors are required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give their Audit Report. The Directors are of the view that they have discharged their responsibilities in this regard.

Compliance Report

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and all other known statutory obligations as at the Balance Sheet date have been paid or provided for in the Financial Statements.

By Order of the Board

S N Law Corporate Secretaries (Pvt) Ltd

Secretaries

Colombo

04th September 2026.

Report of the Directors

The Directors have pleasure in presenting to shareholders their Report together with the Audited Financial Statements of the Company for the Year Ended 31st March, 2026. The details set out herein provide the information required by the Companies Act No. 07 of 2007 and other necessary information required by the Listing Rules of Colombo Stock Exchange.

Principal Activities

The principal activity of the Company is leasing of office premises for commercial purposes.

Changes to the Nature of Business

There was no material change to the nature of the business of the Company during the Financial Year Ended 31st March, 2026.

Review of Operation

A review of the operations of the Company during the financial year is provided in the 'Management Discussion and Analysis' via chairman's review and CEO's review on pages 6-8.

Director's Responsibility for the Financial Statements

The Directors are responsible for preparing and presenting the financial statements, which are set-out on pages 24 to 52. The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka. A Statement of Directors' Responsibilities is set out on page 9 of this Report.

Going Concern

The Directors have adopted the "Going Concern Concept" in the preparation of the Financial Statements.

Investment Properties

The details relating to the movement in Investment Properties are given in Note 12.

Financial Statements

The Financial Statements for the Year Ended 31st March, 2026 are set out on pages 27 to 52 in the Annual Report. The Turnover of the Company during the year was Rs. 6,761,661 /- (2025- Rs. 27,046,644 /-). The Profit before Taxation amounted to Rs. 53,749,300 /- (2025- Rs. 19,862,058/-)

Auditors' Report

The Auditors' Report which is an integral part of the Financial Statements prepared for the Accounting Period Ended 31st March, 2026 is set out in the pages 24-26 in the Annual Report.

Accounting Policies

The Accounting Policies adopted are consistent with those of the previous financial year except as required by the new or revised standards mandatory to be adopted in the current financial year. A Summary of material Accounting Policies is set out on Pages 31 to 38 of the Annual Report.

Board of Directors

The Directors of the Company as at date are set out under "Corporate Information" on Page 3. The Directors of the Company who held office during the year are set out below together with the respective dates of change:

Directors	Date of Change
Dr. J.M. Swaminathan (Chairman)	-
Dr. (Mrs.) Y. Ponnambalam	-
Mr. Gajendrakumar G. Ponnambalam	-
Dr. (Ms.) M. Ponnambalam	-
Mr. T. Someswaran	-
Mr. Ramesh Schaffter	Resigned on 01.12.2025
Mr. M.J. Ratnayake	-
Mr. P. Nagendra	Resigned on 20.05.2026
Mr. S. Senthil Aathavan	Appointed on 20.05.2026
Mr. P. Pranavan	Appointed on 20.05.2026
Mr. R. Dharmendra	Appointed on 20.07.2026

In terms of Articles 98 of the Articles of Association of the Company, Mr. G.G. Ponnambalam, retires by rotation and being eligible offers himself for re-election. The Directors recommend his re-election.

Dr. Jayanta Mootatamby Swaminathan, vacates his office in terms of the provisions of Section 210 of the Companies Act No. 7 of 2007.

Notice is given by the Company to its shareholders of the intention to move an Ordinary Resolution for the re-appointment of Dr. Jayanta Mootatamby Swaminathan as a Director of the Company, in terms of the provisions of Section 211 of the Companies Act No.7 of 2007 and is referred to in the Notice convening the Annual General Meeting.

Mr. Thirunavukarasu Someswaran, vacates his office in terms of the provisions of Section 210 of the Companies Act No. 7 of 2007.

Notice is given by the Company to its shareholders of the intention to move an Ordinary Resolution for the re-appointment of Mr. Thirunavukarasu Someswaran as a Director of the Company in terms of the provisions of Section 211 of the Companies Act No.7 of 2007 and is referred to in the Notice convening the Annual General Meeting.

Dr. (Mrs.) Y. Ponnambalam, vacates her office in terms of the provisions of Section 210 of the Companies Act No. 7 of 2007.

Notice is given by the Company to its shareholders of the intention to move an Ordinary Resolution for the re-appointment of Dr. (Mrs.) Y. Ponnambalam as a Director of the Company in terms of the provisions of Section 211 of the Companies Act No.7 of 2007 and is referred to in the Notice convening the Annual General Meeting.

Interest Register

An Interest Register is required to be maintained in terms of the Companies Act No.7 of 2007, which came into effect on 03rd May, 2007.

Directors' Interest in Contracts with the Company are disclosed in Note 21 to the Financial Statements for the period under review.

Directors Shareholding

The shares held by the Directors at the beginning and at the end of the financial year were as follows. The Articles of Association of the Company do not stipulate a share qualification for Directors.

Director Name	31.03.26	01.04.25
Dr. J. M. Swaminathan	-	-
Dr. (Mrs.) Y. Ponnambalam	-	-
Mr. Gajendrakumar G. Ponnambalam	-	-
Dr. (Ms.) M. Ponnambalam	-	-
Mr. T. Someswaran	-	-
Mr. M.J. Ratnayake	-	-
Mr. S. Senthil Aathavan	-	-
Mr. P. Pranavan	-	-
Mr. R. Dharmendra	-	-

Secretaries

S N Law Corporate Secretaries (Pvt) Ltd provides Company Secretarial Services to the Company.

Corporate Governance

The Company complies with the Corporate Governance Rules set out in the Listing Rules of the Colombo Stock Exchange and also key areas of the code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka. Corporate Governance Report for the period under review is set out in pages 12 to 17 of this Report.

Stated Capital

The Stated Capital of the Company as at 31st March, 2026 was Rs.100,000,800/-, consisting of 398,906 Ordinary shares. The Shares of the Company are listed on the Colombo Stock Exchange.

Shareholders

The total shareholder base of the Company as at 31st March 2026 was 435 (2025 - 364). The distribution of the shareholding and a listing of the 20 major shareholders are given under Investor Information on pages 53 to 54.

Employment

The Company has no employees. The financial management of the Company is entrusted to Ernst & Young, Chartered Accountants of Sri Lanka.

Statutory Payments

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government have been made to date.

Events after the Reporting Date

No circumstances have arisen since the reporting date, which would require adjustment to, or disclosure in the financial statements except for those disclosed Note 27.

Directors' Remuneration and other Benefits

The Information pertaining to the Directors' Fees during the year under review is disclosed in Note 21.1 to the Financial Statements.

Auditors

The financial statements for the period under review have been audited by Messrs KPMG. An audit fee of Rs. 968,825/- is payable by the Company as Audit Fee for the Year Ended 31st March, 2026. M/s KPMG have expressed their willingness to continue in office and a Resolution to re-appoint them and to authorize the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Auditors' Relationship with the Company

M/S KPMG has also provided Tax Consultancy Services to the Company, during the period under review.

By Order of the Board

J. M. Swaminathan Director **Mr. T. Someswaran** Director **S N Law Corporate Secretaries (Pvt) Ltd** Secretary

04th September 2026.

Corporate Governance

Corporate Governance is the system by which Companies are directed, managed and controlled by the Management in the best interest of the Shareholder. The Board of Directors is responsible for the Governance of the Company whilst the Shareholders' role in Governance is to appoint the Directors and the Auditors and to satisfy themselves that an appropriate governance structure is in place.

Compliance with the Code of Best Practice

The Company currently complies with key areas of the Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Board of Directors

The Board of Directors takes responsibility for good governance of the Company. The Board of Directors comprised Nine (09) members as at the end of the period under review. All Directors function as Non-Executive Directors including Three (03) Independent Directors. One Director retires by rotation at each Annual General Meeting and is eligible for re-appointment. The Directors collectively possess a wide range of aptitude, skill, knowledge and experience, in managing companies. During the period under review, the Financial Management of the Company was handled by Ernst & Young, Chartered Accountants. The Board meets periodically with the Staff of the Accountants of the Company, to review the performance of the Company and the Financial Statements for the period. Decisions relating to Capital Expenditure and investments require the approval of the Board. The Directors are responsible for preparing and presenting the financial statements which have been prepared in accordance with the Sri Lanka Accounting Standards and in accordance with the requirements of the Colombo Stock Exchange. Maximum information is provided to Shareholders and full disclosure is made subject to only sensitive information which could directly impact the business of the Company.

Board Sub-Committees

The Board sub-committees scrutinize and analyse the areas under their purview and make recommendations to the Board on necessary improvements and modifications to the systems and processes of the Company. As such, the Board has constituted an Audit Committee, a Remuneration Committee, a Nomination and Governance Committee and a Related Party Transactions Review Committee. The Board has appointed an Audit Sub-Committee to scrutinize areas under its purview and ensure application of controls over affairs of the Company, mainly the financial management of the Company. The Audit Sub-Committee examines the quarterly financial statements of the Company and discusses necessary steps to be taken in order to better manage the finances of the Company. Report of the Audit Committee is set out on page 20 of the Annual Report. The Board has appointed a Related Party Transactions Review Committee to review the categories of persons who are considered as "related parties" as per the Listing Rules of Colombo Stock Exchange. The Report of the Related Party Transactions Review Committee is set out in the page 21 of the Annual Report. The Board has appointed a Remuneration Committee to recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the Company or any equivalent position thereof.

The Report of the Remuneration Committee is set out in the page 22 of the Annual Report. The Board has appointed a Nomination and Governance Committee to evaluate the appointment of Directors to the Board of Directors and Board Committees. The Report of the Nomination and Governance Committee is set out in the pages 18 - 19 of the Annual Report. The proceedings of the said Sub Committee are reported to the Board of Directors who in turn make the final determination based on the recommendations made by the Committee.

The Composition of the Board as at the end of the period under review is set out in the Table below, together with a record of the attendance of every director.

Director Name	Category	Board	
		Eligible to attend	Attended
Dr. J. M. Swaminathan	Non-Executive Non-Independent	4	4
Mr. T. Someswaran	Non-Executive Non-Independent	4	4
Dr. (Mrs.) Y. Ponnambalam		4	0
Mr. Gajendrakumar G. Ponnambalam	Non-Executive Non-Independent	4	4
Dr. (Ms.) M. Ponnambalam	Non-Executive Non-Independent	4	0
Mr. R. Schaffter	Non-Executive Non-Independent	3	2
Mr. M. J. Ratnayaka	Non-Executive Independent	4	4
Mr. P. Nagendra	Non-Executive Independent	4	4

The Composition of the Audit Committee as at the end of the period under review is set out in the table below, together with a record of the attendance of every committee member

Director Name	Category	Audit Committee	
		Eligible to attend	Attended
Mr. M.J. Ratnayake (Chairman)	Non-Executive Independent	4	4
Mr. P. Nagendra	Non-Executive Independent	4	3
Mr. T. Someswaran	Non-Executive	4	4

The Composition of the Remuneration Committee as at the end of the Period under Review is set out in the Table below, together with a Record of the Attendance of Every Committee Member.

