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WHO WE ARE

Ceylon Land & Equity PLC is a Property Development & Investment Company listed on the Colombo Stock Exchange.

OUR VISION

To be a leading Property Development & Investment Company.

OUR COMPANIES



Renuka Investments Ltd

Is the holding company of the investment and property sector.



Galle Face Capital Partners PLC

Is one of the oldest companies listed on the Colombo Stock Exchange. The company actively manages a portfolio of listed equity, debt instruments, private equity and investments in alternate asset classes.



Galle Face Properties Ltd

Owns prime real estate in Colombo 03 where currently the flagship Galle Face Icon, a 30 - storey building with Grade A office space, amenities, service suits and recreational areas is under construction.



The Cargo Boat Investment Company Ltd

Is engaged in equity investments.



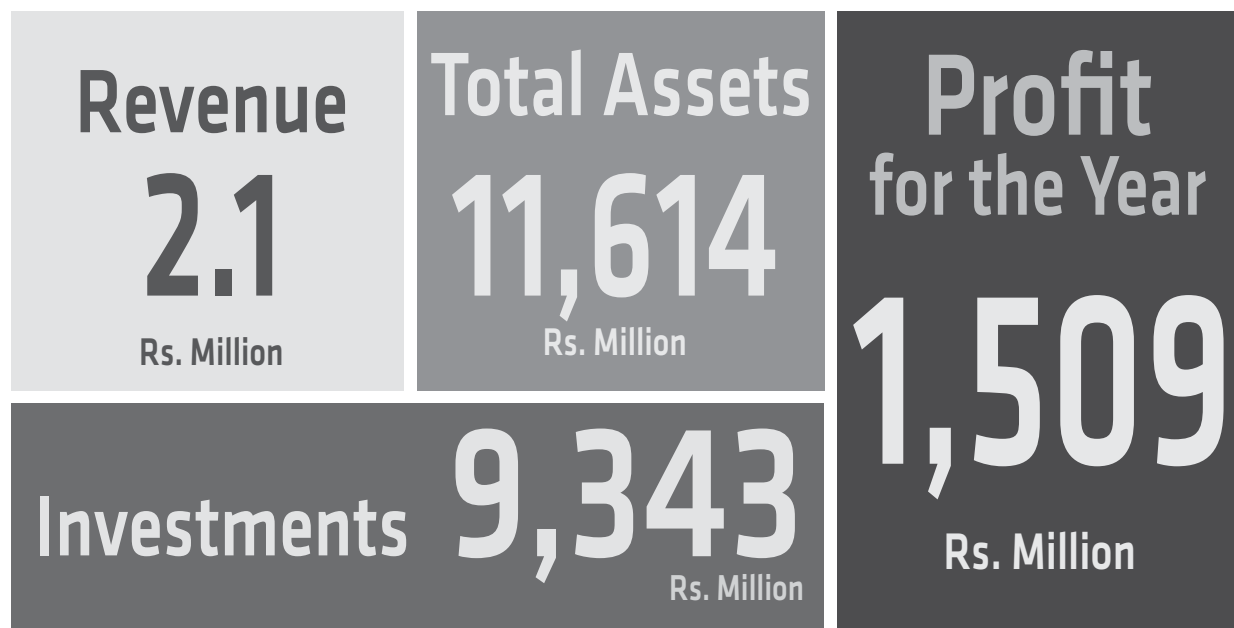
Island Investment Holdings Ltd

Is an investment company engaged in portfolio management incorporated in the United Kingdom.

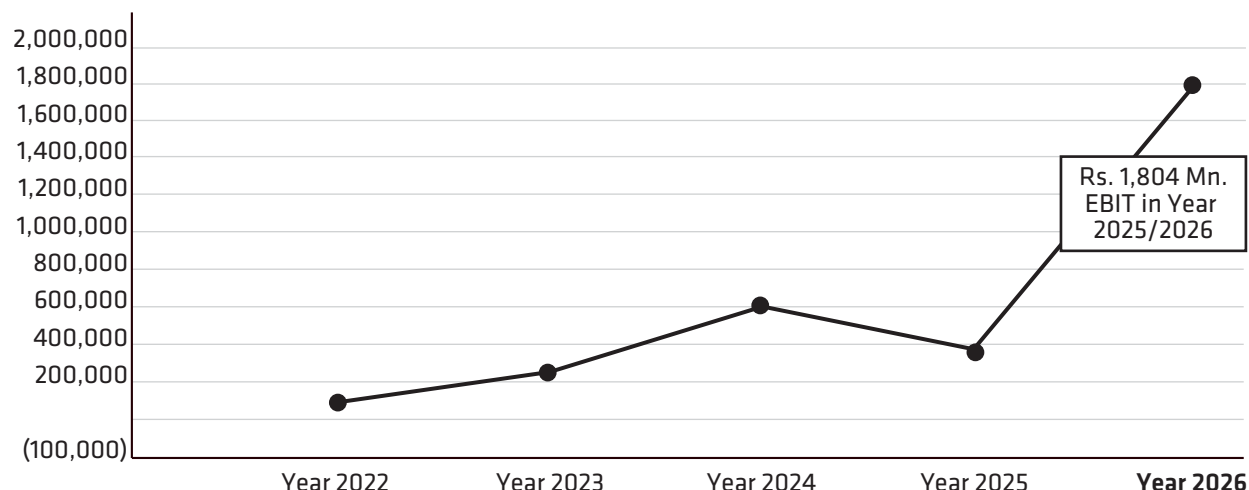


Galle Face Capital Overseas Ltd

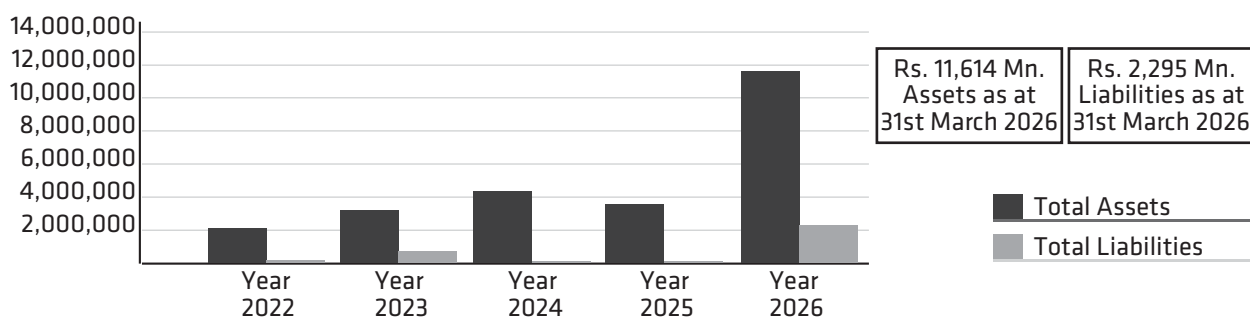
Is an investment company engaged in portfolio management incorporated in the British Virgin Islands.



Profit (EBIT)



Total Assets & Liabilities



ALL THE CURRENCY VALUES ARE INDICATED IN LKR '000

Chairman's Review

On behalf of the Board of Directors, I am pleased to welcome you to the 69th Annual General Meeting of Ceylon Land & Equity PLC and to present the Annual Report and Financial Statements for the year ended 31st March 2026.

Economic Environment

The Sri Lankan economy sustained its recovery through the year, with real GDP growing by an estimated 5.0% in 2025, the second consecutive year of expansion. Despite the disruption caused by Cyclone Ditwah in late November 2025, growth momentum held firm, supported by continued policy consistency and an accommodative monetary policy stance that kept interest rates low through the year.

Real Estate Market Review

The domestic real estate sector saw a marked resurgence during the year, and this backdrop is directly relevant to your Company's core holdings. According to Real Estate Market Outlook Reports, land prices in the Western Province rose by an average of 12% year-on-year in 2025, with suburban Colombo District areas leading the surge at an average of 20%.

This momentum was underpinned by significantly improved access to financing: following cumulative cuts to the Central Bank's policy rate, commercial banks brought home loan rates down to an average of around 10%, reactivating demand among both developers and end users. The apartment segment also showed a notable recovery in foreign-currency terms during 2025, reversing the stagnation seen through the 2022 crisis years, while overseas investor interest particularly from the UK, Australia, Canada and the UAE continued to support the higher end of the residential and land markets.

The year also marked a significant inflection point for Port City Colombo, the \$15 billion Special Economic Zone that forms an extension of Colombo's Central Business District. Having spent several years in a "regulatory readiness" phase, the zone saw construction begin in earnest. Port City Colombo is reported to have attracted close to US\$900 million in investment commitments between November 2025 and March 2026 alone, with eight land parcels now reserved by developers across residential, marina, hospitality and commercial uses.

For a group whose core asset base sits in land and property-linked investments, looking ahead, the trajectory of the Sri Lankan real estate market will be shaped by the sustainability of the broader economic recovery. While near term sentiment has improved, sustained demand will depend on continued macroeconomic stability, policy continuity, and the strength of private sector activity.

Group Performance

The Group recorded a profit of Rs. 1.5 Bn for the year, compared to Rs. 257 Mn in the previous year, while the total assets of the company grew to 11.6 Bn.

The company carried out a 1 for 1 rights issue which closed in March of this year. During the height of the Iran-USA conflict our issue received a record number of applications, thus being oversubscribed. The company raised a total of Rs 4.299 Bn for the objectives specified. This reflects the confidence in the Ceylon Land & Equity Group and our flagship project the Galle Face Icon by group company Galle Face Properties Ltd as well as our overall investment strategy.

The Board remains mindful of external risks, including geopolitical tensions and the concentration of the recent property recovery in specific segments, but expects the broadly constructive domestic real estate backdrop to continue supporting the value of the Group's holdings.

Appreciation

I wish to record my appreciation to my fellow directors for their continued counsel, and to all our stakeholders for their confidence and support during the year.

Sgd.
S. V. Rajiyah
Chairman
28th August 2026

Directors' Profiles

Mr. S. V. Rajiyah (Executive Chairman)

Mr. S. V. Rajiyah is the Executive Chairman of the Company. He is also the chairman of Galle Face Capital Partners PLC and Renuka Investments Ltd. He is the Managing Director of the Renuka Group, namely, Renuka Holdings PLC, Renuka Foods PLC, Renuka Enterprises (Pvt) Ltd, RichLife Dairies Ltd, Shaw Wallace Ceylon Ltd and Galle Face Properties Ltd; also a Director of a number of Companies within the Renuka Group. He is a graduate in Management from the Warwick Business School, University of Warwick, United Kingdom. He has 25 years of experience in General Management. He is a member of the Young Presidents Organization and a trustee of the Action & Care Trust.

Mr. T.A.P Peiris (Non- Executive Director)

Mr. T.A.P Peiris is the Chief Executive Officer (Support Services) of Renuka Enterprises (Pvt) Ltd. Mr. T.A.P Peiris has held Senior Executive positions for over 30 Years in various International and Local Organizations. He holds a Master of Science degree specialized in Information Technology and he is also an Attorney-at-Law with an LLB from the Open University of Sri Lanka. He is a Project Management Professional (PMP) awarded by the Project Management Institute of USA. He serves as the Assistant Secretary of Association of Corporate lawyers of Sri Lanka and also as a delegate member of the Bar Council at Bar Association of Sri Lanka.

Dr. Thebuwena (Non- Executive Director)

Eng. Dr. Thebuwena A.C.H.J. has over 26 years of extensive experience across multiple domains, including leadership, civil engineering, business management, and academic research.

Thebuwena holds a Doctor of Philosophy (PhD) in Management from the Malaysia University of Science & Technology, as well as a Master in Economics and a Master of Business Administration from the University of Colombo, Sri Lanka. He is also a qualified management accountant with the ICMA-Australia and holds a Postgraduate Diploma in Finance & Business Administration from Cranfield University School of Management, UK. His academic background is further reinforced by a Bachelor of Science in Civil Engineering from the University of Peradeniya. In addition to his professional duties, Dr. Thebuwena is a dedicated researcher and educator. He is passionate about mentoring young professionals and has lectured on project management, engineering, and operations management at leading institutions such as the Sri Lanka Technology Campus, the Institute of Personal Management, and ICFAI University.

Dr. Thebuwena is a Corporate Member of the Institution of Engineers Sri Lanka (MIESL) and a member of ICMA - Australia and the Colombo MBA Alumni Association.

Mr. M. R. Ratnasabapathy (Non-Executive/ Independent)

Mr. M. R. Ratnasabapathy is a Chartered Global Management Accountant (CGMA), a Fellow of the Chartered Institute of Management Accountants (FCMA, UK), and holds an MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura. He also holds a Master's degree in Financial Economics from the University of Colombo. Mr. Ratnasabapathy has over 25 years of experience in finance, covering a wide range of industries including audit, trade, agribusiness, power and energy and telecommunications - most of which have been in senior leadership roles.

Mr. K. Liyanagamage (Non-Executive/ Independent)

Mr. K. Liyanagamage is an Independent/ Non Executive Director and an Attorney-at-Law of the Supreme Court of Sri Lanka with more than 25 years of experience in the field of Civil & Commercial Law. He holds a degree of Master of Laws in Law of International Trade from the University of Wales. He is presently serving as a Director of Galle Face Properties Ltd and Galle Face Capital Partners PLC.

Mr. K. G. Vairavanathan (Non-Executive/ Independent)

Mr. K.G Vairavanathan currently serves as an Independent/ Non-Executive Director to the Boards of Galle Face Capital Partners PLC and SC Securities (Pvt) Ltd.

He was the CEO of Asia Wealth Management (Private) Limited between February 2023 and May 2024. Prior to holding this post, he was the Managing Director of Assetline Capital (Private) Limited and Assetline Securities (Private) Limited between November 2016 and February 2022. He also held directorship positions in four other companies in the David Pieris Group, namely DPMC Assetline Holdings (Private) Limited, Assetline Leasing Company Limited, David Pieris Investment Properties (Private) Limited and David Pieris International Ventures (Private) Limited.

Before joining the DPMC Group, Mr. Vairavanathan held CEO/Director posts in the Capital Alliance Group for eight years. He was a Director of Janashakthi Limited and was also General Manager, Investments at Janashakthi Insurance and the head of NDB Stockbrokers.

Mr. Vairavanathan holds a Master in Business Administration (Finance and Investments) from the United States and a Bachelor of Science in Mathematics from the University of Sussex, United Kingdom.

FIT AND PROPER

To ensure compliance with rule 9.7.1 of the Listing Rules of the Colombo Stock Exchange, each member of the Board has declared conformity with the Fit and Proper assessment criteria as outlined in listing rule no. 9.7.3 by providing a signed declaration for the year under review. Individuals who failed to comply with the criteria as per the above rule will no longer be eligible to serve as a Director of the Company.

Management Discussion and Analysis

Operating Environment

We witnessed yet another good year for investments in the stock market, as we witnessed the Sri Lankan economy on its way to its recovery despite the many challenges that lie ahead, the economic stabilization began to take hold. However, for the economy to remain on a more sustainable footing, with objectives of growth and prosperity in mind a considerable amount of work would be required to be done in terms of managing debt, fiscal reforms, governance and strategizing for economic growth.

Keeping in line with the required fiscal reforms poses challenges largely in the form of fiscal revenue generation targets and overall debt curtailment in the years ahead. Despite the sharp upward tax revenue that the country has experienced through income and indirect taxes, some favorable trends began to emerge such as lower interest rates, improved foreign remittances, increased tourist arrivals and the gradual resumption of halted projects, which has fueled local business recovery, impacting the key indices in the Colombo Stock Exchange. Interest in Equity investments rose, and companies began reporting improved performances.

Global trade experienced severe disruptions with the announcement of tariffs from the USA. Moreover, Sri Lanka endured the devastation caused by Cyclone Ditwah in 2025. The country will need to address the heightened infrastructure spending needs to restore normalcy. However, the more severe impact will be from the Middle East conflict, which has caused energy prices to soar, disrupted tourism and affected Sri Lankan workers in the region. These external impacts and shocks will test the limited buffers that Sri Lanka has built on its fiscal and external accounts. Accelerating reforms is vital to safeguard macroeconomic stability, protect the vulnerable segments of the population and continue building on fiscal and external buffers.

Factors such as stable inflation, improved fiscal revenue mobilization, lower interest rates and enhanced business confidence contributed to a moderate economic growth of 5.0% in 2025/26. Gross official reserves improved to US\$ 7.0 Bn by March 2026. Fiscal revenue grew by 35% to Rs. 5.4 Tn for the calendar year 2025, resulting in a primary surplus of Rs. 1.7 Tn.

As per the department of Census and Statistics, the Sri Lankan economy has shown a growth of 5 % on a year-on-year basis in 2025/26. This growth has been driven by various sectors, including industry and services, though it is expected to moderate in the latter part of 2026. Agriculture sector of the economy registered a moderate growth of 1.4% whilst industrial sector grew 7.8% and services grew 3.3%. Despite the recovery, medium term growth is expected to remain modest, reflecting the structural impediments to growth and global economic uncertainties. The current account is expected to be in deficit in 2026. With a revival in domestic demand and the increases in utility prices, inflation was 6.8% in end 2025/26.

Interest rates were relatively steady during the financial year, with the 364-day Treasury bill increasing only marginally to close at 8.41%. The low and steady interest rates were supported by economic stability derived from improved fiscal revenue collections, subdued inflation and moderate economic growth. Commercial Bank FDs also followed a similar pattern and ended at around 8%. Despite the acceleration in credit growth of private sector banks throughout the financial year, there was adequate excess liquidity in the money markets to subdue upward pressure on deposit rates. Our fixed income assets strategy is based on a strategy derived from our economic research and views.

We continue to position the company's portfolio to capture growth in the medium term by looking at the return potential and risks associated with each asset class.

The following aspects were discussed pertaining to the primary macro - economic variables during the year under review and the resultant impacts on the performance of Ceylon Land & Equity PLC.

Management Discussion and Analysis Contd..

MOVEMENT	CAUSE	CEYLON LAND & EQUITY PLC
Economy Sri Lankan economy recorded a growth of 5 percent in 2025/2026, compared to a similar growth of 5 percent recorded in the preceding year.	All sectors in the economy registered growth during the year. Agriculture sector of the economy registered a growth of 1.4 percent whilst Industrial sector grew by 7.8 percent and the Services sector grew by 3.3 percent. The performance of the agriculture sector was buoyed by the growth recorded in the sub-categories of Plant propagation 28 percent, forestry and logging 10.7 percent, animal production 10.5 percent, and growing of oleaginous fruits 8.2 percent. The majority of subcategories within the industries sector registered robust growth. Construction by 9.2 percent, mining & quarrying by 16.9 percent. Meanwhile, overall manufacturing industry grew by 6.2 percent. Most subcategories in the services sector also registered growths. Main contributor to the above being Insurance 14.6 percent, IT and related activities 12.8 percent, accommodation, food and beverage serving activities grew 12.4 percent and Financial services 10.6 percent.	The growth in GDP during the period of the financial year had an impact to the Company by way of making available investment opportunities in sound economic sectors.
Inflation In line with the Central Bank's near term projections, inflation accelerated in 2025. Headline inflation, as measured by the year-on year change in the CCPI recorded an increase of 6.8% in March 2025 contributed mainly due to the global commodity prices and the administered prices. Non-Food inflation was 7.8% in 2025 whilst Food category recorded an inflation of 1% in March 2025.	As reflected by the year-on-year change in both the National Consumer Price Index (NCPI, 2013=100) and the Colombo Consumer Price Index (CCPI, 2021=100), the acceleration in headline inflation was attributed to the increase in non-food inflation, though food inflation accounted for a larger share. Several adjustments made to energy prices and other administered Prices being contributed to the increase in the inflation rates.	No major impact on the company.

Management Discussion and Analysis Contd..

MOVEMENT	CAUSE	CEYLON LAND & EQUITY PLC
Domestic Interest Rates Overnight liquidity in the domestic money market improved significantly, shifting from deficit levels to broadly excess levels. The Central Bank implemented several measures to ensure stability in market liquidity, these measures, aligned with an accommodative monetary policy stance, have positively impacted the overall environment. As a result Market lending interest rates during 2025/26 were stable at around 7-8% reflecting the liquidity conditions in the market and the overall macro stabilization led by the Central Bank.	Considering the build-up of inflationary pressures and the imbalances that emerged in the external sector and financial markets, the Central Bank, which deployed measures targeting inflation, commenced monetary easing measures. The Central Bank eased on providing financial support to the Government by way of purchasing Treasury bills from the primary market.	The company was well placed to take advantage of the short term disruptions in the Govt Securities and Share Markets.
Exchange Rates In 2025/26, the Sri Lanka rupee was relatively stable and towards the end marginally depreciated against the US dollar by 5 percent where the rupee was Rs. 299 as at the beginning of the year and ended 2025/26 at Rs. 315. The foreign exchange appreciation pressure was largely due to the demand for forex from imports and the slowing down of inflows of forex due to external factors.	The pressures that were witnessed on the exchange rate amidst dried up liquidity in the domestic and foreign exchange markets in the recent past meant the foreign exchange inflows from tourism and other services, exports as well as workers' remittances, supported the country in alleviating the severe foreign exchange crunch that prevailed previously.	Less impact to the Company due to less exposure to foreign currency transactions.

Management Discussion and Analysis Contd..

MOVEMENT	CAUSE	CEYLON LAND & EQUITY PLC
Share Market The Colombo Stock Exchange (CSE) during the initial ten months of FY2026, had a strong rally with investor sentiment being very optimistic. Thereafter, the market consolidated with business concerns due to the anticipated impact of the Middle East conflict and the resultant sharp increase in energy prices, recorded a growth of 33 percent, mainly responding to the general market sentiment and the interest rates prevailing in the market. The subsequent changes in the economy changed the tide in the Colombo Stock Exchange too and generated gains in the overall market.	Since we have seen stable interest rates due to central banks actions, market participation increased. There was much interest from the domestic investors.	The Company took advantage of investing in value stocks which paid rich dividends by the appreciation of the value with the gradual stabilization in the economy.

Capital Management Review

Being in the investment business, we seek creation of a long term sustainable value to our shareholders while safeguarding the financial stability of the Company.

Financial Capital Trading Investment portfolio:

The Group recorded a net profit after tax of Rs. 1.5 Bn. from its portfolio of investments during the year, against a profit of Rs. 257 Mn. during the previous year.

Strategic Investment Portfolio

To have a well balanced portfolio, the management of the company has focused on strategic investments during the year and sought to invest in value stocks.

Short Term Deposits

Excess funds in the company had been invested in short term deposits in order to meet short term fund requirements.

