York Arcade Holdings PLC

Annual Report 2025/26

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Financial Highlights

For year ended 31st March,	**2026 Rs.**	2025 Rs.	% Change
Net Finance Income	**8,068,542**	11,181,234	-28%
Profit before Tax	**(2,674,771)**	2,993,184	-189%
Income Tax Reversal/(Expense)	**301,084**	(1,208,950)	-125%
Profit for the period	**(2,373,687)**	1,784,234	-233%
As at 31st March,			
Total Equity	**215,120,488**	203,110,618	6%
Market Value per share	**14.10***	168.25	-92%
Market Capitalisation	**2,115,000,000**	126,187,500	1576%

* Market price is presented on a post-subdivision basis.

Chairman’s Review

On behalf of the Board of Directors, I am pleased to welcome you to the 40th Annual General Meeting of York Arcade Holdings PLC and to present the Annual Report and Audited Financial Statements for the year ended 31st March 2026.

Economic Overview

The financial year under review saw Sri Lanka continue its gradual recovery from the economic crisis of 2022, with improving macroeconomic fundamentals supported by ongoing structural reforms and the sustained engagement of international financial institutions. GDP growth remained positive, underpinned by a recovery in exports, tourism receipts, and worker remittances. However, the monetary easing cycle that had commenced in the prior year continued to exert downward pressure on market interest rates, moderating returns across the broader financial sector. Against this backdrop, the investment environment remained challenging for income-oriented portfolios, even as equity markets responded favourably to the improved economic outlook.

Impact on Company Performance

The lower interest rate environment had a direct and material impact on the Company’s financial performance during the year. Finance income declined to Rs. 8.07 million from Rs. 11.18 million in the prior year, reflecting reduced returns on our interest-bearing investments. Administrative expenses also increased to Rs. 10.16 million from Rs. 5.61 million, partly owing to higher governance-related costs following changes to the Board composition and structure. As a result, the Company recorded a net loss of Rs. 2.37 million for the year, compared to a net profit of Rs. 1.78 million in the previous year.

Notwithstanding this, I am pleased to report that Total Equity grew to Rs. 215.12 million from Rs. 203.11 million, driven by significant fair value gains on our equity investment portfolio. Total comprehensive income for the year amounted to Rs. 12.01 million, reflecting the underlying strength of our long-term investment positions.

Strategic Developments

The year was marked by several significant developments for the Company. In November 2025, as part of Group restructure Lankem Ceylon PLC acquired a 50.15% shareholding in the Company, thereby becoming the immediate parent, while The Colombo Fort Land and Building PLC remains the ultimate parent. As at the reporting date, Lankem Ceylon PLC, acting in concert with Darley Butler & Co. Ltd, maintained a combined shareholding of 50.15% in the Company. This group restructure change in ownership reflects the continuing interest of the broader Group in the Company’s long-term strategic potential, and we welcome the support of our new parent.

The Company has not engaged in active real estate operations since 2017, and the identification of a viable business direction remains a key priority for the Board in the year ahead. The Board continues to actively evaluate business opportunities to establish a sustainable revenue stream for the Company, and we remain committed to prudent financial management as we navigate a transitional period in the Company’s development.

On behalf of the Board, I wish to express my deepest appreciation to our shareholders for the unwavering trust and confidence you have placed in the Company over the years. Your continued support and patience, particularly during this period of transition, are a source of great encouragement to the Board and to the management of the Company.

I wish to place on record my sincere gratitude to my fellow Directors for their dedication, sound judgement and steadfast commitment throughout the year. The collective wisdom, constructive engagement and tireless efforts of the Board have been instrumental in guiding the Company through a demanding period, and I am deeply grateful for their counsel and support.

S.D.R. Arudpragasam
Chairman

18th June, 2026

Board of Directors

Mr. S. D. R. Arudpragasam - Chairman
FCMA (UK)

Mr. S.D.R. Arudpragasam is a fellow member of the Chartered Institute of Management Accountants (UK). He was appointed to the Board on 27th September 1999 and as Chairman on 15th July 2021. Further, whilst being associated with The Colombo Fort Land & Building Group of companies since 1982 and having served on the Board of The Colombo Fort Land & Building PLC (CFLB) since the year 2000 and as Deputy Chairman up to end June 2022 was appointed Chairman CFLB with effect from 1st July 2022. Mr. Arudpragasam also serves as Chairman of several subsidiaries of CFLB including Chairman of Lankem Ceylon PLC , C.W. Mackie PLC and Chairman/Managing Director of E.B. Creasy & Company PLC in addition to holding other Directorships within the CFLB Group. He also functions as a member of several Board Sub-Committees of the CFLB Group.

Mr. S. Shanmugalingam - Director

Mr. S. Shanmugalingam was appointed to the Board on 22nd April 2003. He has over 25 years experience in Share Trading and Capital Markets and has worked for many years as a Senior Stock Broker. He currently functions as an Adviser. He holds a Higher Diploma in Information Technology. He has also functioned as a member of the Board Sub-Committee of the Company.

Mr. S. Rajaratnam - Director
B.Sc, CA

Mr. S. Rajaratnam was appointed to the Board as a Non-Executive Director on 14th May, 2013. He holds a Bachelor of Science Degree in Business Administration from Boston College, USA and is a member of the Institute of Chartered Accountants in Australia. He has been associated with overseas Companies in the field of Finance and currently holds the position of Joint Managing Director of E.B. Creasy & Company PLC amongst other Directorships in The Colombo Fort Land & Building Group. He also functions as a member of the Board Sub-Committees of the CFLB Group. He is also a Sub-Committee member of two associate companies of CFLB.

Mr. Amrit Rajaratnam - Director
LLB (Notts.), Barrister- at - Law

Mr. Amrit Rajaratnam was appointed to the Board as a Non-Executive Director on 1st July 2021. He holds a Bachelor's Degree in Law from the University of Nottingham and is a Barrister at Law (Lincoln's Inn). He began his career at the Law Firm of Julius & Creasy and later joined Lankem Ceylon PLC. He is also a Director of Beruwala Resorts PLC, Marawila Resorts PLC and Sigiriya Village Hotels PLC, amongst other Directorships in The Colombo Fort Land & Building Group.

Mr. Anushman Rajaratnam - Director
B.Sc. (Hons,), CPA, MBA

Mr. Anushman Rajaratnam was appointed to the Board of Directors on 9th June, 2022 as a Non- Executive Director. He is at present the Group Managing Director of The Colombo Fort Land & Building PLC (CFLB). In addition, he serves on the Board of several subsidiary companies of the CFLB Group and also functions as a member on several Board Sub-Committees of the CFLB Group. Prior to joining the CFLB Group, he worked overseas for a leading global Accountancy Firm.

Mr. E.D.P. Soosaipillai - Director
FCA(SL), ACMA(SL)

Mr. D. Soosaipillai was appointed to the Board on 10th February 2025 as an Independent Non-Executive Director. He chairs the Board Audit Committee, the Related Party Transactions Review Committee, the Remuneration Committee and the Nominations and Governance Committee of the Company.

In a career spanning over 35 years in the governance of financial and reporting systems both at the operational and strategic levels, Mr. Soosaipillai brings to the table a core discipline in finance, a core competency in Risk Identification, Assessment and Management at operational levels and Forward Risk Assessment at a strategic level and three decades of experience in senior management in the financial services industry.

His decade and a half of board level executive experience spans that of several leading specialized leasing companies in the capacity of Finance Director, Chief Executive Officer and Managing Director, whilst his experience as a Non-Executive Director includes the boards of LFC's, Domestic Systemically Important Bank, the Chairman of a Licensed Specialised Bank and Regional Plantation Companies.

He is currently an Independent Non-Executive Director on the Board of Finlays Colombo Ltd. since January 2021 and an Independent Non-Executive Director on the Board of C M Holdings PLC since February 2025, where he chairs the Board Audit Committee, the Related Party Transactions Review Committee, the Remuneration Committee and the Nominations and Governance Committee of the company.

Mr. Soosaipillai previously served on the Board of Hatton National Bank PLC as an Independent Non-Executive Director, principally as Chair of the Board Integrated Risk Management Committee and the Board Procurement Committee as well as an active member of the Board Strategy and Investment Committee, the Board Recoveries Committee and the Board Human Resources and Remuneration Committee.

Board of Directors (*Contd.)*

Appointed as an Independent Non-Executive Director of Commercial Credit and Finance PLC in January 2014, he was elected Chairman in March 2020, until his resignation from the Board in November 2022. During his Chairmanship at Commercial Credit and Finance PLC he chaired the Board Nomination Committee and the Board Remuneration Committee. He previously chaired the Board Audit Committee and was an active member of the Board Integrated Risk Management Committee and the Board Related Party Transactions Review Committee.

Mr Soosaipillai was a Board member of the Colombo Port City Economic Commission and Acting Director General from June 2023 to November 2024, and Chairman and Independent Non-Executive Director of HDFC Bank of Sri Lanka from April 2023 to October 2024. He served as an Independent Non- Executive Director of the two Regional Plantation Companies of James Finlays Plantation Holdings (Lanka) Ltd from May 2017 to March 2022 and was the Chair of the Board Audit Committee and a member of the Board Related Party Transactions Review Committee and the Board Remuneration Committee

He was briefly engaged by the World Bank as a Short-Term Consultant on a Payables Assessment assignment in the Maldives as part of a wider Public Finance Management project in 2012. He also served as the Managing Director of the Maldives Finance Leasing Company Ltd., for over 7 years and as the Chief Executive Officer of Ceylease Financial Services Ltd., a subsidiary of the Bank of Ceylon, prior to that.

Mr. A. I. Piyadigama - Director
FCA (SL), CPA (Aust)

Mr. Asoka Piyadigama was appointed to the Board on 10 February 2025 as an Independent Non-Executive Director. He also serves as an Independent Non-Executive Director on the Boards of C M.Holdings PLC and ACME Printing and Packaging PLC.

Mr. Piyadigama brings extensive experience in finance and operations, having progressed from managerial roles to Chief Financial Officer positions at leading conglomerates, including Carsons Cumberbatch PLC, Lankem Ceylon PLC, and C.W. Mackie PLC. He currently serves as a member of the Audit Committee, Related Party Transactions Review Committee, Remuneration Committee, and Nominations & Governance Committee of the Company. In addition, he serves on several Board sub-committees within the CFLB Group.