Director Name	Category	Remuneration Committee	
		Eligible to attend	Attended
Mr. P. Nagendra (Chairman)	Non-Executive Independent	4	3
Mr. M.J. Ratnayake	Non-Executive Independent	4	4
Dr. J.M. Swaminathan	Non-Executive	4	4

The Composition of the Related Party Transactions Review Committee as at the end of the period under review is set out in the table below, together with a record of the attendance of every committee member.

Director Name	Category	Related Party Transactions Review Committee	
		Eligible to attend	Attended
Mr. P. Nagendra (Chairman)	Non-Executive Independent	4	3
Mr. M.J. Ratnayake	Non-Executive Independent	4	4
Dr. J.M. Swaminathan	Non-Executive	4	4

The Composition of the Nomination and Governance Committee as at the end of the period under review is set out in the table below, together with a record of the attendance of every committee member

Director Name	Category	Nomination and Governance Committee	
		Eligible to attend	Attended
Mr. M.J. Ratnayake (Chairman)	Non-Executive Independent	4	4
Mr. P. Nagendra	Non-Executive Independent	4	3
Mr. G.G. Ponnambalam	Non-Executive	4	4

Company Secretaries

S N Law Corporate Secretaries (Pvt) Ltd provides Company Secretarial services to the Company. The Company Secretaries play a key role in compliance matters by ensuring that the Company complies with the requirements of the Companies Act, the Colombo Stock Exchange and other regulatory bodies. The Secretaries also ensure that Board procedures are followed and information is provided to shareholders on a timely basis.

Registrars

S S P Corporate Services (Pvt) Ltd provides Registrars services to the Company.

Compliance with Legal Requirements

All Directors have access to the advice and services of the Company Secretaries as well as to the Financial Information of the Company, and make every endeavour to ensure that the Company complies with Laws and Regulations. Additionally, checks and controls are in place to ensure that the policies of the Board are complied with.

The manner and the extent to which the Company has applied the principles of Good Corporate Governance practices during the period under review is set out in the table below:

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
9.2	Policies	Policies to be established and maintained by the Listed Entities	Complied	The required Policies have been established and maintained by the Company and are accessible in the Company's website
9.3	Board Committees	The Board Committees at minimum shall include Nominations & Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee	Complied	The Company's Board Committees at present are, Remuneration Committee, Audit Committee, Nominations and Governance Committee and Related Party Transactions Review Committee
		The Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees	Complied	Dr. J.M. Swaminathan is the Chairman of the Board
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with Shareholders	Listed Entities shall maintain records of all resolutions, policy on effective communication and relations with shareholders and investors and compliance with Guidelines issued by the CSE in relation to conducting shareholder meetings through virtual or hybrid means	Complied	The Company maintains records of all resolutions and the virtual/hybrid Annual General Meeting is in compliance with the CSE Guidelines and the Articles of Association of the Company.
9.5	Policy on matters relating to Board of Directors	Balance representation between Executive and Non-Executive Directors	Complied	The Board consists of 9 Non-Executive Directors, out of whom, 3 are Independent Non-Executive Directors. A Chief Executive Officer was appointed with effect from 01.11.2025.
9.6	Chairperson and CEO	Chairperson shall be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same individual	Complied	The Chairman is a Non-Executive Non Independent Director.
9.7	Fitness of Directors and CEOs	Ensuring that the Directors are at all times fit and proper persons	Complied	All the Directors satisfy the Fit and Proper Assessment Criteria including Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
9.8	Board Composition	The Board at a minimum shall consist of 5 Directors and shall include 2 Independent Directors or 1/3 of the total number of Directors, whichever is higher	Complied	The Board consists of 9 Non-Executive Directors, out of whom, 3 are Independent Non-Executive Directors.
		In the event a Director does not qualify as "Independent Director" as per criteria provided by CSE Listing Rules, if the Board, taking into consideration all the circumstances, is of the opinion that the Director is nevertheless "independent" the Board shall specify the criteria not met and the basis for its determination in the Annual Report.	Complied	
		Each Independent Director should submit a signed and dated declaration of independence/ non-independence in the prescribed format	Complied	All Directors have submitted the Declarations.
9.9	Alternate Directors			
		Alternate Directors to be appointed in exceptional circumstances	Complied	There are no Alternate Directors.
9.10	Disclosures relating to Directors	A brief resume of each Director be included in the Annual Report and should include each Director's areas of expertise.	Complied	Please refer information relating to the same under Report of Directors on pages 4 - 5
		Number of Board Meetings, Names of Board Committees in which the Director serves as Chairperson and Details of Attendance, to be included in the Annual Report	Complied	Please refer information relating to the same on pages 12 - 13
9.11	Nominations & Governance Committee	Establish a Nominations & Governance Committee that conforms to the requirements set out in Rule 9.11	Complied	Nominations & Governance Committee has been established

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
9.12	Remuneration Committee	The Annual Report should set out: The names of the members and the nature of the directorships comprising the Remuneration Committee	Complied	The Company does not have Executive Directors. The CEO is remunerated by the Company.
		A statement regarding the remuneration policy	Complied	S N Law Corporate Secretaries (Pvt) Ltd provides Company Secretarial services to the Company, whilst the Financial Management functions of the Company have been entrusted to Ernst & Young (EY), Chartered Accountants, and the fees for the services rendered by them are determined by the Directors.
		Aggregated remuneration paid to executive and Non-Executive Directors	Complied	Please refer to Remuneration Committee Report on page 22 of the Annual Report.
9.13	Audit Committee	The Company shall have an Audit Committee and shall comprise of Non-Executive Directors a minimum of 2 or a majority of whom shall be independent	Complied	Audit Committee consists of three Non-Executive Directors of whom two are Non-Executive Independent Directors
		The Chairman of the Audit Committee should be a member of a professional accounting body	Complied	Chairman of the Audit Committee is a member of a professional accounting body
		Audit Committee functions should be as outlined in the section 9.13.4 of the Listing Rules	Complied	Please refer to Audit Committee Report on page 20 of the Annual Report
		Disclosures in the Annual Report as outlined in Section 9.13.5 of the Listing Rules	Complied	Please refer to Audit Committee Report on page 20 of the Annual Report

Rule No.	Subject	Applicable Requirement	Compliance Status	Details
9.14	Related Party Transactions Review Committee (RPTRC)	listed Company shall have a Related Party Transactions Review Committee and shall comprise of a minimum of 3 Directors out of which 2 shall be independent.	Complied	Please refer to Related Party Transactions Review Committee Report on page 21 of the Annual Report
		An Independent Non-executive Director shall be appointed as the Chairman of the RPTRC Committee.	Complied	
		RPTRC functions should be as outlined in the section 9.14 of the Listing Rules		
		a. Names of the Directors comprising the Committee;	Complied	
		b. A statement to the effect that the Committee has reviewed the Related Party Transactions during the Financial Year and has communicated the comments/ observations to the Board of Directors.	Complied	
		c. The policies and procedures adopted by the Committee for reviewing the Related Party Transactions.	Complied	
		d. The number of times the Committee has met during the Financial Year	Complied	

Nomination and Governance Committee Report

Composition of the Committee

Nomination and Governance Committee comprises three (03) Non-Executive Directors including two (02) Independent Directors. The Committee is chaired by Mr. M. J. Ratnayake. Members of the Board appointed Nomination and Governance Committee are:

Mr. Mohan Joseph Ratnayake

(Chairman) – Independent Non-Executive Director

Mr. Gajendrakumar Ponnambalam

Non-Executive Director

Mr. Premarajah Pranavan

Independent Non-Executive Director

The dates of appointment of the members to the Nominations and Governance Committee are as follows:

- Mr. M. J. Ratnayake – 11.02.2025
- Mr. G. Ponnambalam – 11.02.2025
- Mr. P. Pranavan – 20.05.2026

The profiles of the members which detail their background and professional experience are on pages 4 - 5 of this Report.

Role of the Committee

The Committee establishes and maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee. The Committee is also responsible for having written terms of reference clearly defining its scope, authority, duties and matters pertaining to quorum of meetings.

Meetings

During the year under review, the Committee held four (04) meetings. The record of attendance is given on pages 12 - 13 of this Report.

Nomination and Governance Policy

The Committee is responsible for the following:

- Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity.
- Consider and recommend (or not recommend) the re-appointment/re-election of current Directors;
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity.
- Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements.

- Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.
- Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity.
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.
- Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.
- Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.
- The Nominations and Governance Committee shall make recommendations regarding re-election and the following information should be disclosed:

The Company has in place a formal and documented Nomination and Governance Policy which establishes a transparent process for the identification, evaluation, appointment, re-appointment and succession planning of Directors and Key Management Personnel.

In accordance with the Articles of Association of the Company, Directors are required to submit themselves for re-election by shareholders. At the Annual General Meeting in every year, one Director for the time being shall retire from office. The Director to so retire from office in each year shall be the Director who has been in office for the longest period. The Director retiring shall be eligible for re-election.

The Committee recognizes Board diversity as an important factor in enhancing Board effectiveness. In reviewing Board composition, consideration is given to diversity in professional experience, industry knowledge, skills, age, gender and other attributes relevant to the Company's strategic objectives.

During the year under review, the Committee reviewed the composition of the Board and Board Committees, assessed the independence of Independent Directors, reviewed succession planning requirements and considered matters relating to Board effectiveness and corporate governance compliance.

Independent Directors are provided with timely access to Board papers, management reports and other information relevant to the discharge of their duties and are regularly updated on significant operational, financial, regulatory and strategic matters affecting the Company.

Existing Directors received periodic updates on developments relating to corporate governance, Listing Rules, securities market regulations and other applicable legal and regulatory requirements.

The Committee is satisfied that the Independent Directors of the Company meet the independence criteria prescribed by the Listing Rules of the Colombo Stock Exchange.

The Committee confirms that the Company has complied with the Corporate Governance requirements stipulated in the Listing Rules of the Colombo Stock Exchange during the year under review.

The details of the Director who is proposed for re-election for this year is as follows:

Particulars	Details
Name of Director	Mr. Gajendrakumar Ponnambalam
Nature of Directorship	Non-Executive Director
Date of Last Re-election / Re-appointment	At the Annual General Meeting held on 19th September 2023
Board Committees Served On	Nominations and Governance Committee
Current Directorships/ Chairmanships in Other Listed Entities	-
Relationship with Other Directors of the Company	Son of Dr. (Mrs.) Y. Ponnambalam (Director) and brother of Dr. (Mrs.) M. Ponnambalam (Director)
Relationship with Shareholders Holding More Than 10% of the Shares of the Company	Director of Gee Gees Properties (Pvt) Ltd and Gitanjali Gajalakshmi (Pvt) Ltd, shareholders holding more than 10% of the Company's Shares

Conclusion

The Committee is satisfied that the policies and procedures related to the Nominations and Governance of the Company are effectively implemented as required.



M. J. Ratnayake

Chairman - Nomination and Governance Committee Report
04th September 2026.

Audit Committee Report

Composition of the Committee

Audit Committee comprises of three (03) Non-Executive Directors including two (02) Independent Directors. The Committee is chaired by Mr. M.J. Ratnayake, who is a member of the Chartered Institute of Management Accountants, UK. Members of the Board appointed Audit Committee are:

Mr. Mohan Joseph Ratnayake

(Chairman) – Independent Non-Executive Director

Mr. Thirunavukarasu Someswaran

Non-Executive Director

Mr. Premarajah Pranavan

Independent Non-Executive Director

The profiles of the members which detail their background and professional experience are on pages 4 - 5 of this Report.