Report of the Board of Directors

The Board of Directors have pleasure in presenting the Report on the affairs of the Company and the Audited Financial Statements of the Company for the financial year ended 31st March 2026, together with the Auditor's Report and pertinent information as required under section 168 of Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and the recommended best practices on Corporate Governance.

1. Overview

Ceylon Land & Equity PLC is a Public Limited Company incorporated in Sri Lanka on the 26th of June 1958 under the Companies Ordinance No.51 of 1938 and subsequently re-registered on the 22nd May 2008 under the Companies Act No. 07 of 2007. The Ordinary Shares of the Company were quoted on the Colombo Stock Exchange in 1958.

The Registered Office of the Company is situated at "Renuka House", No. 69, Sri Jinarathana Road, Colombo 02.

Section 168 of the Companies Act No. 07 of 2007, specifies the information to be published in the Annual Report, prepared for the year ended 31st March 2026 and compliance status of same is given in the Corporate Governance Report on page Nos. 16 to 26 to this Annual Report.

2. Review of Business

2.1. Principal Business Activities and Business Review

The principal activity of the Company is to invest in equity, debt, property and other alternate asset classes and to act as a Holding Company. The Chairman's Review contains the performance of the Company and its future developments. Further risk involvement analysis and measures taken to mitigate such risks are given in the Management Discussion and Analysis and the Risk Management Report.

2.2 Associate Companies

The Company has invested in the following Associate Companies.

Renuka Investments Ltd

The Company operates as the Holding Company of property development companies.

Galle Face Capital Partners PLC

The Company is in the business of investing and trading in debt, equity and other alternative asset classes.

3. Future Developments

Future Development activities of the Company are discussed in the Chairman's Review on page No. 4 to this Annual Report.

4. Financial Statements of the Company

The Financial Statements of the Company, duly approved by two Directors in compliance with the requirements of sections 151, 152 and 168(1) (b) of the Companies Act No 07 of 2007 are given on page Nos. 47 to 78 of this Annual Report.

5. Directors' Responsibility for Financial Statements

The Directors are responsible for the preparation of Financial Statements of the Company to reflect the state of its affairs. The Directors are of the view that the Statement of Financial Position, Statement of Profit or Loss, Other Comprehensive Income and Statement of Changes in Equity, Statement of Cash Flows presented on pages 47 to 50 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards as mandated by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007. Further, these Financial Statements are also in compliance with the requirements of the Listing Rules of the Colombo Stock Exchange. The Report of "Directors' Responsibilities" appearing on pages No. 41 to 42 of this Annual Report forms an integral part of this report.

6. Auditor's Report

The Auditors of the Company, Messrs. Ernst & Young Chartered Accountants performed the audit on the Financial Statements for the year ended 31st March 2026 and the Independent Auditor's Report on the Financial Statements is given on Pages 43 to 46 of this Annual Report as required by section 168(1) (c) of the Companies Act No. 07 of 2007.

7. Accounting Policies and Changes During the Year

The Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standards (LKAS/ SLFRS) which were in effect up to the end of the year under review. The significant accounting policies adopted in the preparation of Financial Statements of the Company are given on pages 51 to 61 to this Annual Report as required by Section 168(1) (d) of the Companies Act No. 07 of 2007. The Board confirms that there were no changes to the Accounting Policies used by the Company during the year.

Report of the Board of Directors Contd..

8. Financial Results and appropriations

The Group turnover for the year ended 31st March 2026 was Rs. 4.5Mn. compared to Rs. 77 Mn recorded during the previous year. Further, Net Profit after tax of the Group was Rs. 1.5Bn compared with the Net Profit of Rs. 257Mn. during the previous year. A detailed analysis of the Revenue is given in Note No. 13 to the Financial Statements.

9. Dividends and Reserves

9.1. Profit appropriations

The Company had a profit of Rs. 1.8Bn. before tax for the year ended 31st March 2026 compared with a Profit of Rs. 213 Mn. in 2025. Net Profit after tax was Rs. 1.5Bn. (net profit after tax for 2025 was Rs. 189Mn.).

9.2. Provision for Taxation

The taxable income of the Company is taxed at 30% (2025 - 30%). Taxable income arising from the operations of the Company and has been disclosed in accordance with Sri Lanka Accounting Standards. The Company has provided deferred tax on all known temporary differences under the liability method, as permitted by the Sri Lanka Accounting Standard - LKAS 12 on "Income Taxes" Information on Income Tax Expenses & Deferred Taxes are given in Note No. 16 to the Financial Statements.

9.3. Reserves

The Reserves of the Company are given in the Changes in Equity Statement to the Financial Statements on page No. 49 to this Annual Report.

10. Investments

The Group has invested in quoted shares amounting to Rs. 625 Mn. A detailed portfolio of the investments held by the Company is given in Note Nos. 4,5 and 6 to the Financial Statements.

11. Property, Plant & Equipment and Capital Expenditure

There were no Property, Plant & Equipment held by the Company.

12. Market value of Freehold Properties and Investment Properties

There are no Freehold or Investment Properties held by the Company.

13. Stated Capital

The Stated Capital of the Company as at 31st March 2026 was Rs. 6,365Mn. comprised of 921,235,101 Ordinary shares, compared to the 307,078,367 shares as at financial Year ended 31st March 2025.

14. Share Information

14.1. Information on earnings, net assets and market values

Information relating to earnings and net assets are given with a five year summary appearing on page No. 79 to this Annual Report. Market value details of the ordinary shares along with Shareholders' Information is given on pages No. 80 to 82 of this Annual Report.

Distribution schedule is given on Pages 80 to 82 of this Annual Report, together with Shareholders' and investors' information.

15. Major Shareholdings

Details of the twenty largest shareholders with the percentage of their respective shareholdings as at 31st March 2026 are given on Page No. 86 together with comparative shareholdings.

16. Interest Register

The Interests Register is maintained by the Company Secretary, as per the Section 168(1) (e) of the Companies Act No. 7 of 2007. All Directors have made their declarations as provided for in section 192(1) & (2) of the Companies Act, aforesaid. The Share ownership of Directors is disclosed on page No. 12 to this Annual Report, entries were made in the Interests Register on share transaction and Directors' interest in contracts. The Interest Register is available for inspection by shareholders or their authorized representatives as required by the section 119 (1) (d) of the Companies Act No. 07 of 2007.

17. Equitable treatment to all shareholders

The Company has made every endeavor to ensure equitable treatment to all shareholders and have adopted adequate measures to prevent information asymmetry.

18. Public Holding

There were 5,410 (2025-3,190) registered shareholders as at 31st March 2026 out of which 5,407 (2025-3,186) were public shareholders with the percentage of shares held by the public, as per the Colombo Stock Exchange rules, being 79.23% (2025 - 50%).

19. Information to Shareholders

The Board strives to be transparent and provide accurate information to shareholders in all public material.

The Quarterly Financial Information during the year has been sent to the Colombo Stock Exchange in a timely manner.

Report of the Board of Directors Contd..

20. Board of Directors

20.1. List of Directors

The names of the Directors who held office during the Financial Year are given below. The brief profiles of the Board of Directors appear on page No. 5 to this Annual Report.

The basis on which Directors are classified as Independent and Non-Executive Directors is discussed in the Corporate Governance Report.

NAME OF DIRECTOR	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Mr. S. V. Rajiyah	X		
Mr. T. A. P. Peiris		X	
Mr. M. R. Ratnasabapathy		X	X
Mr. K. Liyanagamage		X	X
Mr. T.A.C.H. Jayakody		X	
Mr. K. G. Vairavanathan		X	X

20.2. Recommendation for re-election

To re-elect Mr. T.A.P Peiris as a Director of the Company who retires by rotation in terms of Article 28 (1).

To re-appoint Mr. K.G. Vairavanathan as a Director of the Company who retires in terms of Article 26 (i).

20.3. Director's Meetings

Details of the meetings of the Board of Directors are presented on page No. 17 to this Annual Report.

20.4. Directors' Interest in transactions

The Company carried out transactions in the ordinary course of business with the entities which a Director of the Company is a Director. The transactions with the entities where a Director of the Company either has control or exercises significant influence have been classified as Related Party Transaction and is disclosed in Note 18 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contracts with the Company.

20.5. Directors' Interest in Shares

Directors of the Company and who have relevant interest in shares of their respective Companies have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act.

Directors holdings, in Ordinary Shares of the Company are given in the below table.

NAME OF THE DIRECTOR	As at 31st March 2026	As at 31st March 2025
Mr S. V. Rajiyah	-	-
Mr. M. R. Ratnasabapathy	1400	-
Mr. T. A. P. Peiris	-	-
Mr. K. Liyanagamage	-	-
Mr. T.A.C.H. Jayakody	-	-
Mr. K. G. Vairavanathan	-	-

Share dealings by Directors during the year were disclosed to the Colombo Stock Exchange.

20.6. Remuneration of Directors

The remuneration of Directors in respect of the Company for the year ended 31st March 2026 is given in Note 15 to Financial Statements.

20.7. Directors Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true & fair view of the status of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

20.8. Board Committees

The Board has established committees for better monitoring and guidance of different aspects of operations and control.

Audit Committee

The details of the Audit Committee, comprising of Non- Executive Directors are provided on pages 35 to 36 of this Annual Report. A detailed scope of the Audit Committee and their work during the year are disclosed in the Audit Committee Report given on Pages 35 to 36 of this Annual Report.

Report of the Board of Directors contd..

Related Party Transactions

The Review Committee (RPTRC)

Related Party Transactions Review Committee (RPTR) comprises of three Independent/ Non-Executive Directors. A detailed scope and the meetings held during the year under review is given in the RPTR Committee Report on pages 37 to 38 in this Annual Report.

Remuneration Committee

Ceylon Land & Equity PLC established its Remuneration Committee to maintain a formal and transparent procedure for Executive Directors remuneration. The scope and meetings of the Remuneration Committee is given in the Remuneration Committee Report on page No. 39 in this Annual Report.

Nomination & Governance Committee

Ceylon Land & Equity PLC established to maintain a procedure for appointment of new Directors and re-election of Directors to the Board. The scope and meetings of the Nomination & Governance Committee are given in the Nomination & Governance Committee report on page No. 40 in this Annual Report.

21. Related Party Transactions

The Board of Directors has given the statement in respect of the Related Party Transactions. The Related Party Transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 09 of the CSE Listing Rules.

22. Statutory Payment

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

Declaration relating to statutory payments is made in the Statement of Directors' Responsibilities on page 41 to 42 to this Annual Report.

23. Environmental Protection

The Directors, to the best of their knowledge and belief are satisfied that the Company has not engaged in any activities, which have caused adverse effects on the environment and it has complied with the relevant environmental regulations.

24. Events Occurring After the Reporting Date

There are no events of material and significant nature that requires adjustment to the Financial Statements, occurred subsequent to the date of the reporting date, other than those disclosed in Note No. 21 to the Financial Statements.

25. Going Concern

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance code, have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements as disclosed in Note No. 2.5 to the Financial Statements.

26. Corporate Donations

The Company has not made any donations during the year under review.

27. Risk Management

The Company has a structured risk management process in place to support its operations. The Ceylon Land & Equity PLC's Board and Audit Committee play a major role in this process. The Risk Management Report elaborates these processes and the Company's risk factors.

28. Internal Controls

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance, interalia, regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated.

However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period. The Board, having reviewed the system of internal controls, is satisfied with the Group's adherence to and effectiveness of these controls for the year, up to the date of signing the Financial Statements.

29. Capital Commitments

No significant capital commitments exist as at 31st March 2026 other than those disclosed in Note No. 20 to this Financial Statements.

Report of the Board of Directors contd..

30. Compliance with Laws and Regulations

The Company has complied with all applicable laws and regulations. A compliance checklist is signed-off on a quarterly basis by responsible officers and any violations are reported to the Board and the Audit Committee. Detailed report of the Audit Committee is given on page Nos. 35 to 36 to this Annual Report.

31. Contingent Liabilities

There are no contingent liabilities as at the Balance Sheet date except what is disclosed in the Note No. 19 to the Financial Statements.

32. Outstanding Litigations

There are no litigations pending against the Company as at the Balance Sheet date.

33. Code of Conduct

The Company demands impeccable standards of conduct from its Directors and Employees in the performance of their official duties and in situations that could effect the Company's image.

34. Corporate Governance

The Company has complied with the Corporate Governance rules laid down under the Listing Rules of the Colombo Stock Exchange. The Corporate Governance Report on pages 16 to 26 further elaborates on this.

35. Compliance with Transfer Pricing Regulations

All transactions are entered into with associated persons during the period are comparable with transactions carried out with non-associated parties and are on arm's length basis.

36. Employees and industrial Relations

There are no employees attached to Ceylon Land & Equity PLC.

37. Appointment of Auditors

Messrs Ernst & Young, Chartered Accountants, who are the Company Auditors during the year, will be re-appointed, in terms of Section 158 of the Companies Act No.7 of 2007, as Auditors of the Company. A resolution to appoint Messrs Ernst & Young Chartered Accountants as auditors of the Company for the Financial Year 2026/27 and authorizing Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

38. Auditors' Remuneration and Interest in Contracts

The fees paid/payable for the services provided to the Company during the year with corresponding figures for the previous year is presented in Note No. 15 to the Financial Statements.

39. Annual Report

The Board of Directors approved the Company's Financial Statements on 23rd July 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board.

40. Annual General Meeting

Following the issuance of guidelines by the Colombo Stock Exchange (CSE) the 69th Annual General Meeting of Ceylon Land & Equity PLC will be held on 18th September 2026 at 10.30am.

41. Acknowledgment of the contents of the Report

As required by section 168(1) (k) of the Companies Act No.07 of 2007, the Board of Directors hereby acknowledge the contents of this Report.

Sgd.
S.V.Rajiyah
Chairman

Sgd.
T.A.P. Peiris
Director

Sgd.
Renuka Enterprises (Pvt) Ltd.
Managers and Company Secretaries
28th August 2026

Statement by the Senior Independent Director

Profile of Mr. Kapila Liyanagamage is given on page no. 05 of this Report.

In compliance with Section 9.6.3. 2 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company appointed me as the Senior Independent Director (SID) of the Company w.e.f 1st October 2023.

Section 9.6.3. 2 of the Listing Rules Provide that in the event the Chairman is an Executive Director a Senior Independent Director shall be appointed.

At Ceylon Land & Equity PLC, Mr. Shamindra Vatsalan Rajiyah remains the Chairperson and an Executive Director, in the interest of the Company.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR (SID)

The Senior Independent Director provides guidance to the Chairman on matters of governance of the Company.

The Senior Independent Director makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

As the Senior Independent Director, I am confident that the processes and practices established by Ceylon Land & Equity PLC ensure that the role of the SID is carried out effectively, contributing to the robust governance of the Company.

The independence and objectivity of the SID, along with the engagement with both the Board and Shareholders, help maintain transparency, accountability and trust in our Corporate Governance framework.

I remain committed to upholding these standards and will continue to work closely with the Board to ensure that the Company is aligned with the best practices in Corporate Governance.

K. Liyanagamage
Senior Independent Director

28th August 2026
Colombo

ACTIVITIES DURING THE YEAR

Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Director were appraised. The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

As we look to the future, the Company remains focused on navigating the challenges and opportunities that lie ahead. Ceylon Land & Equity PLC's strategic priorities will continue to be underpinned by our commitment to sound Corporate Governance, effective Risk Management and Sustainable Growth.

Report on the Corporate Governance

Ceylon Land & Equity PLC is involved in Investing and trading in equity and other alternative asset classes. Therefore, structured and sound Corporate Governance processes are required to mitigate the risk involved and to provide added value to its shareholders and other stakeholders. The Renuka Groups' Corporate Governance framework facilitates Ceylon Land & Equity PLC too to adhere and adopt a well founded Corporate Governance framework that facilitates effective management of corporate relationships and deliver continuous value to its stakeholders. Core principles of accountability, participation and transparency have been in-built to the Corporate Governance system and manage the wider range of Companies in the Renuka Group.

This is a robust framework of structures, principles, policies, procedures, codes and processes to ensure that our Group's values and standards are maintained through-out the Companies in the Group. Corporate Governance essentially involves balancing the interests of the shareholders and many stakeholders of the Company which extend to the Management, Customers, Suppliers, Financiers, Government and the Community at large. Since Corporate Governance also provides the framework for attaining the objectives of the Company, it encompasses practically every sphere of management, from action plans and internal controls to performance measurements and corporate disclosures.

The Company holds itself accountable to the highest standards of Corporate Governance and provides public accessibility to the information of the Company. Corporate Governance has been institutionalized at all levels in the Group through a strong set of corporate values which have been adhered to by the Senior Management and the Board of Directors in the performance of their official duties and in other situations which could affect the Company's image.

The Company is committed to the highest standards of integrity, ethical values and professionalism in all its activities.

At the Group level, we set our framework of Corporate Governance in line with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the rules set out in the Colombo Stock Exchange Listing Rules and also comply with the Country's Legislative and Regulatory requirements. This applies to Ceylon Land & Equity PLC as well.

Corporate Governance System

The Board of Directors who are appointed by the shareholders are the ultimate governing body of the Company having the highest decision making authority and overall responsibility in determining the strategic directions of the Company. In all actions taken, the Board of Directors is expected to exercise their business judgment, considering the best interest of the Company. The Corporate Governance framework is subject to continuous reviews, assessments and improvements upholding the best interest to its stakeholders.

BOARD LEADERSHIP

Composition of the Board

The Board comprised of six Directors as at the date the Financial Statements are approved, of which one Director is Executive and five Directors are Non- Executive. Three of the None-Executive Directors are Independent. The statuses of Directors are given below;

EXECUTIVE DIRECTOR	NON - EXECUTIVE AND DIRECTORS
Mr. S. V. Rajiyah	Mr. T.A.P. Peiris
	Mr. M. R. Ratnasabapathy (Independent)
	Mr. K. Liyanagamage (Independent)
	Mr. T.A C.H Jayakody
	Mr. K. G. Vairavanathan (Independent)*

*Appointed with effect from 27th January 2026

The Board is determined that the Independence of the Directors should be measured in accordance with the Colombo Stock Exchange Rules and the Independent Directors have submitted signed confirmation of their Independence. The profiles of the Directors are given in page No. 05 to this Annual Report, which states that all the Directors are those having diverse experience, being eminent professionals and dynamic entrepreneurs in the corporate world.

Report on the Corporate Governance Contd..

Role & Responsibilities of the Board

The Board aims at fulfilling its responsibilities by creating value that is sustainable and beneficial for all the stakeholders. Under the direction of the Executive Directors and oversight of the Board, the business of the Company is conducted by its managers to enhance the long term value of the Company. The Board gives leadership in setting the strategic direction and establishing a sound and controlled framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence.

Whilst the management provides information to the Board on a regular basis, relating to the Company's operations, the Board meets quarterly and gives full consideration to the followings:

- Reviewing of strategic and key business performances
- Reviewing of profit/loss, asset position and quarterly management accounts
- Providing advice and guidelines to Senior Managers
- Approving major Investments
- Approving the Interim and Annual Reports
- Risk management and adequacy of internal controls of the Company
- Seeking business developments and expansions in the Company
- Reviewing reports of Related Party Transactions, Compliance with legal and regulatory requirements.

Board Composition

The composition of Executive and Non-Executive Independent Directors on the Board who are professionals / academics / business leaders holding senior positions in their respective fields ensures a right balance between executive expediency and independent judgment as no individual Director or small Group of Directors dominate the Board discussions and decision making.

Board Meetings and Attendance

The Board convened four times during the year ended 31st March 2026 which covered the requirements of quarterly reviews and the Directors attendance at the meetings is as follows;

NAME OF THE DIRECTOR	Eligible to Attended	Attended
Mr. S. V. Rajiyah (Chairman)	4	4/4
Mr. M. R. Ratnasabapathy	4	4/4
Mr. K. Liyanagamage	4	3/4
Mr. T. A. P. Peiris	4	4/4
Mr. T.A C.H Jayakody	4	3/4
Mr. K. G. Vairavanathan	2	2/2

Chairman's Role

The Chairman is responsible for ensuring the effectiveness and conduct of the Board whilst the Management has overall responsibilities over the operating units, organizational effectiveness of the implementation of Board policies and decisions.

The Chairman ensures that Board members have access to adequate information and are provided with sufficient opportunity to obtain clarifications on the matters before the meetings through presentations and documents prepared by the management and their teams. Board members also have access to key management personnel for any clarifications. Chief Financial Officer presents the updates on the performance of the Company, compliance with regulatory requirements such as the Colombo Stock Exchange Listing Rules, Companies Act requirements and with other tax regulations.

Financial Acumen

The Board constitutes members who are having multiple disciplines and experiences in Finance, Marketing, Economic, Legal and Human Resources. As a result, well balanced members in the Board have the capability to provide constructive debates and reviews to assist in developing capable strategies.

Information to the Board

Directors are provided with quarterly reports on the performance of the Company. Chairman ensures that Managers provide all clarifications and documentations to the Board with Minutes and Board Papers, which are circulated among Directors seven days prior to the Board Meeting.

Report on the Corporate Governance Contd..

Board Appointment and Re-election of Directors

The Board follows a formal process to appoint Directors to the Board mainly through the recommendation of the Nomination & Governance Committee.

The Articles of Association of the Company require one third of the Non-Executive Directors to retire at each Annual General Meeting and the Directors who retire are those who have served the longest periods after their respective appointments/re-appointments.

Access to Independent Professional Advice

In the process of preserving the independence of the Board and the effective decision making, the Directors obtain independent and professional advice where necessary.

Access to Advice and Services of the Company Secretaries

All the Directors have access to the advice and services of the Company Secretarial function provided by Renuka Enterprises (Pvt) Ltd, which is responsible for ensuring;

- a. That Board procedures are followed
- b. Compliance with rules and regulations, direction and statutes
- c. Recording minutes and maintaining required records of the Company.

Independent Judgment

Directors bring independent judgment to bearing on issues of strategy, performance, resources and standards on business conduct. Composition of the Board ensures that there is a sufficient balance of power and contribution by all the Directors without any domination by one or few Directors on Board processes or decision making.

Dedication of Adequate Time and Effort to Matters of the Board and the Company

Directors ensure that they dedicate adequate time and effort to the matters of the Board and the Company and that the duties and responsibilities owed to the Company, are satisfactorily discharged. Accordingly, dates of quarterly Board Meetings and Board Sub-Committee Meetings are scheduled well in advance and the relevant papers and documents are circulated a week prior to each meeting, giving sufficient time for review. There is provision to circulate papers closer to the meeting on an exceptional basis.