Earlier in his career, he held positions as Audit and Business Advisory Manager at KPMG Sri Lanka and Deloitte Fiji, and has worked in senior finance roles within the manufacturing and FMCG sectors in Australia. Most recently, he served as the Chief Executive Officer of the Institute of Chartered Accountants of Sri Lanka.

Mr. Piyadigama is a Fellow Member (FCA) of the Institute of Chartered Accountants of Sri Lanka and a Member of CPA Australia.

Annual Report of the Board of Directors

The Board of Directors of York Arcade Holdings PLC present their Report on the affairs of the Company together with the Audited Financial Statements for the year ended 31st March, 2026

Principal Activities and Business Review

The principal activity of the Company was real estate management and development which was suspended in August 2017. There has been no change in the nature of this activity during the year. The Chairman's Review, together with the Financial Statements reflects the state of affairs of the Company.

The Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activities that contravene laws, regulations and prudential requirements and that details relating to non-Compliance and remedial action taken has been disclosed under the section Corporate Governance.

Financial Statements

The Financial Statements of the Company are given on pages 33 to 58.

Auditors Report

The Auditors Report on the Financial Statements is given on pages 31 to 32.

Accounting Policies

The Company has prepared the accounts in accordance with the SLFRSs/LKASs issued by the Institute of Chartered Accountants of Sri Lanka.

Interest Register

Directors' Interest In Transactions

The Directors have made general disclosures as provided for in Section 192(2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in Note 22 to the Financial Statements on pages 51 and 52.

During the financial year the Company has not entered into any contracts in which the Directors have had a material interest. Neither the Directors nor their close family members have had any material business relationships with other Directors.

Directors' Interest in Shares

Directors of the Company who have an interest in the shares have disclosed their shareholdings and any acquisitions/disposals to the Board in compliance with Section 200 of the Companies Act. The acquisitions/disposals are routinely notified to the Colombo Stock Exchange.

Details pertaining to Directors' Direct Shareholdings are set out below:

	No. of Shares	
	31.03.2026	31.03.2025
Mr. S.D.R. Arudpragasam	**-**	-
Mr. S. Shanmugalingam	**39,000***	195*
Mr. S. Rajaratnam	**-**	-
Mr. Amrit Rajaratnam	**6,000**	30
Mr. Anushman Rajaratnam	**-**	-
Mr. E.D.P. Soosaipillai	**-**	-
Mr. A. I Piyadigama	**-**	-

*(On the consolidation of shares in 2018 the fractional shares aggregating 179 shares which was held in trust, consequent to the subdivision effective on 5th January, 2026 amounts to 35,800 shares)

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Key Management Personnel Compensation

Key Management Personnel Compensation in respect of the Company for the financial year 2025/2026 is given in Note 10 to the Financial Statements on page 44.

Corporate Donations

No donations to charities were made during the year.

Directorate

The names of the Directors who held office during the financial year are given below and are profiled on pages 3 and 4.

Mr. S.D.R. Arudpragasam	-	Chairman Non-Executive
Mr. S. Shanmugalingam	-	Non-Executive
Mr. S. Rajaratnam	-	Non-Executive
Mr. Amrit Rajaratnam	-	Non-Executive
Mr. Anushman Rajaratnam	-	Non-Executive
Mr. E.D.P. Soosaipillai	-	Independent/ Non-Executive
Mr. A.I.Piyadigama	-	Independent/ Non-Executive

In terms of Articles 84 and 85 of the Articles of Association, Mr. Sanjeev Rajaratnam retires by rotation and being eligible, offers himself for re- election.

Mr. S.D.R. Arudpragasam who is over 70 years of age offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Mr. S. Shanmugalingam who is over 70 years of age offers himself for reappointment under and by virtue of the Special Notice received from a shareholder of the Company which is referred to in the Notice of Meeting.

Corporate Governance

The Corporate Governance Principles adhered to by the Company are given on pages 7 to 22.

Auditors

The Financial Statements of the Company for the year have been audited by Messrs. KPMG the retiring Auditors who have expressed their willingness to continue as Auditors of the Company and have been recommended for reappointment by the Board of Directors. A resolution to reappoint them and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The Auditors, Messrs. KPMG were paid Rs. 465,000/- (2025 - Rs. 400,000/-) as audit fees by the Company. In addition they were paid Rs. 258,000/-(2025 - Rs.234,502/-) by the Company for non-audit related work, which consisted mainly of tax related work.

As far as the Directors are aware the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors do not have any interests in the Company.

Revenue

There was no revenue generated by the Company during the last consecutive year.

Results

The Company made a loss before tax of Rs. 2.7 Mn. against a profit of Rs. 3 Mn. in the previous year.

Annual Report of the Board of Directors (*Contd.)*

Investments
Details of investments are listed in Note 13 to the Financial Statements.

Stated Capital & Reserves
The Stated Capital of the Company as at 31st March, 2026 is Rs.14.4 Mn. and is represented by 150,000,000 issued and fully paid ordinary shares.

Subdivision of Shares
The Company on 14th November, 2025 announced a Subdivision of Shares, and consequent to an Ordinary Resolution pertaining to the Subdivision of shares of the Company being carried unanimously by the Shareholders present and voting at the Extraordinary General Meeting held on 31st December, 2025, such Subdivision was effected based on the shareholding as at end of trading on 5th January, 2026 (record date).

Accordingly, without actuating any increase to the Stated Capital of the Company, the existing 750,000 issued ordinary shares of the Company, was subdivided and that such subdivision was effected by subdividing every One (1) existing issued Ordinary Share into Two Hundred (200) issued Ordinary Shares thereby increasing the number of shares of the Company to 150,000,000 shares.

Reserves
The total equity of the Company as at 31st March, 2026 amounts to Rs. 215.1 Mn., (31st March, 2025- Rs. 203.1 Mn) comprising General Reserve of Rs. 10 Mn. (31st March, 2025 - Rs. 10 Mn.), Retained Profits of Rs.152.9Mn. (31st March, 2025 - Rs. 153.1 Mn.) and Fair Value Reserve of Rs. 37.8 Mn. (31st March, 2025- Rs. 25.6 Mn.).

The movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation
Taxation has been computed at the rates, given in Note 11 on pages 44 to 45 of the Financial Statements.

Share Information
Information relating to earnings, net assets, market value per share and share trading are given on pages 60 and 61.

Events After the Reporting Period
No circumstances have arisen since the Reporting Date that would require adjustments to or disclosures in the Financial Statements, other than those disclosed in Note 25 to the Financial Statement on page 53.

Capital Commitments and Contingent Liabilities
Capital Commitments and Contingent Liabilities as at the date of the Statement of Financial Position are disclosed in Note 24 to the Financial Statements on page 53.

Employment Policy
The Company does not employ any staff. All operational services are provided by Corporate Managers & Secretaries (Private) Limited.

Related Party Transactions
During the financial year there were Non- Recurrent Related Party Transactions which exceeded the respective disclosure thresholds mentioned in Section 9.14 of the Colombo Stock Exchange Listing Rules.

Recurrent Related Party Transactions although exempt which exceeded the respective disclosure threshold are disclosed in Note 22.3 to the Financial Statements.

The Directors declare that the Company has complied with the requirements of the Listing Rules on Related Party Transactions, except for the non compliance matter referred to under Corporate Governance and in the Related Party Transactions Review Committee Report.

The Related Party Transactions presented in the financial statements are disclosed in Note 22 on pages 51 to 52.

Shareholders
It is the Company's policy to endeavour to ensure equitable treatment to its shareholders.

Statutory Payments
The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to the Government have been paid or where relevant, provided.

Environmental Protection
The Company's business activities can have direct and indirect effects on the environment. Therefore, it is the Company's policy to minimise any adverse effects its activities have on the environment and to promote co-operation and compliance with the relevant authorities and regulations. We confirm that the Company has not undertaken any activities which have caused or are detrimental to the environment.

Internal Control
The Board of Directors takes overall responsibility for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to safeguard assets against unauthorized use or disposal and to ensure that proper records are maintained. It includes all controls including financial, operational and compliance controls and risk management.

However, any system can ensure only reasonable and not absolute assurance that errors and Irregularities are prevented or detected within a reasonable time frame.

The Board of Directors has ensured that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes which have been carried out in accordance with Sri Lanka Accounting Standards and regulatory requirements.

Going Concern
The Board of Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future to justify the going concern basis adopted in preparing these Financial Statements.

For and on behalf of the Board,

S. D. R. Arudpragasam Chairman	**Anushman Rajaratnam** Director

By Order of the Board,

Corporate Managers & Secretaries (Private) Limited
Secretaries
Colombo
18th June, 2026

Corporate Governance

Corporate Governance ensures fairness, transparency and integrity of the Management. Corporate Governance is the culture of the Company, rather than a mere legal compulsion. It further inspires and strengthens investor confidence and commitment to the Company.

The Company through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders. Values have been applicable at all levels in the organisation guaranteeing business transparency to its valuable stakeholders and corporate society. The Corporate Governance policies and practices ensure that there is compliance with relevant rules and regulations in accordance with those listed in the code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the rules on Corporate Governance set out in the Listing Rules of the Colombo Stock Exchange (cse).

Board Composition

Presently the Board consists of seven Non- Executive Directors of whom two are Independent. The Directors possess the necessary expertise in finance, corporate management, the hospitality trade and varied business and professional experience in order to direct, lead and control the Company's business activities successfully. This balanced composition enables each Director to contribute effectively to the Board's decision-making process, fostering a collaborative environment that supports the Company's long-term strategic objectives and sustainable value creation for shareholders and stakeholders.

The Details of the Directors are given below.

Director	Position Held
Mr. S.D.R. Arudpragasam	- Chairman/ Non-Executive
Mr. S. Shanmugalingam	- Non-Executive
Mr. S. Rajaratnam	- Non-Executive
Mr. Amrit Rajaratnam	- Non-Executive
Mr. Anushman Rajaratnam	- Non-Executive
Mr. E.D.P. Soosaipillai	- Independent Non-Executive
Mr. A.I. Piyadigama	- Independent Non-Executive

The Independent Non-Executive Directors have submitted signed and dated Declarations of their Independence or Non-Independence to the Board of Directors.

The Board makes a determination annually as to the independence or non-independence of each Independent Non-Executive Director based on such declarations made on the defined criteria and other information available to the Board.

Mr. E.D.P. Soosaipillai and Mr. A.I. Piyadigama who were appointed to the Board as Independent Non-Executive Directors meets the criteria for defining independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

Nominations & Governance Committee and Appointments to the Board

There is a formal and transparent procedure for the appointment of new Directors to the Board, which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

The Board as a whole annually assesses the Board-composition to ascertain whether the combined knowledge and experience of the Board meets the strategic demands facing the Company.