Role of the Committee

The Audit Committee is empowered to review and monitor the financial reporting process of the Company, in order to assure that adequate safeguards are in-place to provide true and reliable financial information to the Stakeholders of the Company. The duties of the Committee include a detailed review of the Financial Statements, monitoring Financial Management Functions and making recommendations with regard to adequacy of Financial Management procedures, disclosure of accounting policies, discussions with the External Auditors and Tax Consultants and compliance with the requirement laid down by regulatory authorities. The Committee is also responsible for having written terms of reference clearly defining its scope, authority and duties.

Meetings

During the year under review, the Committee held four (04) meetings. The proceedings of the Audit Committee Meetings are reported to the Board of Directors. The representatives of Ernst & Young- Chartered Accountants (EY) who carry out the Accounting Consultancy service to the company, attend the meetings by invitation.

During the year, the Committee reviewed and discussed the Quarterly Financial Statements, the Draft Financial Statements of the Company, Report on Solvency of the Company and communication from the External Auditors of the Company and other various compliance requirements.

The Committee directs and monitors representatives of EY, Accountants of the Company on Financial Reporting process of the Company. The Committee obtains regular updates from the Accountants on utilization of funds of the Company and provides guidance on efficient Treasury Management and investments.

The Committee has instructed the Accountants of the Company to liaise independently with M/s KPMG, Chartered Accountants, Auditors to the Company. At the conclusion of the Annual Audit of the Company, the Accountants have been requested to explain to the Committee, the methodology and policies/ standards adopted in the audit and the findings of the Audit.

The Committee has received a Declaration from the External Auditors of the Company, as required by the Companies Act No.7 of 2007, confirming that they do not have any relationship or interest in the Company, which may have a bearing on their independence, within the definition of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Committee has received assurance from the CEO and the CFO of the Entity's operations and finances. The Committee confirms that the financial reporting requirements, information requirements in terms of the Listing Rules, the Companies Act No. 7 of 2007 and the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) are complied with.

The Committee has recommended to the Board of Directors that M/s KPMG be reappointed as the Auditors of the Company for the financial Year Ending 31st March, 2027, subject to the approval of the Shareholders at the Annual General Meeting.

Conclusion

The Committee is of the view that based on the Report submitted by the External Auditors, subsequent to the Audit carried out by them on the Financial Statements of the Company for the Period Ended 31st March, 2026, adequate controls and procedures are in place to provide a reasonable assurance to the stakeholders that the financial position of the Company is adequately monitored and secured.



M.J. Ratnayake

Chairman-Audit Committee
04th September 2026.

Related Party Transactions Review Committee Report

The Related Party Transactions (RPT) Review Committee appointed by the Board comprised of three (03) Members, all of whom are Independent Non-Executive Directors, listed below. The primary purpose of the Related Party Transactions Review Committee is to review and monitor Related Party Transactions of the Company and to ensure compliance with the requirements of the Listing Rules of the Colombo Stock Exchange and the Company's Related Party Transactions Policy.

Mr. Premarajah Pranavan

(Chairman) – Independent Non-Executive Director

Mr. Mohan Joseph Ratnayake

Independent Non-Executive Director

Mr. Rajiv Dharmendra

Independent Non-Executive Director

Meetings

During the year under review, the Committee held Four (04) meetings. The proceedings of the Committee are reported to the Board of Directors who will in turn make the final determination based on the recommendations of the Committee.

In accordance of the said Listing Rules, the Company has formulated a Related Party Transactions Policy. It has also obtained 'self-declarations' (prepared in line with the Format set out in the Listing Rules) from each Director and Key Management Personnel of the Company, in order to identify parties related to them. Based on these details disclosed by the Directors, the Company has developed a system that enables the Company to retrieve data on related party transactions throughout the Company's network.

Further, in accordance with the RPT Policy, the criteria for identifying the Key Management Personnel (KMP) was established and all Non-Executive Directors of the Board were identified as KMPs in order to establish greater transparency and governance. Also, declarations were obtained from each KMP of the Company for the purpose of identifying parties related to them and to provide annual disclosure.

Related Party Transactions Exceeding 10% of the Equity or 5% of the Total Assets of the Company

In terms of the requirements of the Listing Rules of the Colombo Stock Exchange, the transactions carried out by the Company with the Related Parties during the year ended 31st March, 2026 did not exceed 10% equity or 5% of the Total Assets of the Company as at 31st March, 2026. The details of RPTs are given in note 21 to the Financial Statements.

1. Non-Recurrent Related Party Transactions

There were no Non-Recurrent RPTs entered into by the Company, where the aggregate value of the Non-Recurrent RPTs exceeds 10% of the Shareholders' Equity or 5% of the Total Assets, whichever is lower, of the Company as at 31st March, 2026.

2. Recurrent Related Party Transactions

Information pertaining to Recurrent RPTs where the aggregate value of the Recurrent RPTs exceeded 10% of the Gross Revenue/ Income of the Company, as per the Audited Financial Statements are disclosed in Note 21.

Therefore, all Related party transactions relating to recurrent nature which are required under the section 9.3.2 of the Colombo Stock Exchange has been made.

The Board of Directors confirms that the Company has complied with the requirements relating to Related Party Transactions as set out in the Listing Rules of the Colombo Stock Exchange during the financial year ended 31 March 2026.



Mr. P. Pranavan

Chairman – Related Party Transactions Review Committee
04th September 2026.

Remuneration Committee Report

Composition of the Committee

Remuneration Committee comprises of three (03) Independent Non-Executive Directors. The Committee is chaired by Mr. P. Pranavan. Members of the Board Remuneration Committee are:

Mr. Premarajah Pranavan

(Chairman) – Independent Non-Executive Director

Mr. Mohan Joseph Ratnayake

Independent Non-Executive Director

Mr. Rajiv Dharmendra

Independent Non-Executive Director

Representatives of Ernst & Young, Chartered Accountants, the Accountants of the Company, assist the Committee by providing relevant information to facilitate the decision-making process.

The primary purpose of the Remuneration Committee is the determination of fees payable to the members of the Board of Directors of the Company based on the Remuneration Policy of the Company. The remuneration policy of the Company is designed to ensure that remuneration levels are aligned with the Company's objectives and shareholder interests and the policy seeks to attract and retain individuals with the requisite skills and experience. No remuneration is paid to Non-Executive Directors of the Company other than the Fees based on their participation at Board and Sub Committee meetings. The aggregate remuneration paid to Directors is set out in Note 21.1 of the Financial Statements. The proceedings of the Committee are reported to the Board of Directors who will in turn make the final determination based on the recommendations of the Committee.

The Committee met four times during the year under review and the proceedings of the Committee were reported to the Board for their information and necessary action and were affirmed by the Board.



P. Pranavan

Chairman – Remuneration Committee
04th September 2026.

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Independent Auditor's Report



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TO THE SHAREHOLDERS OF SERENDIB LAND PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serendib Land PLC ("the Company"), which comprise the statement of financial position as at March 31, 2026, 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 as set out on pages 27 to 52 of this Annual Report

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2026, 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.

01. Valuation of Investment Property

Refer to Note 3.1 and Note 12 to these financial statements

Risk Description

The Company has recognized the carrying value of the Investment Property amounting to Rs. 806 Mn and a fair value gain amounting to Rs. 68 Mn as at 31st March 2026. Management's assessment of fair value of Investment Property was determined based on valuations performed by a qualified independent property valuer in accordance with recognised industry standards. Estimating fair value is a complex process which involves a significant degree of judgment and estimates in respect of perch price of the land, value per square feet, diversity of locations and nature of the property. We identified assessing the fair value of investment property as a key audit matter due to the complexity of the valuation method, subjectivity of the significant judgments and estimations involved.

Our Response

- Our audit procedures included,
- Assessing the objectivity, independence, competency and qualifications of the external valuer engaged by the Company.
 - Reviewing the professional valuer's report and assessing the key estimates made by the external valuer in deriving the fair value of the property and compared the same with evidence of current market values.
 - With the assistance of our own internal valuation specialist assessing the key assumptions applied and conclusions made in deriving the fair value of the Investment Properties. In addition, we have assessed the valuation methodologies with reference to recognised industry standards.
 - Assessing the adequacy of disclosures made in relation to the valuation of Investment Property in the financial statements.

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T. J. S. Rajakarier FCA
W. K. D. C. Abeyratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA

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

Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

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



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 do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the 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 FCA 2294

A handwritten signature in black ink, appearing to read 'KPMG', with a long horizontal line extending to the right.

Chartered Accountants

Colombo, Sri Lanka
04th September 2026.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 st March	Note	2026 Rs.	2025 Rs.
Revenue	5	6,761,661	27,046,644
Direct expenses		(1,374,667)	(1,374,397)
Gross profit		5,386,994	25,672,247
Other operating expense	6	(12,476,225)	(1,036,247)
Changes in fair value of investment property	12	68,257,739	(2,519,371)
Administrative expenses		(11,276,977)	(7,043,422)
Profit from operations	7	49,891,531	15,073,208
Finance income	8	3,857,769	4,788,851
Profit before taxation		53,749,300	19,862,058
Income tax expense	9	(9,372,157)	(6,427,087)
Profit for the year		44,377,143	13,434,971
Other comprehensive income for the year			
<u>Items that will not be reclassified to profit or loss</u>			
- Net change in fair value of equity investments - FVOCI	15	1,593,819	3,007,676
Total comprehensive income for the year		45,970,962	16,442,647
Basic earnings per share (Rs.)	10	111.25	33.68

The annexed notes to the financial statements form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Financial Position

As at 31 st March	Note	2026 Rs.	2025 Rs.
ASSETS			
Non-current assets			
Investment property	12	806,238,368	737,980,629
Equity Investments FVOCI	15	11,536,408	9,942,589
Total non-current assets		817,774,776	747,923,218
Current assets			
Trade and other receivables	13	6,026,726	23,834,000
Short term investments	14	22,457,259	12,042,108
Income tax Receivable	20	5,997,818	-
Cash and cash equivalents	16	20,040,713	52,031,555
Total current assets		54,522,516	87,907,663
Total assets		872,297,292	835,830,881
EQUITY & LIABILITIES			
Equity			
Stated capital	17	100,000,800	100,000,800
Retained earnings		44,470,821	73,100,586
Fair value reserve		7,474,287	5,880,468
Other reserve		596,591,068	528,333,329
Total equity		748,536,976	707,315,183
Liabilities			
Non-current liabilities			
Deferred tax liability	18	118,113,431	108,741,274
Total non-current liabilities		118,113,431	108,741,274
Current liabilities			
Other payables	19	3,669,942	15,003,852
Income tax payable	20	-	2,736,391
Dividend payable		893,764	1,931,474
Bank overdraft	16	1,083,179	102,707
Total current liabilities		5,646,885	19,774,424
Total liabilities		123,760,316	128,515,698
Total equity and liabilities		872,297,292	835,830,881

The annexed notes to the financial statements form an integral part of these financial statements.
These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



A.R. Walpita
Chief Financial Officer

The Board of Directors are responsible for the preparation and presentation of these financial statements.
Approved and signed for and on behalf of the Board.