Disclosure of information on Directors to Shareholders

Information relating to each Director is disclosed with the brief profiles given on page No. 05 of this Annual Report. Director's profiles includes the name, qualifications, experiences and material business interest.

Memberships in Sub-Committees are given on pages 35 to 40 of this Annual Report together with attendance at such meetings. Attendance at Board Meeting is given on page No. 17 to this Annual Report.

Remunerations paid to Directors are disclosed in the Note No. 18 to the Financial Statements. Related Party Transactions with Directors are disclosed in the Note No. 18.1 to the Financial Statements. Further any Directorships in Listed Companies established in Sri Lanka are included in the profile of each Director on pages 05 and 25 to this Annual Report.

Directors' Remuneration Procedure

Remuneration Committee determines and sets out the guidelines for remuneration of the management staff in the Group. Scope of the Remuneration and Governance Committee and its composition are included on page No. 39 of this Annual Report.

The Board determines the remuneration of Non- Executive Directors who are paid a Directors Fee for attending the Board meetings and Sub-Committee Meetings. However they are not paid a performance based incentive payment.

Stakeholder Management and Shareholder Relationship Communication with Shareholders

The Board considers the Annual General Meeting as a prime opportunity to communicate with the shareholders of the Company. The Shareholders are given the opportunity of exercising their rights at the Annual General Meeting. The notice of the Annual General Meeting and the relevant documents required are published and circulated to the shareholders within the given statutory period.

The Company circulates the agenda of the meeting and shareholders' vote on each issue separately. All the shareholders are invited and encouraged to participate at the Annual General Meeting. The Annual General Meeting provides an opportunity for the shareholders to seek and obtain clarifications and information on the performance of the Company and to informally meet the Directors. The External Auditors are also present at the Annual General Meeting to render any professional assistance that may be required. Shareholders who are not in a position to attend the Annual General Meeting in person are entitled to have their voting rights exercised by a proxy of their choice. The Company publishes Quarterly Accounts and the Annual Report in a timely manner as its principal mode of communication with shareholders and others. This enables stakeholders to make a rational judgment of the Company.

Report on the Corporate Governance Contd..

Disclosure of Material Proposed Transactions

During the year under review there were no material proposed transactions entered in to by Ceylon Land & Equity PLC which would materially affect the Net Assets base of the Company other than those disclosed in the Note No. 20 to this Annual Report.

Accountability and Audit

The Board through the Chief Financial Officer and the Management is responsible for the preparation and presentation of Financial Statements of the Company in Accordance with the Sri Lanka Accounting Standards comprising SLFRS and LKAS. This responsibility is monitored by the completion of a check list before finalizing the Interim and full year Financial Statements from the respective sector Financial Managers and Chief Financial Officer.

The Directors' Responsibility Statement for Financial Reporting is included on pages No. 41 and 42 to this Annual Report.

Risk Management and Internal Controls

The Board is responsible for the Company's internal controls and their effectiveness. Internal controls are established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision making. It covers all the controls, including financial, operational and compliance control and risk management. It is important to state, that any system can ensure only reasonable and not absolute assurance that errors and irregularities are prevented or detected within a reasonable time.

Board Sub Committees

To assist the Board in discharging its duties, various Board Sub Committees are established. The functions and terms of references of the Board Sub-Committees are clearly defined where applicable and comply with the recommendation of the Code of Best Practice on Corporate Governance.

The Four Board Sub Committees are as follows.

- i. Audit Committee
- ii. Remuneration Committee
- iii. Related Party Transactions Review Committee
- iv. Nomination Governance Committee

Audit Committee

The Board has established an Audit Committee which has oversight responsibility for financial reporting system of the Company considering how they should select and apply accounting policies, financial reporting, establish internal controls and maintain an appropriate relationship with the External Auditors.

The Members of the Audit Committee consist of Independent/ Non-executive Directors who are appointed by and are responsible to the Board of Directors. The Executive Director and Chief Financial Officer attended the meetings by invitation. Other members of the Board, members of the Management as well as External Auditors were present when required. The Company Secretaries serve as Secretaries to the Committees.

The Audit Committee reviews the Accounting Policies and presentation for external audit function and ensures that the objectives and professional relationships are maintained with the External Auditors. The Audit Committee also reviews and assists the Board in maintaining a sound system of internal control.

The Committee has full access to the External Auditors who, in turn, have access at all times to the Chairman of the Committee. The Committee meets with the External Auditors without any Executive Directors present at least once a year, in line with good Corporate Governance Practice.

The Report of the Audit Committee is present on pages 35 to 36 and the duties of the Audit Committee are included therein.

Related Party Transactions Review Committee

The objective of the Committee is to exercise oversight on behalf of the Board of Ceylon Land & Equity PLC and its listed Associate Companies, to ensure compliance with the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ("The Code") and with the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and the CSE.

The Related Party Transactions Review Committee consists of three Independent/ Non-Executive Directors who are appointed by and are responsible to the Board.

Report on the Corporate Governance Contd..

The Executive Director and Chief Financial Officer attended the meetings by invitation and the Company Secretaries serve as Secretaries to the Committee.

The Report of the RPTR Committee is presented on pages 37 to 38 and the duties of the Committee are included therein.

Remuneration Committee

The Remuneration Committee determines the remuneration of the Chairman and the Executive Directors and sets guidelines for the remuneration of the key management staff within the Group.

The Remuneration Committee consists of three Directors who all are Independent and Non-Executive. The Company Secretaries serve as Secretaries to the Committee.

The Report of the Remuneration Committee is presented on page No. 39 and the duties of the Remuneration Committee are included therein.

Nomination & Governance Committee

The Committee objective is to define and establishes the nomination process for Non-Executive Directors, lead the process of Board appointments and make recommendations to the Board. The Committee sets out the scope comprising tasks such as assessing skills required to be on the Board, periodic review of the extent of skills required to represent the Board, Review the clear description of role and capabilities required for a particular Board appointment and Identify and recommend suitable candidates to the Board.

All three Directors in the Nomination & Governance Committee are Non- Executive Independent Directors.

The Report of the Nomination & Governance Committee is presented on page No. 40 and the duties of the Committee are included therein.

Institutional Investors

The Shareholders are provided with Interim Financial Statements and Audited Financial Statements together with the Annual Report which contains the periodic/ annual performance of the Company and its Associate Companies. This information is available in the website of Colombo Stock Exchange. Further, the Board of Directors ensures that Shareholders are given a fair chance to communicate at the Annual General Meeting and clarify any information relating to the Company. Board also encourages discussions of a high level on the strategic decisions and achievement of goals of the Company at the Annual General Meeting. Further, the Board disseminates any information which is price sensitive to the shareholders by making necessary disclosures to the Colombo Stock Exchange.

Other Investors

The Board expects any investor to carry out analysis on the information published in the Colombo Stock Exchange website and to seek independent advice on their investment decisions to invest or divest the shares.

Information Technology Governance

The Board is vigilant on the impact of the technology towards the business. The Board is concerned about the threats and the need for the management of IT and Cyber security risks. Chief Information Technology Officer in the Group is entrusted with formulation of the Group Information Technology Policy and Information Security Policy.

Management of IT and Cyber security is reviewed at monthly meetings with Directors, and they are informed of any risks, issues and precautionary actions.

Shareholder Relations

The Company assigns a high priority to the communication of the results and prospects for the future to its shareholders as a responsible listed company on the Colombo Stock Exchange. The Quarterly and Annual Reports are simultaneously updated on the companies website www.renukagroup.com.

If you have any questions on accessing of the digital copy of this report, please call 0112 314750, Company Secretaries.

Compliance Summary

Statement of compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange on Annual Report disclosures.

Corporate Governance Compliance Statement

Ceylon Land & Equity PLC has fully complied with the Corporate Governance Listing Requirements of the Colombo Stock Exchange and adheres to the different regulating authorities including,

- Companies Act No.7 of 2007
- Code of Best Practices on Corporate Governance issued jointly by the CA Sri Lanka and the Securities & Exchange Commission of Sri Lanka
- Inland Revenue Act
- Foreign Exchange Act

Report on the Corporate Governance Contd..

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPLES	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
(i)	Names of persons who were Directors of the entity	Complied	Refer Report of the Board of Directors Report on pages 10 to 14 to this Annual Report.
(ii)	Principal activities of the entity during the year and any changes therein	Complied	Refer Note No. 1 to Financial Statements.
(iii)	The names and the No. of shares held by the 20 largest holders of voting shares and the percentage of such shares held	Complied	Refer Shareholders' and Investors' information on pages 84 to 86 to this Annual Report.
(iv)	The public holding percentage	Complied	Refer Shareholders details on page No. 84 to this Annual Report
(v)	A Statement of each Director 's holding and Chief Executive Officer's holding in shares of the entity at the beginning and end of each Financial year	Complied	Refer pages No.12 to this Annual Report.
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Complied	Refer Report on the Risk management on pages 29 to 33 to this Annual Report.
(vii)	Details of material issues pertaining to employees and industrial relation of the Entity	Not Applicable	There are no employees in the Company.
(viii)	Extent, Locations, Valuations and the number of buildings of the Entity's land holding and investment properties	Not Applicable	
(ix)	Number of shares representing the Entity's Stated Capital	Complied	Refer Note No. 9 to the Financial Statements.
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	Complied	Refer Shareholders' and Investors' information on pages 84 to 86 to this Annual Report.
(xi)	Financial ratios and market price information	Complied	Refer five years summary given on page No. 83 to this Annual Report.
(xii)	Significant change in the Company's fixed assets and market value of Land, if the value differs substantially from the book values as the end of the year	Not Applicable	
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Not Applicable	
(xiv)	Information in respect of Employee Share Ownership or Stock Option scheme	Not Applicable	
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules	Complied	Refer Report on the Corporate Governance on page 16 to 26 to this Annual Report.
(xvi)	7.6 of the Listing Rules	Complied	Refer Note No. 18 to Financial Statements.

Report on the Corporate Governance Contd..

Extent of the compliance with a listing rule set out in section 9 of the Colombo Stock Exchange's on Corporate Governance, are summarized below.

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
9.1.3	Applicability of Corporate Governance Rules	All Listed Entities shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity	Compliant	Please refer to page No. 14 of the Annual Report of the Board of Directors.
9.2	Policies	Policies	Compliant	Please refer to page No.10 of the Annual Report.
9.3	Board Committees	Board Committees	Compliant	Please refer to page No. 13 of the Annual Report of the Board of Directors. The Company has established its own Audit Committee, Remuneration Committee, Nominations and Governance Committee, and Related Party Transactions Review Committee which are functioning effectively.
9.4.1	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 and information pertaining to its adoption	Compliant	The Company Secretaries maintain records of all resolutions and requisite information
9.4.2	Communication and Relations with shareholders and investors	Communications and Relations with shareholders and investors	Compliant	The Board considers the AGM as the prime opportunity to communicate with the Shareholders. Shareholders are given the opportunity to exercise their rights at the AGM. The Quarterly Reports and the Annual Report are simultaneously updated on the Company's website.
9.5	Policy on matters relating to the Board of Directors	Policy on matters relating to the Board of Directors	Compliant	The Company has established and maintains a Policy on matters relating to the Board of Directors which addresses the requirements in Rules 9.5.1 and 9.5.2, and the same has been published on Renuka Group's website.

Report on the Corporate Governance Contd..

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
9.6.1	Chairperson and CEO	The Chairperson of every Listed Entity shall be a Non-Executive Director, and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Compliant	SID has been appointed by the Company in terms of Rule 9.6.3.
9.6.2	Chairperson and CEO	Where the Chairperson of a Listed Entity is an Executive Director and/ or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement	Compliant	The market announcement has already been made
9.6.3 and 9.6.4	The Requirement for a SID	SID to be appointed in the following instances. 1. The positions of the Chairperson and CEO are held by the same individual. 2. The Chairperson is an Executive Director. 3. The Chairperson and CEO are Close Family Members or Related Parties.	Compliant	Positions of the Chairperson and CEO are held by the same individual; SID has been appointed.
9.7	Fitness of Directors and CEOs	Fitness of Directors and CEO	Compliant	The Company obtained an annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria stipulated in the Listing Rules of the CSE.
9.8	Board Composition	The Board of Directors of a Listed Entity shall at a minimum consist of five (05) Directors.	Compliant	The Board comprises of six (06) Directors
9.8.2./ 9.8.3 and 9.8.4. and 9.8.5	Independent Directors	Minimum no. of Independent Directors/ Criteria determining the independence and declaration and Disclosures relating to Directors		Please refer to page No. 10 to 14 of the Annual Report (The Report of the Board of Directors).
9.9	Alternate Director	Alternate Director	Compliant	No Alternate Directors were appointed to the Board throughout the reporting period.

Report on the Corporate Governance Contd..

CSE RULE REFERENCE	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA	COMPLIANCE STATUS	COMPANY'S EXTENT OF ADOPTION
9.10.4.(a) and 9.10.4(b)	Disclosures relating to Directors	Company shall publish a brief resume in the Annual Report	Compliant	Please refer the Profiles of the Directors on page No. 5
9.10.4. (d)/ 9.10.4 (e) / 9.10.4 (f)	Disclosures relating to Directors	Disclosures relating to Directors	Compliant	Please refer to pages 10 to 14 of the Annual Report (The Report of the Board of Directors)
9.11	Nominations and Governance Committee	Nominations and Governance committee	Compliant	The Nominations and Governance Committee Report is given on pages 10 to 14 of this Annual Report
9.12.	Remuneration Committee	Remuneration Committee	Compliant	The Remuneration Committee matters are given in pages 10 to 14 of the Annual Report of the Board of Directors
9.13	Audit Committee	Audit Committee	Compliant	The Audit Committee matters are given in pages 10 to 14 of the Annual Report of the Board of Directors
9.14	Related Party Transactions Review Committee	Related Party Transactions Review Committee	Compliant	The Related Party Transactions review Committee matters are given in pages 10 to 14 of the Annual Report of the Board of Directors.
9.17(i)	Additional Disclosures	Board of Directors should declare all material interest in contracts involving the Entity and whether they have refrained from voting on matters in which they were materially interested.	Compliant	Directors declared at the Board Meeting that they have no material interests in contacts involving the Company and there were no matters in which they were materially interested.
9.17(ii)	Additional Disclosures	Board of Directors should conduct a review of internal controls covering financial and operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith.	Compliant	The Board, having reviewed the system of internal controls covering the financial, operational and compliance controls and risk management, is satisfied with the Company's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.
9(17) (iii)	The Board of Directors should make arrangements	Board of Directors should make arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.	Compliant	The Board of Directors have declared that the Company and the Board of Directors have complied with applicable laws, rules and regulations and also are aware of changes particularly to the Listing Rules of the CSE and all other applicable capital market provisions.
9(17)(iv)	Additional Disclosures	The Board of Directors should disclose relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdictions where the Entity has operations.	Compliant	The Board of Directors have no disclosures to be made of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations.

Report on the Corporate Governance Contd..

11.2. Disclosure in relation to the Directors as per Section 9.10.4 (e) of the Listing Rules of the Colombo Stock Exchange.

Renuka Holdings PLC is the Parent Company of Ceylon Land & Equity PLC

NAME OF THE DIRECTOR	NAME OF THE COMPANY, FUNCTIONING CAPACITY, LISTED/UNLISTED
Mr. S.V. Rajiyah (Total No. of Directorships - 28) (Total No. of Companies within Renuka Group where Mr. S.V. Rajiyah is a Director - 24)	He is the Executive Director and is a Key Management Personnel in the mentioned Listed Companies; Renuka Foods PLC, Renuka Agri Foods PLC, Ceylon Land & Equity PLC, Galle Face Capital Partners PLC and Renuka Holdings PLC. He is a Director and in other unlisted Companies within the Renuka Group He is a Director and a Key Management Personal in the mentioned Unlisted Companies; Island Realty (Pvt) Ltd, Joella Ceylon (Pvt) Ltd, Tuckers (Pvt) Ltd, Action & Care Trust
Mr. K.G. Vairavanathan (Total No. of Directorships - 03) (Total No. of Companies within Renuka Group where Mr. K.G. Vairavanathan is a Director - 02)	He is an Independent/ Non-Executive Director in the mentioned Listed Companies; Ceylon Land & Equity PLC and Galle Face Capital Partners PLC He is an Independent/ Non-Executive Director in the mentioned Unlisted Companies; S C Securities (Private) Ltd
Mr. K. Liyanagamage (Total No. of Directorships - 03) (Total No. of Companies within Renuka Group where Mr. K. Liyanagamage is a Director - 03)	He is an Independent/ Non-Executive Director in the mentioned Listed Companies; Ceylon Land & Equity PLC and Galle Face Capital Partners PLC He is a Director and a Key Management Personnel in other unlisted Companies within the Renuka Group
Mr. M.R Ratnasabapathy (Total No. of Directorships - 04) (Total No. of Companies within Renuka Group where Mr. Ratnasabapathy is a Director-4)	He is an Independent/ Non-Executive Director in the mentioned Listed Companies; Ceylon Land & Equity PLC, Renuka Foods PLC, Renuka Agri Foods PLC and Galle Face Capital Partners PLC
Mr. T.A.P. Peiris (Total No. of Directorships - 10) (Total No. of Companies within Renuka Group Where Mr. T.A.P. Peiris is a Director 09)	He is a Non-Executive Director in the mentioned Listed Company; Ceylon Land & Equity PLC He is a Director in other unlisted Companies within Renuka Group. He is a Director in the mentioned Unlisted Companies; Action & Care Trust
Mr. T.A.C.H. Jayakody (Total No. of Directorships - 1) (Total No. of Companies within Renuka Group Where Mr. T.A.C.H. Jayakody is a Director 01)	He is a Non-Executive Director in the mentioned Listed Company; Ceylon Land & Equity PLC

Report on the Corporate Governance Contd..

SECTION	CORPORATE GOVERNANCE PRINCIPLES	COMPLIANCE STATUS	REFERENCE
168 (1) (a)	The state of the Company's affairs and nature of the business of the Company together with any changes thereof during the accounting period	Complied	Refer Note No. 01 to the Financial Statements.
168 (1) (b)	Signed Financial Statement of the Company for the accounting period completed	Complied	Refer pages 47 to 51 of this Annual Report.
168 (1) (c)	Auditors Report on Financial Statements of the Company	Complied	Refer pages 43 to 46 of this Annual Report.
168 (1) (d)	Accounting Policies and any changes therein	Complied	Refer Note No. 02 to the Financial Statements.
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Complied	Refer page 10 to 14 of this Annual Report.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Complied	Refer Note No. 15 to the Financial Statements.
168 (1) (g)	Corporate donations made by the Company during the accounting period	Complied	Refer page 10 to 14 of this Annual Report.
168 (1) (h)	Names of the Directors of the Company at the end of the accounting period and names of the Directors who ceased to hold office	Complied	Refer pages 10 to 14 of this Annual Report.
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Complied	Refer Note No. 15 to the Financial Statements.
168 (1) (j)	Other relationships or any interest of Auditors with the Company.	Complied	Refer pages 35 to 36 of the Audit Committee Report.
168 (1) (k)	Acknowledgment of the content of this report and signature on behalf of the Board	Complied	Refer pages 10 to 14 of the Annual Report for Report of the Board of Directors.

Report of the Sustainability of the Company

Overview

Sustainability of the Company is the key element which is incorporated to the Corporate Governance frame work where the utilization of resources efficiently and environmentally responsible provision of services that deliver sustainability benefits which can leverage commercial advantage for the Company. Based on each stakeholder expectations and Company's desire to deliver sustainable stakeholder values over time, the Company designed appropriate strategies to face the challenge of fulfilling stakeholder expectations.

The key business drives for sustainability are internal operations and stakeholder engagement. The first focuses on our internal operations and provision of our services more efficiently using limited resources. This approach helps us to reduce costs of supply of services and at the same time reduces our impact on the environment. The second approach focuses on our partnerships with our stakeholders. Stakeholders are any individual or party that has an interest in our Group, and who are affected by or can affect our organizational activities. Partnerships help to build trust among our key stakeholders and to reach better understanding on a variety of issues. It can also pave the way for more successful solutions to problems, concerns and challenges.

Impact on Economic Performance

In economic performance, the Company focused on operational excellence across all its business divisions and value addition to economic development. Operational excellence is measured in terms of efficiency and effectiveness of internal processes, improvements to processes and reduction waste. Further investment in IT/ ERP helps measurement of operational results on time with increased accuracy.

Ceylon Land & Equity PLC Sustainability Policy and Guidelines

Identify the stakeholders and rate them in line with the degree of influence and importance. Such stakeholders thus identified are,

- Investors
- Customers
- Key suppliers and business partners
- Environment

Ceylon Land & Equity PLC has formulated sustainability strategies to create value for those identified stakeholders. We have created formal and informal channels in line with ultimate Group (Renuka Holdings PLC) policies to develop effective communication systems and engagement programs to involve our stakeholders and implement continuous monitoring systems through the management team in order to gauge our impact on the stakeholders.

Ceylon Land & Equity PLC has strived to ensure that all processes will not knowingly harm people and will minimize the negative impact our businesses will have on human life as well as the environment.

Report of the Sustainability of the Company contd..

Our Stakeholder Engagement Process Investors Support

Shareholder engagement is important to have access to growth capital and in turn provide a sound return to them. In meeting global challenges and evolving consumer needs we must be geared to be proactive with new ideas and investment opportunities and ready with the output as well. When we operate according to these principles the shareholders should realize a fair return.

Method of Engagement

- An e-mail address has been provided for comments and suggestions.
- Update with latest financials for shareholders/investor to take rational decisions which are very important.
- We report company performance in a timely and relevant manner through quarterly Financial Reports and the Annual Report published in the Colombo Stock Exchange website.
- We hold Annual General and Extra Ordinary General Meetings to communicate with our shareholders.

Our Concern

Our concern is to increase the return on investment, sustainable profitability, good governance and transparency in carrying out group operations.

Customers Support

The Company uses its competencies and decades of experiences to identify the needs and wants of our customers in order to provide quality product and services creating value-for-money.

Suppliers Support

We always try to build business relationships all over the world and not only centered in Sri Lanka.

Renuka Group considers engagement to be an increasingly important component of its corporate citizenship strategy. Our engagement efforts help Renuka Group identify those issues that are most material to our business operations and shape our approach in addressing a range of areas relating to the financial, social and environmental performance of the organization.