The findings of such assessments are taken into account when new Board appointments are considered and when incumbent Directors come up for re-election. Upon the appointment of a new Director to the Board, the Company makes the required disclosures of such Directors to the shareholders by making announcements to the Colombo Stock Exchange.

The Nominations & Governance Committee Report is set out on page 28 and 29 of the Annual Report.

Re-election and Reappointment of Directors

In terms of the Articles of the Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one of the Directors in office to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since his/her last election or appointment. The retiring Director is eligible for re-election by the Shareholders.

The Nominations & Governance Committee of the Company has duly recommended to the Board the re-election and reappointment of the Directors at the forthcoming Annual General Meeting and the Board of Directors have duly approved the said re-election and reappointment of the Directors. Further the Members have refrained from participating in decisions relating to his/her own re-election/reappointment.

Decision Making of the Board

Directors are responsible for proper direction of the Company and to ensure the success of the business from year to year. The Board is equipped with the relevant information necessary for decision making.

The Board discusses matters relating to formulation and implementation of sound business strategies, ensuring an effective system to secure integrity of information, internal controls and risk management.

Board Responsibilities

- Formulation of short to long term strategies towards sustainable growth.
- Enhancing shareholder value.
- Identifying and managing principal risks of the business.
- Overseeing systems of internal control.
- Approval of interim and annual financial statements.
- Ensuring compliance with laws and regulations.
- Authorizing all material contracts, and approving capital projects.
- Ensure compliance with Company policies.

The Directors have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to the Listing Rules and applicable Capital Market provisions.

Corporate Governance (*Contd.)*

Board Meetings

The Board of Directors met on four occasions during the year under review. In addition to Board meetings decisions are approved by Resolutions in writing.

The attendance at Board Meetings had been as follows:

Name of the Director	15.05.2025	04.08.2025	28.10.2025	06.02.2026	
Mr.S.D.R.Arudpragasam	1	1	1	1	4/4
Mr. S.Shanmugalingam	1	1	1	1	4/4
Mr. S. Rajaratnam	1	1	1	1	4/4
Mr. Amrit Rajaratnam	1	-	1	-	2/4
Mr. Anushman Rajaratnam	1	1	1	1	4/4
Mr. E.D.P.Soosaipillai	1	1	1	1	4/4
Mr. A.I.Piyadigama	1	1	1	1	4/4

Fit & Proper Assessment

The Company's fit and proper assessment for Directors is in line with the guidelines set out in the Listing Rules and include criteria on honesty, integrity and reputation, competence and capability and financial soundness. The Chairman and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the Colombo Stock Exchange .

Company Secretary and Independent Professional Advice

The Company and all the Directors may seek advice from Corporate Managers & Secretaries (Private) Limited (CMSL) who are qualified to act as Secretaries as per the provisions of the Companies Act No. 07 of 2007. CMSL assists the Board in ensuring that Board procedures are followed and that relevant rules and regulations are complied with. The Board in discharging its duties seeks independent professional advice from external parties when necessary.

Chairman's Role

The Chairman is a Non-Executive Director and is responsible for leading the Board to effectively discharge Board functions. He conducts Board proceedings in a manner which always ensures the following:

- The effective participation of all Directors.
- Encourages an effective contribution from Directors within their respective capabilities, for the benefit of the Company.
- Ascertains the views of Directors on issues under consideration.

The Board is in complete control of the Company's affairs and is alert to its obligation to all shareholders and other stakeholders.

Financial Acumen

Presently the Board comprises of five Finance Professionals who possess the knowledge to offer the Board the necessary guidance on matters of finance.

Directors - Other Directorships

The details pertaining to the names of the companies (in Sri Lanka) in which the Directors serve as a Director or Key Management Personnel are presented on pages 20 to 22.

Compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance

The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on page 10 to 19.

The Company has inadvertently not complied with Rule 9.14.6 of the Listing Rules in relation to Related Party Transactions requiring Shareholder approval. An Extraordinary General Meeting is being convened to rectify the non-compliance.

Through the implementation of robust internal controls, risk management systems, and stakeholder engagement mechanisms, the Company demonstrates its ongoing commitment to ethical conduct, regulatory compliance, and sustainable value creation. These initiatives collectively reinforce the integrity and resilience of York Arcade Holdings PLC's governance framework.

Relations with Shareholders

Constructive use of Annual General Meeting (AGM) and Conduct of General Meetings.

The Board makes use of the Annual General Meeting/General Meetings to communicate with shareholders and encourages their active participation. The Board considers the AGM/General Meetings as an opportunity to maintain a responsible dialogue with shareholders and welcomes their suggestions. These meetings provide shareholders with the ability to engage with the Board and discuss matters concerning the Company.

The policy on Relations with Shareholders and Investors is available on the Company's website www.yorkarcadeholdings.com, where details of contact persons are also provided. Major issues and concerns of shareholders are communicated to all Directors by the Senior Management, Corporate Secretaries, Managers, and Registrars of the Company.

Major Transactions

There have been no transactions during the year under review which fall within the definition of "Major Transactions" under Section 185 of the Companies Act No. 07 of 2007.

Accountability and Audit, Financial Reporting and Going Concern

The Board undertakes the responsibility for the preparation and presentation of financial statements and ensures that they are prepared and presented in accordance with the Sri Lanka Accounting Standards adopted by The Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

The Board values the timely publication of Annual and Quarterly results and other price-sensitive information enabling shareholders to make effective economic decisions and takes all reasonable steps to comply with the statutory requirements and procedures laid down by the Colombo Stock Exchange and the Securities and Exchange Commission with regard to those publications.

Corporate Governance (*Contd.)*

The Annual Report of the Board of Directors presents a balanced and understandable assessment of the Company's financial position, performance and future prospects.

The Directors, after making necessary inquiries and reviews of the Company's financial performance, position, future cash flows and potential borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue as "a going concern" in the foreseeable future. Further, the Directors do not intend either to liquidate or cease its operations and therefore, the "going concern assumption" adopted in the preparation of the financial statements is appropriate.

All statutory and material declarations are highlighted in the Annual Report of the Board of Directors.

Compliance with Legal Requirements
The Board is conscious of its responsibility to the shareholders, the Government and the Society in which it operates and is explicitly committed to upholding ethical behaviour in conducting its business. The Company obtains legal advice from appropriately qualified and experienced legal professionals on a timely basis.

Remuneration Committee
All members of the Board are Non-Executives to whom Directors fees are paid. Further, the Company does not employ a Chief Executive Officer or a Chief Financial Officer and all managerial and secretarial services are provided by Corporate Managers & Secretaries (Pvt) Limited to whom a fee is paid.

The Remuneration Committee Report is set out on page 26 of this report.

Audit Committee
The Report of the Audit Committee is set out on pages 24 and 25 of this Annual Report.

Related Party Transactions Review Committee
The Related Party Transactions are disclosed in Note 22 on pages 51 and 52.

The Report of the Related Party Transactions Review Committee appears on page 27.

Company Policies
York Arcade Holdings PLC has established a comprehensive suite of corporate policies that align with the Listing Rules of the Colombo Stock Exchange (CSE) and reflect the Company's commitment to ethics, governance, transparency, and sustainable business practices. These policies encompass key areas such as:

- Matters relating to the Board of Directors`
- Board Committees
- Corporate Governance, Nominations, and Re-election
- Remuneration
- Internal Code of Business Conduct and Ethics
- Risk Management and Internal Controls
- Relations with Shareholders and Investors
- Environmental, Social, and Governance (ESG) Sustainability
- Control and Management of Company Assets and Shareholder Investments
- Corporate Disclosures
- Whistleblowing
- Anti-Bribery and Corruption

These policies are publicly accessible on the company's website at www.yorkarcadeholdings.com ensuring transparency and adherence to best practices in corporate governance.

Corporate Governance (*Contd.)*

Adherence to the Corporate Governance Rules of the Colombo Stock Exchange

Rule		Adherence
9.2	**Policies**	
9.2.1	**Establish and maintain the following policies**	Complied
	a) Matters relating to the Board of Directors b) Board Committees c) Corporate Governance, Nominations and Re-election d) Remuneration e) Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Risk management and Internal controls g) Relations with Shareholders and Investors h) Environmental, Social and Governance Sustainability i) Control and Management of Company Assets and Shareholder Investments j) Corporate Disclosures k) Whistleblowing l) Anti-Bribery and Corruption	
9.2.2.	Any waivers from compliance with the Internal code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report	Not Applicable
9.2.3.	Listed entities shall disclose in its Annual Report. (i) The list of policies that are in place in conformity rule 9.2.1. above with reference to its website. (ii) Details pertaining to any changes to policies adopted by the Listed Entites in compliance with Rule 9.2 above	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon written request being made for any such Policy.	Will be made available when requests are received.
9.2.5	i. If a Listed Entity fails to comply with Rule 9.2.1, the Exchange will issue a Notice of Show Cause, granting seven (7) Market Days to provide reasons for the non-compliance. ii. If no response is received within the given time or if the explanation is deemed insufficient, enforcement measures will follow as outlined below: a. A letter of warning will be issued by the Exchange. b. If the Entity fails to rectify the non-compliance within three (3) months from the date of the warning letter, a penalty of Rs. 250,000 will be imposed. iii. The Exchange will make a Market Announcement regarding the non-compliance, enforcement action, and penalty. The penalty must be settled within seven (7) Market Days from notification. Failure to do so will result in referral to the SEC under Section 65 of the SEC Act.	Not Applicable
9.3	**BOARD COMMITTEES**	
9.3.1	**Establishment of Committee**	
	(a) Nominations and Governance Committee	Complied
	(b) Remuneration Committee	Complied
	(c) Audit Committee	Complied
	(d) Related Party Transactions Review Committee.	Complied
9.3.2	Compliance with composition, responsibilities and disclosures required in respect of the above Board committees	Complied
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees	Complied
9.4	**ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS**	
9.4.1	Maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied

Corporate Governance (*Contd.)*

Rule		Adherence
9.4.2.	**Communication and relations with shareholders and investors** a) Have a policy on effective communication and relations with shareholders and investors b) Disclose the contact person for such communication. c) Policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders d) When conducting of any shareholder meetings through virtual or hybrid means, compliance with the Guidelines issued by the Exchange	Complied
9.5	**POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS**	
9.5.1	Establish and maintain formal policy governing matters relating to the Board	
	a) Composition and Board Balance (Executive and Non-Executive), Role and function of Chairman and CEO and Procedure for Appraisal of Board Performance and appraisal of CEO	Complied
	b) Where Role of Chairman and CEO are combined Appointment of SID-Establish Board Charter inclusive of functions and safeguards for SID	Not Applicable
	c) Board diversity - experience, skills, competencies, age, gender, industry requirements d) Maximum number of Directors and rationale e) Frequency of Board meetings f) Mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, h) Requirements relating to trading in securities of the Listed Entity and its listed group Companies and disclosure of such requirements i) Specify the maximum number of directorships in Listed Entities that may be held by Directors. j) Participation at meeting of the Board and Board committees by audio visuals means and participation to be taken into account when deciding the quorum.	The company has established the Policy on Matters relating to the Board as Directors' and it is published on the Corporate Website
9.5.2	Confirm compliance of 9.5.1. in Annual Report – If non compliant provide explanations with reasons and proposed remedial action.	Complied
9.6	**CHAIRPERSON AND CEO**	
9.6.1	Chairperson shall be a Non-Executive Director	Complied
	Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed	Not Applicable
9.6.2	Market Announcement in the event Chairperson is an Executive Director and / or the positions of Chairman and CEO are held by the same individual.	Not Applicable
9.6.3	**The Requirement for a SID**	
	(a) Appoint of an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties (b)-(e) Responsibilities and duties of SID	Not Applicable
9.6.4	Set out the rationale for appointment of SID in the Annual Report	Not Applicable
9.7	**FITNESS OF DIRECTORS AND CEOS**	
9.7.1	a) Listed Entities shall ensure that the Directors and CEO are at all times fit and proper persons as required in terms of these Rules. b) In evaluating fitness and propriety of the persons referred in these Rules. Listed Entities shall utilize the Fit and Proper Assessment Criteria set out in Rule 9.7.3 below.	Complied
9.7.2	Listed Entities shall ensure that the persons recommended by the Nominations and Governance Committee as Directors are fit and proper before such nominations are placed before Shareholders' meeting or appointments.	Complied
9.7.3	**'Fit and Proper Assessment Criteria' set out in Rule 9.7.3** a) Honesty, Integrity and Reputation – (i)-(vii) b) Competence and Capability –(i)-(ii) c) Financial Soundness –(i)-(iii)	Complied
9.7.4	Declarations to be obtained from Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied

Corporate Governance (*Contd.)*

Rule	Adherence
9.7.5 Disclosures in the Annual Report (a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken to rectify non compliance	Complied Not Applicable
9.8 BOARD COMPOSITION	
9.8.1 The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2 Minimum Number of Independent Directors: (a) At least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied
9.8.3 Criteria for determining independence:	
A Director shall not be considered independent if he/she: (i) Has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director (ii) Currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) Currently has/had during the preceding financial year a close Family Member who is a Director and/or CEO in the Listed Entity. (iv) Has a Significant Shareholding in the Listed Entity. (v) Has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) Is employed in another Company or business; a) a) In which a majority of the other directors of the Listed Entity are employed or are directors; or b) In which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c) That has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) Is a director of another Company; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; or b) That has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) Has a Material Business Relationship or a Significant Shareholding in another company or business; a) In which a majority of the other Directors of the Listed Entity are employed or are Directors; and/or b) Which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c) Where the core line of business of such Company is in direct conflict with the line of business of the Listed Entity. (ix) Is above the age of seventy (70) years. Provided that a person above the age of seventy (70) years may nevertheless be considered independent if compliant with Rule 9.8.3 (ix) (a) to (d) and the requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	Complied.
9.8.5 The Board of Directors of Listed Entities shall require:	
(a) Each Independent Director to submit a signed and dated declaration annually	Complied
(b) Make an annual determination as to the “independence” of Independent Director and set out the names of Directors determined to be ‘independent’ in the Annual Report.	Complied
(c) If independence is impaired against any of the criteria set out in Rule 9.8.3, an immediate Market Announcement is required	Not applicable
9.8.6 Enforcement Actions for Non-Compliance with Rules 9.8.1 and 9.8.2 A. In the event a Listed Entity fails to comply with Rules 9.8.1 and/or 9.8.2 of these Rules B. Where a Listed Entity has failed to comply with Rules 9.8.1 or 9.8.2 and has not disclosed of such noncompliance to the Exchange or the market:	Complied with Rule 9.8.1 and 9.8.2 9.8.6 A and B Not Applicable

Corporate Governance (*Contd.)*

Rule		Adherence
9.9	**ALTERNATE DIRECTORS**	
	Compliance with the following requirements and such requirements shall also be incorporated into the Articles of Association a) Alternate Directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive Director. c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. d) Immediate Market Announcement regarding the appointment of an Alternate Director e) Attendance of Alternate Director to be counted for the purpose of quorum at Board and Board Committee meetings.	Not applicable
9.10.	**DISCLOSURES RELATING TO DIRECTORS**	
9.10.1	Disclose its policy on the maximum number of directorships in Listed Entities Board members shall be permitted to hold as per Rule 9.5.1. Non compliance to be reported in the Annual Report. . (maximum number of Listed Company Directorships - 25)	Complied.
9.10.2	Market announcement on appointment of new Director (i - iii)	Not Applicable
9.10.3	Immediate Market Announcement regarding any changes to the composition of the Board Committees (i - ii)	Not Applicable
9.10.4	**Disclosure in Annual Report - Directors details** - Name, qualifications and brief profile - Nature of his/her expertise in relevant functional areas - Whether either the Director or Close Family Members has any material business relationships with other Directors - Whether Executive, Non-Executive and/or independent Director - Total number and names of Companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) - Number of Board meetings attended - Names of Board Committees in which the Director serves as Chairperson or a member - Attendance of committee meetings	Complied
	- TOR powers of SID	Not Applicable
9.10.5	**Non-Disclosure of Changes to Board and Committees** A. Failure to disclose new appointments or changes to the Board of Directors B. Failure to disclose changes to the composition of Board Committees in terms of Rule 9.10.3 (ii)	Not Applicable
9.11	**NOMINATIONS AND GOVERNANCE COMMITTEE**	Refer Nomination and Governance Committee Report
9.11.1	Establishment of Nominations and Governance Committee	Complied
9.11.2	Maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	
9.11.3	Written terms of reference	
9.11.4	**Composition**	
	(1) The members of the Nominations and Governance Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (2) An Independent Director shall be appointed as the Chairperson (3) Identify Members in the Annual Report	

Corporate Governance (*Contd.)*

Rule	Adherence
9.11.5 Functions	
(i) Evaluate the appointment of Directors to the Board of Directors and Board Committees (ii) Recommend (or not recommend) the re-appointment/ re-election of current Directors (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors (iv) Establish and maintain a set of criteria for selection of Directors (v) Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop a succession plan for the Board of Directors and Key Management Personnel (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices. (ix) Periodically review and update the Corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	Complied
9.11.6 Disclosures in Annual Report	
Nomination & Governance Committee Report and contents to be incorporated -Sections (a)-(m)	Complied
9.12 REMUNERATION COMMITTEE	Refer Remuneration Committee Report Complied
9.12.1 The term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received	
9.12.2 Establishment of Remuneration Committee	
9.12.3 Establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	
9.12.4 Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	
9.12.5 Written terms of reference	
9.12.6 Composition	
(1) The members of the Remuneration Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity (3) An Independent Director shall be appointed as the Chairperson.	
9.12.7 Functions	
(1) Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) Engage any external Consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO	
9.12.8 Disclosure in Annual Report	
a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors	

Corporate Governance (*Contd.)*

Rule	Adherence
9.13 AUDIT COMMITTEE	Refer Audit Committee Report
9.13.1 Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions.	Complied
9.13.2 Written terms of reference	Complied
9.13.3 Composition	
(1) The members of the Audit Committee shall; (a) Comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors. (b) Not comprise of Executive Directors of the Listed Entity	Complied
(2) Quorum - requires that the majority of those in attendance to be independent directors.	Complied
(3) Compulsorily to meet on a quarterly basis prior to recommending the financials to be released to the market.	Complied
(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation	Representatives of the Managers & Secretaries were in attendance by invitation.
(6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
9.13.4 Functions Detailed in Rule (1) (i) –(xiii) and (2)	Complied
9.13.5 Disclosures in Annual Report **Audit Committee Report** (a) Names of chairperson and members with nature of directorship (b) Status of risk management and internal control – Company and group (c) Statement on CEO and CFO assurance on operations and finances (d) Opinion on compliance with Financial reporting requirements, information requirements Listing Rules, Companies Act, SEC Act and any other requirements. (e) Availability of formal Audit Charter (f) Internal audit assurance and summary of the work internal audit function (g) Details demonstrating effective discharge of functions and duties (h) Statement on external auditors' assurance on their independence (i) Confirmation on determining auditor's independence	Complied
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	Refer Related Party Transactions Review Committee Report
9.14.1. Establishment of Committee Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules	Complied
9.14.2 Composition (1) The Related Party Transactions Review Committee shall comprise of;	Complied
- Minimum three (03) Directors out of which a minimum of two (02) members shall be Independent Directors - May comprise of Executive Directors - An Independent Director shall be appointed as the Chairperson	Complied

Corporate Governance (*Contd.)*

Rule	Adherence
9.14.3 Functions (1) Committee shall be responsible for reviewing the Related Party Transactions (2) Objective - ensure that the interests of shareholders as a whole are taken into account when entering into Related Party Transactions. (3) The objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) Establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Complied
9.14.4 General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) Should ensure having access to, enough knowledge or expertise to assess or aspects of proposed Related Party Transactions, and where necessary obtain appropriate professional and expert advice from appropriately qualified person when necessary. (3) Board of Directors to approve RPT when required by the committee	Complied
(4) If a Director has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) Be present while the matter is being considered at the meeting; and, (b) Vote on the matter.	Not Applicable
9.14.5 Review of Related Party Transactions by the Related Party Transactions Review Committee (1-6)	Complied
9.14.6 Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transaction. A) Non-recurrent transaction i) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements ii) Transactions exceeding one third (1/3) of the Total Assets as per the latest Audited Financial Statements when aggregated with other non- recurrent transactions entered into with the same Related Party during the same financial year iii) Acquisition of substantial asset from, or disposal of a substantial asset to, any Related Party of the Entity or its associates	The Company is non compliant with rule 9.14.6(1)A (i)(b) referred to under Corporate Governance and in the Related Party Transactions Review Committee Report. An EGM has been convened to rectify the non compliance. The Company has complied with regard to other matters on non recurrent transactions.
B) Recurrent transaction (i) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements; or (ii) One third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same Financial year; and; (iii) The transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favorable to the Related Party than those generally available to the public.	Not Applicable

