CIRCULAR TO SHAREHOLDERS

ANNUAL REPORT 2025/2026

Dear Shareholder,

This year the Annual Report of Lancaster Holdings Limited for the financial year 2025/26 is presented to you via the link https://cbd.lk/lhl/

A Shareholder who wishes to obtain a printed copy of the Annual Report, may send the completed 'Form of Request' attached,

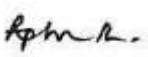
To:
Head of Finance
Lancaster Holdings Limited
328, Galle Road
Colombo 3.

Alternatively, you could email the completed 'Form of Request' to am@renukahotel.com
The printed Report will be forwarded by the Company upon receipt of your written request.

Please be advised that the Notice convening the Annual General Meeting (AGM) of the Company, and the related Form of Proxy are also enclosed.

In the event you require any assistance in accessing the above link, or if you have any queries pertaining to the AGM, you may contact the Company Secretary (Contact No. 0112573598) during normal office hours (10.00 a.m. to 4.00 p.m.)

By order of the Board
Lancaster Holdings Limited



Ms. A. Withana
Company Secretary
28 August 2026

NOTICE OF MEETING

Notice is hereby given that the 36th Annual General Meeting of Lancaster Holdings Limited, will be held at the Conference Room, Renuka City Hotel, 328, Galle Road, Colombo 3 on 29 September 2026 at 11.15 a.m. For the following purposes:

1) To read and confirm the minutes of the Thirty Fifth Annual General Meeting held on 29 September 2025.

2) To read and confirm the minutes of the Extraordinary General Meeting held on 29 September 2025.

3) To Receive and adopt the Audited Accounts for the year ended 31st March 2026 and the Reports of the Directors and Auditors.

4) To declare a dividend.

5) To authorise the Directors to determine and make donations.

6) To re-appoint Mr. R. B. Thambiayah as a Director of the Company, who is over 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re- appointment.

   "Resolved that Mr. R. B. Thambiayah who is over 70 years of age be and is hereby re-appointed as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Mr. R. B. Thambiayah".

7) To re-appoint Ms. N. A. Thambiayah as a Director of the Company, who is over 70 years of age and who vacates her office in terms of Section 210 of the Companies Act No. 7 of 2007. Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to her re- appointment.

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8) To re-appoint Mr. D. L. De Saram as a Director of the Company, who is over 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re- appointment.

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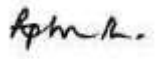
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10) To re-elect Ms. A. L. Thambiayah who retires by rotation at the Annual General Meeting in terms of the Articles of Association of the Company, as a Director.

11) To re-appoint the retiring Auditors M/s Lal Nanayakkara & Co for the year 2026/2027 and to authorise the Directors to determine their remuneration.

A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such proxy need not be a member of the Company. A Form of Proxy is annexed to this Notice.

By Order of the Board
Lancaster Holdings Limited



Ms. A. Withana
Company Secretary
Colombo
28 August 2026

Notes: A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such proxy need not be a member of the Company.
A Form of Proxy accompanies this Notice
The completed Form of Proxy should be deposited at the Registered Office of the Company 328, Galle Road, Colombo 3, not later than forty-eight (48) hours before the time appointed for the meeting.

Lancaster Holdings Limited (PB 803)

FORM OF PROXY

ANNUAL GENERAL MEETING

I/We……..….

of ……...

being a member/members of Lancaster Holdings Limited, hereby appoint ……..…

.....….……

of ……..…

or failing him ……..……

of ……..……..…..……

as my/our proxy to vote* for me/us on/our behalf at the Annual General Meeting of the Company to be held on 29 September 2026 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting.

Signed this ……. day of ……. 2026 Signature …….……

NOTE: If you wish your proxy to speak at the meeting you should interpolate the words "and to speak" immediately after the words "to vote"

INSTRUCTIONS AS TO COMPLETION

1. Kindly complete the Form of Proxy by filling in legibly your full name and address and by signing in the space provided. Please fill in the date of signature.