Report on the Risk Management

Risk Management is an integral component of the business operations of Ceylon Land & Equity PLC (“the Company”). As the Company's principal activities have evolved to encompass investment in equity, debt and other alternative asset classes alongside a growing direct exposure to property and real estate development, the risk landscape the Board must navigate has become more diverse – and more consequential to shareholder value – than in previous years.

Our Approach to Risk Management

We define risk as the potential occurrence of an internal or external event that may adversely affect the Company's ability to achieve its strategic and operational objectives. To effectively embed risk management across the organisation, the Company follows a structured approach that integrates risk controls into its core systems and procedures:

- Identifying existing controls currently in operation across investment, treasury and project-level activities;
- Monitoring the effectiveness of those controls on an ongoing basis;
- Refining and improving control mechanisms as needed, based on evolving risk conditions – particularly as the Galle Face Icon project moves through its superstructure and fit-out phases; and
- Documenting evidence of risk mitigation efforts and control effectiveness for accountability and audit readiness.

Ceylon Land & Equity PLC adopts the risk management governance framework established by its ultimate parent company, Renuka Group. This ensures alignment across the Group while allowing for contextual adaptation within individual business units, including the Company's subsidiary, Galle Face Capital Partners PLC.

Risk Governance

Robust systems, standard operating procedures and clearly defined responsibilities are in place to monitor and manage risk. Functional heads, together with the Group Internal Audit team, play an active role in ensuring that risks are identified early, assessed thoroughly and mitigated effectively within their respective domains, under the oversight of the Board and the Audit Committee.

Board of the Directors - Audit Committee

Operations & Business Units

- Heads of Department/ Project Leads
- Own and manage risk day-to-day
- Operate controls embedded in process (incl. Galle Face Icon project execution)

Risk, Finance, Legal & Compliance

- Group Risk Management & Treasury
- Set policy, monitor exposure limits
- Legal & Compliances oversight of statutory/ SEC CSE requirement
- Group-wide IT governance

Internal Audit

- Independent, objective assurance
- Validates risk ratings & control effectiveness
- Reports directly to the Audit committee

Renuka Group-wide risk governance framework, adapted to Ceylon Land & Equity PLC's investment and property development activities

Figure 1: Three Lines of Defense – Risk Governance Structure

Report on the Risk Management Contd..

Risk Identification, Prioritisation and Assessment

The first step in the Company's risk management framework is the systematic identification of risks across all operational, financial and project-related areas. Risks are identified in consultation with key stakeholders, including departmental heads, the project team responsible for Galle Face Icon, internal auditors and senior management.

Risk identification is a foundational component of an effective Enterprise Risk Management (ERM) framework; without a structured process, the organisation would be unable to recognise or mitigate potential threats to its objectives in a timely manner. Once identified, risks are evaluated on two dimensions likelihood of occurrence and magnitude of impact on business objectives resulting in a prioritised risk register that helps the management focus attention on the risks that most require mitigation.

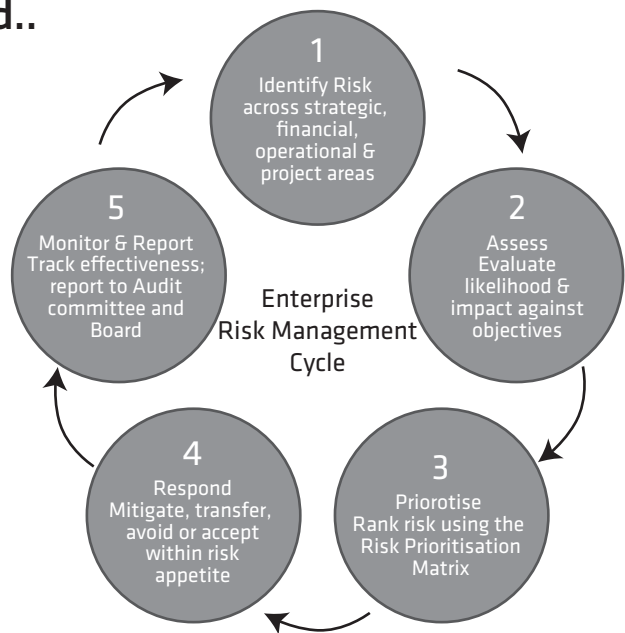
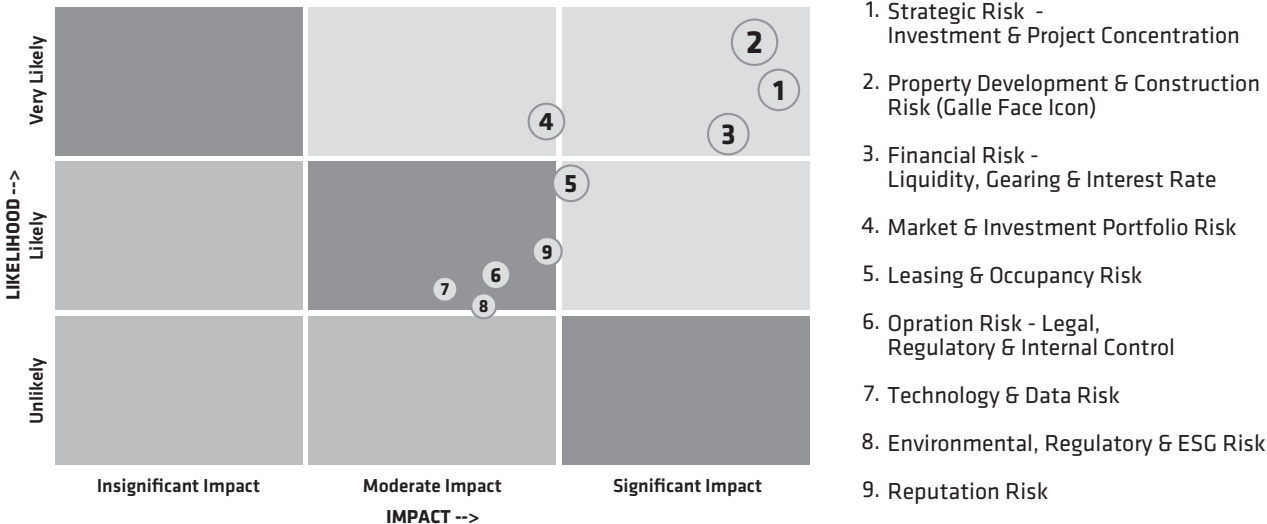


Figure 2: The Enterprise Risk Management Cycle

Risk Prioritisation Matrix

The matrix below plots the Company's key enterprise risks for FY 2025/26 by likelihood and impact, consistent with the Group wide risk rating methodology. It enables the Board and the Management to visualise and rank risks objectively, allocate resources more effectively, and determine the most suitable risk response mitigation, transfer, avoidance or acceptance for each identified risk.

Risk Prioritisation Matrix - FY 2025/26 Risk Register



Report on the Risk Management Contd..

Risk Response Strategies

- Mitigation – reducing the likelihood or impact of a risk through controls, contractual protections or diversification;
- Transfer – shifting the financial consequence of a risk to a third party, for example through insurance or construction contract structuring;
- Avoidance – declining to undertake an activity where the risk-adjusted return does not justify the exposure; and
- Acceptance – consciously retaining a risk that falls within the Company's Board-approved risk appetite.

The risk management process in place ensures clear allocation and segregation of responsibilities for risk identification, assessment, mitigation, monitoring and reporting. Multiple layers of oversight have been implemented through policies, procedures and internal control systems to ensure the effectiveness of risk management across the organisation, and the Company continues to strengthen its risk governance by integrating process improvements and system enhancements that enable more timely visibility and tracking of critical risks.

Key Risk Categories and Management Strategies

The main categories of risk that the Company takes into account in the pursuit of its business objectives, together with their potential impact and corresponding management strategies, are set out below. Categories are presented broadly in order of current priority, reflecting the Company's transition toward direct property development.

RISK CATEGORY	POTENTIAL IMPACT	RISK MANAGEMENT STRATEGIES
Strategic Risk (Investment Decision & Project Concentration Risk)	Increased concentration of capital and management attention in a single flagship project (Galle Face Icon), reducing diversification.	Investment and project decisions are taken based on feasibility reviews, Board oversight and market analysis.
	Sub-optimal investment or divestment decisions affecting long-term shareholder value.	The rights issue structure and phased draw-down of proceeds allow capital deployment to be matched to project milestones.
	Reputational impact from association with an underperforming or delayed project.	Internal Audit and business performance teams evaluate the progress of the project and other key strategic initiatives on an ongoing basis.
Property Development & Construction Risk	Construction delays, cost overruns or contractor / subcontractor non-performance during the superstructure and fit-out phases.	Structured project governance with defined milestones, regular progress reporting and contractor performance monitoring.
	Design, engineering or regulatory approval risk affecting the project timeline.	Engagement of experienced contractors and professional consultants, with contractual protections including performance guarantees where applicable.
	Target commercial occupation (approximately 20 months from April 2026) not being met.	Regular Board and project committee review of construction progress against budget and schedule.
Financial Risk (Liquidity, Gearing & Interest Rate Risk)	Liquidity shortfalls affecting the Company's ability to meet short-term obligations or fund project completion.	Approximately LKR 1.7 billion of rights issue proceeds allocated to settle short-term bank and intercompany borrowings, materially deleveraging the balance sheet.
	Exposure to interest rate movements on borrowings.	Comprehensive treasury and liquidity management practices, with excess funds placed in short-term deposits to meet near-term requirements.
	Dilution and capital structure impact arising from the rights issue.	Financial risk management policies are reviewed regularly, with additional disclosures made in the Notes to the Financial Statements.

Key Risk Categories and Management Strategies Contd..

RISK CATEGORY	POTENTIAL IMPACT	RISK MANAGEMENT STRATEGIES
Market & Investment Portfolio Risk	Volatility in equity and debt markets affecting the fair value of the Company's investment portfolio, including its holding in Galle Face Capital Partners PLC. Sector concentration risk within a relatively well-balanced portfolio.	A well-balanced portfolio strategy is maintained through strategic investments across equity, debt and alternate asset classes. Continuous monitoring of market conditions and company-specific developments to inform timely portfolio decisions.
Leasing & Occupancy Risk	Slower-than-expected pre-leasing or take-up of Grade A office space and the private members' club upon completion of Galle Face Icon. Rental rate pressure from competing Colombo commercial developments.	members' club offering in a prime, high-visibility location. Early market engagement and leasing strategy development ahead of practical completion.
Operational Risk (Legal & Regulatory Compliance, Internal Control)	Legal action, fines or penalties from non-compliance with statutory, SEC or CSE Listing Rule obligations, including rights issue and related-party requirements. Financial loss or misstatement arising from internal control failures or human error.	Central legal and compliance functions ensure adherence to statutory and regulatory frameworks, including CSE and SEC regulations applicable to listed companies. Robust internal audit processes conducted by the Group's corporate audit department, together with business-level management reviews. Segregation of duties, staff training and assignment of responsibilities to competent personnel.
Technology & Data Risk	Cybersecurity threats, data breaches and IT infrastructure vulnerabilities affecting operational continuity and reporting accuracy.	Comprehensive Group-wide IT policy and infrastructure controls, with a centralised IT division providing support and continuity. User access, data backup and system performance are periodically reviewed; future alignment with the Personal Data Protection Act (PDPA) is planned.

Key Risk Categories and Management Strategies Contd..

RISK CATEGORY	POTENTIAL IMPACT	RISK MANAGEMENT STRATEGIES
Environmental, Regulatory & ESG Risk	Non-compliance with environmental and construction-related regulations during the development of Galle Face Icon.	The Group monitors environmental compliance and integrates sustainability initiatives into project design and operations.
	Stakeholder expectations and climate-related events posing longer-term risks to property assets.	Regular safety, environmental and sustainability reviews are conducted alongside project construction oversight.

Report of the Audit Committee

The Board appointed the Audit Committee to be in line with the Code of the Best Practice on Corporate Governance and the requirements of the Securities and Exchange Commission (SEC) for Public Listed Companies. The Audit Committee functions, authority and duties have been clearly identified in the Audit Committee Charter.

Role of the Audit Committee

The main role and the responsibilities of the Audit Committee include;

- Assisting the Board in discharging its responsibilities by satisfying the Board oversight responsibilities in relation to quality and integrity of the Financial Statements of the Company. This includes preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with Sri Lanka Accounting Standards.
- The overall responsibility in ensuring that the internal controls systems and risk management systems of the Company are adequate and are in compliance with legal and other regulatory requirements.
- Oversight responsibility to ensure compliance in relation to financial reporting requirement and the information requirement as required by Companies Act No. 07 of 2007 and other relevant financial reporting related regulations and requirements.
- Assessing the independence, qualifications and performance of External Auditors.
- Making recommendations to the Board pertaining to appointment, re-appointment and removal of External Auditors and approval of the remuneration and terms of engagement of the External Auditors.
- Discussion of the audit plan, key audit issues, their resolution and management responses.
- Discussion of the Company's Annual Audited Financial Statements and Interim Financial Statements with the Management and the Auditors.

The Audit Committee also reviews the nature and extent of non-audit services provided by the auditors to ensure that the auditors are able to maintain objectivity and independence.

Composition of the Audit Committee

The Audit Committee consists of three Non- Executive and Independent Directors who are appointed by, and are accountable to the Board of Directors.

Audit Committee Members

Mr. M. R. Ratnasabapathy
Chairman
(Independent/ Non-Executive Director)

Mr. K. Liyanagamage
(Independent/ Non-Executive Director)

Mr. K. G. Vairavanathan
(Independent/ Non-Executive Director)
*Appointed w.e.f 27th January 2026

Brief profiles on each Committee Member are given on page no. 5 of this Annual Report. Their individual and collective financial knowledge, business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on the matters that come within the Committee's purview.

Audit Committee Meetings

The committee has met four times during the year under review on a quarterly basis. The attendance of the members at the Audit Committee Meetings are as depicted in the table below;

NAME OF THE DIRECTOR	Eligible to Attended	Attended
Mr. M. R. Ratnasabapathy	4	4/4
Mr. K. Liyanagamage	4	4/4
Mr. T. A. P. Peiris	3	3/3
Mr. K. G. Vairavanathan	1	1/1

Report of the Audit Committee Contd..

The Company Secretary acts as the Secretary to the Audit Committee. The Executive Director and Chief Financial Officer, attended the meetings by invitation. Other members of the Board, members of the Management as well as External Auditors were present when required.

Charter of the Audit Committee

“Rules on Corporate Governance” under the Listing Rules of the Colombo Stock Exchange and “Code of Best Practice on Corporate Governance” issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka are followed.

Functions of the Audit Committee

The proceedings of the Audit Committee are regularly reported to the Board of Directors.

Controls and Risks

During the year, the Committee reviewed the effectiveness of the Company's Internal Control Systems. The Committee also assessed the major businesses, control risks and the control environment prevalent in the Company and advised the Board on actions to be taken where weaknesses were observed. The Audit Committee is satisfied that the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the Company are managed in accordance with the Company Policies and that the Company assets are properly accounted for and are adequately safeguarded.

External Audit

The Committee met with the External Auditors in relation to the scope of the audit and also to discuss the key findings at the conclusion of the Audit.

The Committee reviewed the Audited Financial Statements with the External Auditors who are responsible to express an opinion on its conformity with the Sri Lanka Accounting Standards. The External Auditors kept the Audit Committee advised on an on-going basis regarding any unresolved matters of significance.

The Audit Committee undertook the evaluation of the independence and objectivity of the External Auditor and the effectiveness of the audit process. As far as the Audit Committee is aware, Auditors do not have any relationship (other than that as of Auditors) with the Company.

In addition, as required by the Company's Act No. 07 of 2007, the Committee has received a declaration from Messrs. Ernst & Young Chartered Accountants confirming that they do not have any relationship with the Company, which may have a bearing on their independence.

The Audit Committee recommended to the Board of Directors that Messrs Ernst & Young Chartered Accountants to be re-appointed as auditors for the financial year ending 31st March 2027, subject to the approval of the shareholders at the Annual General Meeting and to authorize the Directors to determine their remuneration, complying with the code of best practices issued by the SEC and CASL.

Conclusion

The Audit Committee is satisfied that the internal controls and procedures in place for assessing and managing risks are adequately designed and operate effectively and is of the view that they provide reasonable assurance that the Company's assets are safeguarded and that the Financial Statements of the Company are reliable. The Company's External Auditors have been effective and independent throughout the year.

Sgd.
M. R. Ratnasabapathy
Chairman
28th August 2026

Report of Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTR) was constituted with an objective of keeping in line with the Code of Best Practice on Corporate Governance and the requirements of the Securities and Exchange Commission (SEC) with a view to ensure that the interests of shareholders as a whole are taken into account by Ceylon Land & Equity PLC and are consistent with the Code when entering into Related Party Transactions and have made required disclosures in a timely manner. The Committee has also adopted the Best Practices as recommended by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange.

Composition of the Related Party Transactions Review Committee (RPTR)

The Committee comprises of three Non-executive and Independent Directors, who are appointed by and are responsible to the Board of Directors.

The Committee comprised of following members as at 31st March 2026.

Mr. M. R Ratnasabapathy - Chairman
(Independent/ Non-Executive Director)

Mr. K. Liyanagamage
(Independent/ Non-Executive Director)

Mr. K. G. Vairavanathan
(Independent/ Non-Executive Director)

Brief profiles on each of the Committee Members are given on page No. 5 of this Annual Report. Their individual and collective financial knowledge and business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on the matters that come within the Committee's purview.

Related Party Transactions Review Committee Meetings

The Committee has met four times during the year under review on a quarterly basis. The attendance of the members at the Committee Meetings are as depicted in the table below;

NAME OF THE DIRECTOR	Eligible to Attended	Attended
Mr. M. R. Ratnasabapathy	4	4/4
Mr. K. Liyanagamage	4	4/4
Mr. T. A. P. Peiris	3	3/3
Mr. K. G. Vairavanathan	1	1/1

The Company Secretary acts as the Secretary to the Related Party Transactions Review Committee. The Executive Chairman and the Chief Financial Officer attend the Meetings by Invitation.

Report of Related Party Transactions Review Committee Contd..

Policies and procedures of Related Party Transactions Review Committee

- Establishing and defining the threshold values of each listed Related Party Transaction as per the Code, which requires detailed discussions and disclosures.
- Identifying Related Party Transactions that need pre-approval from the Board of Directors, need immediate market disclosures, those transactions that require shareholder approval and needs be disclosed in the Annual Report.
- Formulating a standard template to be implemented to all listed subsidiaries within the Group to follow when documenting RPTs and when presenting to the RPTR Committee.
- Establishing proper guidelines to identify recurrent & non-recurrent Related Party Transactions to review economic and commercial substance of the Related Party Transactions.
- Establishing a method of having access to adequate knowledge or expertise to assess all aspects of proposed Related Party Transactions where necessary and a procedure for obtaining appropriate professional and expert advice from appropriately qualified persons.
- Providing guidelines which the Senior Management must follow in dealing with related parties.
- Quarterly review to ensure that adequate disclosures have been done in the market or Annual Report as required by the Code.
- The Committee communicates its comments/ observations to the Board of Directors after each review of Related Party Transactions.

Task of the Committee

The Committee reviewed the Related Party Transactions presented to them by the management, their compliance in Ceylon Land & Equity PLC and communicated same to the Board of Directors.

The Board of Directors declared that no RPT falling within the scope of the Code was entered into by the Company during the financial year 2025/2026 other than those discussed in Note No. 18 to the Financial Statements.

Sgd.
M.R Ratnasabapathy
Chairman
28th August 2026

Report of the Remuneration Committee

Composition of the Committee

The Committee consists of three members who are Non-Executive/ Independent Directors, who possess a wide experience and knowledge of the business industry we are engaged in.

Members of Remuneration Committee

Mr. K. Liyanagamage

Chairman

(Independent/ Non- Executive)

Mr. M.R Ratnasabapathy

(Independent/ Non-Executive)

Mr. T.A.P Peiris

(Non-Executive)

*Resigned w.e.f 27th January 2026

Mr. K. G. Vairavanathan

(Independent/ Non-Executive)

*Appointed w.e.f 27th January 2026

Brief profiles of each member are given on page 05 of this Annual Report.

Remuneration Committee Meeting Attendance

The Committee met once during the financial year under review. Attendance of the members at the meeting is as given below;

NAME OF THE DIRECTOR	Eligible to Attended	Attended
Mr. M. R. Ratnasabapathy	1	1/1
Mr. K. Liyanagamage	1	1/1
Mr. T. A. P. Peiris	1	1/1
Mr. K. G. Vairavanathan	0	0/0

Independence of the Committee

The Committee is independent from the Management of the Company and is not involved in any Business Operations.

The scope of the Committee

- The Committee studies and recommends the remuneration policy of Directors & Key Management Personnel.
- Review the performances of Key Management Personnel on a periodic basis.
- The Committee recommends the remuneration based on the prevailing market rates and prerequisites applicable to the Key Management Personnel of the Company in making appropriate recommendations to the Board of Directors for Approval.
- The Committee also carries out periodic reviews to ensure that the remunerations are in line with market conditions.

The Remuneration Policy is to attract and retain best professional / managerial talent within the Renuka Group and also to motivate and encourage them to perform at the highest possible level. The Group has a structure and professional methodology for evaluating the performance of employees which ensures equity and fairness between the various employee calibers.

Activities during 2025 - 2026

The Remuneration Committee reviewed the remuneration policy for Key Management Personnel and was satisfied with the existing framework. The total sum that was paid as Directors Remunerations during the year under review is set out in Note 15 to the Financial Statements.

Sgd.

K.Liyanagamage

Chairman

28th August 2026

Report of the Nomination and Governance Committee

The Nominations & Governance Committee of Ceylon Land & Equity PLC as at 31st March 2026 consists of three Independent and Non- Executive Directors.

Members of the Nomination and Governance Committee;
Mr. K. Liyanagamage
Chairman
(Independent/ Non-Executive)

Mr. M. R. Ratnasabapathy
(Independent/ Non-Executive)

Mr. K. G. Vairavanathan
(Independent/ Non-Executive)
*Appointed w.e.f. 27th January 2026.

Mr. T. A. P. Peiris
(Non-Executive)
*Resigned w.e.f. 27th January 2026.

Brief profiles on each member are given on page No. 5 of this Annual Report. Their individual and collective financial knowledge and business acumen and the independence of the Committee are brought to bear on their deliberations and judgments on the matters that come within the Committee's purview.