Corporate Governance (*Contd.*)

Rule	Adherence
9.14.7 Disclosures	
(1) Immediate Disclosures	
A Listed Entity shall make an immediate Market Announcement to the Exchange (a) Any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) Of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same Financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the Financial year.	Complied
9.14.8 Disclosures in the Annual Report	Complied All Recurrent transactions although exempt which exceeded the disclosure threshold are given in Note 22.2
9.14.9 Acquisition and Disposal of Assets From/to Related Parties 1) Shareholder approval is required by Special Resolution for the acquisition from or disposal of substantial assets to Related Companies. [Subject to exemptions as per Rule 9.14.9 (3)] 2) Substantial value of the asset or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets. (3) Rule 9.14.9(1) does not apply to: a) Transactions between the Listed entity and a wholly owned subsidiary. b) Transaction between wholly owned subsidiaries of the Listed Entity. c) Takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended). d) Any transaction entered into by the Listed Entity with a bank as principal, on arm's length terms and in the ordinary course of it's banking business. (4) a) The Related Party Transactions Review Committee should obtain competent independent advice from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under the consideration. b) Person who is in the same group of the Listed Entity or significant interest in or financial connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice. (5) Independent advice obtained should be circulated with the notice of meeting to obtain the shareholder approval (6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include: a) Key assumptions, conditions or restrictions that impact the estimate value. b) The different valuation methodologies considered in valuing the subject asset/s and justification for adopting one or more of them in the valuation. c) Sources of information relied upon for the valuation. d) Identity of individuals participating in the valuation assignment and their qualifications. e) Confirmation of the independence of the parties participating in the advice. f) A statement as to whether the transaction is on usual commercial terms, in ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders.	Not Applicable

Corporate Governance (*Contd.)*

Rule	Adherence
9.14.10 Exempted Related Party Transactions	Complied
(a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public. (b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares. (c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules). (d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction. (e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, Finance Companies or insurance Companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka. (f) Directors' fees and remuneration, and employment remuneration	
9.15 PENALTIES FOR NON-COMPLIANCE WITH BOARD COMMITTEE COMPOSITION REQUIREMENTS	Not Applicable
A. When a Listed Entity fails to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6), or 9.14.2 (i) - (vi) B. Where a Listed Entity has failed to comply with Rules 9.11.4(1), 9.11.4(2), 9.12.6, 9.13.3(1), 9.13.3(4), 9.13.3(6) or 9.14.2 and has not disclosed of such non-compliance to the Exchange or the market: - If non-compliance is rectified: (a) - (b) - If non-compliance is not rectified: (c) - (e)	Complied
9.17 ADDITIONAL DISCLOSURES BY BOARD OF DIRECTORS	Complied
(i) Declared all material interests in contracts involving the entity and that they have refrained from voting on matters in which they were materially interested (ii) Conducted a review of the internal controls covering Financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; (iii) Made arrangement to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; (iv) Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	

Corporate Governance (*Contd.)*

Rule	Adherence
9.18 ENFORCEMENT PROCEDURE FOR NON-COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS	
a) Immediate Market Announcement on non compliance in the event of failure to comply with any of the requirements contained in Rules 9.3.1, 9.8.1, 9.8.2(a), 9.11.4(1),9.11.4(2), 9.12.6, 9.13.3(1),9.13.3(4),9.13.3(6) or 9.14.2 about such non-compliance within one (1) Market Day from the date of the non-compliance. Announcement shall be repeated on the first (1st) Market Day of each calendar month until the Entity becomes compliant with these Rules. b) The non-compliance must be rectified within three (03) months from the date of non-compliance. c) If not rectified within three months, the Entity's Securities shall be transferred to the Watch List immediately upon the expiration of the said period.. d) While the Securities are on the Watch List, Directors, CEO, their Close Family Members, parent Entity, and entities where they hold 50% or more voting rights, cannot transact in the Entity's Securities without prior SEC approval. This restriction continues for three (03) months after resignation or until compliance is restored—whichever is earlier. e) Upon being placed on the Watch List, the Entity must make a Market Announcement including: -The remedial action proposed within six (06) months. -The following statements: i) Any change in the plan will be announced within 1 Market Day after Board approval. ii) If the plan is not implemented within 6 months, trading will be suspended. iii) If suspension lasts more than 6 months, delisting will follow. f) At the first General Meeting following the transfer to the Watch List, shareholders must be informed of the non-compliance, remedial actions, and that continued failure will result in suspension and potential delisting. g) The outcome of the above General Meeting must be announced to the Market by the next Market Day, including any decisions made. h) The Entity must rectify non-compliance within six (06) months from the date of Watch List transfer. i) Failure to comply within six months will result in trading suspension. The Exchange will also announce the enforcement action and any penalties imposed. j) In addition to actions under 9.18(c) and 9.18(i), the Exchange shall impose penalties on the Listed Entity and/or its Directors as of the date of non-compliance. k) If suspension exceeds six (06) months, the Securities shall be delisted under Rule 11.3. l) The Exchange's decision to delist the Securities and any attached conditions shall be communicated to the SEC."	Not Applicable

Corporate Governance (*Contd.)*

DETAILS IN RESPECT OF DIRECTORS

The following table illustrates the total number of Board seats held by each Director of the Company.

Abbreviations:

C	-	Chairman	**NE**	-	Non-Executive Director	**JMD**	-	Joint Managing Director
DC	-	Deputy Chairman	**INE**	-	Independent Non-Executive Director	**CEO**	-	Chief Executive Officer
EC	-	Executive Chairman	**GMD**	-	Group Managing Director	**D**	-	Director
EX	-	Executive Director	**MD**	-	Managing Director	**Alt**	-	Alternate Director

PUBLIC QUOTED COMPANIES	**Mr. S.D.R. Arudpragasam**		**Mr. S. Shanmugalingam**		**Mr. S. Rajaratnam**		**Mr.Amrit Rajaratnam**		**Mr. Anushman Rajaratnam**		**Mr. Eugen Duliksha Pratharp Soosaipillai**		**Mr. Asoka Indrasiri Piyadigama**	
York Arcade Holdings PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE
The Colombo Fort Land and Building PLC*	✓	C/NE	-	-	✓	NE	✓	NE	✓	GMD/EX	-	-	-	-
C M Holdings PLC*	✓	C/NE	-	-	✓	NE	✓	NE	✓	NE	✓	INE	✓	INE
Lankem Ceylon PLC*	✓	C/NE	-	-	-	-	-	-	✓	EX	-	-	-	-
Lankem Developments PLC*	✓	C/NE	-	-	-	-	-	-	✓	NE	-	-	-	-
Kotagala Plantations PLC*	✓	C/NE	-	-	-	-	-	-	✓	NE	-	-	-	-
Agarapatana Plantations PLC*	✓	C/NE	-	-	-	-	-	-	✓	NE	-	-	-	-
E.B. Creasy & Company PLC*	✓	C/MD/EX	-	-	✓	JMD/EX	-	-	-	-	-	-	-	-
Muller & Phipps (Ceylon) PLC*	✓	C/NE	-	-	✓	NE	-	-	-	-	-	-	-	-
Laxapana PLC*	✓	C/NE	-	-	✓	NE	-	-	-	-	-	-	-	-
Beruwala Resorts PLC*	✓	C/NE	-	-	✓	NE	✓	NE	✓	NE	-	-	-	-
Marawila Resorts PLC*	✓	C/NE	-	-	✓	NE	✓	NE	✓	NE	-	-	-	-
Sigiriya Village Hotels PLC*	✓	C/NE	-	-	✓	NE	✓	NE	✓	NE	-	-	-	-
C W Mackie PLC*	✓	C/NE	-	-	✓	NE	-	-	✓	NE	-	-	-	-
ACME Printing & Packaging PLC*	✓	NE	-	-	-	-	-	-	✓	NE	-	-	-	INE
Colombo Fort Investments PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	NE	-	-	-	-
Colombo Investment Trust PLC*	✓	C/NE	✓	NE	✓	NE	✓	NE	✓	NE	-	-	-	-
ACME Packaging Solutions (Private) Limited*	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Alliance Five (Private) Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
American Lloyd Travels Limited*	✓	D	✓	D	✓	D	✓	D	✓	D	-	-	-	-
Associated Farms (Private) Limited*	✓	C	-	-	-	-	-	-	-	-	-	-	-	-
BOT Hotel Services (Private) Limited*	✓	C	-	-	✓	D	-	D	-	-	-	-	-	-
C. F. Travels Limited*	-	-	-	-	✓	D	-	D	-	-	-	-	-	-
C. W. M. Hotels Holdings Limited	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Candy Delights Limited*	✓	C/MD	-	-	✓	JMD	-	-	-	-	-	-	-	-
Capital Finance Limited	-	-	-	-	✓	D	-	-	-	-	-	-	-	-
Capital Investments Limited*	✓	D	✓	D	-	-	-	-	-	-	-	-	-	-
Capital Leasing Company Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Century Equity Trust Limited	✓	D	-	-	-	-	-	-	-	-	-	-	-	-
Ceyflex Rubber Limited*	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
Ceylon Tapes (Private) Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Ceytape (Private) Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
City Investment Services (Private) Limited	-	-	✓	D	-	-	-	-	-	-	-	-	-	-
Colombo Fort Group Services (Private) Limited*	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Colombo Fort Holdings Limited*	✓	D	-	-	✓	D	-	-	-	-	-	-	-	-
Colombo Fort Hotels Limited*	✓	C	-	-	✓	D	✓	D	✓	D	-	-	-	-
Colombo Fort Properties (Private) Limited*	-	-	✓	D	-	-	-	-	✓	D	-	-	-	-