J.M. Swaminathan
Director



M. J. Ratnayake
Director

04th September 2026
Colombo

Statement of Changes in Equity

For the year ended 31st March	Stated capital	Other reserve (Note a)	Fair value Reserve (Note b)	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2024	100,000,800	530,852,700	2,872,792	67,118,894	700,845,186
Profit for the year	-	-	-	13,434,971	13,434,971
Other comprehensive income	-	-	3,007,676	-	3,007,676
Total comprehensive income for the year	-	-	3,007,676	13,434,971	16,442,647
Transactions with the equity owners, recorded directly in equity and distribution to equity owners					
Dividends to equity holders (Note 11)	-	-	-	(9,972,650)	(9,972,650)
Transfer of fair value gains on investment property	-	(2,519,371)	-	2,519,371	-
Balance as at 31st March 2025	100,000,800	528,333,329	5,880,468	73,100,586	707,315,183
Balance as at 1st April 2025	100,000,800	528,333,329	5,880,468	73,100,586	707,315,183
Profit for the year	-	-	-	44,377,143	44,377,143
Other comprehensive income	-	-	1,593,819	-	1,593,819
Total comprehensive income for the year	-	-	1,593,819	44,377,143	45,970,962
Transactions with the equity owners, recorded directly in equity and distribution to equity owners					
Dividends to equity holders (Note 11)	-	-	-	(5,983,590)	(5,983,590)
Unclaimed dividend write off	-	-	-	1,234,421	1,234,421
Transfer of fair value gains on investment property	-	68,257,739	-	(68,257,739)	-
Balance as at 31st March 2026	100,000,800	596,591,068	7,474,287	44,470,821	748,536,976

Note a During the financial year, 2015, the Company decided to transfer the fair value gains and losses arising from valuation of investment property from year 2008 amounted to Rs. 95,647,700 from retained earnings to the other reserve. During the year 2018, the Company has transferred the fair value gain of Rs. 221,080,000 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer. During the year 2020, the Company has transferred the fair value gain of Rs. 63,255,000 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer. During the year 2022, the Company has transferred the fair value gain of Rs. 45,845,000 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer. During the year 2023, the Company has transferred the fair value gain of Rs. 69,775,000 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer. During the year 2024, the Company has transferred the fair value gain of Rs. 35,250,000 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer. During the year 2025, the Company has transferred the fair value loss of Rs. 2,519,371 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer. During the year 2026, the Company has transferred the fair value gain of Rs. 68,257,739 from retained earnings to the other reserve. The related taxes have not been netted off against the said transfer.

Note b Fair value reserve includes the accumulated net balance on revaluation of Equity Investments-FVOCI

The annexed notes to the financial statements form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31 st March	Note	2026 Rs.	2025 Rs.
Cash flows from operating activities			
Profit before taxation		53,749,300	19,862,058
Adjustments for:			
Interest income	8	(3,857,769)	(4,788,851)
ROU net movement adjustment	6	-	1,036,247
Unamortized rent receivable	6	12,476,225	-
Change in fair value of investment property	12	(68,257,739)	2,519,371
Operating (loss)/profit before working capital changes		(5,889,983)	18,628,825
Changes in working capital			
Decrease/(Increase) in trade and other receivables		1,339,158	(417,019)
(Decrease)/Increase in other payables		(12,371,620)	1,618,502
Cash (used) /generated from operations		(16,922,445)	19,830,309
Income tax paid		(4,333,958)	(6,811,965)
Net cash (used) /generated from operating activities		(21,256,403)	13,018,343
Cash flows from investing activities			
Net (decrease) in investments		(10,415,150)	(726,644)
Interest received		3,449,408	4,788,851
Net cash (used in) / generated from investing activities		(6,965,742)	4,062,207
Cash flows from financing activities			
Dividend paid		(4,749,169)	(9,883,210)
Net cash used in financing activities		(4,749,169)	(9,883,210)
Net (decrease)/increase in cash and cash equivalents		(32,971,314)	7,197,340
Cash and cash equivalents at the beginning of the year	16	51,928,848	44,731,508
Cash and cash equivalents at the end of the year	16	18,957,534	51,928,848

The annexed notes to the financial statements form an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

1 REPORTING ENTITY

1.1 Domicile and Legal Form

Serendib Land PLC (the "Company") is a public, limited liability Company incorporated on 31st December 2008 and domiciled in Sri Lanka and presently regulated under the Companies Act No. 07 of 2007. The Registered Office and the principal place of business of the Company are located at HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10.

1.2 Principal Activities and Nature of Operations

The principal activity of the Company is renting and development of properties.

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

1.3 Parent Enterprise and Ultimate Parent Enterprise

There is no distinguishable enterprise to be identified as parent Company.

1.4 Number of Employees

The Company did not have its own employees during the year. The Management and finance functions of the Company have been outsourced.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with the material accounting policies and notes to the financial statements.

The financial statements of the Company, have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka. These financial statements, except for information on cash flows, have been prepared following accrual basis of accounting.

2.2 Statement of Presentation

The Financial Statements of the Company have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange (CSE).

2.3 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position:

-Equity investments measured at fair value through other comprehensive income measured at fair value.

-Investment property is measured at fair value.

2.4 Functional and Presentation Currency

All values presented in the Financial Statements are in Sri Lankan Rupees and rounded to the nearest rupee value.

2.5 Use of Estimate and Judgment

The preparation of the Financial Statements in conformity with LKAS/SLFRS requires management to make judgments, estimates and assumptions that affect the application of 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 accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions, estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- ❖ Investment property (Note 3.1 and 12)
- ❖ Revenue recognition: whether overtime or point in time (Note 3.5 and 5)
- ❖ Impairment (Note 3.3.8)
- ❖ Current taxation (Note 3.8.a and 9)
- ❖ Deferred taxation (Note 3.8.b and 18)

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 Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and being satisfied that it has the resources to continue in business for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of the Company.

Furthermore, the 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 of the Company continue to be prepared on a going concern basis.

2.8 Events occurring after the reporting date

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments to or disclosure have been made in the financial statements where necessary.

2.9 Contingencies and capital commitments

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.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these Financial Statements and have been applied consistently by the Company, unless otherwise stated.

ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the statement of financial position are cash and those which are expected to be realized in cash during the normal operating cycle of the Company or within one year from the reporting date whichever is shorter.

3.1 Investment property

Investment property is a property held either to earn rental income or capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein is recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials

and direct labor, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs. Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Determining fair value

An external, independent valuer, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, values the Company's investment property portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3.2 Leases

3.2.1 Company as a lessee

As per SLFRS 16, when the Company has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone prices of the lease component and the aggregate stand-alone price of the non-lease components. At the commencement date, the Company recognizes right-of-use of an asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. Lease payments are discounted using the incremental borrowing rate. After initial recognition, the Company applies cost model for the right-of-use of an asset and depreciate the asset from commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the Company depreciates it from commencement date to the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognized in the profit or loss.

3.2.1.2 Company 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 stand-alone 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 useful life of the asset.

The Company recognises lease payments received under operating leases as rental income on a straight -line basis over the lease term as part of 'revenue'.

3.2.1.3 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.

3.3 Financial Instruments

3.3.1 Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.2 Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI - debt investment; FVOCI equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets

are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

3.3.3 Business model assessment:

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

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

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

3.3.4 Assessment whether contractual cash flows are solely payments of principal and interest:

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition, "interest" is defined as the 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 cost (example liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

This include assessing whether the financial assets 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 assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3.3.5 Financial assets - Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are never reclassified to profit or loss.

3.3.6 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss

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

3.3.7.2 Financial liabilities

3.3.7 De-recognition

3.3.7.1 Financial assets

The Company derecognizes 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.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes 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 recognized 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 recognized in profit or loss.

3.3.8 Impairment Provision

3.3.8.1 Non-derivative financial assets - Financial instruments

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 realizing security (if any is held); or
- the financial asset is more than 180 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.

3.3.8.2 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).

3.3.8.3 Credit-Impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

3.3.8.4 Presentation of allowance for ECL in the statement of financial position

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

LIABILITIES AND PROVISIONS

Liabilities classified as Current Liabilities in the statement of financial position are those obligations payable on demand or within one year from the reporting date. All other liabilities are classified as non-current liabilities.

All known liabilities have been accounted for in preparing the financial statements. Provision and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.4 Fair Value Measurement

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 regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS/ LKAS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows;

Level 1

Inputs that are unadjusted quoted market prices in an active market for identical instruments. When available, the Company measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: (a) quoted market prices in active markets for similar instruments, (b) quoted prices for identical or similar instruments in markets that are considered to be less active, or (c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

Level 3

Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's value. Valuation techniques include net present value and discounted cash flow models, comparisons with similar instruments for which observable market prices exist, option pricing models and other valuation models.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

Observable prices or model inputs such as market interest rates are usually available in the market for listed equity securities and government securities such as treasury bills and bonds.

Availability of observable prices and model inputs reduces the need for management judgment and estimation while reducing uncertainty associated in determining the fair values.

Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also profit or loss calculated when such financial instruments are first recorded is deferred and recognized only when the inputs become observable or on recognition of the instrument.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.5 Revenue Recognition- SLFRS 15 Revenue from Contracts with Customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognised:

3.5.1 Rental income

The Company generates revenue primarily from renting out Investment Property under operating lease and recognized in profit or loss on a straight-line basis over the term of the lease.

3.5.1.1 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it provides services to a customer.

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

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Renting commercial spaces	Invoices for renting for commercial spaces are issued monthly / biannually / annually as permitted by individual lease agreements. Payments are usually payable within 30 days.	The Company enters into agreement with tenants for leasing out premises and revenue is recognised from the effective date of the agreement period. The tenant has right to use the premises from the effective date stipulated in the agreement subject to term and conditions in the individual lease agreements.

3.6 Finance income and expense

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.7 Expenditure Recognition

Expenditure is recognized in the financial statements as they are incurred and recognized on an accrual basis.

3.8 Income Tax Expenses

Income tax expense comprises of current and deferred tax expense recognized in the profit or loss except to the extent that it relates to items recognized directly in equity, or in other comprehensive income. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

a) 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.

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

b) Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period to cover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

3.9 STATEMENT OF CASH FLOWS

The Statement of Cash Flows has been prepared using the Indirect Method in accordance with the Sri Lanka Accounting Standard LKAS 7, Statement of Cash Flows.

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include, balances with banks and short-term deposits with banks.

In addition, all entities are required to use the operating profit subtotals as the starting point for the statements of cashflows when presenting operating cashflows under indirect method.

The Company is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Company's 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 items currently labelled as 'other'.

4 SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED BUT NOT YET EFFECTIVE

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning after the current financial year and earlier application is permitted. Accordingly, the Company has not applied the following new standard in preparing these Financial Statements.

4.1 Sri Lanka Accounting Standard – SLFRS 18 on “Presentation and Disclosure in Financial Statements” (SLFRS 18)

SLFRS 18 is a new accounting standard for presentation and disclosure in financial statements with effect from 01 April 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements” and applies to the Company from 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 operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotals, Entities' net profit will not change .
- Management-defined performance measures (MRMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

For the year ended 31st March

2026
Rs.2025
Rs.**5. REVENUE**

Rental income from investment property (Note 5.1)

6,761,661

27,046,644

6,761,661

27,046,644

- 5.1** Revenue from rental operations decreased significantly during the year due to the termination of the lease agreement with Janashakthi Insurance PLC with effect from 15 June 2025. Consequently, the Company only generated rental income of Rs. 6.76 million during the first three months of the 2025/2026 financial year (April to June 2025), compared to Rs. 27.05 million for the previous financial year.