Attendance of Nomination and Governance Committee Meetings

During the financial year under review, the Committee had met once, with all members in attendance. The attendance at the meeting is as given below;

NAME OF THE DIRECTOR	Eligible to Attended	Attended
Mr. K. Liyanagamage	1	1/1
Mr. M. R. Ratnasabapathy	1	1/1
Mr. T. A. P. Peiris	1	1/1
Mr. K. G. Vairavanathan	0	0/0

The directives of the Committee are,

- To identify suitable persons who could be considered to become Board Members in the capacity of a Non-Executive Director.
- To recommend to the Board the process of selection of a Chairman and a Deputy Chairman
- Make necessary recommendations to the Board as and when required by the Board.

The Scope of the Committee is;

- To define and establish the nomination process for Non-Executive Directors.
- Lead the process of Board appointments and make recommendations to the Board.
- The Committee scope out the tasks such as assess skills required to be a member of the Board.
- Periodic review of the extent of skills required which are represent on the Board.
- Review description of role and capabilities required for a particular Board appointment and Identify and recommend suitable candidates to the Board.

Sgd.
K.Liyanagamage
Chairman
Nomination & Governance Committee
28th August 2026

Statement of Directors' Responsibility

The Board of Directors of the Company is responsible for preparation and presentation of Financial Statements for the year ended 31st March 2026, in accordance with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007.

As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare Financial Statements of the undernoted each Financial Year and present before a General Meeting comprising:

- a. A statement of Income and Statement of Comprehensive Income of the Company which present a true and fair view of the profit or loss of the Company for the Financial Year.
- b. A Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the Financial Year together with explanatory notes to the Financial Statements.
- c. A statement of changes in Equity which presents a true and fair view of the changes in the Company's retained earnings during the Financial Year.
- d. A Cash Flow Statement which presents a true and fair view of the flow of cash in and out of the Company during the Financial Year; and notes to the Financial Statements which comply with the requirements of the Act.

The Board of Directors are of the view that the prevailing Corporate Governance frame, Internal Control Systems and Risk Management Policies established in the Company ensure that there are reasonable assurance that all assets are safeguarded and that all transactions are properly authorized by the management and recorded on time, hence any material misstatements or irregularities are prevented or brought to the notice of the management within a reasonable time.

The Directors are of the view that, in preparing these Financial Statements;

- a. The appropriate Accounting Policies have been selected and applied in a consistent manner, material deviations, if any, have been disclosed and explained.
- b. All applicable Accounting Standards, in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) as relevant have been applied.
- c. Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected.
- d. Provides the information required by and otherwise in compliance with the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange and other requirements as laid down by any other regulatory authority, as applicable to the Company.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act No. 07 of 2007.

The External Auditors, Messrs. Ernst & Young, Chartered Accountants, who were deemed reappointed in terms of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 43 to 46 sets out their responsibilities in relation to the Financial Statements. The Directors are also of the view that the Company have adequate resources to continue operations and have applied the going concern basis in preparing these Financial Statements.

Statement of Directors' Responsibility Contd..

As required by the Companies Act No. 07 of 2007, the Board of Directors has authorized the distribution of the Dividend now proposed, being satisfied based on information available to it that the Company would satisfy the solvency test after such distribution in accordance with the Section 57 of the Companies Act No. 07 of 2007, and have obtained/sought in respect of the dividend now proposed, a certificate of solvency from the Auditors.

Compliance Report

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or where relevant provided for.

By order of the Board
Renuka Enterprises (Pvt) Ltd

Sgd.
Managers and Company Secretaries
28th August 2026

Independent Auditor's Report

TO THE SHAREHOLDERS OF THE CEYLON LAND AND EQUITY PLC Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of The Ceylon Land & Equity PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and 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 Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: G G S Manatunga FCA, Y A De Silva FCA, W K B S P Fernando FCA FCMA (UK) FCCA, B E Wijesuriya FCA FCMA (UK), R N de Saram ACA FCMA (UK), N M Sulaiman FCA FCMA (UK), L K H L Fonseka FCA, P V K N Sajeewani FCA, A A J R Perera FCA ACMA (UK), N Y R L Fernando ACA, D N Gamage FCA ACMA (UK), C A Yalagala ACA ACMA (UK), P S Paranavitane ACA ACMA (UK) LLB (Colombo), B Vasanthan ACA ACMA (UK), W D P L Perera ACA, M U M Mansoor ACA, S B G Jayawardena ACA ACMA (UK) ACCA

Principals: T P M Ruberu FCMA (UK) FCCA MBA, G B Goudian ACMA (UK), D L B Karunathilaka ACMA (UK), W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited



Independent Auditor's Report Contd..

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Carrying value of investment in equity accounted associates. As disclosed in Note 4 to the consolidated financial statements, the carrying value of investments in equity-accounted associates amounted to Rs. 9,342 million as at 31 March 2026, representing approximately 80% of the Group's total assets. The Group also recognised a share of profit from equity-accounted associates of Rs. 1,806 million for the year ended 31 March 2026. This was a key audit matter due to: • materiality of the reported balance as at 31 March 2026; • significance of the contribution of the associates to the Group's reported financial performance; - and • the significance of investments in and partial disposal of associates during the year. Assessing the appropriateness of the accounting treatment for these transactions and their resulting impact on the consolidated financial statements was a key area of audit focus.	Our audit procedures included the following key procedures: • Assessed whether investments and disposals were appropriately accounted for in accordance with the relevant accounting policy. • Agreed investments and disposals to supporting agreements and other underlying documentation. • Agreed net assets to the individual component's audited financial statements • Tested the mathematical accuracy of the equity accounting calculations. This included recalculating the Group's share of profit and other comprehensive income recognised during the year. We also assessed the adequacy of the disclosures made in Notes 4 in the financial statement



Independent Auditor's Report Contd..

Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

Responsibilities of the management and those charged with governance

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

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

Those charged with governance are responsible for overseeing the Company's and the Group'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 internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report Contd..

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that 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 Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguard 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 4169.

28th August 2026
Colombo

Statement of Financial Position

As at 31 March		GROUP		COMPANY	
	NOTE	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
ASSETS					
Non-Current Assets					
Investment in Associate	4	9,342,891,399	3,383,157,004	9,342,891,399	3,383,157,004
Investment in Subsidiary	5	-	-	146,650,000	146,650,000
Investments - Measured at Fair Value Through Profit or Loss	6	-	190	-	190
Total Non-Current Assets		9,342,891,399	3,383,157,194	9,489,541,399	3,529,807,194
Current Assets					
Trade and other receivables	7	2,127,131	-	2,127,131	-
Cash and cash equivalents	8	2,269,156,629	148,143,253	2,111,561,179	1,493,253
Total Current Assets		2,271,283,760	148,143,253	2,113,688,310	1,493,253
Total Assets		11,614,175,159	3,531,300,447	11,603,229,709	3,531,300,447
EQUITY AND LIABILITIES					
Equity					
Stated capital	9	6,365,336,003	2,066,238,865	6,365,336,003	2,066,238,865
Translation Reserve		9,956,014	-	2,294,199	-
Retained earnings		2,943,875,619	1,433,955,430	2,943,875,619	1,433,955,429
Equity Attributable to Owners of the Company		9,319,167,635	3,500,194,294	9,311,505,819	3,500,194,293
Non-Controlling Interest	5.2	-	-	-	-
Total Equity		9,319,167,635	3,500,194,294	9,311,505,819	3,500,194,293
Non-Current Liabilities					
Deferred tax Liability	16.3	294,859,934	23,166,728	291,576,299	23,166,728
Total Non-Current Liabilities		294,859,934	23,166,728	291,576,299	23,166,728
Current Liabilities					
Trade and other payables	10	249,780,109	1,053,784	249,780,109	1,053,784
Amounts due to related company	11	-	6,223,791	-	6,223,791
Income tax payable	12	662,025	661,850	662,025	661,850
Bank overdrafts	8	1,749,705,456	-	1,749,705,456	-
Total Current Liabilities		2,000,147,590	7,939,425	2,000,147,590	7,939,425
Total Liabilities		2,295,007,524	31,106,153	2,291,723,889	31,106,153
Total Equity and Liabilities		11,614,175,159	3,531,300,447	11,603,229,709	3,531,300,447

The Financial Statements are to be read in conjunction with the related notes, on pages 52 to 82 which form an integral part of these financial Statements.

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No 07 of 2007.



A.R.D Perera
Chief Financial Officer

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


S.V. Rajiyah
Director


T.A.P Peiris
Director

28th August 2026
Colombo

Statement of Profit or Loss and Other Comprehensive income

For the year ended 31st March,

		GROUP		COMPANY	
	NOTE	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Revenue	13	2,105,215	76,944,318	2,105,215	32,871,279
Gross profit		2,105,215	76,944,318	2,105,215	32,871,279
Administrative expenses		(4,406,617)	(7,050,482)	(4,406,617)	(4,480,660)
Gain/ (Loss) on disposal of Subsidiary		-	(420,878,278)	-	78,603,850
Gain/ (Loss) on Fair Value of Investments		-	700,313,894	-	167,221,367
Measured at Fair Value Through Profit or Loss					
Share of Profit from Equity Accounted Investee		1,806,330,446	(55,889,387)	1,806,330,446	(55,889,387)
Results from operating activities		1,804,029,044	293,440,065	1,804,029,044	218,326,449
Net finance income/ (expense)	14	(27,773,198)	(9,563,561)	(27,773,198)	(5,522,179)
Profit before tax	15	1,776,255,846	283,876,504	1,776,255,846	212,804,270
Income tax expenses	16	(267,262,889)	(27,136,217)	(267,262,889)	(23,843,397)
Profit for the year		1,508,992,957	256,740,288	1,508,992,957	188,960,874
Other comprehensive income					
Other comprehensive income to be reclassified to income statement in subsequent periods					
Foreign Currency Translation Gain/ (Loss)		14,222,877	-	3,277,427	-
Deferred Tax Impact on Foreign Currency Translation	16.3	(4,266,863)	-	(983,228)	-
Net Other comprehensive income - to be reclassified to income statement in - subsequent periods		9,956,014	-	2,294,199	-
Other comprehensive income not to be reclassified to income statement in subsequent periods					
Share of OCI from Equity Accounted Investee	4.1	1,090,861	(19,588)	1,090,861	(19,588)
Deferred Tax Impact on Share of Profit	16.3	(163,629)	14,819	(163,629)	14,819
Net Other comprehensive income not to be reclassified to income statement in subsequent periods		927,232	(4,770)	927,232	(4,770)
Total comprehensive income for the year		1,519,876,203	256,735,518	1,512,214,388	188,956,104
Profit Attributable to :					
Owners of the company		1,508,992,957	(108,297,718)	1,508,992,957	188,960,874
Non-controlling interest		-	365,038,006	-	-
		1,508,992,957	256,740,288	1,508,992,957	188,960,874
Total Comprehensive Income Attributable to :					
Owners of the company		1,519,876,203	(108,302,488)	1,512,214,388	188,956,104
Non-controlling interest		-	365,038,006	-	-
		1,519,876,203	256,735,518	1,512,214,388	188,956,104
Basic earnings/ (loss) per share	17.1	1.64	(0.25)	1.64	0.45
Dividend per share	17.2	-	0.10	-	0.10

The accounting policies and notes on pages 52 to 82 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 31st March,

	STATED CAPITAL (Rs.)	TRANSLATION RESERVE (Rs.)	RETAINED EARNINGS (Rs.)	TOTAL (Rs.)
COMPANY				
Balance as at 1st April 2024	2,035,951,683	-	1,275,286,506	3,311,238,189
Total Comprehensive Income				
Profit for the year	-	-	188,960,874	188,960,874
Other Comprehensive Income				
Share of OCI from Equity Accounted Investee	-	-	(19,588)	(19,588)
Deferred Tax Impact on Share of Profit	-	-	14,819	14,819
Total Other Comprehensive Income, net of tax	-	-	(4,770)	(4,770)
Total Comprehensive income	-	-	188,956,104	188,956,104
Transactions with the Owners of the Company				
Scrip Dividends	30,287,182	-	(30,287,182)	-
Balance as at 31st March 2025	2,066,238,865	-	1,433,955,429	3,500,194,293
Balance as at 1st April 2025	2,066,238,865	-	1,433,955,429	3,500,194,293
Total Comprehensive Income				
Profit for the year	-	-	1,508,992,957	1,508,992,957
Other Comprehensive Income				
Share of OCI from Equity Accounted Investee	-	-	1,090,861	1,090,861
Foreign Currency Translation Gain/ (Loss)	-	3,277,427	-	3,277,427
Deferred Tax Impact on Share of Profit	-	-	(163,629)	(163,629)
Deferred Tax Impact on Foreign Currency Translation	-	(983,228)	-	(983,228)
Total Other Comprehensive Income, net of tax	-	2,294,199	927,232	3,221,431
Total Comprehensive income	-	2,294,199	1,509,920,189	1,512,214,388
Transactions with the Owners of the Company				
Scrip Dividends	-	-	-	-
Shares issued during the year	4,299,097,138	-	-	4,299,097,138
Balance as at 31st March 2026	6,365,336,003	2,294,199	2,943,875,618	9,311,505,819

The accounting policies and notes on pages 52 to 82 form an integral part of these Financial Statements.

Statement of Changes in Equity contd..

For the year ended 31st March,

GROUP	ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY					TOTAL EQUITY (Rs.)
	STATED CAPITAL (Rs.)	TRANSLATION RESERVE (Rs.)	RETAINED EARNINGS (Rs.)	TOTAL (Rs.)	NON-CONTROLLING INTEREST (Rs.)	
Balance as at 1st April 2024	2,035,951,683	-	1,572,545,099	3,608,496,782	415,775,658	4,024,272,440
Total Comprehensive Income						
Profit for the year	-	-	(108,297,718)	(108,297,718)	365,038,006	256,740,288
Total Other Comprehensive Income, net of tax	-	-	(4,770)	(4,770)	-	(4,770)
Total Comprehensive Income	-	-	(108,302,488)	(108,302,488)	365,038,006	256,735,518
Transactions with the Owners of the Company						
- Scrip Dividends	30,287,182	-	(30,287,182)	-	-	-
- Effect on reclassification of subsidiary	-	-	-	-	(780,813,664)	(780,813,664)
Balance as at 31st March 2025	2,066,238,865	-	1,433,955,430	3,500,194,294	-	3,500,194,294
Balance as at 1st April 2025	2,066,238,865	-	1,433,955,430	3,500,194,294	-	3,500,194,294
Total Comprehensive Income						
Profit for the year	-	-	1,508,992,957	1,508,992,957	-	1,508,992,957
Total Other Comprehensive Income, net of tax	-	9,956,014	927,232	10,883,246	-	10,883,246
Total Comprehensive Income	-	9,956,014	1,509,920,189	1,519,876,203	-	1,519,876,203
Transactions with the Owners of the Company						
- Shares issued during the year	4,299,097,138	-	-	4,299,097,138	-	4,299,097,138
Balance as at 31st March 2026	6,365,336,003	9,956,014	2,943,875,619	9,319,167,635	-	9,319,167,635

The accounting policies and notes on pages 52 to 82 form an integral part of these Financial Statements.

Statement of Cash Flow

For the year ended 31st March,

	NOTE	GROUP		COMPANY	
		2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Cash flows from operating activities					
Profit before tax	15	1,776,255,846	283,876,504	1,776,255,846	212,804,270
Adjustments for:					
Gains on Disposal of Quoted Shares	13	-	(25,653,476)	-	-
Fair value (Gains) /	6	-	(700,313,894)	-	(167,221,367)
Losses on FVTPL Investments		-	-	-	(32,868,295)
Scrip Dividends Received		-	-	-	55,889,387
Share of profit in Equity accounted Investee	4	(1,806,330,446)	55,889,387	(1,806,330,446)	(78,603,850)
(Gain) / Loss on Disposal of Subsidiary		-	420,878,278	-	-
Deconsolidation of subsidiary's Net Asset		-	(2,042,592,853)	-	-
Adjustment for loss of control of - subsidiary's Tax Payable		-	(4,346,214)	-	-
Adjustment for loss of control of - subsidiary's quoted investment	6	-	1,994,401,086	-	-
Dividend income	13	-	(51,290,842)	-	-
Interest income	14	(583)	(3,680,022)	(583)	(2,206,167)
Interest expenses	14	27,773,781	13,243,583	27,773,781	7,728,346
Operating profit before working capital changes		(2,301,402)	(59,588,463)	(2,301,402)	(4,477,676)
Changes in working capital					
Change in trade and other receivables	7	(2,127,131)	1,380,103	(2,127,131)	1,007,997
Change in amounts due to related company	11	(6,223,791)	(76,242,175)	(6,223,791)	(69,807,438)
Change in trade and other payables	10	248,726,325	(1,240,589)	248,726,325	(337,764)
Net cash flows from operations		238,074,001	(135,691,124)	238,074,001	(73,614,881)
Interest paid		(27,773,781)	(13,243,583)	(27,773,781)	(7,728,346)
Income tax paid	12	-	-	-	-
WHT on dividends		-	-	-	-
Net cash from operating activities		210,300,220	(148,934,706)	210,300,220	(81,343,227)
Cash flows from investing activities					
Interest received	14	583	3,680,022	583	2,206,167
Dividend received	13	-	51,290,842	-	-
Proceeds from disposal of Quoted Shares		190	-	190	-
Proceeds from disposal of Subsidiary		-	425,086,257	-	425,086,257
Investment in FVTPL Investments	6	-	(190)	-	(190)
Investment in Equity accounted investee	4.2	(4,149,035,661)	(196,015,034)	(4,149,035,661)	(196,015,034)
Investment in subsidiary	12.1	-	-	-	(146,650,000)
Proceeds from Disposal Short Term investments		-	24,307,328	-	-
Net cash flows used in investing activities		(4,149,034,888)	308,349,225	(4,149,034,888)	84,627,200
Cash flows from financing activities					
Proceeds from issue of share capital	9	4,299,097,138	-	4,299,097,138	-
Acquisition of NCI without change in control		-	-	-	-
Net cash flows generated from financing activities		4,299,097,138	-	4,299,097,138	-
Net increase / (decrease) in cash and cash equivalents		360,362,470	159,414,519	360,362,470	3,283,973
Cash and cash equivalents at the beginning of the year		148,143,253	(11,271,265)	1,493,253	(1,790,722)
Effect of exchange rate changes		10,945,450	-	-	-
Cash and cash equivalent at the end of the year (Note 18)		519,451,173	148,143,253	361,855,723	1,493,253
Note A	8				
Analysis of cash and cash equivalents		2,269,156,629	148,143,253	2,111,561,179	1,493,253
Cash at bank		(1,749,705,456)	-	(1,749,705,456)	-
Bank overdraft		519,451,173	148,143,253	361,855,723	1,493,253

The notes to the financial statements are on pages 52 to 82 form an integral part of these financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1. REPORTING ENTITY

Ceylon Land & Equity PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on Colombo Stock Exchange. The company registered office and principal place of Business is located at "RENUKA HOUSE", No. 69, Sri Jinaratana Road, Colombo 02.

The consolidated financial statements of the Company as at and for the year ended 31st March 2026 comprise the Company and its subsidiary. The Subsidiary Company Island Investment Holdings Limited is an overseas subsidiary

1.2. PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The Company is in the Business of investing and trading in debt, equity, property and other alternative asset classes.

1.3. PARENT ENTERPRISE AND ULTIMATE PARENT ENTERPRISE

The Company's ultimate parent Enterprise is Renuka Holdings PLC.

1.4. STATEMENT OF COMPLIANCE

The Consolidated Financial Statements of the Group as at 31st March 2026 and for the year then ended, comply with the Sri Lanka Accounting Standards (SLFRSs/ LKASs) as laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

1.5. BASIS OF PREPARATION

These consolidated financial statements for the year ended 31st March 2026 are prepared in accordance with Sri Lanka Accounting Standards (SLFRS & LKAS) Effective for the periods beginning on or after 01st January 2012.

The consolidated Financial Statements have been prepared on a historical cost basis, except for the financial instruments which have been measured at fair value.

The preparation and presentation of these Financial Statements is in compliance with the Companies Act No. 07 of 2007.

1.6. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1.7. COMMON CONTROL COMBINATION

The Group adopted the Statement of Recommended Practice (SORP) for Merger Accounting for Common Control Combinations approved by the Council of The Institute of Chartered Accountants of Sri Lanka on 19 December 2012, on merger accounting for common control combinations for annual periods beginning on or after 1 April 2020. The SORP is applicable for Consolidated Financial Statements. The Group adopted the SORP for Merger Accounting for Common Control Combinations, in preparing the Consolidated Financial Statements.

1.8. CONSOLIDATED FINANCIAL STATEMENTS

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling parties' perspective. The assets and liabilities of the acquired entity should be recorded at the book values as stated in the financial statements of the controlling party. No amount is recognized as goodwill which arises as a result of difference between the consideration and the net asset acquired. In applying book value accounting no entries are recognized in profit or loss. Instead the result of the transaction is recognized in equity as arising from a transaction with shareholders.

Notes to the Financial Statements Contd..

1.9. BUSINESS COMBINATIONS

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement

returns through its power over the entity. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

Non-Controlling Interests

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

Notes to the Financial Statements Contd..

Loss of Control

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

Transactions eliminated on consolidation

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

1.10. INVESTMENT IN ASSOCIATES (EQUITY- ACCOUNTED INVESTEES)

The Group/Company Investment in Associate Companies are accounted for using the equity method. An associate is an entity in which the Group/Company has significant influence.

Under the equity method, the investment is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group/Company's share of net assets of investment since acquisition date. Goodwill relating to the investment is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The Income Statement reflects the Group/ Company's share of results of operations of the equity accounted investees. When there has been a change recognized directly in the equity of associates, the Group/Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group/ Company and associates are eliminated to the extent of the interest in the associate.

The Group/Company's share of the profit or loss of an associate is shown on the face of the Income Statement.

The Financial Statements of associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group/ Company determines whether it is necessary to recognize an impairment loss on its investment in its associates. The Group/Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group/Company calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognizes the amount in 'share of losses of an associate in the Income Statement.

Upon loss of significant influence over the associate, the Group/Company measures and recognizes any retain investment at its fair value.

Any Differences between the carrying amount of the investment upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Summarised financial information of the equity-accounted investee of the Group/Company together with the Company's interests is given in Note 4 of the Financial Statements.

Notes to the Financial Statements Contd..

2. MATERIAL ACCOUNTING POLICIES

2.1. CHANGES IN ACCOUNTING POLICIES

The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the Financial Statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the Financial Statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 2 - Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

2.2. FOREIGN CURRENCY TRANSLATION

The Group's financial statements are presented in Sri Lankan Rupees, which is also the Parent Company's functional currency.