2. In case of a Company/Corporation, the proxy must be under its common seal or under the hand of an officer or Attorney duly authorized in writing.

3. If the Form of proxy is signed by an Attorney, the relevant power of Attorney if not already sent to the Company for registration should be deposited with the completed Form of Proxy.

4. The completed Form of Proxy should be deposited at the Registered Office of the Company at 328, Galle Road, Colombo 3, not later than 48 hours before the appointed time for the holding of the meeting.

FORM OF REQUEST

To: Head of Finance
Lancaster Holdings Limited
328, Galle Road
Colombo 3.

LANCATER HOLDINGS LIMITED (PB 803)
REQUEST FOR PRINTED COPY OF THE
ANNUAL REPORT -2025/2026

I wish to request for a copy of the printed version of the 2025/2026 Annual Report of Lancaster Holdings Limited. Please send the same by post to the address given below

Full Name of Shareholder
NIC/ Passport No./Company Registration No.
Address
Contact No.

…..…… ……
Signature Date

LANCASTER HOLDINGS LIMITED

Annual Report & Accounts

31st March 2026

Lancaster Holdings Limited

Corporate Information

328, GALLE ROAD, COLOMBO 3
TELEPHONE: 011 22573598–602
FAX: 011 2574137

DIRECTORS	:	R. B. Thambiayah (Chairman & Managing Director) D. L. De Saram D. Tyagarajah Ms. N. A. Thambiayah Ms. S. R. Thambiayah Ms. N. R. Thambiayah Ms. A. L. Thambiayah
SECRETARY	:	Ms. A. Withana
BANKERS	:	NDB Bank PLC Commercial Bank of Ceylon PLC DFCC Bank PLC
AUDITORS	:	M/s Lal Nanayakkara & Co. Chartered Accountants, “Havelock Central Building” No. 104-4/1, Havelock Road, Colombo 5.
REGISTERED OFFICE	:	328, Galle Road, Colombo 3.
COMPANY REGISTRATION NO.	:	PB 803

Lancaster Holdings Limited

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4) To declare a dividend.

5) To authorise the Directors to determine and make donations.

6) To re-appoint Mr. R. B. Thambiayah as a Director of the Company, who is over 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re- appointment.
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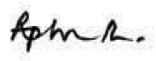
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By Order of the Board



Ms. A. Withana
Company Secretary
Colombo
28 August 2026

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Lancaster Holdings Limited

Report of the Directors for the year ended 31 March 2026

1. The Directors present herewith the Audited Financial Statements for the year ended 31 March 2026.

2. **Profit & Appropriations**

	2025/2026 Rs.	2024/2025 Rs.
Profit for the year	69,234,208	54,140,005
Other Comprehensive Income	333,829,621	279,636,719
Total Comprehensive Income for the year	403,063,829	333,776,724
Less: Dividend Proposed	180,000	180,000
Unappropriated Profit for the year	402,883,829	333,596,724

3. **State of affairs**
   The state of affairs of the Company as at 31 March 2026 is set out in the Statement of Financial Position on page 09.

4. **Principal Activity**
   The principal activity of the Company is that of an Investment Company.

5. **Directors**
   The Directors of the Company as at 31 March 2026, were:
   Mr. R. B. Thambiayah – Chairman & Managing Director
   Mr. D. L. De Saram
   Mr. D. Tyagarajah
   Mrs. N. A. Thambiayah
   Ms. S. R. Thambiayah
   Ms. N. R. Thambiayah
   Ms. A. L. Thambiayah

Appointment, Retirement/Resignation and Re-appointment/Re-election of Directors

Appointments and Resignations
There were no new appointments or resignations during the year.