5.2 Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by the timing of revenue recognition as follows:

For the year ended 31st March

2026
Rs.2025
Rs.**Products transferred over time**

Rental income from investment property

6,761,661

27,046,644

6,761,661

27,046,644

6. OTHER OPERATING EXPENSE

Write-off the ROU assets

-

(1,036,247)

Unamortized rent receivable (Note 6.1)

(12,476,225)

-

(12,476,225)

(1,036,247)

- 6.1** During the year, the Company recognized a loss of Rs.12.4 Mn arising from the derecognition of an accrued straight-line rent receivable following the early termination of the lease agreement. The loss has been recognized within other operating expenses in the statement of profit or loss.

For the year ended 31st March

2026
Rs.2025
Rs.**7. PROFIT FROM OPERATIONS**

Profit from operations is stated after charging all expenses including the following :

Directors' fee (Note 7.1 and 21.1)

800,000

600,000

Accounting outsourcing fee

2,661,070

2,684,758

Secretarial fee

614,000

586,664

Maintenance expense (Note 7.2)

2,755,835

-

Auditors' remuneration

- Statutory audit

715,000

645,000

- Non audit services

356,500

436,500

The Company did not employ any staff during the year.

- 7.1** Compared to prior year, directors' fee increased due to appointment of two new directors during the current year.

- 7.2** For the 2025/2026 financial year, Janashakthi Insurance PLC occupied both buildings up until June 2025, during which all electricity, water, security, and related expenses were borne by them. For the remaining period, the premises remained vacant as no rental agreements were entered into with any tenants, and accordingly, maintenance-related expenses incurred by Serendib Land PLC during this year were recorded under administrative expenses.

For the year ended 31st March		2026 Rs.	2025 Rs.
8.	NET FINANCE INCOME		
8.1	Finance income		
	Interest income - Fixed Deposits & Savings Accounts	3,857,769	4,788,851
		3,857,769	4,788,851
9.	INCOME TAX EXPENSE		
	Current income tax		
	Current tax on profits (Note 9.1)	-	7,025,303
	Deferred tax expense		
	Charge/(reversal) of temporary differences (Note 18.1)	9,372,157	(598,216)
		9,372,157	6,427,087
9.1	Tax reconciliation statement		
	Profit before taxation	53,749,300	19,862,058
	Interest income - Non-business income	(3,857,769)	(4,788,851)
	Changes in fair value of Investment Property	(68,257,739)	2,519,371
	Disallowable expenses	12,656,225	1,036,247
	Statutory income from business	(5,709,983)	18,628,825
	Non-business income	3,857,769	4,788,851
	Taxable income	(1,852,214)	23,417,676
	Income tax @ 30% (2024/25 - 30%)	-	7,025,303
	Current tax on profit	-	7,025,303
9.1.1	As provided for in LKAS 12 - Income taxes, deferred tax assets and liabilities should be measured at the tax rate that are expected to be applied in the period in which the asset will be realised or the liability will be settled, based on the tax rate (and tax laws) that have been enacted or substantively enacted by the reporting date.		
	In accordance with the provisions of the Inland Revenue (Amendment) Act no 45 of 2022 , the Company is liable for income tax at the rate of 30% on its taxable income (2024/25 - 30%).		
For the year ended 31st March		2026 Rs.	2025 Rs.
9.2	Movement of tax losses carried forward		
	Balance as at 1st April	-	-
	Tax loss incurred during the year	1,852,214	-
	Balance as at 31st March	1,852,214	-

10. BASIC EARNINGS PER SHARE

The basic earnings per share is based on the profit after taxation for the year attributable to ordinary shareholders divided by the weighted average number of ordinary shares issued during the year.

For the year ended 31st March	2026	2025
Profit after taxation attributable to ordinary shareholders (Rs.)	44,377,143	13,434,971
Weighted average number of ordinary shares (Nos)	398,906	398,906
Basic earnings per share (Rs.)	111.25	33.68

10.1 Diluted earnings per share

There was no potential dilution as at year end. Therefore, diluted earnings per share is the same as basic earnings per share as shown above.

For the year ended 31st March	2026 Rs.	2025 Rs.
11 DIVIDEND PER SHARE		
Proposed dividend (Note 11.1)	-	5,983,990
Weighted average number of ordinary shares	398,906	398,906
Dividend per ordinary share	-	15

- 11.1** The Board of Directors has not declared a dividend for the current financial year. This decision was taken in view of the significant reduction in the Company's rental income following the early termination of the lease agreement with Janashakthi Insurance PLC on 15 June 2025. The resulting decline in revenue adversely impacted the Company's profitability and cash flows, and the Board considered it prudent to retain available resources to support the Company's ongoing operations and financial stability.

For the year ended 31st March	Land Rs.	Building Rs.	Total Rs.
12. INVESTMENT PROPERTY			
Balance as at 1st April 2024	670,500,000	70,000,000	740,500,000
Fair value Loss (Note 12.1)	(1,562,400)	(956,971)	(2,519,371)
Balance as at 31st March 2025	668,937,600	69,043,029	737,980,629
Balance as at 1st April 2025	668,937,600	69,043,029	737,980,629
Fair value Gain (Note 12.2)	60,453,209	7,804,530	68,257,739
Balance as at 31st March 2026	729,390,809	76,847,559	806,238,368

12.1 During the year ended 31 March 2025, the total fair value of investment properties decreased marginally from Rs. 740,500,000 to Rs. 737,980,629 , resulting in a fair value loss of Rs. 2,519,371.

The decrease was attributable solely to Building No. 75, as the values of the other investment properties remained unchanged during last the year. Accordingly, there is no indication of a broader decline in land values across the investment property portfolio during the last year.

The land rate applied for investment properties remained unchanged at Rs. 20 million per perch and Rs. 18 million per perch as of 31 March 2025 and 31 March 2024. Therefore, the reduction in the valuation was not due to a decrease in the applicable land rates.

The building rate decreased from Rs. 4,250 per sq. ft. to Rs. 3,600 per sq. ft., representing a reduction of approximately 15.3%. Therefore, the lower building rate, contributed to the decrease in the building value which represents the fair value loss in the prior year.

12.2 Investment property carried at fair value

Investment property carried at fair value						Revalued amount of investment property (Rs.) 2026	Carrying amount of investment property (Rs.) 2025	Fair value reserve (Rs.)	Revaluation gain (Rs.)		
Location	Extent	No. of buildings	Method of Valuation	Date of Valuation	Valuer				Current year	Cumulative	
No.75, Kumaran Rathnam Road, Slave Island, Colombo 02.						WikiFrank Chartered Valuers (Pvt) Ltd.	467,742,338				
- Land	20.2 p	-	Investment Method	3/31/2026				361,337,600	165,862,421	37,361,709	272,267,159
- Building	21,502.20 sq.ft	1						69,043,029	69,043,029		
No.72, Kew Road, Slave Island, Colombo 02.						WikiFrank Chartered Valuers (Pvt) Ltd.	232,200,000				
- Land	12.0 p	-	Market comparable	3/31/2026				216,000,000	206,000,000	16,200,000	222,200,000
- Building	5,203.02 sq.ft	1	Depreciated Replacement Cost					-	-	7,804,530	7,804,530
No.70, Kew Road, Slave Island, Colombo 02.						WikiFrank Chartered Valuers (Pvt) Ltd.	37,345,500				
- Land	1.93 p	-	Market comparable	3/31/2026				34,740,000	33,196,000	2,605,500	35,801,500
No.20, Sri Murugan Street, Colombo 2.						WikiFrank Chartered Valuers (Pvt) Ltd.	61,146,000				
- Land	3.16 p	-	Market comparable	3/31/2026				56,860,000	54,231,879	4,286,000	58,517,879
						806,238,368	737,980,629	528,333,329	68,257,739	596,591,068	

Measurement of fair value

Investment properties of the Company are accounted for on the fair value model. The value has been determined on the fair value basis using market evidence. The last valuation was carried out by an independent professional Valuer WikiFrank Chartered Valuers (Pvt) Ltd; an Incorporated Valuer & Assessor, Associate Institute of Valuers, Sri Lanka as at 31st March 2026.

Valuation Technique

Market comparable 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, 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.

Investment property comprises lands and building owned by the Company and a Building constructed by the Company on land obtained on a 99 year lease from 1982.

The fair value of land No. 20, 70 and 72 were assessed using the open market value as at 31 March 2026 at the rate of Rs. 19,350,000 per perch amounting to Rs. 330,691,500. The fair value of building No.72 were assessed using the cost approach as at 31 March 2026 at the rate of Rs. 1,500 per sq. ft. amounting to Rs.7,804,530.

The fair value of leasehold land and building No. 75 as at 31st March 2026 was assessed using income, market & cost approaches. Based on the income approach, using rental income discount at 6.5% over 54 years, the fair value was determined to be Rs.467,742,338. Under the cost and market approaches, the fair value was assessed at Rs. 485,281,366 applying a rate of Rs. 22,000,000 per perch for land and Rs. 3,600 per sq. ft. for the building.

For the leasehold land on which the main office building is located, the Income Approach is appropriate for financial reporting purposes, as its highest and best use is as an office premises and management is currently considering leasing the building to a single tenant. For the other property, the Company has applied the Depreciated Replacement Cost (DRC) method. Although the property includes a small building, there is insufficient evidence at the valuation date to demonstrate that an alternative highest and best use is legally permissible, physically feasible, and financially viable. Accordingly, the use of the DRC method is considered reasonable and acceptable.

The fair value of the investment property was based on a valuation made by WikiFrank Chartered Valuers (Pvt) Ltd (F.I.V.); an Incorporated Valuer & Assessor, Associate Institute of Valuers, Sri Lanka as at 31st March 2026.

The Company has used the Level 3 input's in fair value hierarchy as at 31st March 2026 to revalue the investment properties.

12.3 Significant unobservable inputs used in measuring fair value

The table below sets out the significant unobservable inputs used in measuring land and building categorised as level 3 in the fair value hierarchy as at 31st March 2026.

Location	Method of Valuation	Significant unobservable inputs	Range of estimates for unobservable inputs	Estimated fair value would increase or (decrease) if
No.75, Kumaran Rathnam Road, Slave Island, Colombo 02. -Lease hold land	Investment Method	Estimated gross rental per month per square feet	Rs.220	Estimated gross rental per month increased, (decreased)
		Capitalize rate	(6.5%)	Capitalize rate increased, (decreased)
		Rent voids	10%	Rent voids remained unchanged.
No.72, Kew Road, Slave Island, Colombo 02. -Land	Market comparable	Land - Price per perch	Rs.19.35 Mn.	Price per perch for land increased, (decreased)
- Building	Depreciated Replacement Cost	Building - Price per square feet	Rs.1500/=	Price per square feet for building increased, (decreased)
No.70, Kew Road, Slave Island, Colombo 02. -Land	Market comparable method	Land - Price per perch	Rs.19.35 Mn.	Price per perch for land increased, (decreased)
No.20, Sri Murugan Street, Colombo 2. -Land	Market comparable method	Land - Price per perch	Rs.19.35 Mn.	Price per perch for land increased, (decreased)

12.4 Operating expenses

The Company has generated a rental income of Rs. 6,761,661/- for April, May, June in 2025 for the 2025/2026 financial year. (2024/2025- Rs. 27,046,644/-) and also company has incurred 1.37 Mn as CMC Rates in 2026 (2025- Rs.1.37 Mn as CMC rates). The Company has terminated the lease agreement with Janashakthi Insurance PLC for the lease of its properties on 15th June 2025.