2.3. RELATED PARTY TRANSACTIONS

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

2.4. EVENTS OCCURRING AFTER THE REPORTING PERIOD

All material events occurring after the Reporting period have been considered and where necessary adjustments to or disclosure have been made in the Financial Statements.

2.5. GOING CONCERN

The Management has made an assessment on the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Companies' ability to continue as a going concern.

2.6. USE OF ESTIMATES & JUDGMENTS

The preparation of the Consolidated Financial Statements in conformity with SLFRSs Financial Statements requires management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses. Actual result 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 estimate is revised and in any future period affected.

Information about critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements is included in the following Note No. 19 - Contingent Liabilities.

2.7. TRANSFER PRICING REGULATION

The Group is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgements.

Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Notes to the Financial Statements Contd..

2.8. CASH AND CASH EQUIVALENTS

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

For the purpose of Cash Flow Statement, Cash and Cash Equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

2.9. PROVISIONS

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

2.10. CAPITAL COMMITMENTS AND CONTINGENCIES

All material capital commitments and contingencies of the Group as at the Statement of Financial Position date are disclosed in the notes to the Financial Statements.

2.11. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.12. FINANCIAL INSTRUMENTS-INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

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 FVPL, 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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- Financial assets at amortised cost (debt instruments).
- Financial assets at fair value through Other Comprehensive Income (OCI) with recycling of cumulative gains and losses (debt instruments)
Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Financial assets at fair value through profit or loss.
- Financial assets at amortised cost (debt instruments).
- The Group measures financial assets at amortised cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements Contd..

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit or Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not classify any instrument under this category as of 31 March 2026.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Statement of Profit or Loss.

Dividends are recognised as revenue in the Statement of Profit or Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not classify any instrument under this category as at 31st March 2026.

Financial assets at fair value through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash

flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Group has transferred substantially all the risks and rewards of the asset, or
 - b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings,

Notes to the Financial Statements Contd..

carried at amortised cost. This includes directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit or Loss. This category generally applies to interest bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Notes to the Financial Statements Contd..

2.13. DETERMINATION OF FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Level - 1

When available, the Group 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 asking price), without any deduction for transaction costs. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions.

Level - 2

If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. Valuation techniques include using recent reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses, credit models, option pricing models and other relevant valuation models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Group calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging, or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Notes to the Financial Statements Contd..

Level - 3

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined by using valuation models that have been tested against prices or inputs to actual market transactions and also using the best estimate of the most appropriate model assumptions. 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 ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

2.14. EARNINGS PER SHARE

The financial statements present earnings per share (EPS) for its ordinary shareholders. The EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

2.15. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That the increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

2.16. REVENUE RECOGNITION

a) Revenue

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

b) Other Income

Other Income is recognized on an accrual basis.

c) Dividend Income

Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established, which is generally when the dividend is declared.

Notes to the Financial Statements Contd..

2.17. EXPENDITURE RECOGNITION

a) **Revenue Expenditure**

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency, has been charged to revenue in arriving at the profit or loss for the year.

b) **Capital Expenditure**

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been

treated as capital expenditure. For the purpose of presentation of the Income Statement, the Directors are of the opinion that function of expenses method fairly present the elements of the Group's performance, hence such presentation method is adopted.

c) **Finance Cost**

Finance Cost comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

2.18. INCOME TAX

Income Tax expense comprises current and deferred tax. Income tax expense is recognized in income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Income Tax has been computed in accordance with the provisions of the Inland Revenue Act No.24 of 2017 and amendments thereto.

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

Notes to the Financial Statements Contd..

3. NEW STANDARDS AND INTERPRETATION NOT YET ADOPTED AS AT REPORTING DATE

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 19 is currently being identified and evaluated.

Classification and Measurement of Financial Instruments Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the financial statements

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

Notes to the Financial Statements Contd..

4. EQUITY ACCOUNTED INVESTEEES

As at 31 March,

GROUP		Percentage of Holding		No of Shares		Balance as at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
The Cargo Boat Investment Company Ltd (Note 4.2)							
	Voting	27.0%	27.0%	135,000	135,000	669,197,785	182,540,343
	Non Voting	100.0%	-	540,000	-	702,000,000	-
Renuka Investments Ltd (Note 4.1) (Formerly Known as Shaw Wallace & Hedges Ltd)							
	Voting	43.6%	34.1%	258,952,500	172,635,000	4,851,996,520	2,414,289,479
	Non Voting	100.0%	100.0%	64,500,000	43,000,000	631,670,000	395,170,000
Galle Face Capital Partners PLC (Note 4.3)		27.8%	28.0%	32,848,476	8,121,380	625,221,358	391,157,182
Galle Face Properties Ltd (Note 4.4)							
	Voting	50.0%	-	100,000,000	-	1,862,805,736	-
						9,342,891,399	3,383,157,004

COMPANY		Percentage of Holding		No of Shares		Balance as at	
		31.03.2026	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.03.2025
The Cargo Boat Investment Company Ltd (Note 4.2)							
	Voting	27.0%	27.0%	135,000	135,000	669,197,785	182,540,343
	Non Voting	100.0%	-	540,000	-	702,000,000	-
Renuka Investments Ltd (Note 4.1) (Formerly Known as Shaw Wallace & Hedges Ltd)							
	Voting	43.6%	34.1%	258,952,500	172,635,000	4,851,996,520	2,414,289,479
	Non Voting	100.0%	100.0%	64,500,000	43,000,000	631,670,000	395,170,000
Galle Face Capital Partners PLC (Note 4.3)		27.8%	28.0%	32,848,476	8,121,380	625,221,358	391,157,182
Galle Face Properties Ltd (Note 4.4)							
	Voting	50.0%	-	100,000,000	-	1,862,805,736	-
						9,342,891,399	3,383,157,004

Notes to the Financial Statements Contd..

4.1. RENUKA INVESTMENTS LTD

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Balance as at 1st April	2,809,459,479	2,827,236,291	2,809,459,479	2,827,236,291
Amount Invested during the year	1,703,897,500	-	1,703,897,500	-
Share of Profit (Net of Tax)	893,839,836	23,105,852	893,839,836	23,105,852
Share of Comprehensive Income/(Loss) (Net of Tax)	1,090,861	(19,588)	1,090,861	(19,588)
Share of net assets adjustment	-	(40,863,076)	-	(40,863,076)
Gain on bargain purchase	75,378,844	-	75,378,844	-
Balance as at 31st March	5,483,666,520	2,809,459,479	5,483,666,520	2,809,459,479

4.2. THE CARGO BOAT INVESTMENT COMPANY LTD

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Balance on 1st April	182,540,343	-	182,540,343	-
Amount Invested during the year	702,000,000	196,015,034	702,000,000	196,015,034
Share of profit Net of Tax	192,937,936	(23,912,330)	192,937,936	(23,912,330)
Gain on bargain purchase	293,719,507	10,437,639	293,719,507	10,437,639
Balance on 31st March	1,371,197,785	182,540,343	1,371,197,785	182,540,343

4.3. GALLE FACE CAPITAL PARTNERS PLC

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Balance on 1st April	391,157,182	562,250,220	391,157,182	562,250,220
Disposal of Shares	(4,816,387)	(346,472,773)	(4,816,387)	(346,472,773)
Script Dividend Received	14,839,553	32,868,295	14,839,553	32,868,295
Capitalization of associate's reserves	(14,839,553)	-	(14,839,553)	-
Fair Value Gain	-	167,168,912	-	167,168,912
Share of profit Net of Tax	243,344,428	(24,657,472)	243,344,428	(24,657,472)
Share of Foreign Currency Translation Gain/ (Loss)	3,277,427	-	3,277,427	-
Cash Dividend	(2,436,414)	-	(2,436,414)	-
Loss on Disposal	(5,304,877)	-	(5,304,877)	-
Balance on 31st March	625,221,358	391,157,182	625,221,358	391,157,182

Notes to the Financial Statements Contd..

4.4. GALLE FACE PROPERTIES LTD

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Balance on 1st April	-	-	-	-
Amount Invested during the year	1,750,000,000	-	1,750,000,000	-
Gain on bargain purchase	112,805,736	-	112,805,736	-
Balance on 31st March	1,862,805,736	-	1,862,805,736	-

4.5. SHARE OF PROFIT AND SUMMARIZED FINANCIAL INFORMATION OF ASSOCIATES

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Share of Profit after Tax of Associates				
The Cargo Boat Investment Company Ltd	486,657,442	(13,474,691)	486,657,442	(13,474,691)
Renuka Investments Ltd	969,218,680	(17,757,224)	969,218,680	(17,757,224)
(Note 4.6)				
Galle Face Capital Partners PLC	237,648,588	(24,657,472)	237,648,588	(24,657,472)
Galle Face Properties Ltd	112,805,736	-	112,805,736	-
	1,806,330,446	(55,889,387)	1,806,330,446	(55,889,387)

Notes to the Financial Statements Contd..

4.6. RENUKA INVESTMENTS LTD

Share of Profit	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
For the year ended 31st March				
Revenue	510,880,367	-	510,880,367	-
Profit Before Tax	2,581,133,478	57,050,279	2,581,133,478	57,050,279
Company's Share of profit before Tax	1,039,638,444	22,367,340	1,039,638,444	22,367,340
(-) Company's share of Tax on Associate Results	(11,152,380)	(2,951,735)	(11,152,380)	(2,951,735)
(-) NCI's Share of profit (net of tax)	(134,646,228)	3,690,247	(134,646,228)	3,690,247
Company's Share of profit after Tax	893,839,836	23,105,852	893,839,836	23,105,852
Company's Share of profit after Tax	893,839,836	23,105,852	893,839,836	23,105,852
Company's Share of OCI, net of tax	1,090,861	(19,588)	1,090,861	(19,588)
Gain on bargain purchase (Note 4.6.1)	75,378,844	-	75,378,844	-
	970,309,540	23,086,264	970,309,540	23,086,264

4.6.1. Gain on bargain purchase

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Investment made during the year	1,703,897,500	-	1,703,897,500	-
(-) Change in share of net assets attributable to EAI	(1,779,276,344)	-	(1,779,276,344)	-
Gain on bargain purchase	(75,378,844)	-	(75,378,844)	-

Renuka Investments Ltd

Summarized Financial Information

	Balance as at		Balance as at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Holding of interest	49.17%	39.21%	49.17%	39.21%
Non Current Assets	6,243,660,663	7,690,326,766	6,243,660,663	7,690,326,766
Current Assets	8,891,843,580	303,897,135	8,891,843,580	303,897,135
Total Asset	15,135,504,242	7,994,223,901	15,135,504,242	7,994,223,901
Non Current Liabilities	410,792,761	403,278,694	410,792,761	403,278,694
Current Liabilities	110,280,424	85,201,300	110,280,424	85,201,300
Total Liabilities	521,073,186	488,479,994	521,073,186	488,479,994
Total Net Assets	14,614,431,056	7,505,743,907	14,614,431,056	7,505,743,907
(-) Net Assets Attributable to NCI	(3,462,092,460)	(339,918,724)	(3,462,092,460)	(339,918,724)
Net Assets Attributable to Company	11,152,338,597	7,165,825,183	11,152,338,597	7,165,825,183
Share of Net Assets Attributable to Company	5,483,666,518	2,809,459,479	5,483,666,518	2,809,459,479
Goodwill	-	-	-	-
Group's Share of Net Assets	5,483,666,518	2,809,459,479	5,483,666,518	2,809,459,479

Nature of operation : The company operates as the holding company of property development companies.

Notes to the Financial Statements Contd..

4.7. THE CARGO BOAT INVESTMENT COMPANY LTD

Share of Profit	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
For the year ended 31st March				
Revenue	506,622,002	2,885,549	506,622,002	-
Profit Before Tax	715,139,991	(19,159,044)	715,139,991	57,050,279
Company's Share of profit before Tax	715,139,991	(19,159,044)	715,139,991	(19,159,044)
(-) Company's share of Tax on Associate Results	(555,045)	(425,575)	(555,045)	(425,575)
(-) NCI's Share of profit (net of tax)	(521,647,011)	(4,327,711)	(521,647,011)	(4,327,711)
Company's Share of profit after Tax	192,937,936	(23,912,330)	192,937,936	(23,912,330)
Company's Share of profit after Tax	192,937,936	(23,912,330)	192,937,936	(23,912,330)
Company's Share of OCI, net of tax	-	-	-	-
Gain on bargain purchase (Note 4.7.1)	293,719,507	10,437,639	293,719,507	10,437,639
	486,657,442	(13,474,691)	486,657,442	(13,474,691)

4.7.1. Gain on bargain purchase

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Investment made during the year	702,000,000	196,015,034	702,000,000	196,015,034
(-) Change in share of net assets attributable to EAI	(995,719,507)	(206,452,673)	(995,719,507)	(206,452,673)
Gain on bargain purchase	(293,719,507)	(10,437,639)	(293,719,507)	(10,437,639)

The Cargo Boat Investment Company Ltd

Summarized Financial Information

	Balance as at		Balance as at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Holding of interest	64.90%	27.00%	64.90%	27.00%
Non Current Assets	1,526,495,050	695,994,061	1,526,495,050	695,994,061
Current Assets	600,942,976	298,530	600,942,976	298,530
Total Asset	2,127,438,026	696,292,591	2,127,438,026	696,292,591
Non Current Liabilities	-	-	-	-
Current Liabilities	14,777,735	217,246	14,777,735	217,246
Total Liabilities	14,777,735	217,246	14,777,735	217,246
Total Net Assets	2,112,660,291	696,075,345	2,112,660,291	696,075,345
(-) Net Assets Attributable to NCI	-	-	-	-
Net Assets Attributable to Company	2,112,660,291	696,075,345	2,112,660,291	696,075,345
Share of Net Assets Attributable to Company	1,371,197,785	182,540,343	1,371,197,785	182,540,343
Goodwill	-	-	-	-
Group's Share of Net Assets	1,371,197,785	182,540,343	1,371,197,785	182,540,343

Nature of operation : Investing in debt, equity and other classes of instruments.

Notes to the Financial Statements Contd..

4.8. GALLE FACE CAPITAL PARTNERS PLC

Share of Profit	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
For the year ended 31st March				
Revenue	21,976,272	78,264,218	21,976,272	78,264,218
Profit Before Tax	864,694,931	682,926,713	864,694,931	682,926,713
Company's Share of profit before Tax	864,694,931	682,926,713	864,694,931	682,926,713
(-) Company's share of Tax on Associate Results	(158,815)	(1,690,552)	(158,815)	(1,690,552)
(-) NCI's Share of profit (net of tax)	(621,544,555)	(705,893,633)	(621,544,555)	(705,893,633)
Company's Share of profit after Tax	242,991,560	(24,657,472)	242,991,560	(24,657,472)
Company's Share of profit after Tax	242,991,560	(24,657,472)	242,991,560	(24,657,472)
Company's Share of OCI, net of tax	3,277,427	-	3,277,427	-
Gain on bargain purchase (Note 4.7.1)	(5,304,877)	-	(5,304,877)	-
	240,964,110	(24,657,472)	240,964,110	(24,657,472)

4.8.1. Gain on bargain purchase

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Disposal made during the year	(4,463,521)	-	(4,463,521)	-
(-) Change in share of net assets attributable to EAI	9,768,398	-	9,768,398	-
Gain on bargain purchase	5,304,877	-	5,304,877	-

Galle Face Capital Partners PLC

Summarized Financial Information

	Balance as at		Balance as at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Holding of interest	27.76%	28.11%	27.76%	28.11%
Non Current Assets	170,401,803	146,375,000	170,401,803	146,375,000
Current Assets	2,889,398,440	2,052,650,916	2,889,398,440	2,052,650,916
Total Asset	3,059,800,243	2,199,025,916	3,059,800,243	2,199,025,916
Non Current Liabilities	-	-	-	-
Current Liabilities	237,244,943	243,998,959	237,244,943	243,998,959
Total Liabilities	237,244,943	243,998,959	237,244,943	243,998,959
Total Net Assets	2,822,555,300	1,955,026,957	2,822,555,300	1,955,026,957
(-) Net Assets Attributable to NCI	-	-	-	-
Net Assets Attributable to Company	2,822,555,300	1,955,026,957	2,822,555,300	1,955,026,957
Share of Net Assets Attributable to Company	625,221,358	391,157,182	625,221,358	391,157,182
Goodwill	-	-	-	-
Group's Share of Net Assets	625,221,358	391,157,182	625,221,358	391,157,182

Quoted market price of 31 March 2026 : Rs.24.50

Nature of operation : Investing in debt, equity and other classes of instruments

Notes to the Financial Statements Contd..

4.9. GALLE FACE PROPERTIES LTD

Share of Profit	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
For the year ended 31st March				
Revenue	-	-	-	-
Profit Before Tax	574,424,947	118,572,531	574,424,947	118,572,531
Company's Share of profit before Tax	574,424,947	118,572,531	574,424,947	118,572,531
(-) Company's share of Tax on Associate Results	(11,527,946)	(5,547,128)	(11,527,946)	(5,547,128)
(-) NCI's Share of profit (net of tax)	(562,897,001)	(113,025,403)	(562,897,001)	(113,025,403)
Company's Share of profit after Tax	-	-	-	-
Company's Share of profit after Tax	-	-	-	-
Company's Share of OCI, net of tax	-	-	-	-
Gain on bargain purchase (Note 4.7.1)	112,805,736	-	112,805,736	-
	112,805,736	-	112,805,736	-

4.9.1. Gain on bargain purchase

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Disposal made during the year	1,750,000,000	-	1,750,000,000	-
(-) Change in share of net assets attributable to EAI	(1,862,805,736)	-	(1,862,805,736)	-
Gain on bargain purchase	(112,805,736)	-	(112,805,736)	-

Galle Face Properties Ltd

Summarized Financial Information

	Balance as at		Balance as at	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Holding of interest	23.12%	0.00%	23.12%	0.00%
Non Current Assets	4,463,565,094	4,462,862,723	4,463,565,094	4,462,862,723
Current Assets	4,027,224,334	1,713,282,684	4,027,224,334	1,713,282,684
Total Asset	8,490,789,428	6,176,145,407	8,490,789,428	6,176,145,407
Non Current Liabilities	290,666,794	290,666,794	290,666,794	290,666,794
Current Liabilities	143,487,824	80,495,297	143,487,824	80,495,297
Total Liabilities	434,154,619	371,162,091	434,154,619	371,162,091
Total Net Assets	8,056,634,809	5,804,983,316	8,056,634,809	5,804,983,316
(-) Net Assets Attributable to NCI	-	-	-	-
Net Assets Attributable to Company	8,056,634,809	-	8,056,634,809	-
Share of Net Assets Attributable to Company	1,862,805,736	-	1,862,805,736	-
Group's Share of Net Assets	1,862,805,736	-	1,862,805,736	-

Nature of operation : The company is in the business of property development.

Notes to the Financial Statements Contd..

5. INVESTMENT IN SUBSIDIARY

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Island Investment Holdings Ltd	-	-	146,650,000	146,650,000
	-	-	146,650,000	146,650,000

5.1. INVESTMENT IN SUBSIDIARY

	31.03.2026			31.03.2025		
	Holding percentage	No. of Shares	Cost (Rs.)	Holding percentage	No. of Shares	Cost (Rs.)
Island Investment Holdings Ltd	100%	386,500	146,650,000	100%	386,500	146,650,000
			146,650,000			146,650,000

5.2. NON CONTROLLING INTEREST IN MATERIAL SUBSIDIARIES

	COMPANY	
	31.03.2026 (Rs.)	31.03.2025 (Rs.)
<i>Summarized Financial Information</i>		
NCI %	0%	0%
Non Current Assets	-	-
Current Assets	146,650,000	146,650,000
Total Assets	146,650,000	146,650,000
Current Liabilities	-	-
Total Liabilities	-	-
Net Asset	146,650,000	146,650,000
Non Controlling Interest	-	-

Notes to the Financial Statements Contd..

6. INVESTMENTS - MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		COMPANY	
	2026	2025	2026	2025
Balance on 1st April	190	1,268,433,716	190	-
Additions during the year	-	190	-	190
Disposals during the year	(190)	-	(190)	-
Adjustment for loss of control of subsidiary	-	(1,968,747,610)	-	-
Fair Value Gain / (Loss) on Investments	-	700,313,894	-	-
Balance on 31st March	-	190	-	190

6.1. INVESTMENTS - MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of the Company	GROUP				COMPANY			
	31.03.2026		31.03.2025		31.03.2026		31.03.2025	
	No. of Shares	Market Value Holding	No. of Shares	Market Value Holding	No. of Shares	Market Value Holding	No. of Shares	Market Value Holding
Quoted Shares								
NATIONS TRUST BANK PLC	-	-	1	190	-	-	1	190
		-		190		-		190

7. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2026	2025	2026	2025
Advance Payments	2,127,131	-	2,127,131	-
	2,127,131	-	2,127,131	-

Notes to the Financial Statements Contd..

8. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Favorable balances				
Cash at bank	2,269,156,629	148,143,253	2,111,561,179	1,493,253
	2,269,156,629	148,143,253	2,111,561,179	1,493,253
Unfavorable balances				
Bank overdraft	(1,749,705,456)	-	(1,749,705,456)	-
Cash and cash equivalents for the cash flows	519,451,173	148,143,253	361,855,723	1,493,253

Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

9. STATED CAPITAL

	GROUP / COMPANY	
	2026	2025
Number of Ordinary Shares Issued and Fully Paid		
Balance as at 1st April	307,078,367	302,871,815
Share issue for scrip dividend	-	4,206,552
Right issue Issue	614,156,734	-
Balance as at 31st March	921,235,101	307,078,367

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Stated Capital				
Stated Capital on 1st April	2,066,238,865	2,035,951,683	2,066,238,865	2,035,951,683
Share issue for scrip dividend	-	30,287,182	-	30,287,182
Share issued during the year	4,299,097,138	-	4,299,097,138	-
Stated Capital on 31 st March	6,365,336,003	2,066,238,865	6,365,336,003	2,066,238,865

10. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Financial Liabilities				
Audit Fee	833,330	640,000	833,330	640,000
Refund Payable on Right Issue	248,532,995	-	248,532,995	-
Dividend Payables	413,784	413,784	413,784	413,784
	249,780,109	1,053,784	249,780,109	1,053,784

11. AMOUNTS DUE TO RELATED PARTIES

Galle Face Properties Limited	-	6,223,791	-	6,223,791
	-	6,223,791	-	6,223,791

Notes to the Financial Statements Contd..