Retirement by Rotation Re-appointment and Re-election of Directors:

a) To re-appoint Mr. R. B. Thambiayah as a Director of the Company, who is over 70 years of age and who vacates his office in terms of Section 210 of the Companies Act No. 7 of 2007 (the Companies Act). Notice is hereby given to propose the undernoted Ordinary Resolution in compliance with Section 211 of the Companies Act, in relation to his re-appointment.
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e) To re-elect Ms. A. L. Thambiayah who retires by rotation at the Annual General Meeting in terms of the Articles of Association of the Company as a Director.

6. **Directors interests in contracts and proposed contracts with the Company**
The Directors of the Company were not directly or indirectly interested in contracts with the Company during the year ended 31 March 2026 except as disclosed in Note 21 to the Financial Statements.

7. **Donations**
During the year the company did not contribute for charitable purposes.

8. **Dividend**
The Directors recommend a payment of a final dividend of Rs. 3/= per share for the year ended 31st March 2026, payable after approval by the shareholders.

9. **Events after the Financial Position Date**
No material events have occurred subsequent to the date of the Statement of Financial Position, which require adjustments or disclosure in the Financial Statements.

10. **Auditors**
A resolution to re-appoint our present auditors, Messrs. Lal Nanayakkara & Co., who have indicated their willingness to continue, will be proposed at the Annual General Meeting.

By Order of the Board

Ms A. Withana
Company Secretary
Colombo
28 August 2026

Lancaster Holdings Limited

Statement of the Directors' responsibility for the preparation of Financial Statements

The Board of Directors is responsible for preparing and presenting the financial statements, which are set out on pages 8 to 19.

As per the provisions of the Companies Act No. 7 of 2007 the Directors are required to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year.

In preparing the financial statements, the Directors have selected appropriate accounting policies and applied them in a consistent manner. Such policies are supported by reasonable and prudent judgment and all applicable Accounting Standards have been followed.

The Directors are also confident that the company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements. 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 to ensure that the financial statements presented comply with the requirements of the Companies Act No. 7 of 2007.
The Directors have taken reasonable steps to safeguard the assets of the company and established appropriate internal control systems with a view to preventing and for the detection of fraud and other irregularities.

The Directors are confident that they have discharged their responsibility as set out in this statement. They also confirm that to the best of their knowledge all statutory payments payable by the Company as at the date of the Statement of Financial Position have been paid or where relevant, provided for.

By Order of the Board



Ms. A. Withana
Company Secretary
Colombo
28 August 2026

LANCASTER HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LANCASTER HOLDINGS LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the financial stetements of **Lancaster Holdings Limited** (the Company), which comprise the statement of financial position as at March 31, 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended , and notes to the financial stements, including a material accounting policy information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Standards on Auditing (SLAuSs). Our responsibilities under those standards are further discribed in the *Auditor's Responsibilities* for the *Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of ethics) , that are relevant to our audit at the financial statements and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

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 Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fare view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs), 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 stements , management is responsible for assessing the Company's ability to continue as a going concern , disclosing , as applicable , matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations , or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilies for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about weather 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 gurantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists.Misstatements can arise from fruad 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: http:/slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

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.

(sgd) Lal Nanayakkara & Company,
CHARTERED ACCOUNTANTS
Colombo.
28 August 2026

LANCASTER HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31st March,	Note	2026	2025
		Rs.	Rs.
Revenue	**04**	10,426,838	8,624,889
Operating Expenses	**05**	(3,849,541)	(2,364,906)
Results from Operating Activities		**6,577,297**	**6,259,983**
Finance Income	**06**	1,582,532	1,515,380
		8,159,829	**7,775,363**
Share of Results of Equity Accounted Investees		63,891,791	52,298,968
Profit before Taxation		**72,051,620**	**60,074,332**
Income Tax Expenses	**07**	(2,817,412)	(5,934,327)
Net Profit for the Year		**69,234,208**	**54,140,005**
Other Comprehensive Income (OCI)			
OCI to be reclassified to income statement in subsequent periods			
Net gain / (loss) on available-for-sale financial assets		54,151,636	43,385,321
Disposal Gain on Financial Assets Recognized through Other Comprehensive Income		669,003	816
Net changes in fair value ,Equity investments		278,504,893	236,355,366
OCI not to be reclassified to income statement in subsequent periods			
Net share of Retirement Benefit surplus of Equity Accounted Investee		504,089	(104,784)
Total Comprehensive Income for the Year		**403,063,829**	**333,776,724**
Basic Earnings Per Share	**08**	**1,154**	**902**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on Pages 12 to 19 form an integral part of these Financial Statements.