The Company has not incurred any direct operating expenses in relation to investment property that did not generate rental income during the period.

As at 31st March,	2026 Rs.	2025 Rs.
13. TRADE AND OTHER RECEIVABLES		
Trade receivables - Janashakthi Insurance PLC (Note 13.1)	-	15,563,964
Prepayments	1,917,556	1,030,798
Refundable deposits	375,000	375,000
WHT Receivable	3,734,170	6,864,238
	6,026,726	23,834,000

- 13.1** Trade receivables as at 31 March 2026 amounted to Rs. Nil . During the year, following the early termination of the lease agreement with Janashakthi Insurance PLC on 15 June 2025, the Company derecognized an accrued straight-line rent receivable and recognized a loss of Rs. 12.5 million. This loss has been included under other operating expenses in the Statement of Profit or Loss. Accordingly, no trade or rent receivables remained outstanding as at the reporting date.

As at 31st March,	2026 Rs.	2025 Rs.
14. SHORT TERM INVESTMENTS		
Investment on fixed deposits	22,457,259	12,042,108
	22,457,259	12,042,108

The investment on fixed deposits earn average interest rates ranging from 7% to 7.50%. These assets are invested in a licensed bank rated BBB (lka) by Fitch.

15. EQUITY INVESTMENTS - FVOCI

Quoted investments	2026			2025		
	Number of shares	Cost Rs.	Market price Rs.	Number of shares	Cost Rs.	Market price Rs.
Bukit Darah PLC	10,380	3,784,900	8,968,320	10,380	3,784,900	7,123,275
John Keells Holdings PLC	139,570	1,922,803	2,568,088	139,570	1,922,803	2,819,314
	149,950	5,707,703	11,536,408	149,950	5,707,703	9,942,589

- 15.1** Company has used direct market price as at 31 March 2026 to revalue the share investment. The Company has classified this as Fair Value through OCI, since the company holds the instrument to achieve an objective by both collecting contractual cash flows and selling financial assets.

- 15.2** No strategic investments were disposed of during 2025/26 and there were no transfer of any cumulative gain or loss within equity in relation to these investments.

As at 31st March,	2026 Rs.	2025 Rs.
16. CASH AND CASH EQUIVALENTS		
Short term fixed deposits	8,463,884	45,220,164
Cash at bank	11,576,830	6,811,391
Cash and cash equivalents	20,040,713	52,031,555
Bank overdraft	(1,083,179)	(102,707)
Cash and cash equivalents as per statement of cash flows	18,957,534	51,928,848

17. STATED CAPITAL

Issued and fully paid	2026 Ordinary Shares	2025 Ordinary Shares	2026 Rs.	2025 Rs.
Ordinary shares	398,906	398,906	100,000,800	100,000,800
Total ordinary shares	398,906	398,906	100,000,800	100,000,800

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

As at 31st March,	2026 Rs.	2025 Rs.
18. DEFERRED TAX LIABILITY		
Deferred tax liability (Note 18.1)	118,113,431	108,741,274
18.1 Deferred tax liability		
Balance at the beginning of the year	108,741,274	109,339,490
Charge/(reversal) of temporary differences recognized in profit or loss	9,372,157	(598,216)
Balance at the end of the year	118,113,431	108,741,274

- 18.2** As at the reporting date, the temporary difference arising from tax losses amounted to Rs. 1,852,214 (2025 : Rs. Nil) resulting in a potential deferred tax asset of Rs. 555,664 (2025 : RS. Nil) however, No deferred tax asset has been recognised in respect of these carried - forward tax losses, as their utilisation depends on the successful implementation of the company's future business plans.

Deferred tax liability is attributable to the following :

As at 31st March,	2026		2025	
	Temporary difference Rs.	Tax effect Rs.	Temporary difference Rs.	Tax effect Rs.
Deferred tax liability				
Revaluation surplus on freehold land - Investment property	316,519,379	94,955,814	293,427,880	88,028,365
Investment property - building	77,192,058	23,157,617	69,043,030	20,712,909
	393,711,437	118,113,431	362,470,910	108,741,274

As at 31st March,	2026 Rs.	2025 Rs.
Recognized in Profit/Loss		
Due to change in temporary difference	9,372,157	(598,216)
	9,372,157	(598,216)

The average tax rate used to calculate deferred tax liability as at 31st March 2026 is 30% (31st March 2025 - 30%)

Any gains on realization from disposal of lands used in the business are liable for taxation under the business income of the entity. Accordingly, the realization gains shall be the amount by which the sum of the consideration received on the asset that exceeds the acquiring cost and any accumulated allowable costs incurred on improvement thereon at the time of the realization.

The Company has recognized a revaluation reserve on freehold land & building and the building constructed on leasehold land, which is considered as the potential gain liable for taxation as at the balance sheet date on future realization. Accordingly, the Company has recognized a deferred tax liability of Rs.118,113,431/- pertaining to revaluation reserve on freehold land & building and the building constructed on leasehold land which is computed at the substantively enacted corporate tax rate of 30%.

As at 31st March,	2026 Rs.	2025 Rs.
19. OTHER PAYABLES		
Audit fees payable	968,825	645,000
Accounting fee payable	-	382,677
Secretarial fee payable	420,000	210,000
Refundable Deposit (19.1)	-	10,800,000
Deferred revenue	-	1,231,175
Other payable	2,281,117	1,735,000
	3,669,942	15,003,852

- 19.1** There was no refundable rental deposit balance as at 31 March 2026, as the rental agreement with Janashakthi Insurance PLC (the tenant) was terminated on 15 June 2025. Accordingly, no refundable deposit was outstanding as at the reporting date.

As at 31st March,

	2026 Rs.	2025 Rs.
20 INCOME TAX PAYABLE / (RECEIVABLE)		
Balance at the beginning of the year	2,736,391	2,523,053
Provision for the year (Note 09)	-	7,025,303
WHT against income tax	(4,400,251)	-
Payment during the year	(4,333,958)	(6,811,965)
Balance at the end of the year	(5,997,818)	2,736,391

21. RELATED PARTY DISCLOSURES

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standards - 24 Related Party Disclosures, the details of which are reported below.

Key Management Personnel ("KMP")

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly. Accordingly, the KMP include members of the Board of Directors of the Company.

21.1 Transactions with Key Management Personnel ("KMP")

For the year ended 31st March,

	2026 Rs.	2025 Rs.
Compensation to KMPs		
Short term employment benefits	800,000	600,000
Total	800,000	600,000

21.2 Transactions with related parties

Name of related party	Relationship	Nature of transaction	2026		2025	
			Aggregate value of related party transactions entered into during the financial year (Rs.)	Aggregate value of related party transactions as a % of net revenue/ income	Aggregate value of related party transactions entered into during the financial year (Rs.)	Aggregate value of related party transactions as a % of net revenue/ income
Janashakthi Insurance PLC	Affiliated Company	Rental income	7,387,050	100	29,548,200	100
		SLFRS 16-Adjustment	(625,389)		(2,501,556)	
		Refundable deposit	(10,800,000)	-	-	-

Terms and Conditions of the Related Party Transactions are determined based on the lease agreement. This note should be read in conjunction with note 19.1 to this Financial Statements.

22. FAIR VALUE OF ASSETS AND LIABILITIES**22.1 Assets and liabilities measured at fair value and fair value hierarchy**

The following table provides an analysis of assets and liabilities measured at fair value as at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position.

As at 31st March,	2026		2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	Rs.	Rs.	Rs.	Rs.
Investment property	806,238,368	806,238,368	737,980,629	737,980,629
Equity investments - FVOCI	11,536,408	11,536,408	9,942,589	9,942,589
	817,774,776	817,774,776	747,923,218	747,923,218

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.
31 March 2026				
<u>Assets carried at fair value</u>				
Investment property	-	-	806,238,368	806,238,368
Equity Investments - FVOCI	11,536,408	-	-	11,536,408
	11,536,408	-	806,238,368	817,774,776
31 March 2025				
<u>Assets carried at fair value</u>				
Investment property	-	-	737,980,629	737,980,629
Equity Investments - FVOCI	9,942,589	-	-	9,942,589
	9,942,589	-	737,980,629	747,923,218

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

	Carrying amount	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
31st March 2026,					
Assets					
Short term investments	22,457,259	-	-	-	-
Cash and cash equivalents	20,040,713	-	-	-	-
	42,497,972	-	-	-	-
Liabilities					
Bank overdraft	1,083,179	-	-	-	-
	1,083,179	-	-	-	-

31st March 2025,	Carrying amount	Level 1	Level 2	Level 3	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Assets					
Trade receivables	15,563,964	-	-	-	-
Short term investments	12,042,108	-	-	-	-
Cash and cash equivalents	52,031,555	-	-	-	-
	79,637,627	-	-	-	-
Liabilities					
Bank overdraft	102,707	-	-	-	-
	102,707	-	-	-	-

The methods and assumptions used to estimate the fair values of the financial instruments not carried at fair value are as follows:

- Cash and cash equivalents and bank overdraft – The fair value of cash and cash equivalents and bank overdraft approximate their carrying amount due to the relatively short maturity of the financial instruments.
- Trade and other receivables and other payables – The fair value of trade and other receivables and other payables approximate their carrying amount due to the relatively short maturity of the financial instruments.
- Short term investments – The fair value of short term investments approximate their carrying amount due to the relatively short maturity of the financial instruments.

23. FINANCIAL RISK MANAGEMENT

23.1 Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Introduction and overview

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 statements.

23.2 Risk management framework

The Board of Directors has 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 Company's risk management policies are established to identify and analyze 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 develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

23.3 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 investment securities.

23.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

As at 31st March,	2026 Rs.	2025 Rs.
Short term investments	22,457,259	12,042,108
Trade receivables	-	15,563,964
Cash at bank	11,576,830	6,811,391
Short term investments (Cash equivalents)	8,463,884	45,220,164

23.3.1.1 The aging of trade receivables at the end of the reporting period that were not impaired was as follows:

As at 31st March,	2026 Rs.	2025 Rs.
Less than 30 days	-	15,563,964
Trade receivables	-	15,563,964

23.3.1.2 Cash at bank and cash equivalents

The cash and cash equivalent of Rs. 20,040,713 as at 31st March 2026 (Rs. 52,031,555/- as at 31st March 2025)

As at 31st March,	2026 Rs.	2025 Rs.
Credit quality analysis of financial statements based on Fitch Rating		
bbb - (lka)	20,040,713	52,031,555

23.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As at 31st March 2026	Contractual cash flows					
	Carrying amount Rs.	6 months or less Rs.	6-12 Months Rs.	1-2 Years Rs.	3-5 Years Rs.	More than 5 Years Rs.
Dividend payable	893,764	893,764	-	-	-	-
Bank overdrafts	1,083,179	1,083,179	-	-	-	-
	1,976,943	1,976,943	-	-	-	-

As at 31st March 2025	Contractual cash flows					
	Carrying amount Rs.	6 months or less Rs.	6-12 Months Rs.	1-2 Years Rs.	3-5 Years Rs.	More than 5 Years Rs.
Dividend payable	1,931,474	1,931,474	-	-	-	-
Bank overdrafts	102,707	102,707	-	-	-	-
	2,034,181	2,034,181	-	-	-	-

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's policy is to hold cash and undrawn overdraft facilities at a level sufficient to ensure that the Company has available funds to meet its liabilities.