Corporate Governance (*Contd.)*

PUBLIC QUOTED COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Shanmugalingam		Mr. S. Rajaratnam		Mr.Amrit Rajaratnam		Mr. Anushman Rajaratnam		Mr. Eugen Duliksha Pratharp Soosaipillai		Mr. Asoka Indrasiri Piyadigama	
Colombo Fort Travels Limited*	✓	D	-	-	✓	D	✓	D	-	-	-	-	-	-
Colombo Residencies (Private) Limited	✓	D	-	-	-	-	-	-	-	-	-	-	-	-
Colonial Motors (Ceylon) Limited*	✓	C	-	-	✓	D	-	-	✓	D	-	-	-	-
Company Holdings (Private) Limited	✓	D	-	-	✓	D	-	-	-	-	-	-	-	-
Consolidated Commercial Investments (Private) Limited	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Consolidated Holdings (Private) Limited	✓	D	✓	D	-	-	-	-	✓	D	-	-	-	-
Consolidated Tea Plantaions Limited*	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Consolidated Trust (Private) Limited	-	-	✓	D/Alt	-	-	-	-	-	-	-	-	-	-
Corporate Holdings (Private) Limited	-	-	✓	D	-	-	-	-	-	-	-	-	-	-
Corporate Strategic Services (Private) Limited	-	-	✓	D	-	-	-	-	-	-	-	-	-	-
Corporate Systems Limited*	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
Creasy Plantation Management Limited*	✓	D	-	-		-	-	-	-	-	-	-	-	-
Darley Butler & Company Limited*	✓	C/MD	-	-	✓	JMD	-	-	-	-	-	-	-	-
E B Creasy Ceylon (Private) Limited*	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
E. B. Creasy Logistics Limited*	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
E.B. Creasy Trading Limited*	✓	D	-	-	✓	D	-	-	-	-	-	-	-	-
Far Eastern Exports (Colombo) Limited	✓	D	-	-	-	-	✓	D	✓	D	-	-	-	-
Financial Trust Limited	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Fortland Finance Limited	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
Galle Fort Hotel (Private) Limited*	✓	D	-	-	✓	D	✓	MD	✓	D	-	-	-	-
Guardian Asset Management Limited*	✓	D	✓	D	✓	D	-	-	-	-	-	-	-	-
Glenford Investments (Pvt) Ltd	-	-	✓	D/Alt	-	-	-	-	✓	-	-	-	-	-
Great Eastern Resorts Ltd	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Group Three Associate (Private) Limited*	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
Horton Plains Resorts and Spa Limited	-	-	-	-	-	-	✓	D	✓	D	-	-	-	-
Imperial Hotels Limited*	✓	C	-	-	✓	D	✓	D	✓	D	-	-	-	-
J.F.Packaging PLC	✓	C/NE	-	-	-	-	-	-	✓	NE /D	-	-	-	-
JF Ventures Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Kiffs (Private) Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lake Investments (Private) Limited	-	-	-	-	-	-	✓	D	-	-	-	-	-	-
Lanka Special Steel Limited*	✓	C	-	-	✓	D	-	-	-	-	-	-	-	-
Lankem Agrochemicals Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Cargo Storage Limited*	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Chemicals Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Consumer Products Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Exports (Private) Limited*	✓	C	-	-	-	-	-	-	-	-	-	-	-	-
Lankem Minerals Limited*	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Paints Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Plantation Services Limited*	✓	D	-	-	-	-	-	-	-	-	-	-	-	-
Lankem Research Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Tea & Rubber Plantations (Private) Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Lankem Technology Services Limited*	✓	C	-	-	-	-	-	-	-	-	-	-	-	-
Maitland & Knox (Private) Limited	✓	D	-	-	✓	D	✓	D	✓	D	-	-	-	-
E.B. Creasy Milk Foods Limited	✓	D	-	-	✓	D	-	-	-	-	-	-	-	-
Guardian Trustees Limited	-	-	✓	D	-	-	-	-	-	-	-	-	-	-
Equity Holdings (Pvt) Limited	-	-	-	Alt	-	-	-	-	-	-	-	-	-	-

Corporate Governance (*Contd.)*

PUBLIC QUOTED COMPANIES	Mr. S.D.R. Arudpragasam		Mr. S. Shanmugalingam		Mr. S. Rajaratnam		Mr.Amrit Rajaratnam		Mr. Anushman Rajaratnam		Mr. Eugen Duliksha Pratharp Soosaipillai		Mr. Asoka Indrasiri Piyadigama	
Mayfield Investments (Private) Limited	-	-	-	-	-	-	-	-	✓	D	-	-	-	-
Motor Mart Ceylon (Private) Limited*	✓	D	-	-	✓	D	-	-	✓	D	-	-	-	-
Muller & Phipps (Health Care) Limited	✓	C	✓	D	✓	D	-	-	-	-	-	-	-	-
Nature's Link Limited*	✓	C	-	-	-	-	-	-	-	-	-	-	-	-
Nutriklim (Ceylon) Limited*	✓	D	-	-	✓	D	-	-	-	-	-	-	-	-
Oakley Investments (Private) Limited	✓	D	-	-	✓	D	✓	D	✓	D	-	-	-	-
Property and Investment Holdings (Private) Limited	✓	D	-	-	✓	D	✓	D	✓	D	-	-	-	-
Rubber & Allied Products (Colombo) Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Sherwood Holidays Limited*	✓	C	-	-	✓	D	✓	D	-	-	-	-	-	-
Sigiriya Resorts Limited*	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Sunagro Farms Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Sunagro Lifescience Limited*	✓	C	-	-	-	-	-	-	✓	D	-	-	-	-
Sunrise Resorts Limited	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Teacom (Private) Limited*	✓	C	-	-	-	-	✓	D	✓	D	-	-	-	-
Transways (Private) Limited*	-	-	✓	D	✓	D	✓	D	✓	D	-	-	-	-
Tropical Beach Resorts Limited	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Trust Holdings & Investments (Private) Limited	-	-	✓	D/Alt	-	-	-	-	-	-	-	-	-	-
Udaveriya Plantations Limited	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Unicom Clearing and Forwarding (Private) Limited*	✓	C	-	-	-	-	✓	D	✓	D	-	-	-	-
Union Commodities (Private) Limited*	✓	C	-	-	-	-	✓	D	✓	MD	-	-	-	-
Union Commodities Exports (Private) Limited*	✓	C	-	-	-	-	✓	D	✓	D	-	-	-	-
Union Commodities Teas (Private) Limited*	✓	C	-	-	-	-	✓	D	✓	D	-	-	-	-
Union Group (Private) Limited*	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
Union Investments (Private) Limited*	✓	D	✓	D	✓	D	-	-	✓	D	-	-	-	-
Union Travels Limited*	-	-	✓	D	-	-	-	-	-	-	-	-	-	-
Vanya Safaris (Private) Limited	-	-	-	-	-	-	✓	D	-	-	-	-	-	-
Villa Investments (Private) Limited	-	-	-	-	✓	D	-	-	-	-	-	-	-	-
Voyages Ceylan (Private) Limited*	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Waverly Power (Private) Limited*	✓	C	-	-	✓	D	✓	D	✓	D	-	-	-	-
Weligama Hills Limited	✓	D	-	-	-	-	-	-	✓	D	-	-	-	-
York Conventions (Private) Limited	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
York Hotel Management Services Limited*	✓	C	✓	D	✓	D	✓	MD	✓	D	-	-	-	-
York Tours Limited*	-	-	-	-	✓	D	✓	D	✓	D	-	-	-	-
Finlays Colombo Limited	-	-	-	-	-	-	-	-	-	-	✓	INE	-	-
Sterling Steels (Private) Limited*	✓	D	-	-	✓	D	-	-	-	-	-	-	-	-
Kelani Valley Canneries Limited*	-	-	-	-	-	-	-	-	✓	D	-	-	-	-
Sunquick Lanka (Private) Limited*	-	-	-	-	-	-	-	-	✓	D	-	-	-	-
Sunquick Lanka Properties (Private) Limited*	-	-	-	-	-	-	-	-	✓	D	-	-	-	-
Lanka Agro Plantations Limited	-	-	-	-	-	-	✓	D	✓	D	-	-	-	-
Cambodian Rubber Plantations PTE Limited	-	-	-	-	-	-	✓	D	✓	D	-	-	-	-
Consolidated Rubber Plantations PTE Limited	-	-	-	-	-	-	✓	D	✓	D	-	-	-	-

The Companies with an "*" are subsidiaries or associates of The Colombo Fort Land and Building Group.

Note : -

Mr.Anushman Rajaratnam was appointed as Managing Director for Union Commodities (Private) Limited on 16th May 2025.

Mr.S.D.R Ardupragasam was appointed as Non Executive Chairman of C. W Mackie PLC w.e.f. 1st April, 2026.

Further, Mr.S.D.R Arudpragasam was appointed Non - Executive Chairman of Colonial Motors (Ceylon) Limited w.e.f 2nd April, 2026.

Risk Management Report

Risk management is a mission critical function of York Arcade Holdings PLC. Our corporate strategy mandates the identification and assessment of all risks that underpin our corporate objectives. It is important to prevent the business from being adversely impacted by these risks and to mitigate and manage them in order to maximize positive outcomes.

Our risk management philosophy involves identifying and taking steps to reduce and eliminate the exposure to potential losses faced by the Company. In managing the Company's risks, many tools and techniques including but not limited to a comprehensive Risk Register, a Risk Grid and discussions at the board meetings have been designed and implemented sucsessfully.

Risk Factors Operational Risk

Operational risk relates to the effectiveness of our people, integrity of our internal systems and processes as well as external events that affect the operation of our businesses. It includes quality of the maintenance and ancillary services, business disruption, human resources and reputation.

Legal and Compliance Risk

Legal and compliance risk relates to changes in the Government and regulatory environment, regulatory and statutory compliance requirements of policies and procedures, including those relating to financial reporting, environmental, health and safety, and intellectual property risks. Government and regulatory risk is the risk that the Government or regulatory authorities will impose changes to the Company's enabling laws and regulations, which will result in additional costs or cause changes to the business models or practices.

Financial Risk

Financial risk relates to our ability to meet financial obligations and mitigate credit risk, liquidity risk and exposure to broad market risks, including interest rates, commodity price risk and the market prices of publicly tradable securities the Company invests. Liquidity risk is the risk of being unable to accommodate liability maturities, fund asset growth and meet contractual obligations through access to funding at reasonable market rates. Credit risk is the risk of financial losses arising from a customer or counterparty failing to meet its contractual obligations to the Company.

The Company faces several operational risks on an ongoing basis. Additional risks and uncertainties not presently known to management, or currently deemed to be less material may have an adverse impact on the business and which the Management endeavours to mitigate at all times.

Audit Committee Report

Focus of Audit Committee

The Audit Committee has the responsibility of assisting the Board in fulfilling its responsibility to the shareholders in relation to the integrity of the Company's financial reporting process in accordance with the Companies Act and other legislative reporting requirements including the adequacy of disclosures in the financial statements in accordance with the Sri Lanka Accounting Standards. The Terms of References of the Audit Committee defines the authority of the Committee and is periodically reviewed and revised with the concurrence of the Board.