Colombo
28 August 2026

LANCASTER HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March,	Note	2026	2025
		Rs.	Rs.
ASSETS			
Non-current Assets			
Available for-sale Financial Assets	**09**	188,340,156	133,063,022
Investments in Associate	**10**	1,249,324,945	908,766,804
		1,437,665,101	1,041,829,826
Current Assets			
Investment in Fixed Deposits		-	3,500,000
Cash and Cash Equivalent	**11**	18,495,811	7,648,555
		18,495,811	11,148,555
Total Assets		**1,456,160,913**	**1,052,978,381**
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	**12**	600,000	600,000
Retained Earnings		575,578,117	506,019,819
Other Components of Equity	**13**	878,662,633	545,337,102
Total Equity		1,454,840,750	1,051,956,921
Current Liabilities			
Dividend Payable	**14**	363,162	295,795
Accrued Expenses	**15**	731,518	441,897
Income Tax Payable	**16**	202,528	250,046
Bank Overdraft	**17**	22,956	33,722
		1,320,164	1,021,460
Total Equity & Liabilities		**1,456,160,913**	**1,052,978,381**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on Pages 12 to 19 form an integral part of these Financial Statements.

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

(Sgd) Mr G.Koggalage
Head of Finance

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

(Sgd) Mr R.B. Thambiayah

(Sgd) Ms S.R. Thambiayah

Directors

Colombo
28 August 2026

LANCASTER HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year ended 31st March, 2026

	Stated Capital	Capital Reserve	Available for Sale Reserve	General Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.04.2024	600,000	11,942,783	74,643,871	179,000,000	452,173,542	718,360,195
Net Profit for the year	-	-	-	-	54,140,005	54,140,005
Other Comprehensive Income						
Fair Value Loss on Available for Sale Investments	-	-	43,385,321	-	-	43,385,321
Share of equity accounted investee's Available for Sale Reserve	-	-	236,355,366	-	-	236,355,366
Share of Equity Accounted Investee's Retirement Benefit Surplus			8,944		(113,728)	(104,784)
Disposal Gain on Financial Assets Recognized through Other Comprehensive Income		-	816	-	-	816
Dividend Paid	-	-	-	-	(180,000)	(180,000)
Balance as at 31.03.2025	**600,000**	**11,942,783**	**354,394,318**	**179,000,000**	**506,019,819**	**1,051,956,919**
Balance as at 01.04.2025	600,000	11,942,783	354,394,318	179,000,000	506,019,819	1,051,956,920
Net Profit for the year	-	-	-	-	69,234,208	69,234,208
Other Comprehensive Income						
Fair Value Loss on Available for Sale Investments	-	-	54,151,636	-	-	54,151,636
Share of equity accounted investee's Available for Sale Reserve	-	-	278,504,893	-	-	278,504,893
Share of Equity Accounted Investee's Retirement Benefit Surplus	-	-		-	504,089	504,089
Disposal Gain on Financial Assets Recognized through Other Comprehensive Income		-	669,003	-	-	669,003
Dividend Paid	-	-	-	-	(180,000)	(180,000)
Balance as at 31.03.2026	**600,000**	**11,942,783**	**687,719,850**	**179,000,000**	**575,578,117**	**1,454,840,749**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on Pages 12 to 19 form an integral part of these Financial Statements.