23.5 Market risk

'Market risk' is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

23.5.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. As protection against exchange rate fluctuations, the Company backs its commitments in local currency. The Company has not invested nor borrowed in foreign currencies. The Company does not use any derivative financial instruments to hedge the risk. The currency risk attached to financial instruments is minimal as it represents local currency.

23.5.2 Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

The interest rate risk attached to financial instruments is minimal as it represents the Company does not have any interest bearing borrowings as at the reporting date.

23.6 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 behavior. 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 the Board of Directors. This responsibility is supported by the development of overall Company standards for the management of operational risk.

24. CAPITAL COMMITMENTS

The Company does not have any significant Capital commitments outstanding as at the reporting date which require adjustments or disclosure in the financial statements.

25. CONTINGENT LIABILITIES

The Company does not have any significant contingent liabilities outstanding as at the reporting date which require disclosure in the financial statements.

26. LITIGATION AND CLAIMS

There were no litigations and claims as at the reporting date.

27. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, no material circumstances have arisen which required adjustments to or disclosure in these Financial Statements, except for the below;

-The Company is currently in the process of drafting a new lease agreement with AIA Insurance PLC for its investment properties. However, the agreement has not yet been signed as at the reporting date.

28. OPERATING LEASE COMMITMENTS**28.1 As a lessee**

The Company has constructed the "Building" on the lease hold land obtained on a 99 year lease term from the Urban Development Authority. This lease is to be expired in 2081. Considering the less significance in the value of the future lease payables, the Company has not recognized the lease liability on this lease contract in the financial statements.

The total undiscounted lease rentals payable on this contract is as follows;

For the year ended 31st March	2026 Rs.	2025 Rs.
Less than one year	100	100
Between one and ten years	1,000	1,000
Between eleven and twenty years	1,000	1,000
Between twenty one and thirty years	1,000	1,000
Between thirty one and forty years	1,000	1,000
Above forty years	1,500	1,600
Total	5,600	5,700

28.2 As a lessor

The Company has terminated the lease agreement with Janashakthi Insurance PLC for the lease of its properties on 15th June 2025.

The rent receivable amount at the terminated date of 12,476,224.83 was transferred to unamortized rent receivables account which is presented in other operating expenses.

The undiscounted operating lease rentals are receivable as follows as at the reporting date.

For the year ended 31st March	2026 Rs.	2025 Rs.
Less than one year	-	30,040,670
Between one and five years	-	59,588,870
More than five years	-	-

29. DIRECTORS' RESPONSIBILITY

The Board of Directors acknowledge the responsibility for true and fair presentation of these financial statements in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and the requirements of the Companies Act No. 07 of 2007.

Investor Information

CAPITAL

	2026			2025		
	Ordinary Shares	Issue price Rs.	Rs.	Ordinary Shares	Issue price Rs.	Rs.
Issued & fully paid	398,906	100	100,000,800	398,906	100	100,000,800
Scrip Dividend (Issue of New Shares)	-	-	-	-	-	-
Total Ordinary Shares	398,906	-	100,000,800	398,906	-	100,000,800

The issued Ordinary Shares of Serendib Land PLC are listed on the Colombo Stock Exchange.

Total number of shareholders are 435 as at 31st March 2026 (2025 - 364).

SHARE DISTRIBUTION

No of Shares Held		31.03.2026			31.03.2025		
		No of Shareholders	Total Holding	% of Total Shares	No of Shareholders	Total Holding	% of Total Shares
Upto	1,000	414	22,858	5.75	351	20,720	5.19
1,001	5,000	8	17,353	4.35	7	17,976	4.51
5,001	10,000	1	7,510	1.88	1	5,029	1.26
10,001	50,000	3	68,686	17.21	1	28,492	7.14
50,001	100,000	2	129,818	32.54	3	221,264	55.47
100,001	& above	1	152,681	38.27	1	105,425	26.43
		429	398,906	100.00	364	398,906	100.00

SHARE TRADING

Historical data for the Year ended,

	31.03.2026 Rs.	31.03.2025 Rs.
Highest Traded Price	2,348 (26.02.2026)	1,599 (02.01.2025)
Lowest Trade Price	1,300 (30.04.2025)	1,156 (04.10.2024)
Last Traded Price	1,627.50 (24.03.2026)	1,476.50 (28.03.2025)

The Public Holding percentage as at 31st March 2026 is 11.96% (2025 - 10.96%) of the issued shares.

Number of Public Share Holding as at 31st March 2026 is 429 (2025 - 357).

Float adjusted market capitalisation is Rs. 77,646,654/- (2025 - Rs. 64,552,724/-).

Twenty (20) Major Shareholders as at 31st March, 2026 with comparative figures for 2025 were as follows:

20 Major Shareholders	31.03.2026		20 Major Shareholders	31.03.2025	
	Shares	%		Shares	%
Senthilverl Holdings (Pvt) Ltd	152,681	38.27	Finco holding (Pvt) Ltd	105,425	26.43
Gee Gees Properties (Pvt) Ltd	64,910	16.27	Gee gees properties (Pvt) Ltd	85,027	21.32
Gitanjali Gajaluckshmi (Pvt) Ltd	64,908	16.27	Gitanjali gajaluckshmi (Pvt) Ltd	84,985	21.30
AIA Insurance Lanka Limited	28,492	7.14	Janashakthi insurance Plc-shareholders	51,252	12.85
Gee Gees Properties (Pvt) Ltd	20,117	5.04	AIA insurance lanka limited A/C no. 03	28,492	7.14
Gitanjali Gajaluckshmi (Pvt) Ltd	20,077	5.03	D.G. Wijemanna	5,029	1.26
Ms. J. Tharshana	7,510	1.88	O. D liyanage	4,500	1.13
Mr. O.D. Liyanage	4,500	1.13	M.F cader	3,545	0.89
Mrs. M.J. Saverimuttu	2,720	0.68	A. Saverimuttu	2,520	0.63
Mrs. S.Z. Ossman	2,437	0.61	Ms. S.Z ossman	2,437	0.61
Ossman Associates (Pvt) Ltd.	1,971	0.49	Ossman associates (Pvt) Ltd	1,971	0.49
Mrs. N. Gunatilleke	1,661	0.42	Mrs. N. Gunatilleke	1,661	0.42
Mr. H.A. Nasar	1,472	0.37	G.C.W. De silva(deceased)	1,342	0.34
Mr. G.C.W. De Silva	1,342	0.34	K.T. Wickremaratne	831	0.21
Mr. M.F. Cader	1,250	0.31	Colombo investment trust PLC	711	0.18
Mr. J.A.M. Jiffry	996	0.25	G.C. Goonetilleke	626	0.16
Mr K.T. Wickremaratne	831	0.21	Dr. M.S.P. Wijenayake	614	0.15
Colombo Investment Trust PLC	711	0.18	D.N.P. Rathnayake	607	0.15
Mr. U.I. Suriyabandara	673	0.17	C.L. Iddamalgoda	600	0.15
Mr. G.C. Goonetilleke	626	0.16	D.N.P. Rathnayake	607	0.15
	379,885	95.22		382,175	95.81
Shares held by the balance Shareholders	19,021	4.78	Shares held by the balance Shareholders	16,731	4.19
	398,906	100.00		398,906	100.00

Company Performance - Five Year Summary

Year ended 31st March	2026 Rs.	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.
Trading results					
Rental income	6,761,661	27,046,644	27,046,644	27,046,644	27,046,644
Total revenue	6,761,661	27,046,644	27,046,644	27,046,644	27,046,644
Direct cost	(1,374,667)	(1,374,397)	(1,374,397)	(1,137,385)	(1,056,715)
Gross profit	5,386,994	25,672,247	25,672,247	25,909,259	25,989,929
Fair value gain / (loss)	68,257,739	(2,519,371)	35,250,000	69,775,000	45,845,000
Total operating expenses	(11,276,977)	(7,043,422)	(5,269,191)	(6,213,067)	(4,912,340)
Impairment loss on financial assets - investment in equity security	-	-	-	-	-
Profit from operating activities	49,891,531	15,073,207	55,671,256	89,471,192	66,929,568
Net finance (expense)/income	3,857,769	4,788,851	7,547,842	7,064,618	1,909,993
Other operating income	(12,476,225)	(1,036,248)	18,200	-	6,979
Net profit before tax	53,749,300	19,862,058	63,219,098	96,535,809	68,839,461
Income tax	(9,372,157)	(6,427,087)	(13,811,981)	(67,640,528)	(6,511,415)
Net profit after tax	44,377,143	13,434,971	49,407,117	28,895,282	62,328,046
Statement of Financial Position					
Assets					
Investment Property	806,238,368	737,980,629	740,500,000	705,250,000	635,475,000
Right-of-use Assets	-	-	1,037,087	1,055,282	1,073,477
Equity investments - FVOCI	11,536,408	9,942,589	6,934,913	6,407,000	5,778,730
	817,774,776	747,923,218	748,472,000	712,712,282	642,327,207
Current assets					
Short term investment	22,457,259	12,042,108	52,976,030	46,099,562	31,581,817
Trade and other receivables	6,026,726	23,834,000	23,416,981	20,044,409	17,054,268
Income tax receivable	5,997,818	-	-	-	-
Cash and cash equivalents	20,040,713	52,031,555	3,741,417	4,483,390	12,788,291
	54,522,516	87,907,663	80,134,427	70,627,361	61,424,376
Total assets	872,297,292	835,830,881	828,606,428	783,339,643	703,751,583
Equity and liabilities					
Stated Capital	100,000,800	100,000,800	100,000,800	100,000,800	100,000,800
Accumulated Profit/(Loss)	44,470,821	73,100,586	67,118,894	62,934,427	113,786,795
Fair value reserve	7,474,287	5,880,468	2,872,792	2,344,878	1,716,608
Other reserve	596,591,068	528,333,329	530,852,700	495,602,700	425,827,700
Total equity	748,536,975	707,315,183	700,845,186	660,882,805	641,331,903
Non current liabilities					
Deferred tax liability	118,113,431	108,741,274	109,339,490	103,923,727	42,595,086
Lease liability	-	-	740	640	662
Total non current liabilities	118,113,431	108,741,274	109,340,230	103,924,367	42,595,748
Current liabilities					
Payables and bank overdraft	4,753,121	15,106,559	14,055,824	13,853,125	17,722,873
Lease liability	-	-	100	100	78
Tax payable	-	2,736,391	2,523,053	3,211,025	860,083
Dividend payable	893,764	1,931,474	1,842,035	1,468,221	1,240,896
Total current liabilities	5,646,885	19,774,424	18,421,012	18,532,472	19,823,932
Total equity & liabilities	872,297,292	835,830,881	828,606,428	783,339,643	703,751,582
Earnings per share	111.25	33.68	123.86	72.44	156.25
Dividend per share	-	15.00	25.00	25.00	25.00
Dividend pay-out ratio (%)	-	74.23	20.25	34.51	16.00
Net assets value per share	1,876.47	1,773.14	1,756.51	1,661.13	1,607.73
Share value (high)	2,348.00	1,599.00	1,495.00	1,399.75	2,149.00
Share value (low)	1,300.00	1,156.00	1,330.00	953.00	1,000.00
Current ratio	9.66	4.45	4.31	3.80	3.10
Return on equity (%)	5.93	1.90	7.03	4.37	9.72