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
12. INCOME TAX PAYABLE				
Balance on 1st April	661,850	-	661,850	-
Provision for the year	175	661,850	175	661,850
	662,025	661,850	662,025	661,850
Payments made during the year	-	-	-	-
Balance on 31st March	662,025	661,850	662,025	661,850
13. REVENUE				
Balance on 1st April	-	51,290,842	-	32,871,279
Dividend Income	2,105,215	25,653,476	2,105,215	-
Gain on disposal of Quoted Shares	2,105,215	76,944,318	2,105,215	32,871,279
14. NET FINANCE INCOME / (EXPENSE)				
Finance income				
Interest Income from Money Market Investments	-	1,240,893	-	1,240,893
Interest Income from Unit Trust Investments	-	1,298,691	-	93,539
Interest Income from Related party Balances	-	871,402	-	871,402
Interest Income on Treasury Bills	-	189,602	-	-
Interest income on savings	-	79,101	-	-
Interest Income from Call Deposits	583	333	583	333
	583	3,680,022	583	2,206,167
Finance costs				
Other finance charges	(12,452,473)	(8,578)	(12,452,473)	(8,578)
Related Party Loan Interest Expense	(15,321,308)	(13,235,005)	(15,321,308)	(7,719,768)
Short Term Loan Interest	-	-	-	-
	(27,773,781)	(13,243,583)	(27,773,781)	(7,728,346)
	(27,773,198)	(9,563,561)	(27,773,198)	(5,522,179)
15. PROFIT BEFORE TAX				
Profit Before Tax is stated after charging all expenses including the following;				
Directors' Remuneration	450,000	418,000	450,000	338,000
Auditor's remuneration	1,025,490	1,110,111	1,025,490	799,402
16. INCOME TAX EXPENSES				
Current Tax Expense				
Income tax for the year	175	661,850	175	661,850
Over provision in respect of previous year	-	3,292,820	-	-
Deferred Income Tax Expense				
Deferred Tax Expense (recognized in profit or loss)	267,262,714	23,181,547	267,262,714	23,181,547
Total Income Tax Expense	267,262,889	27,136,217	267,262,889	23,843,397

Notes to the Financial Statements Contd..

	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
16.1 Reconciliation Between the Tax Expense and the Accounting Profit Tax Expense				
Accounting Profit Before Tax	1,776,255,846	283,876,504	1,776,255,846	212,804,270
(-) Profit from Associate Companies	(1,806,330,446)	55,889,387	(1,806,330,446)	55,889,387
(-) Gain on FVTPL investments	-	(700,313,894)	-	(167,221,367)
	(30,180,398)	(360,548,002)	(30,180,398)	101,472,290
Add: Aggregate Disallowable Expenses	32,180,398	20,294,064	32,180,398	12,209,006
Less: Allowable Expenses	-	-	-	-
Less: Non-business income and Exempt income	(2,105,215)	342,460,105	(2,105,215)	(111,475,129)
Other sources of income	(583)	(2,206,167)	(583)	(2,206,167)
Business Income	-	-	-	-
Investment Income	583	2,206,167	583	2,206,167
Tax Loss Claimed	-	-	-	-
Business Loss	-	-	-	-
Taxable Income	583	2,206,167	583	2,206,167
Income tax @ 30%	175	661,850	175	661,850
	175	661,850	175	661,850

16.2. Accumulated Tax Losses

Tax Loss Brought forward	88,964,158	89,626,008	88,964,158	89,626,008
Adjustment based on return submitted	3,513,098	-	3,513,098	-
Loss Incurred During the year	-	-	-	-
Loss set off for the period	(175)	(661,850)	(175)	(661,850)
Tax loss Carried forward	92,477,081	88,964,158	92,477,081	88,964,158

Income tax has been provided as per the rates legislated in accordance with the inland Revenue Act . No 24 of 2017 and it's amendments.

	BALANCE SHEET		INCOME STATEMENT	
16.3. DEFERRED TAXATION				
Deferred tax assets and liabilities are attributable to the following;				
Deferred Tax Charged on Share of Profit	271,693,206	23,166,728	268,409,571	23,166,728
	271,693,206	23,166,728	268,409,571	23,166,728
	BALANCE SHEET		INCOME STATEMENT	
Deferred Tax Charged on Share of Profit	290,593,071	23,166,728	290,593,071	23,166,728
Deferred Tax Charged on Foreign Currency Translation	4,266,863	-	983,228	-
	294,859,934	23,166,728	291,576,299	23,166,728
Reconciliation of Deferred Tax Charge / (Reversal)				
Deferred Tax expense/ (reversal) reported in the Income Statement	267,262,714	23,181,547	267,262,714	23,181,547
Deferred Tax Expense (reversal) reported in OCI - Share of Profit	163,629	(14,819)	163,629	(14,819)
Deferred Tax Expense (reversal) reported in OCI - Foreign Currency Translation	4,266,863	-	983,228	-
	271,693,206	23,166,728	268,409,571	23,166,728

Notes to the Financial Statements Contd..

17. EARNINGS PER SHARE

17.1. Basic Earnings Per Share

The calculation of basic earnings per share is based on the profit after tax attributable to ordinary shareholders divided by the number of ordinary shares outstanding during the year.

	GROUP		COMPANY	
	2026	2025*	2026	2025*
Profit after tax attributable to ordinary shareholders (Rs.)	1,508,992,958	(108,297,718)	1,508,992,958	188,960,874
Number of shares (Nos)	921,235,101	307,078,367	921,235,101	307,078,367
Basic earnings per share (Rs.)	1.64	(0.25)	1.64	0.45

*- Restated

17.2. Diluted Earnings Per Share

Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the number of ordinary shares outstanding during the year after adjustment for the effects of all dilutive potential ordinary shares.

Amount used as the Numerator

Profit Attributable to equity holders of the Company 1,508,992,957 (108,297,718) 1,508,992,957.48 (108,297,718)
for Basic Diluted Earnings / (Loss) per share (Rs.)

Number of Ordinary Shares used as Denominator

Weighted Average number of Ordinary Shares in issue applicable to Diluted Earnings per Share 921,235,101 307,078,367 921,235,101 307,078,367

Diluted Earning per Share	1.64	(0.35)	1.64	(0.35)
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17.3. Dividend Per Share

	GROUP		COMPANY	
	2026	2025	2026	2025
Total Dividend paid (Rs.)	-	30,287,182	-	30,287,182
Number of Ordinary shares	921,235,101	307,078,367	921,235,101	307,078,367
Dividend per share	-	0.10	-	0.10

18. KEY MANAGEMENT PERSONNEL

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. All the members of the Board of Directors of the Company have been classified as KMP of the Company.

There are no transactions with Key Managerial persons during the year other than transaction listed below:

	GROUP		COMPANY	
	2026	2025	2026	2025
Director Fees	450,000	418,000	450,000	338,000

Notes to the Financial Statements Contd..

18.1. RELATED PARTY TRANSACTION

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS) 24 - "Related Party Disclosures". Transactions with related parties were made on the basis of the price lists in force with non-related parties (at Arm's Length), but subject to approved discounts. Outstanding balances with related parties other than balances relating to investment related transactions as at the reporting date are unsecured. Settlement will take place in cash. Such outstanding balances have been included under respective assets and liabilities. Details of related party transactions are reported below:

Name of the Company	Nature of relationship	Name of the common Directors	Nature of Transactions	Aggregate value of the Related Party Transactions entered in to during the financial year	Balance as at 31.03.2026	Balance as at 31.03.2025
Renuka Enterprises (Pvt) Ltd	Affiliate	Mr. S. V. Rajiyah	Shared Services Settlements	(540,000) 540,000	-	-
The Cargo Boat Investment Company Ltd	Affiliate	Mr. S.V.Rajiyah Mr. M.R Ratnasabapathy Mr. K.Liyanagamage	Loan received Interest charges Settlements	(4,300,000) (64,987) 4,364,987	-	-
Renuka Investments Ltd	Affiliate	Mr. S. V. Rajiyah	Loan received Interest charges Settlements	(400,000,000) (6,370,466) 406,370,466	-	-
Galle Face Properties Ltd	Affiliate	Mr. S.V.Rajiyah Mr. M.R Ratnasabapathy Mr. K.Liyanagamage	Loan received Interest charges Settlements	(8,100,000) (194,197) 14,517,991	-	(6,223,794)

18.2. DISCLOSURE IN TERMS OF SECTION 9.3.2 OF THE LISTING RULES OF COLOMBO STOCK EXCHANGE

Related Party Transactions - Recurrent

Name of the Company	Nature of relationship	Nature of Transactions	Name of the Common Director	Aggregate Value of Related Party Transactions Entered in to During the year	Aggregate Value of Related Party Transactions as a % of Net Revenue/Income	Terms and Conditions of the Related Party Transactions
Renuka Enterprises (Pvt) Ltd	Subsidiary of Ultimate Parent	Shared Services	Mr. S. V. Rajiyah	Rs. (540,000)	-25.65%	Comparable Uncontrolled
	Renuka Holdings PLC	Settlement of invoices		Rs. 540,000	25.65%	Actual Basis

There are no recurrent transactions other than stated above, that have been entered in to with Related Entities during the year which are more than 10% of the Company turnover that require disclosure in this Annual Report in Terms of Section 9.3.2 of the Listing Rules of Colombo Stock Exchange.

Similarly there are no non-recurrent transactions other than stated below, that have been entered in to with Related Entities during the year which are more than 10% of Equity and 5% of Total assets which ever is lower that require disclosure under the same provision.

Notes to the Financial Statements Contd..

Related Party Transactions - Non Recurrent

Related Company	Nature of relationship	Name of the Common Director	Aggregate Value of Related Party Transactions Entered in to During the year	Value of Related Party Transactions as a % of Equity	Value of Related Party Transactions as a % of Total Assets	Terms and Conditions of the Related Party Transactions	Rationale for entering in to the Transaction
Renuka Investments Ltd.	Affiliate	Mr. S. V. Rajiyah	Rs. 406,370,466	4.36%	3.50%	At a Market rate	Inter Company Loan
Galle Face Properties Ltd	Affiliate	Mr. S.V.Rajiyah Mr. M.R Ratnasabapathy Mr. K.Liyanagamage	Rs. 8,294,197	0.09%	0.07%	At a Market rate	Inter Company Loan

19. CONTINGENT LIABILITIES

There are no material contingent liabilities which would require adjustments to or disclosure in the Financial Statements as at the reporting date.

20. CAPITAL COMMITMENTS

There were no material capital commitments which have been approved as at the reporting date.

21. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no any other instances which would require adjustments to or disclosure in the financial statements.

During the quarter, the company carried out a right issue of 2 new ordinary voting shares for each 1 ordinary voting share held. On the successful completion of the issue, the company allotted 614,156,734 new shares for Rs. 4,299,097,138 on 31st March 2026; although the said allotment of shares was listed in the Colombo Stock Exchange on 10th April 2026. Therefore as at 31st March 2026 the number of fully paid ordinary voting shares stood at 921,235,101 shares and the stated capital of the company was Rs. 6,365,336,138.

Notes to the Financial Statements Contd..

22. FINANCIAL RISK MANAGEMENT

Introduction and overview

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
 - a. Interest risk
 - b. Currency risk

Introduction and overview

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout this financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

Credit risk

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each shareholders.

Notes to the Financial Statements Contd..

22. FINANCIAL RISK MANAGEMENT CONTD..

22.1. RISK MANAGEMENT FRAMEWORK CONTD..

Exposure to credit risk

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

For the year ended 31 March,	CARRYING AMOUNT			
	GROUP		COMPANY	
	2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
National Development Bank PLC - A-(lka)	(1,749,705,456)	1,199,058	(1,749,705,456)	1,199,058.00
Hatton National Bank PLC - A(lka)	2,111,538,676	271,692	2,111,538,676	271,692
Habib Bank Limited - A (lka)	22,503	22,503	22,503	22,503
HSBC UK Bank PLC	146,650,000	146,650,000	-	-
	508,505,723	148,143,253	361,855,723	1,493,253

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.

GROUP	2026 (Rs.)	Mature within 1yr	Mature over 1yr	2025 (Rs.)	Mature within 1yr	Mature over 1yr
Bank Overdraft	1,749,705,456	1,749,705,456	-	-	-	-
Trade and Other payable	249,780,109	249,780,109	-	1,053,784	1,053,784	-
Amount Due to Related Party	-	-	-	6,223,791	6,223,791	-
	1,999,485,565	1,999,485,565	-	7,277,575	7,277,575	-

COMPANY	2026 (Rs.)	Mature within 1yr	Mature over 1yr	2025 (Rs.)	Mature within 1yr	Mature over 1yr
Bank Overdraft	1,749,705,456	1,749,705,456	-	-	-	-
Trade and Other payable	249,780,109	249,780,109	-	1,053,784	1,053,784	-
Amount Due to Related Party	-	-	-	6,223,791	6,223,791	-
	1,999,485,565	1,999,485,565	-	7,277,575	7,277,575	-

Notes to the Financial Statements Contd..

Market risk

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

a. Interest rate risk

Interest rate risk is the risk that the fair value of the cash flows of financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises on interest bearing financial instruments recognized in the statement of financial position.

The interest rate risk of the Group arises from financial instruments which are exposed to variable or fixed rate interest rates. Variable interest rates expose the Group to cash flow due to the impact on the quantum of interest payable. Financial instruments with fixed interest rates are subject to variations in fair values due to market interest movements.

As at 31 March 2026, the group does not have any exposure to any interest rate risk as its term deposits interest rates are fixed. The Group's remaining financial assets and liabilities are non-interest sensitive. The Group has no variable rate interest instruments.

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

As at 31 March	NOTE	GROUP		COMPANY	
		2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
Fixed Rate Instruments					
Financial Assets					
Cash at Bank	8	2,269,156,629	148,143,253	2,111,561,179	1,493,253
		2,269,156,629	148,143,253	2,111,561,179	1,493,253
Financial Liabilities					
Amount Due to Related Parties	11	-	6,223,791	-	6,223,791
Bank Overdraft	8	1,749,705,456	-	-	-
		1,749,705,456	6,223,791	-	6,223,791
		4,018,862,085	154,367,044	2,111,561,179	7,717,044

Sensitivity analysis for variable rate Instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax.

As at 31 March	GROUP		COMPANY	
	2026 Profit or Loss	2025 Profit or Loss	2026 Profit or Loss	2025 Profit or Loss
Variable Rate Instruments (1% decrease)	15,236,515	2,567,355	15,127,060	1,889,561
Variable Rate Instruments (1% Increase)	(15,236,515)	(2,567,355)	(15,127,060)	(1,889,561)

Notes to the Financial Statements Contd..

23.1. FAIR VALUE HIERARCHY

Level 1 - Quoted (unadjusted) Market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

GROUP	CARRYING AMOUNT					FAIR VALUE			
	Financial assets at amortized cost (Rs.)	FVTPL	FVTOCI (Rs.)	Financial liabilities at amortized cost (Rs.)	Total (Rs.)	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total (Rs.)
31st March 2026									
Financial assets measured at fair value									
Investments - Measured at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade And other Receivables	2,127,131	-	-	-	2,127,131	-	-	-	-
Cash and cash equivalents	2,269,156,629	-	-	-	2,269,156,629	-	-	-	-
	2,271,283,760	-	-	-	2,271,283,760	-	-	-	-
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	1,749,705,456	1,749,705,456	-	-	-	-
Amounts due to related Party	-	-	-	-	-	-	-	-	-
Trade Other payable	-	-	-	249,780,109	249,780,109	-	-	-	-
	-	-	-	1,999,485,565	1,999,485,565	-	-	-	-

GROUP	CARRYING AMOUNT					FAIR VALUE				
	Financial assets at amortized cost (Rs.)	FVTPL	FVTOCI (Rs.)	Financial liabilities at amortized cost (Rs.)	Total (Rs.)	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total (Rs.)	
31st March 2025										
Financial assets measured at fair value										
Investments - Measured at Fair Value Through Profit or Loss	-	190	-	-	190	190	-	-	190	
	-	190	-	-	190	190	-	-	190	
Financial assets not measured at fair value										
Trade And other Receivables	-	-	-	-	-	-	-	-	-	
Short term investments	-	-	-	-	-	-	-	-	-	
Cash and cash equivalents	148,143,253	-	-	-	148,143,253	-	-	-	-	
	148,143,253	-	-	-	148,143,253	-	-	-	-	
Financial liabilities not measured at fair value										
Bank overdrafts	-	-	-	-	-	-	-	-	-	
Amounts due to related Party	-	-	-	6,223,791	6,223,791	-	-	-	-	
Trade Other payable	-	-	-	1,053,784	1,053,784	-	-	-	-	
	-	-	-	7,277,575	7,277,575	-	-	-	-	

Notes to the Financial Statements Contd..

23.1. FAIR VALUE HIERARCHY CONTD..

COMPANY	CARRYING AMOUNT					FAIR VALUE			
	Financial assets at Amortized Cost (Rs.)	FVTPL	FVTOCI (Rs.)	Financial Liabilities at Amortized Cost (Rs.)	Total (Rs.)	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total (Rs.)
31st March 2026									
Financial assets measured at fair value									
Investments - Measured at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Trade And other Receivables	2,127,131	-	-	-	2,127,131	-	-	-	-
Cash and cash equivalents	2,111,561,179	-	-	-	2,111,561,179	-	-	-	-
	2,113,688,310	-	-	-	2,113,688,310	-	-	-	-
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	1,749,705,456	1,749,705,456	-	-	-	-
Amounts due to related Party	-	-	-	-	-	-	-	-	-
Trade Other payable	-	-	-	249,780,109	249,780,109	-	-	-	-
	-	-	-	1,999,485,565	1,999,485,565	-	-	-	-
COMPANY	CARRYING AMOUNT					FAIR VALUE			
	Financial assets at Amortized Cost (Rs.)	FVTPL	FVTOCI (Rs.)	Financial Liabilities at Amortized Cost (Rs.)	Total (Rs.)	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total (Rs.)
31st March 2025									
Financial assets measured at fair value									
Investments - Measured at Fair Value Through Profit or Loss	-	190	-	-	190	190	-	-	190
	-	190	-	-	190	190	-	-	190
Financial assets not measured at fair value									
Trade And other Receivables	-	-	-	-	-	-	-	-	-
Short term investments	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	1,493,253	-	-	-	1,493,253	-	-	-	-
	1,493,253	-	-	-	1,493,253	-	-	-	-
Financial liabilities not measured at fair value									
Bank overdrafts	-	-	-	-	-	-	-	-	-
Amounts due to related Party	-	-	-	6,223,791	6,223,791	-	-	-	-
Trade Other payable	-	-	-	1,053,784	1,053,784	-	-	-	-
	-	-	-	7,277,575	7,277,575	-	-	-	-

In determining the fair value, highest and best use of the property including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the values have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

Five year Summary

<i>Year ended 31 March</i>	2026 Rs. '000	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
a) Summary of Operation					
Revenue	2,105	76,944	32,031	34,575	37,135
Profit/(Loss) before net finance cost and tax	1,804,029	293,440	592,552	242,050	117,325
Profit/ (Loss) before taxation	1,776,256	283,877	549,231	330,262	117,439
Taxation	(267,263)	(27,136)	(4,312)	(26,447)	(3,088)
Profit /(Loss) after tax	1,508,993	256,740	544,919	303,814	114,351
Profit/(Loss) attributable to equity holders of the company	1,508,993	256,740	544,919	303,814	114,351

<i>Year ended 31 March</i>	2026 Rs. '000	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
EQUITY					
Stated capital	6,365,336	2,066,238	2,035,952	913,012	878,252
Translation Reserve	9,956	-	-	-	-
Retained earnings	2,943,876	1,433,955	1,572,545	1,194,009	989,728
Minority Interest	-	-	415,775	401,768	349,523
Total Equity	9,319,168	3,500,193	4,024,272	2,508,789	2,217,503
LIABILITIES					
Current liabilities	2,000,148	7,939	108,041	740,959	4,020
Long term Liabilities	294,859	23,167	-	-	-
Total Liabilities	2,295,007	31,106	108,041	740,959	4,020
Total Equity and Liabilities	11,614,175	3,531,300	4,132,313	3,249,748	2,221,523

ASSETS					
Investment in Equity - Accounted Investees	9,342,891	3,383,157	2,827,236	2,257,858	1,498,888
Investment in Subsidiary	-	-	-	-	-
Investment measured at FVTPL	-	0.19	1,268,433	566,747	339,737
Deferred Tax Asset	-	-	-	-	-
Current assets	2,271,284	148,143	36,643	425,142	382,898
Total Assets	11,614,175	3,531,300	4,132,312	3,249,747	2,221,523

c) Key Indicators					
(Loss) / Earnings per share (Rs.)	1.64	-0.25	1.11	1.28	0.94
Net assets value per share (Rs.)	10.12	11.40	13.33	12.09	11.15
Current ratio (times)	1.14	18.66	33.91	0.57	8.41
d) Dividend per share (Rs.)	-	0.10	0.12	0.20	0.20

Shareholders' and Investors' information

	Year 2026	Year 2025
SHARE INFORMATION		
Total No. of shareholders	5,405	3,190
Total No. of Shares	307,078,367	307,078,367
PUBLIC SHARE HOLDING		
The percentage of Ordinary voting Shares held by the public	49.96%	49.96%
Total number of share holders representing the public holding	5,405	3,186
SHARE TRADING INFORMATION		
Year 2026		
<i>1st of April to 31st March</i>		
Share Price		
Highest (Rs.)	27.40	10.80
Lowest (Rs.)	8.60	6.60
As at 31st March	12.10	8.70
MARKET CAPITALIZATION		
Year 2026		
Year 2025		
As at 31st March (Rs. '000)	2,671,582	2,671,582
No. of Traders	44,634	6,691
No. of Shares Traded	319,764,306	72,176,082
Value of Shares Traded (Rs. '000)	4,952,287	695,054

Voting Shares Details

VOTING SHARES - NO OF SHARES HELD	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1,000	2,675	759,051	0.25%	1,356	325,780	0.11%
1,001 - 10,000	1,774	7,315,857	2.38%	1053	3,999,602	1.30%
10,001 - 100,000	848	25,571,546	8.33%	625	20,437,868	6.65%
100,001 - 1,000,000	104	23,188,801	7.55%	145	38,791,768	12.64%
1,000,001 & Over	9	250,243,112	81.49%	11	243,523,349	79.30%
	5,410	307,078,367	100.00%	3,190	307,078,367	100.00%