Colombo
28 August 2026

LANCASTER HOLDINGS LIMITED
STATEMENT OF CASH FLOW

For the Year ended 31st March,	2026	2025
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	72,051,620	60,074,332
Adjustments for :		
Profit on disposal of Investment	333,041	(83,776)
Fair Value Gain/Loss On Unit Trust	(68)	(120,668)
Interest Income	(1,582,532)	(1,515,380)
Scrip Dividend	(10,759,811)	(1,087,481)
Unrealized Share of Results of Equity Accounted Investees	(63,891,791)	(52,298,968)
Operating Profit before Working Capital Changes	(3,849,541)	4,968,058
Working Capital Changes:		
Increase / (Decrease) in Payables	356,988	232,849
Cash generated from Operations	(3,492,553)	5,200,907
Taxes paid	(522,298)	(768,415)
Net Cash generated from Operating Activities	(4,014,852)	4,432,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(12,590,752)
Proceeds from Disposal of Investments	722,280	3,773,887
Dividend Received from Associated Company	3,500,000	(3,500,000)
Dividend Received	9,248,062	-
Interest Received	1,582,532	1,515,380
Net Cash generated from Investing Activities	15,052,873	(10,801,485)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(180,000)	(180,000)
Net Cash used in Financing Activities	(180,000)	(180,000)
Net Increase / (Decrease) in Cash and Cash Equivalents	10,858,022	(6,515,272)
Cash and Cash Equivalents at the beginning of the Year	7,614,834	14,163,827
Cash and Cash Equivalents at the end of the year (Note A)	**18,472,855**	**7,648,555**
NOTE - A		
Favorable Bank Balances	18,495,811	7,648,555
Un Favorable Balance	(22,956)	(33,722)
	18,472,855	**7,614,834**

Figures in brackets indicate deductions.

The Accounting Policies and Notes on Pages 12 to 19 form an integral part of these Financial Statements.

Colombo
28 August 2026

01 CORPORATE INFORMATION

01.1 Reporting Entity

The Company is a limited liability Company (Unquoted) incorporated and domiciled in Sri Lanka. The Registered office of the Company is located at No.328, Galle Road, Colombo 03, Sri Lanka. The principal place of business is at the same place.

01.2 Principal Activities and Nature of Operations

During the year the principal activities of the Company were managing and holding of an investment portfolio.

01.3 Approval of Financial Statements

The Financial statements for the year ended 31st March, 2026 were authorized for issue by the Directors on 28th August 2026.

01.4 Statement of Compliance

The financial statements which comprise the statement of financial position, statement of comprehensive income, statement of changes in equity and the cash flow statement, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Financial Reporting Standards for Small and medium-sized entities (SLFRS for SMEs) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

02 BASIS OF PREPARATION

02.1 Going Concern

These Financial Statements are prepared on the assumption that the Company is a going operation for a foreseeable future. It is therefore assumed that the Company has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.

02.2 Presentation and functional currency

The financial statements are presented in Sri Lankan Rupees, the Company's functional and presentation currency, which is the primary economic environment in which the Company operates.

02.3 Basis of Measurement

The Financial Statements have been prepared on the historical cost in the statement of Financial Position.

02.4 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Financial Reporting Standards for Small and medium-sized entities (SLFRS for SMEs) requires the management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumption are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from the other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

03 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31st March, 2026.

03.1 Equity accounted investee (investments in associate)

Investments in Companies where the group's share of holding is more than 20% and where the investor has a significant influence on the financial and operating decisions / policies have been treated as Associate Companies.

The result of the Associate Companies have been accounted for on the equity method of accounting, by incorporating the investor's share of profits or losses to the group's Profit and Loss Account, and the related investment is presented in the Balance Sheet at values adjusted to reflect the investor's share of the extent of the dividends received from the Associate Companies.