Composition

In compliance with Corporate Governance Rules of the Colombo Stock Exchange, the Company constituted its independent Audit Committee comprising the following members.

Mr. E.D.P. Soosaipillai - Chairman, Independent Non-Executive Director
Mr. A.I. Piyadigama - Member, Independent Non-Executive Director
Mr. S. Rajaratnam - Member, Non-Executive Director

The members have varied experience, financial knowledge and business acumen to carry out their role effectively and efficiently. The Chairman of the Committee, Mr. E.D.P. Soosaipillai, Independent Non-Executive Director, is a Fellow member of the Institute of Chartered Accountants of Sri Lanka. The Committee possesses a collective balance of skills experience and expert knowledge in financial oversight and audit, financial expertise and regulatory compliance. All three members are finance professionals. Brief profiles of the Audit Committee members are given on pages 3 to 4.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Audit Committee.

Meetings and Attendance

The Audit Committee has met on 06 occasions during the financial year ended 31st March 2026 and the attendance was as follows:

Name of the Director	15.05.2025	02.06.2025	04.08.2025	28.10.2025	06.02.2026	06.03.2026	
Mr. E.D.P.Soosaipillai	1	1	1	1	1	1	6/6
Mr. A.I.Piyadigama	1	1	1	1	1	1	6/6
Mr. S. Rajaratnam	1	1	1	1	1	1	6/6

Meetings of the Audit Committee were held in each calendar quarter of the financial year.

In addition to these Meetings on several occasions the Committee has also adopted resolutions in writing in relation to matters under the purview of the Audit Committee.

Other members of the Board, and representatives from Corporate Managers & Secretaries (Pvt) Limited, Managers & Secretaries are invited to attend meetings as and when required. The proceedings of the Audit Committee are regularly reported to the Board.

Terms of Reference

The Committee is governed by specific terms of reference set out in the Audit Committee Charter. The Committee focuses on the following objectives in discharging its responsibilities taking into consideration the terms of reference together with the requirements of the Listing Rules of the Colombo Stock Exchange.

a) Risk Management.
b) Effectiveness of the Company's internal controls.
c) Independence and objectivity of the External (Statutory) Auditors.
d) Appropriateness of the principal accounting policies used.
e) Financial Statement integrity and Financial Reporting

Role of the Audit Committee

The Audit Committee principally performs an advisory role to the Board and its main objective is to assist the Board of Directors by advising the management in ensuring that the Company follows best practices of sound financial reporting and adhering to relevant accounting standards and principles, adequacy of internal controls and risk control measures, efficient management reporting systems and adherence to other statutory requirements. In fulfilling this role, the Audit Committee is empowered to examine the financial records of the Company and other communications as necessary in order to ensure that the Company adheres to accepted norms of ethical guidelines, rules and regulations.

The Audit Committee recommends to the Board the appointment or re-appointment of external Auditors ensuring independence and maintains a close professional relationship with them. The Committee also recommends to the Board the fees payable to external Auditors.

Activities during the year

Risk management, internal control and financial reporting

The committee obtained and reviewed the statements from the management confirming that adequate internal control measures are in place and implemented in the Company, including but not limited to a statement of assurance from the Director of Corporate Managers & Secretaries (Private) Limited on the Company's operations and finances. A risk management framework with a Risk Appetite Statement, a quarterly updated Risk Register and Risk Grid were operationalised this year. This will be developed in the next year and be subject to review and improvement over the year.

Audit Committee Report (*Contd.)*

The Audit Committee reviewed the financial reporting system adopted to prepare Financial Statements to ensure that the reliability of the process and consistency of the accounting policies and methods adopted are in compliance with financial reporting requirements, information requirements under the CSE Listing Rules, the Companies Act, the SEC Act, Sri Lanka Accounting Standards (SLFRS/LKAS) and other relevant financial reporting related regulations and requirements.

The Committee satisfied itself that adequate internal controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded.

A formal Internal Audit Charter has been compiled, and the Internal Audit function was implemented and carried out during the year 2025/26 period.

The Committee effectively discharged its function of reviewing and recommending the quarterly unaudited financials and the annual audited financials for approval of the Board.

External Audit

The Company has appointed KPMG Sri Lanka as its External Auditors and the services provided by them are segregated between audit/ assurance services and other advisory services such as tax consultancy.

KPMG Sri Lanka has also issued a declaration as required by the Company's Act No. 07 of 2007 that they do not have any relationship or interest in any of the companies in the Group, which may have a bearing on the independence of their role as Auditors.

The Audit Committee has evaluated the auditor's independence and determined that they are in fact independent and objective in their role. No non-audit work was performed by them or affiliated parties in the year under review, other than tax advisory services. Audit Partner rotation is under review by the committee as is auditor rotation and appropriate recommendations will be made to the Board in the next year.

The Committee after evaluating the independence and performance of the External Auditors has recommended to the Board the reappointment of KPMG Sri Lanka for the financial year ending 31st March, 2027 subject to the approval of the Shareholders at the Annual General Meeting of the Company.

E.D.P. Soosaipillai
Chairman

18th June, 2026

Report of the Remuneration Committee

The main function of the Remuneration Committee is to assist the Board in developing and administering an equitable and transparent method for setting policy on the overall human resources strategy of the Company and the remuneration of Executive Directors, if any and senior management of the Company. There is a Board approved non-discriminatory remuneration policy for all Non-Executive Directors to ensure that their Independence is not impaired.

Composition

In compliance with Corporate Governance Rules of the Colombo Stock Exchange, the Committee comprises a minimum of three Directors, with at least two being Independent Non-Executive Directors. Executive Directors do not serve as members, and the Committee is chaired by an Independent Non-Executive Director, duly appointed by the Board. The composition during the year reflected these governance standards and was structured to safeguard objectivity and independence in the decision-making process.

Mr. E.D.P. Soosaipillai	-	Chairman Independent Non-Executive Director
Mr. A.I. Piyadigama	-	Member, Independent Non-Executive Director
Mr. S.D.R. Arudpragasam	-	Member, Non-Executive Director

The Remuneration Committee has extensively defined Terms of Reference outlining the Committee's composition, quorum, authority and its responsibilities.

Brief Profiles of the Members are given on pages 3 to 4 of the Annual Report.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Remuneration Committee. All managerial and secretarial services are provided by Corporate Managers & Secretaries (Private) Limited to whom a fee is paid.

Meetings and Attendance

The Remuneration Committee has met on 01 occasion during the financial year ended 31st March 2026 and the attendance was as follows during the year.

Name of the Director	15.05.2025	
Mr. E.D.P.Soosaipillai	1	1/1
Mr. A.I.Piyadigama	1	1/1
Mr. S.D.R. Arudpragasam	1	1/1

The committee met to recommend the Directors Fees and Managers & Secretaries fees for the year under review which was approved by the Board of Directors.

Other members of the Board and the Director and senior management personnel of Corporate Managers & Secretaries (Private) Limited are invited to attend meetings as and when required. The proceedings of the Remuneration Committee are reported to the Board.

The aggregate remuneration of the Non-Executive Directors and fees payable to the Managers & Secretaries for the financial year ended 31st March 2026 was Rs 5,355,400/-.

E.D.P. Soosaipillai
Chairman

18th June, 2026

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee (RPTRC) is entrusted with the responsibility of ensuring that the interest of the Shareholders are taken into consideration when entering into transactions with a Related Party.

Composition

In compliance with the Corporate Governance Rules of the Colombo Stock Exchange, the Company constituted its Independent Related Party Transactions Review Committee comprising the following members.

Mr. E.D.P. Soosaipillai – Chairman,Independent Non-Executive Director
Mr. A.I. Piyadigama – Member, Independent Non-Executive Director
Mr. S. Rajaratnam – Member Non-Executive Director

The Committee has extensive experience in financial oversight, regulatory compliance and business acumen in order to carry out their role efficiently and effectively. All three members are finance professionals. Brief profiles of the Committee members are given on pages 3 to 4.

The Company's Secretaries, Corporate Managers & Secretaries (Private) Limited functions as the Secretaries to the Committee.

Moreover, the Director and senior management from Corporate Managers & Secretaries (Private) Limited, Managers & Secretaries and other Directors are invited to the meetings as and when required.

Meetings of the Committee

The Related Party Transactions Review Committee has met on 4 occasions during the financial year ended 31st March, 2026. A Meeting was held at the minimum in each calendar quarter during the financial year ended 31st March, 2026 and the attendance is as follows;

Name of the Director	15.05.2025	04.08.2025	28.10.2025	06.02.2026	
Mr. E.D.P.Soosaipillai	1	1	1	1	4/4
Mr. A.I.Piyadigama	1	1	1	1	4/4
Mr. S. Rajaratnam	1	1	1	1	4/4

During the period, the RPTRC reviewed and recommended to the Board for approval, Related Party Transactions in a manner consistent with the Listing Rules and the activities and views of the Committee are communicated on a regular basis to the Board of Directors.

The Committee is free to seek external professional advice on matters within their purview when necessary.

Policies, Procedures and Functions of the Committee.

The policies and procedures adopted by the Related Party Transactions Review Committee when reviewing and recommending transactions are consistent with Section 9.14 of the Listing Rules of the Colombo Stock Exchange.

The functions of the Committee are as follows,

- To identify the persons/entities considered to be Related Parties.
- Review all proposed Related Party Transactions. (Except for transactions which are exempt)
- Advise Management on Related Party Transactions and where necessary direct the transactions for Board approval/ Shareholder approval as deemed appropriate.
- Obtain updates on previously reviewed Related Party Transactions from Senior Management and approve any material changes.
- Establish guidelines for Senior Management to follow in ongoing dealings with Related Parties.
- Review and assess on an annual basis the transactions for Compliance against the Committee guidelines.
- Ensuring that immediate market disclosures and disclosures in the Annual Report are made as required by the applicable rules and regulations.

Conclusion

The Related Party Transactions Review Committee reviewed the Related Party Transactions entered into during the financial year under review and has communicated its comments and observations to the Board of Directors.

The Board of Directors have also declared in the Annual Report of the Board of Directors that there were non-recurrent related party transactions which exceeded the respective disclosure thresholds stated in Section 9.14 of the Colombo Stock Exchange Listing Rules which are duly disclosed on page 49 of the Annual Report .The Board further declares that recurrent related party transactions although exempt which exceeded the respective disclosure thresholds are disclosed in Note 22.2 to the Financial Statements.