Procedural Guidelines To Be Followed At The Annual General Meeting Of The Company Scheduled For 28th September 2026

Dear Shareholder/s,

We refer to the Notice convening the Annual General Meeting of SERENDIB LAND PLC scheduled to be held as a virtual meeting (in terms of these Procedural Guidelines), at HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10 on 28th September 2026 at 3.00 p.m. The Board of Directors have proposed to hold the said Annual General Meeting (AGM) on 28th September 2026 via audio or audio and visual technology means in the manner set forth below:

1. The AGM shall be held in compliance with the Companies Act, No.07 of 2007, the Articles of Association of the Company, on hosting of Annual General Meetings.
2. Only the Board of Directors, Company Secretary, Registrars, key management officials, representatives of the Auditors who are essential for the administration of the formalities of the meeting may be physically present. All others, including Shareholders, will participate via an online meeting platform (i.e. Zoom platform).
3. INFORMATION ON PARTICIPATING THROUGH AUDIO VISUAL CONFERENCING

Shareholders who are to participate in the meeting through audio or audio and visual means, are requested to deposit with us their details as per the attached Registration Form (Annexure 2) enclosed hereto not later than 4.45 p.m. on 26th September 2026 to the email address corporate@snlaw.lk or by fax to 0112692592 or handover to or post to the registered office of the Company.

We regret our inability to process any requests received after 4.45 p.m. on 26th September 2026.

- 3.1 If a Shareholder/Proxyholder is to participate at the AGM through audio visual conferencing via a smart phone, it is necessary for him/her to download the "Zoom Mobile App" to his /her smart phone. Similarly, if a Shareholder/Proxyholder wishes to join via a desktop computer, the link can be opened by downloading the "Zoom Desktop App" to the respective desktop computer (Compatible web browser: Google Chrome).
- 3.2 The Shareholders/Proxyholders are requested to use the web link which would be forwarded by the Company before the AGM and should click on "Virtual AGM Registration" in order to login to the meeting (Shareholder/ Proxyholders are strictly advised to refrain from sharing the link with any third party or unauthorized person in any manner).
- 3.3 Upon clicking on the link forwarded by the Company, Shareholders/Proxyholders will be redirected to an interface where they will be requested to enter their first name, last name, email address, re-enter the email address and National Identity Card Number (participants are required to enter the correct details as mentioned in the Registration Form (Annexure 2) forwarded to the Company as any mismatch will be considered as an unsuccessful login)
- 3.4 At this point, all participants are requested to click on "REGISTER" which will be prompted on the screen enabling the participant to receive the login link. Participants are required to click on "Virtual AGM Registration".
- 3.5 Shareholders/Proxy holders participating at the meeting through audio visual conferencing are required to identify themselves at the time of speaking at the AGM, during the time allotted for the participants to make any comments as directed by Chairman. At that point, the individual will be required to give his/her name, address and NIC number for the purpose of identification as shareholder/ proxy.
- 3.6 Voting on the items on the agenda will be registered by using an online eBallot platform. All of such procedures will be explained to the Shareholders prior to the commencement of the meeting.
- 4 Shareholders could also appoint a member of the Board to act as their proxy if they so choose. The Shareholders who wish to appoint a Director as his/her/its proxy must forward the duly completed Form of Proxy clearly indicating their vote under each matter set out in the Form of Proxy and forward same together with the Registration Form (Annexure 2) enclosed hereto to the Company not later than 4.45 p.m. on 26th September 2026.
- 5 We encourage the Shareholders to use the email address corporate@snlaw.lk to forward the said documents for timely submission of documents. Shareholders/Proxyholders will receive an email confirmation from the Company upon receipt of the required documents.
- 6 The Annual Report 2025/26 and the notice convening the AGM together with this procedure to be followed at the AGM will be couriered to the Shareholders.

**Procedural Guidelines To Be Followed At The Annual General Meeting Of The Company
Scheduled For 28th September 2026**

- 7 Shareholders who are unable to participate at the virtual meeting via the designated online meeting platform (i.e. Zoom platform) are invited to forward their suggestions, questions and concerns (if any) relating to the items on the AGM agenda appearing in the Annual Report 2025/26 to the email address corporate@snlaw.lk not later than 4.45 p.m. on 26th September 2026. The Board will ensure that they are discussed and addressed at the AGM, if relevant.
- 8 The Company intends to proceed to hold the Annual General Meeting as planned on 28th September 2026, at 3.00 p.m., irrespective of whether it is declared a public holiday or curfew is imposed since the afore-said measures will enable participation at the meeting.

GENERAL DETAILS

We request the Shareholders/ Proxy holders who wish to participate at the AGM to forward the completed Registration Form (Annexure 2) enclosed hereto not later than 4.45 p.m. on 26th September 2026, in order to enable the Company to forward the login information to their Email Address given in the Registration Form.

PLEASE NOTE THAT SINCE THE AGM IS TO BE HELD ON A VIRTUAL BASIS, YOU ARE REQUIRED TO PROVIDE AN EMAIL ID IN THE REGISTRATION FORM ENCLOSED HERETO, FOR THE MEETING LINK(S) TO BE FORWARDED TO YOU. IN THE EVENT AN EMAIL ID IS NOT PROVIDED, YOU WILL NOT BE ABLE TO PARTICIPATE AT THE VIRTUAL AGM AS THE COMPANY WILL NOT BE ABLE TO FORWARD THE LINK(S) TO YOU.

Login and password information is strictly confidential and is intended only for the specific Shareholder and such access information should strictly not be divulged to any other person.

WE ADVISE YOU TO LOGIN 15 MINUTES PRIOR TO THE MEETING TO ENSURE CONNECTIVITY.

If you encounter any difficulty or are unable to use/access the online meeting platform for the AGM, you may contact us immediately.

The Company has taken adequate measures to ensure that a contingency plan exists to ensure that the AGM is conducted successfully in the event of a technical malfunction.

We have designated the following person to attend to your queries relating to this procedure. You may contact them any time between 9.00 a.m. to 4.30 p.m. on any working day [Monday to Friday] on 011-2103050 or via email to corporate@snlaw.lk

Ms. Thamali Jayasena: 011-2103050

By Order of the Board of
SERENDIB LAND PLC

04th September 2026.

Notes

[illegible]

Notes

[illegible]

Notes

[illegible]

Registration Form - Virtual Meeting

SERENDIB LAND PLC (PQ 212)

ANNUAL GENERAL MEETING – 28th SEPTEMBER 2026 REGISTRATION FORM - VIRTUAL MEETING

BY EMAIL/ BY FAX/ BY POST
To: S N Law Corporate Secretaries (Pvt) Ltd
HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha
Colombo 10.

Shareholder's details

Name of Shareholder	
Address	
Shareholders' NIC No./ Passport No./ Co. Reg. No.	
Number of Shares held and Folio No	
Contact details	Residence:
	Mobile:
Email Address	

.....
Signature(s) of Shareholder(s)

.....
Date

NOTES

1. Please complete the Registration Form by filling in legibly the required information, signing in the space provided and filling in the date of signature.
2. Please forward the completed form via email to corporate@snlaw.lk or by Fax to 0112692592 or by post to or handed over to the registered office of the Company, 48 hours prior to the meeting (i.e. not later than 4.45 pm on 26th September 2026)
3. Shareholders/ Proxy holders are requested to provide their e-mail address and the telephone numbers in the space provided in order to enable the Company to forward the login details. IN THE EVENT AN EMAIL ID IS NOT PROVIDED, YOU WILL NOT BE ABLE TO PARTICIPATE AT THE VIRTUAL AGM AS THE COMPANY WILL NOT BE ABLE TO FORWARD THE LINK(S) TO YOU.
4. In the case of a Company/Corporation, the shareholder details Registration Form must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
5. In the case of a Proxy holder, the Proxy holder must forward the separate Proxy Form along with this Registration Form.

Form of Proxy

Serendib Land PLC

HQ Colombo (Level 4), No. 464A, T.B. Jayah Mawatha, Colombo 10.

I/We of
..... Being a shareholder/shareholders of Serendib Land PLC, hereby
appoint, of
..... whom failing Dr.J.M. Swaminathan, Chairman, whom failing Dr (Mrs) Y. Ponnambalam, whom
failing Mr. G.G. Ponnambalam, whom failing, Dr. (Mrs) M. Ponnambalam, whom failing Mr. T Someswaran, whom failing Mr. M.J.
Ratnayake, whom failing Mr. S.A. Senthilveri, whom failing Mr. P. Pranavan whom failing Mr. R. Dharmendra as my/our Proxy to vote
and *..... as indicated hereunder for me/us and on my/our behalf at the Forty Fifth (45th) Annual General Meeting of
the Company to be held on 28th September 2026 at 3 p.m. and at any adjournment thereof.

		For	Against
1.	To receive and consider the Audited Financial Statements for the Year Ended 31st March 2026, together with the Reports of the Directors' and Auditors' thereon.	☐	☐
2.	Directors		
i	To pass the Ordinary Resolution numbered 2(i) set out in the Notice of Meeting of the Annual General Meeting	☐	☐
ii	To pass the Ordinary Resolution numbered 2(ii) set out in the Notice convening the Annual General Meeting	☐	☐
iii	To pass the Ordinary Resolution numbered 2(iii) set out in the Notice of Meeting of the Annual General Meeting	☐	☐
iv	To pass the Ordinary Resolution numbered 2(iv) set out in the Notice of Meeting of the Annual General Meeting	☐	☐
3.	That no dividend be declared since the Board of Directors have not recommended the same	☐	☐
4.	To re-appoint the retiring Auditors M/s KPMG, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.	☐	☐

As witness my/our hand this day of Two Thousand and Twenty Six.

.....
Signature of Shareholder

Notes:

If you wish your Proxy to speak at the Meeting you should insert the words "to speak and" in the place indicated with an asterisk and initial such insertion.

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

A Proxy holder need not be a member of the Company. Instructions as to completion appear on the reverse hereof.

INSTRUCTIONS FOR COMPLETION

1. To be valid this Form of Proxy must be deposited at the Registered Office of the Company at S N Law Corporate Secretaries (Pvt) Ltd not less than 48 hours before the time appointed for the holding of the Meeting.
2. The full name and address of the Proxyholder and of the Shareholder appointing the Proxyholder should be entered legibly in the Form of Proxy.
3. If you wish to appoint a person other than the Chairman (or failing him, one of the Directors) as your Proxy, please insert the relevant details at 1 overleaf and initial against this entry.
4. In the case of a Company/ Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
5. If the Proxy Form is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy if it has not already registered with the Company.

Serendib Land PLC
HQ Colombo (Level 4),
No. 464A, T.B. Jayah Mawatha,
Colombo 10, Sri Lanka.