03.2 Financial Assets

Fair Value through Other Comprehensive Income

Fair Value through Other Comprehensive Income investments in equity securities. They are recognised initially at transaction price. After initial recognition, investments in equities that are publicly traded or for which the fair value can be measured reliably, are measured at fair value with changes in fair value recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised the gain or loss accumulated in equity is reclassified to profit or loss.

Other equity investments are measured at cost less any impairment.

03.2.1 Trade and other receivables and cash and cash equivalents

These financial assets are recognized initially at the transaction price and subsequently they are measured at amortized cost using the effective interest method, less provision for impairment. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognized in profit or loss.

However, short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

03.3 Financial liabilities

The Company's financial liabilities include trade and other payables. Financial liabilities are recognized initially at transaction price and after initial recognition they are measured at amortized cost using the effective interest method.

However short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original transaction price.

03.4 Taxation

Current taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

03.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

03.5.1 Dividend Income

Dividend income is recognised when the company's right to receive the payment is established.

03.5.2 Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

03.5.3 Other Income and Gains

Other income is recognised on an accrual basis.

03.6 Expenditure recognition

Expenses are recognized in the comprehensive income statement on the basis of direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the purpose of presentation of the comprehensive income statement the directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance and hence such presentation method is adopted.

For the Year ended 31st March,	Note	2026	2025
		Rs.	Rs.
04 REVENUE			
Dividend income		10,759,811	8,420,445
Profit on Sale of Shares	**04.1**	(333,041)	83,776
Fair Value Gain/Loss On Unit Trust		68	120,668
		10,426,838	**8,504,221**

04.1 PROFIT ON SALE OF SHARES

Company Name	Sales Proceeds	Carring Value of Investment	Profit/(Loss)
	Rs.	Rs.	Rs.
LVL Energy Fund PLC	670,000	1,000,000	(330,000)
National Development Bank PLC	11,154	5,195	5,959
Aitken Spence PLC	945,140	954,140	(9,000)
	1,626,294	**1,959,335**	**(333,041)**

05 OPERATING EXPENSES		
Audit Fee	59,570	59,570
Tax Fee	29,000	29,000
Professional fees	600,475	591,000
Brokage and Commission	18,215	3,389
Director Fees	2,029,200	1,200,000
Bank Charges	18,125	26,400
Bonuses Exgratia	1,047,000	424,104
ROC Chargers	15,185	11,044
Printing & Stationary Expenses	32,771	20,400
	3,849,541	**2,364,906**
06 FINANCE INCOME		
Interest on Call Deposit	1,552,942	1,127,444
Interest on Savings Deposits	29,590	387,936
	1,582,532	**1,515,380**
07 INCOME TAX EXPENSES		
Tax on Associate Company's Share of Profit	2,342,632	5,389,442
Under provision for previous year	-	54,070
Current Tax Expenses	474,780	490,815
	2,817,412	**5,934,327**
08 BASIC EARNINGS PER SHARE		
Profit attributable to Ordinary Shareholders	69,234,208	54,140,005
Number of Ordinary Shares in issue	60,000	60,000
Earnings Per Share - Basic	**1,154**	**902**

The calculation of Earnings per Share is based on the net profit for the year, over the number of Ordinary Shares in issue as at the reporting date.

As at 31st March,	Note	2026	2025
		Rs.	Rs.
09 AVAILABLE FOR-SALE FINANCIAL ASSETS			
Other Quoted Equity Investments	**09.1**	188,236,697	132,959,631
Other Unquoted Equity Investments	**09.2**	102,500	102,500
Unit Trust Investment	**09.3**	959	891
		188,340,156	**133,063,022**