VOTING - ANALYSIS OF SHAREHOLDERS	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	5,173	51,794,279	16.87%	2,996	49,650,446	16.17%
Institutions	237	255,284,088	83.13%	194	257,427,921	83.83%
Total	5,410	307,078,367	100.00%	3,190	307,078,367	100.00%

VOTING - ANALYSIS OF SHAREHOLDERS	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	5,389	51,794,279	99.90%	3,172	306,764,736	99.90%
Non Resident	21	255,284,088	0.1	18	313,631	0.10%
Total	5,410	307,078,367	100.00%	3,190	307,078,367	100.00%

VOTING - ANALYSIS OF SHAREHOLDERS	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Related Companies	4	153,649,137	50.04%	4	153,649,137	50.04%
Directors and Spouses	1	100	0.00%	0	-	0.00%
Public	5,405	153,429,130	49.96%	2,847	153,429,230	49.96%
	5,410	307,078,367	100.00%	2,851	307,078,367	100.00%

TOP 20 Largest Shareholders

No.	Name.	Voting as at 31.03.2026		Voting as at 31.03.2025	
		No. of Shares	%	No. of Shares	%
1.	Renuka Land (Pvt) Ltd	92,000,000	29.96%	-	-
2.	Hatton National Bank PLC/Almas Holdings (Pvt) Ltd	75,154,912	24.47%	59,141,252	19.26%
	Almas Holdings (Pvt) Ltd	12,285,288	4.00%	-	-
3.	Renuka Enterprises (Pvt) Ltd	36,020,000	11.73%	36,020,000	11.73%
4.	The Cargo Boat Investment Company Ltd	25,629,033	8.35%	11,279,339	3.67%
5.	Mr. K.L.Yeoh	4,603,059	1.50%	-	-
6.	Senkadagala Finance PLC/Mr.M.M.Sugathapala	1,550,000	0.50%	-	-
7.	I B M C Lanka (Pvt) Ltd	1,500,630	0.49%	-	-
8.	Mr. S.A Thalangama	1,500,190	0.49%	1,940,000	0.63%
9.	PMF Finance PLC/Mr.M.S.Hamzadeen	1,000,000	0.33%	-	-
10.	Mr. K. Mathivanan	925,000	0.30%	-	-
11.	Gmsincop (Pvt) Ltd	767,500	0.25%	-	-
12.	Mr. M.M.M. Shamil	685,000	0.22%	-	-
13.	Mr. V.H.I.R. Rajavasan	475,000	0.15%	-	-
14.	Senkadagala Finance PLC/A.M. Ilyas	450,235	0.15%	-	-
15.	Mr. C.S.D.Anthony	400,000	0.13%	-	-
16.	Mr. S.J.J. Hallock	400,000	0.13%	-	-
17.	IBMC Advertising Services (Pvt) Ltd	400,000	0.13%	-	-
18.	Mr. K.K. Devapriya	389,890	0.13%	-	-
19.	Citizens Development BusinessFinance PLC/ K.D.C. Somalatha & K. Nandasiri	350,550	0.11%	-	-
20.	Mr. M. I. Buhardeen	350,000	0.11%	-	-
		256,836,287	83.64%	108,380,591	35.29%

Notice of Meeting - Annual General Meeting

Notice is hereby given that the Sixty Ninth (69th) Annual General Meeting (AGM) of Ceylon Land & Equity PLC (the 'Company') will be held on Wednesday, 23rd September 2026 at 03.30 pm virtually for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company, the statement of compliance and the Financial Statement for the year ended 31st March 2026, with the Report of the Auditors thereon.
2. To declare a first and final dividend as recommended by the Board of Directors and to consider to pass the following resolutions:

a. Declaration of a first and final dividend

THAT a first and final dividend of Rs. 0.043 per share be declared to be satisfied by the issue of 4,553,230 fully paid ordinary shares constituting a total sum of Rs. 39,613,109.34 based on the issued ordinary shares as at 25th August 2026;

THAT the shareholders entitled to such dividend would be those shareholders, whose names have been duly registered in the Shareholders' Register maintained by the Registrars of the Company [i.e. SSP Corporate Services (Pvt) Ltd., No. 101, Inner Flower Road, Colombo 03] and also those shareholders whose names appear on the Central Depository Systems (Pvt) Ltd. ('CDS') as at end of trading on the Record Date [i.e. the Second (2nd) market day from and excluding the date of the meeting] (the 'Entitled Shareholders');

THAT subject to the shareholders approving the proposed allotment and issue of new ordinary shares by passing the resolutions set out below, the declared first and final script dividend of Rs. 0.043 per share be distributed and satisfied by the allotment and issue of new ordinary shares (the "distribution scheme") based on the share price of ordinary shares as at 25th August 2026, to the Entitled Shareholders whose names appear on the Central Depository Systems (Pvt) Ltd. ('CDS') as at end of trading on the Record Date [i.e. the Second (2nd) market day from and excluding the date of the meeting]

The allotment and issue of new ordinary shares of Rs. 0.043 cents per share dividend entitlement (subject to applicable government taxes).

THAT accordingly and subject to the approval of the shareholders being obtained in the manner aforementioned the implementation of the said distribution scheme shall be as follows:

By way of the allotment and issue of new shares:

The sum of:

– Rs. 39,613,109.34 to which the ordinary shareholders are entitled (subject to applicable government taxes); and

shall be satisfied by the allotment and issue of new ordinary shares to the entitled shareholders of the ordinary shares respectively, on the basis of the following ratios:

- 1 new fully paid ordinary share for every 202.32562400 existing issued and fully paid ordinary shares calculated on the basis of the market value of the ordinary shares as at end of trading on 25th August 2026;

Notice of Meeting - Annual General Meeting Contd..

THAT the ordinary residual share fractions, respectively, arising in pursuance of the aforementioned allotment and issue of new ordinary shares after applying the formulas referred to in the sub heading “Residual fractions of shares” in the “Circular to the shareholders on the first and final dividend for 2026” dated 25th August 2026. will be allotted to trustees to be nominated by the Board and such shares will be sold and the net sale proceeds arising therefrom be distributed to a charity/ charities approved by the Board of Directors.

THAT the new shares to be issued in pursuance of the said distribution scheme constituting a total issue of 4,553,230 new ordinary shares, based on the issued and fully paid ordinary shares as at 25th August 2026, shall, immediately consequent to due allotment thereof to the entitled shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary shares and the existing issued and fully paid ordinary shares of the Company respectively including the entitlement to participate in any dividend that may be declared after the date of allotment thereof and shall be listed on the Colombo Stock Exchange; and

b. Dividend Resolution No. 2 (i): (ordinary resolution)

THAT a new issue of shares provided for by Article 4 (b) and 16 (1) of the Articles of Association of Ceylon Land & Equity PLC (the ‘Company’), be and is hereby issue of new shares to be effected by the Company for purposes of satisfying in first and final dividend for the year ended March 31, 2026:

“The allotment and issue of 4,553,230 new ordinary shares, credited as fully paid to entitled shareholders ‘as at end of trading on the Record Date [i.e. the Second (2nd) market day from and excluding the date of the meeting]’ and which new shares shall rank equal and pari passu with the existing issued and fully paid ordinary shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares”.

b. Approval of an issue of ordinary shares (Dividend Resolution No. 2 (ii))(Ordinary Resolution):

THAT the proposed allotment and issue of 4,553,230 new ordinary shares credited as fully paid to entitled share-holders as at end of trading on the Record Date [i.e. the Second (2nd) market day from and excluding the date of the meeting]’ and which new shares shall rank equal and pari passu with the existing issued and fully paid ordinary shares of the Company including the right to participate in any dividend which may be declared after the date of allotment of such shares be and is hereby approved in pursuance of Article 3 5(b) and 12(3) of the Articles of Association of the Company; and

THAT accordingly the Company’s management be and is hereby authorized to take all necessary steps to give effect to the aforesaid proposed issue of new ordinary shares of the Company.

Notice of Meeting - Annual General Meeting Contd..

2. To re-elect Mr. T.A.P. Peiris as a Director who retires by rotation in terms of Article 28 (1).
3. To re-elect Mr. K. G. Vairavanathan as a Director who was appointed w.e.f 27th January 2026, in terms of Article 26 (1).
4. To appoint Messrs Ernst & Young, Chartered Accountants, as recommended by the Board of Directors, as the Company's Auditors for the Financial Year ending 31st March, 2027; and
5. To authorize the Board of Directors to determine the remuneration for the Auditors for the financial year ending 31st March, 2027.
6. To authorize the Directors to determine contributions to charity.
7. To authorize the Board of Directors to determine donations for the ensuing year.

By Order of the Board of Ceylon Land and Equity PLC,

Renuka Enterprises (Pvt) Ltd

Company Secretaries

28th August 2026

Colombo

Notes

- (i) *A duly registered and entitled holder of the Company's ordinary shares is entitled to participate at the meeting, speak and vote at the AGM and is entitled to appoint a proxy holder to participate, speak, and vote in his/herstead.*
- (ii) *A proxy holder need not be a shareholder of the Company.*
- (iii) *A Form of Proxy is sent along with this Report. The Form of Proxy should be completed legibly and forwarded to the Company, Company Secretary, to not later than forty eight (48) hours before the time appointed for the holding of the AGM via email to, cosec@renukagroup.com or Whatsapp 0711009373 or by hand or post to registered office address No. 69, Sri Jinaratana Road Colombo 02.*

Circular to the Shareholders on the First and Final Dividend for 2026

Dear Shareholder/s,

First and Final Dividend for the year ended March 31, 2026 to be Satisfied by the Allotment and Issue of New Shares.

The Board of Directors of the Company is pleased to inform its Shareholders that a first and final script dividend of Rs. 0.043 per share for the financial year ended March 31, 2026, has been recommended for declaration at the Annual General Meeting ('AGM') to be held on 23rd September 2026 at 3.30 pm, virtually.

This dividend consists of:

- a scrip dividend of Rs. 0.043 per share, to be satisfied by the allotment of new ordinary shares out of the dividend received by the Company.

The Board of Directors is confident that, the Company will be able to satisfy the solvency test set out in Section 57 of the Companies Act No. 07 of 2007 (as amended) ['CA 2007'] immediately post allotment of such dividend. A Certificate of Solvency has been requested by the Company's Auditors, Messrs Ernst & Young, Chartered Accountants.

Subject to obtaining the approval of the Shareholders, the said dividend will be satisfied in accordance with a distribution scheme where by:

- (i) New ordinary shares will be allotted and issued, in satisfaction of the dividend entitlement, constituting a total sum of Rs. 39,613,109.34 based on the issued and fully paid shares of the Company as at 31st March 2026

Accordingly, and in pursuance of the aforesaid distribution scheme, the Company proposes to issue:

4,553,230.95 number of new ordinary shares, calculated based on the issued and fully paid ordinary shares as at 31st March 2026 and on the basis of their market value (closing price) as at end of trading on 25th August 2026;

The said shares shall be issued in the following ratios to the entitled Shareholders of the Company:

4,553,230 new fully paid ordinary share for every 202.32562400 existing issued and fully paid ordinary shares calculated on the basis of market value (closing price) of the ordinary shares as at end of trading on 25th August 2026; and

The above share ratio is based on a value of Rs. 0.043 Cents per ordinary share (subject to applicable government taxes) as at the end of trading on 25th August 2026. The Board of Directors is satisfied that the aforementioned values which constitute the consideration for which the new shares are to be allotted and issued is fair and reasonable to the Company and to all its existing Shareholders.

Circular to the Shareholders on the First and Final Dividend for 2026 Contd..

Entitled Shareholders

Shareholders entitled to participate in the said dividend are those who are duly registered in the Company's Share Register and also those shareholders whose names appear on the Central Depository Systems (Pvt) Ltd ('CDS') as at end of trading on the Record Date [i.e. the Second (2nd) market day from and excluding the date of the meeting] (the 'Entitled Shareholders').

In calculating the number of shares held by a shareholder at the relevant date for the proposed allotment and issue of new shares. The shareholding of the shareholder as appearing in the CDS and the Shareholders' Register maintained by the Registrars of the Company [SSP Corporate Services (Pvt) Ltd, No. 101, Inner Flower Road, Colombo 03] will not be aggregated. However, if a shareholder holds shares with multiple stockbrokers, the shares held with multiple stock brokers will be aggregated for calculation purposes, and the shares arising as a result of the proposed issue and allotment of new shares will be uploaded proportionately to the respective CDS accounts held with each broker. The Company has obtained the approval in principle of the Colombo Stock-Exchange ('CSE') for the proposed allotment and issue of new shares.

Residual Fractions of Shares

The residual fractions arising from the aforementioned allotment and issue of new ordinary shares respectively, will be aggregated and the shares arising consequent thereto will be allotted to trustees to be nominated by the Board and subject to receiving the approval of the Shareholders therefor, such shares will be sold and the net sale proceeds arising therefrom be distributed to a charity/ charities approved by the Board of Directors. The donation will be effected by the Company within a reasonable period of time.

Residual fractions of ordinary shares above mentioned shall mean the above mentioned fractions arising after applying the following formula:

Number of shares held by a shareholder as at end of trading on the Record Date X 1

202.32562400

Status of the New Shares

The new ordinary shares to be so issued, immediately consequent to due allotment thereof to the entitled Shareholders, shall rank equal and pari passu in all respects with the existing issued and fully paid ordinary shares of the Company.

Listing approval

An application has been made to the CSE for listing, has been approved 'in principle' by the CSE.

Shareholder Approvals

The proposed method of satisfying the above mentioned first and final dividend is subject to Shareholders grant-ing approval therefor by passing the resolutions set out in the attached Notice of Meeting pertaining to the following matters:

Authorization to satisfy the first and final dividend by an allotment and issue of new shares:

Article 3 5(b) and 12(3) of the Company's Articles of Association and Companies Act No. 7 of 2007, the Board is empowered to pay a dividend by way of shares. The Board seeks the authorization of Shareholders for the satisfaction of the first and final dividend by the issue of new ordinary shares in the manner set out above.

The relevant resolution to be passed by the Shareholders in this regard is set out in item 2(i) of the attached Notice of Meeting.

Circular to the Shareholders on the First and Final Dividend for 2026 Contd..

2. Authorization to distribute the balance portion of the first and final dividend by way of a cash dividend:

In addition to the scrip dividend, the Board has recommended that the balance portion of the first and final dividend amounting to Rs. 0.043 per share be paid in cash out of the profits of the Company for the year ended 31st March 2026, subject to applicable government taxes. The payment of the said cash dividend requires the approval of the Shareholders at the AGM.

As mentioned previously, the first and final dividend is proposed to be satisfied, by the allotment and issue of new ordinary shares in the manner set out above and on the above mentioned application of the above mentioned share proportion.

The Company is required, in compliance with the above provisions, to seek Shareholder approval by an ordinary resolution for the proposed method of satisfaction of the first and final dividend by an allotment and issue of new ordinary shares in the manner set out above.

The relevant ordinary resolution to be passed by the Shareholders in this regard is set out in item 2(ii) of the attached Notice of Meeting.

Confirmation of Compliance

The Board of Directors hereby confirms that the allotment and issue of new shares is in compliance with the Articles of Association of the Company, the Listing Rules of the CSE and the provisions of the CA 2007.

Allotment of the New Shares

The Board of Directors emphasizes that the aforementioned allotment and issue of new shares is in satisfaction of the first and final dividend for the year ended March 31st, 2026 and shall be dependent on and subject to the Shareholders passing the requisite resolutions.

Uploading of Shares in to CDS Accounts

In the event that the requisite resolution declaring the dividend (including its manner of satisfaction thereof) by way of the issue and allotment of new shares is passed by the Shareholders. The accounts of the Shareholders whose shares are deposited in the CDS would be directly uploaded with the new shares to the extent that such Shareholder has become entitled there to.

The shares would be uploaded within five (05) market days from and excluding the Record Date. If a Shareholder holds multiple CDS accounts the total entitlement will be directly deposited to the respective CDS accounts proportionately. Pursuant to a Direction issued by the Securities and Exchange Commission of Sri Lanka ('SEC') under circular n No. 08/2010 dated November 22, 2010 and circular No. 13/2010 dated November 30, 2010 issued by CDS. Pertaining to the dematerialisation of listed securities, the Shareholders who hold shares in scrip form (i.e. Share Certificates) as per the Share Register maintained by the Registrars of the Company, will not be issued Share Certificates for the new shares allotted and issued in their favour. Such Shareholders are accordingly requested to open an account with the CDS and to deposit their Share Certificates in the CDS prior to the date of the AGM of the Company. This will enable the Company to deposit the new shares directly into the Shareholder's CDS Account.

Circular to the Shareholders on the First and Final Dividend for 2026 Contd..

If a Shareholder fails to deposit his/her existing ordinary shares in the CDS prior to the date of the AGM, such Shareholder's entitlement of new ordinary shares will be deposited by the Company after such Shareholder has opened a CDS Account and has informed the Company's Registrars in writing of his/her CDS account number. Until such CDS account is opened by a Shareholder as afore mentioned, the new ordinary shares that are allotted in his/ her favour will be registered in such shareholder's account in the Share Register maintained by the Registrars of the Company.

Consequent to the opening of the CDS account by such Shareholder, the new shares will be credited to such CDS account. Direct uploads pertaining to written requests received from Shareholders to deposit such shares will be done on a weekly basis.

Annual General Meeting (AGM)

The Annual Report comprising the Notice convening the AGM for 23rd September 2026 and the relevant resolutions to be passed by the Shareholders in the above regard.

Form of Proxy

Shareholders who are unable to participate at the meeting are entitled to appoint a proxy to participate at the said meeting by and speak and also vote on their behalf, depending on their voting rights. If you wish to appoint such a proxy, kindly complete and return the enclosed Form of Proxy (in accordance with instructions to Registered Office of the company, No. 69 Sri Jinarathana Road, Colombo 02 not later than forty eight (48) hours before the time appointed for the holding of the AGM.

Yours faithfully,

By Order of the Board of Ceylon Land & Equity PLC

Renuka Enterprices (Pvt) Ltd
Company Secretaries
28th August 2026

Notes

[illegible]

Form of Proxy

I / We..... of
being a member/members
 of Ceylon Land & Equity PLC, hereby appoint;
 (NIC No.) of

 Or failing her/him

Mr. S.V. Rajiyah or failing him
 Mr. K.Liyanagamage or failing him
 Mr. T.A.P.Peiris or failing him
 Mr. M.R. Ratnasabapathy or failing him
 Mr. T.A.C.H.Jayakody or failing him,
 Mr. K. G. Vairavanathan

as my/ our proxy to represent me / us and to speak and to vote on my / our behalf at the Annual General Meeting of the Company to be held virtually on the 23rd of September 2026 at 3.30 pm and at any adjournment thereof and at every poll which may be taken in consequence thereof.

		For	Against
1.	To receive and consider at the Annual Report of the Board of Directors on the affairs of the Company, the Statement of Compliance and the Financial Statements for the year ended March 31, 2026 together with the Report of the Auditors thereon		
2.	To re-elect Mr. T.A.P Peiris as a Director in terms of Article 28 (1) of the Articles of Association of the Company		
3.	To re-elect Mr. K. G. Vairavanathan as a Director in terms of Article 26 (1) of the Articles of Association of the Company		
4.	i. To appoint Messrs Ernest & Young, Chartered Accountants as recommended by the Board of Directors, as Auditors to the Company for the Financial Year ending March 31, 2027. ii. To authorize the Board of Directors to determine the remuneration of the Auditors for the Financial Year ending March 31, 2027.		
5.	To authorize the Board of Directors to determine donation for the year 2026/27.		

Dated this 28th August 2026

.....
 Signature of Shareholder

Note:
 (a) A proxy need not be a member of the Company.
 (b) Instructions regarding completion appear overleaf.

Instructions as to Completion of the Form of Proxy

1. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the Company, at “Renuka House”, No. 69, Sri Jinaratana Road, Colombo 2, on or before 10.30 am on 16th of September 2026 being not less than 48 hours before the time appointed for the holding of the Meeting.
2. In perfecting the Form of Proxy, please ensure that all the details are legible.
3. Please indicate with an ‘X’ in the space provided how your proxy to vote on each resolution. If no indication is given the proxy, in his discretion, will vote, as he thinks fit.
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. In the case of proxy signed by the Attorney, the Power Attorney must be deposited at the Registered Office at “Renuka House”, No. 69, Sri Jinaratana Road, Colombo 2, for registration.

Corporate Information

Name of Company

Ceylon Land & Equity PLC

Registration No.

PQ 149

Legal Form

Quoted Public Company with Limited Liability

Principal Activity

Property Development and Investment

Board of Directors

Mr. S. V. Rajiyah - Chairman

Mr. M. R. Ratnasabapathy

Mr. K. Liyanagamage

Mr. T. A. P. Peiris

Mr. T.A.C.H.Jayakody

Mr. K. G. Vairavanathan

Audit Committee

Mr. M. R. Ratnasabapathy - Chairman

Mr. K. Liyanagamage

Mr. K. G. Vairavanathan

Related Party Transactions review Committee

Mr. M. R. Ratnasabapathy - Chairman

Mr. K. Liyanagamage

Mr. K. G. Vairavanathan

Remuneration Committee

Mr. K. Liyanagamage – Chairman

Mr. M. R. Ratnasabapathy

Mr. K. G. Vairavanathan

Nomination & Governance Committee

Mr. K. Liyanagamage - Chairman

Mr. M. R. Ratnasabapathy.

Mr. K. G. Vairavanathan

Managers & Company Secretaries

Renuka Enterprises (Pvt) Ltd

No. 69, Sri Jinaratana Road,

Colombo 2

Registrars

S S P Corporate Services (Pvt) Ltd

No. 546, Galle Road,

Colombo 3

Ultimate Parent Company

Renuka Holdings PLC

Registered Office

“Renuka House”

No. 69, Sri Jinaratana Road, Colombo 2

Postal Address

P.O. Box 25, Colombo 02

Stock Exchange Listing

Colombo Stock Exchange

Auditors

Ernst & Young - Chartered Accountants

Legal Consultants

Heritage Partners - Attorneys- at-Law

Nithya Partners - Attorneys- at-Law

Varnes - Attorney-at-Law

Bankers

Hatton National Bank PLC

National Development Bank PLC

CEYLON LAND & EQUITY PLC

"RENUKA HOUSE" No. 69, Sri Jinarathana Road, Colombo 02, Sri Lanka.

Telephone: 0094-11-2314750-5 Fax: 009411-2445549

Email: info@renukagroup.com Website: www.renukagroup.com