09.1 Other Quoted Equity Investments

At Market Value	No. of Shares	2026	2025
		Rs.	Rs.
Bank Finance and Insurance			
DFCC Bank PLC	78,364	11,097,691	8,306,584
National Development Bank PLC.	80	261	8,561
Commercial Bank of Ceylon PLC	685,067	141,554,033	101,047,383
Sampath Bank PLC	6,000	871,500	-
Beverages Food and Tobacco			
Lanka Milk Food Ltd	155,000	12,415,500	6,727,000.00
Diversified Holdings			
Aitken Spence Co. PLC	5,495	-	701,986
Hayleys PLC	30	6,450	4,110
Hotel and Travels			
Asian Hotels & Properties PLC	20,000	1,076,000	1,060,000
Nuwaraeliya Hotels PLC	158	710,882	345,349
Hotel Services (Ceylon) PLC	20,000	302,000	238,000
Manufacturing			
Blue Diamonds PLC	45	-	14
Sierra Cables PLC	81,487	2,306,082	1,279,346
Haycarb PLC	10,000	1,095,000	821,000
Communication			
Dialog Axiata PLC	71,000	2,151,300	1,015,300
Power and Energy			
LVL Energy Fund Limited	-	-	580,000
Construction			
Access Engineering PLC	150,000	10,050,000	5,775,000
Capital Goods			
Lanka Walltile PLC	100,000	4,600,000	5,050,000
		188,236,697	**132,959,631**

09.2 Other Unquoted Equity Investments

As at 31st March,	No. of Shares	2026	2025
		Rs.	Rs.
At Market Value			
Merchant Securities & Finance Services	10,000	100,000	100,000
Crescent Launderers & Dry Cleaners (Pvt) Ltd	250	2,500	2,500
		102,500	**102,500**

09.3 Unit Trust Investment

As at 31st March,	No. of Units	2026	2025
		Rs.	Rs.
At Market Value			
NDB Wealth Management Fund	25	959	891
		959	**891**

10 INVESTMENTS IN ASSOCIATE

Cargo Boat Development Company PLC

	Holding %	No. of Shares	2026	2025
			Rs.	Rs.
At the beginning of the Year	**22.67**	4,087,048	(50,534,287)	(50,534,287)
Share of post acquisition reserve			679,849,855	632,940,329
Amortization of Negative Goodwill			2,455,599	2,455,599
Share of Investments in Equity accounted investee's AFS reserve			331,987,742	95,737,159
Dividend Receipt from Equity accounted investee			(54,992,106)	(54,992,106)
			908,766,804	625,606,695
During the Year				
Share of Equity accounted investee's Profit for the Year			63,891,791	52,298,968
Share of Equity accounted investee's Tax for the Year			(2,342,632)	(5,389,442)
Net share of Equity accounted investee's Other Comprehensive Income				
Net changes in fair value ,Equity investments			278,504,893	236,355,366
Net share of Retirement benefit surplus			504,089	(104,784)
Dividend Receipt				
At the end of the Year	**22.67**	**4,087,048**	**1,249,324,945**	**908,766,804**
Quoted Market Value			**899,150,560**	**322,468,087**

11 CASH AND CASH EQUIVALENT

Commercial Bank Many Market A/c No - 2110035285	272,067	292,134
Commercial Bank Current A/c No - 1110035285	25,000	-
National Development Bank - A/c No. 106340007789	247,930	283,732
National Development Bank - Current A/c No. 101000095215	25,000	-
DFCC Bank - Market A/C	17,925,814	7,047,689
DFCC Bank - Current A/C Rs	-	25,000
	18,495,811	**7,648,555**

12 STATED CAPITAL

Issued & Fully Paid		
60,000 Ordinary Shares	**600,000**	**600,000**

As at 31st March,	Note	2026	2025
		Rs.	Rs.
13 OTHER COMPONENTS OF EQUITY			
Capital Reserves		11,942,783	11,942,783
Available for Sale Reserve		687,719,850	354,394,318
General Reserves		179,000,000	179,000,000
		878,662,633	**545,337,102**

The Capital Reserve represents the value of Share Investments received as a gift from Renuka Hotels PLC.

The movements in the above reserves is given in the statement of Changes in Equity.

14 DIVIDEND PAYABLE		
Unclaimed Dividend	363,162	295,795
	363,162	**295,795**
15 ACCRUED EXPENSES		
Audit Fee	73,390	77,798
Tax Fee	29,000	29,000
Director fee Payable	-	108,975
Paye Payable	290,988	36,000
Stamp Duty	3,125	2,625
Bonuses Exgratia Payable	335,015	187,500
	731,518	**441,897**
16 INCOME TAX PAYABLE		
Balance at the beginning of the Year	250,046	473,576
Provision for the Year	474,780	490,815
Under provision for previous year	-	54,070
	724,826	1,018,461
Less:		
Income Tax paid - 2024/2025	(250,045)	(527,646)
- 2025/2026	(114,000)	(165,000)
WHT deducted	(158,253)	(75,769)
	(522,298)	(768,415)
	202,528	**250,046**
17 BANK OVERDRAFT		
Commercial Bank Current A/C. No. - 1110035285	-	27,278
DFCC Bank - Current A/C Rs	22,956	
National Development Bank - Current A/C. No. 101000095215	-	6,444
	22,956	**33,722**

18 CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

There were no significant capital commitments and contingent liabilities as at 31st March 2026.

19 EVENTS OCCURRING AFTER THE REPORTING DATE

There were no other material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.

20 RELATED PARTY TRANSACTIONS

There were no material related party transactions other than the following.
The Company has obtained staff service free of charge from Renuka Hotels PLC.

21 DIRECTORS' INTERESTS IN CONTRACTS

Mr. R.B. Thambiayah, the Chairman and Managing Director of the Company is also the Chairman and Managing Director of Crescent Launderers and Dry Cleaners (Private) Limited, Renuka Consultants and Services Limited, Renuka Properties Limited, Portfolio Management Services (Private) Limited and Amalgamated Theatres (Pvt.) Ltd.

Mr. R.B. Thambiayah, the Chairman and Managing Director of the Company is also the Chairman of Renuka City Hotels PLC and Cargo Boat Development Company PLC.

Mr. R.B. Thambiayah, the Chairman and Managing Director of the Company is also a Director of Renuka Hotels PLC.

Mrs. N.A. Thambiayah, a Director of the Company is also the Deputy Chairman of Renuka Hotels PLC, Renuka City Hotels PLC and Cargo Boat Development PLC.

Mrs. N.A. Thambiayah, a Director of the Company is also a Director of Crescent Launderers and Dry Cleaners (Private) Limited, Renuka Consultants and Services Limited, Renuka Properties Limited, Amalgamated Theatres (Private) Limited and Portfolio Management Services (Private) Limited.

Ms. S.R. Thambiayah, a Director of the Company is also the Chairperson/Jt. Managing Director of Renuka Hotels PLC and Jt. Managing Director of Renuka City Hotels PLC.

Ms. S.R. Thambiayah, a Director of the Company is also a Director of Cargo Boat Development Company PLC, Crescent Launderers and Dry Cleaners (Private) Limited, Renuka Consultants and Services Limited, Renuka Properties Limited and Portfolio Management Services (Private) Limited.

Ms. N.R.Thambiayah, a Director of the Company is also the Managing Director of Cargo Boat Development Company PLC.

Ms. N.R.Thambiayah, a Director of the Company is also a Director of Renuka Consultants and Services Limited ,Renuka Hotels PLC, Renuka City Hotels PLC, Renuka Properties Limited, Amalgamated Theatres (Private) Ltd and Portfolio Management Services (Private) Limited.

Ms.A.L. Thambiayah a Director of the Company is also the Jt. Managing Director of Renuka Hotels PLC,Renuka City Hotels PLC.

Ms.A.L. Thambiayah a Director of the Company is also a Director of Cargo Boat Development Company PLC Renuka Consultants and Services Limited, Renuka Properties Limited, Portfolio Management Services (Private) Limited, Amalgamated Theatres (Private) Ltd and DFCC Bank PLC.