The Company has complied with the requirements of Section 9.14 of the CSE Listing Rules on Related Party Transactions except with regard to a Related Party Transaction which required shareholder approval by way of a Special Resolution during the period 01/04/2025 to 31/03/2026 in terms of the Listing Rule 9.14.6.(1) A (i) (b) which stipulates that shareholder approval is required by way of a Special Resolution, if a non-recurrent transaction when aggregated with other non-recurrent transactions entered into with the same Related Party during the same financial year exceeds 1/3 of the total assets as per the latest Audited Financial Statements of the Company.

The Company having inadvertently not complied with the aforesaid rule, an Extra Ordinary General Meeting is being convened to approve/ ratify the transaction.

E.D.P. Soosaipillai
Chairman

18th June, 2026

Report of the Nominations & Governance Committee

The Nomination & Governance Committee ensures that the governance framework of the company aligns with the requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC)

The Committee supports the Board in fulfilling its statutory and fiduciary responsibilities relating to corporate governance and selection/ appointment of new Directors and re-election and re-appointment of Directors to ensure the highest levels of Corporate Governance in the Company and among members of the Board of Directors.

There is a formal and transparent procedure for the appointment of new Directors to the Board, and the re-election and reappointment of current Directors which is in accordance with the recommendations made by the Nominations & Governance Committee, in consultation with the Chairman and in compliance with the provisions of the Articles of Association of the Company, the Policies adopted by the Company and the Rules on Corporate Governance.

The composition and the scope of work of the Committee are in line with the Terms of Reference of the Committee which will be periodically reviewed and revised with the concurrence of the Board.

Composition

In compliance with the Corporate Governance Rules of the Colombo Stock Exchange, the Company has constituted its Nominations and Governance Committee comprising the following members:

Mr. E.D.P. Soosaipillai – Chairman, Independent Non-Executive Director
Mr. A.I. Piyadigama – Member, Independent Non-Executive Director

Mr.S.D.R.Arudpragasam – Member,Non-Executive Director

Brief profiles of the Members are given on pages 3 to 4 of the Annual Report.

Meetings and attendance

The Nominations and Governance Committee has met on 02 occasions during the financial year ended 31st March 2026 and the attendance was as follows:

Name of the Director	15.05.2025	31.03.2026	
Mr. E.D.P.Soosaipillai	1	-	1/2
Mr. A.I.Piyadigama	1	1	2/2
Mr.S.D.R.Arudpragasam	1	1	2/2

Other members of the Board and Senior Management from Corporate Managers & Secretaries (Private) Limited, Managers & Secretaries, are invited to attend meetings as and when required. The Company's secretaries Corporate Managers & Secretaries (Pvt) Ltd functions as the secretaries to the Committee. The proceedings of the Nominations and Governance Committee are reported to the Board.

The Committee

The Committee oversees the corporate governance structure of the organization, providing an overview of the principles, policies, and practices of the Board of Directors. This framework enables the company to meet the governance requirements of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC).

Furthermore, the Committee is responsible for reviewing and recommending improvements to the Company's governance policies and practices.

The Committee monitors the effectiveness of compliance with the relevant regulatory and legal requirements and makes recommendations to the Board on such matters and any corrective action to be taken, as the Committee may deem appropriate.

Whilst exercising of all matters of corporate governance by the Board of Directors, the Committee also considers and recommends succession arrangements from time to time for the retiring Directors, taking into account the additional/new expertise required. The Committee regularly reviewed the structure, size, composition including gender representation and competencies (including the skills, knowledge and experience) of the Board members and made recommendations to the Board with regard to any changes.

The fitness and propriety of the Directors were considered during the year as and when required to ensure compliance with requirements and Corporate Governance Rules of the CSE.

Performance evaluations of the Board were conducted and discussed at Board meeting.

The policies have been documented and recommendations have been made to the Board of Directors by the committee when nominating Directors for re-election/re-appointment at the forthcoming Annual General Meeting.

An annual update was given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations. Any major issues relating to the Company are communicated to the Independent Directors and special meetings of the Board are held when the need arises to address such matters.

Mr. Soosaipillai and Mr. Piyadigama who were appointed to the Board on 10th February 2025 as Independent Non-Executive Directors meet the criteria for independence as set out in Listing Rule 9.8.3 of the Colombo Stock Exchange and were determined to be independent by the Board.

Report of the Nominations & Governance Committee (*Contd.)*

RE-APPOINTMENTS/RE-ELECTIONS

In terms of the Articles of the Association any Director appointed by the Board holds office until the next Annual General Meeting at which he seeks re-election by the Shareholders.

The Articles of Association require one of the Directors in office to retire at each Annual General Meeting. The Director to retire in each year is who has been longest in office since his last election or appointment. The retiring Director is eligible for re-election by the Shareholders.

Accordingly, respective members of the Committee whilst refraining from participating in recommending their own re-election or re-appointment, as may be applicable in terms of the Articles of Association of the Company, recommended the re-election of Mr. Sanjeev Rajaratnam who retires by rotation and in terms of the Articles of Association of the Company, be re-elected as a Director at the forthcoming Annual General Meeting to be held on 21st July, 2026, based on his performance and the contribution made to achieve the objectives of the Board.

In view of the pivotal leadership role played by Mr. S.D.R. Arudpragasam, Chairman, his Management oversight skills, integrity, expertise, extensive experience and business acumen, and given the extensive experience and business acumen of Mr. S. Shanmugalingam, the Committee has recommended to the shareholders to reappoint Mr. S.D.R. Arudpragasam and Mr. S. Shanmugalingam who are over seventy years and who retire in terms of Section 210 of the Companies Act No. 7 of 2007 be re-appointed as Directors of the Company at the forthcoming Annual General Meeting to be held on 21st July 2026.

The Directors coming up for re-election or reappointment do not have any relationships including close family relationship with the directors, the listed entity nor do they have any relationship with shareholders holding over 10% of shares, other than disclosed hereunder.

Board Member	**Date first appointed Director**	**Date last re-appointment as a Director**	**Board Committees served on**	**Any relationships including close family relationships between the member and the directors of York Arcade Holdings PLC, the Company or its shareholders holding more than ten per-centum (10%) of the shares of York Arcade Holdings PLC (YAH)**
Mr. S. D. R. Arudpragasam - Chairman (Non- Executive)	27/09/1999	30/06/2025	Nomination & Governance Committee, Remuneration Committee	Mr. S. D. R. Arudpragasam is a Director/ Shareholder of Lankem Ceylon PLC which holds 40.14% of equity in York Arcade Holdings PLC (YAH) and is a Director of Darley Butler & Co. Ltd which holds 10.60% in equity in York Arcade Holdings PLC (YAH) as at 31.03.2026.
Mr. Sanjeev Rajaratnam – Director (Non- Executive)	14/05/2013	22/06/2023	Audit Committee and Related Party Transactions Review Committee	Mr. Sanjeev Rajaratnam is a Director/ Shareholder of Darley Butler & Co. Ltd which holds 10.60%of equity in YAH as at 31.03.2026
Mr. S. Shanmugalingam - Director (Non -Executive)	22/04/2003	30/06/2025	None	Mr. S. Shanmugalingam is a Shareholder of Lankem Ceylon PLC which holds 40.14% of equity in York Arcade Holdings PLC (YAH) as at 31.03.2026

The names, qualifications, principle commitments and other Directorships or Chairmanships of the aforesaid directors coming up for re-election or reappointment and of the rest of the Board members of York Arcade Holdings PLC are given in their profiles on pages 3 and 4 and under the caption "Details of Directors' other Directorships" appearing on pages 20 to 22.

The Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity failed to comply with any provisions of such Rules, a statement explaining the reason for such non- compliance and the remedial action taken for the rectification of such non-compliance has been made in this Annual Report. The Company's compliance status with the Colombo Stock Exchange Listing Rules on Corporate Governance is disclosed on pages10 to 19.

E.D.P. Soosaipillai
Chairman

18th June, 2026

Financial Statements

Independent Auditors' Report

KPMG
(Chartered Accountants)
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To the Shareholders of York Arcade Holdings PLC
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of York Arcade PLC ("the Company"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31st March 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

Allowance for impairment on financial assets measured at amortised cost **Refer note 5.2.4 (accounting policy) and notes 13.1, 14.1, 15.3, 16.1 (notes to the financial statements)**	
Risk Description	**Our Audit Response**
The Company measures impairment allowances on financial assets measured at amortised cost, including corporate debt securities, fixed deposits, amounts due from related companies, and other receivables, using the expected credit loss ("ECL") model. The determination of ECL requires management to exercise significant judgement in assessing credit risk and selecting appropriate assumptions and inputs, including probability of default, loss given default, discount rates, forward-looking macroeconomic information, and other relevant factors. As at 31 March 2026, financial assets measured at amortised cost and the related impairment provision amounted to Rs.135,244,386/- and Rs.6,193,201/- respectively. We identified the impairment assessment of financial assets measured at amortised cost as a key audit matter due to the inherent complexity of the ECL models and because of the degree of judgement exercised by management in determining the inputs used in the valuation models.	Our audit procedures included; • Evaluating the reasonableness of management's key judgements and assumptions applied in estimating ECLs, including the selection and application of methodologies/ models, significant assumptions, and data used in determining the point estimate. • Recalculating the impairment provisions and credit loss allowances to assess the accuracy of the underlying computations. • Involving our Financial Risk Management specialists to evaluate the appropriateness of the methodologies and assumptions applied in the ECL models. • Assessing the adequacy of disclosures in the financial statements with reference to the requirements of the Sri Lanka Accounting Standards.

Other Information

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

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

Independent Auditors' Report (*Contd.)*

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

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

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

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

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

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

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

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

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

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3544.

KPMG

Chartered Accountants
Colombo, Sri Lanka
18th June, 2026

Statement of Comprehensive Income

For the year ended 31st March	Note	**2026 Rs.**	2025 Rs.
Revenue		**-**	-
Gross Profit		**-**	-
Operating profits		**-**	-
Administrative expenses		**(10,163,057)**	(5,609,177)
Impairment losses on financial assets	7	**(1,171,726)**	(2,704,548)
Other income	8	**591,470**	125,675
Finance income	9	**8,068,542**	11,181,234
(Loss)/ Profit before tax	10	**(2,674,771)**	2,993,184
Income tax reversal/(expense)	11	**301,084**	(1,208,950)
(Loss)/ Profit for the year		**(2,373,687)**	1,784,234
Other comprehensive Income			
Items that will not be reclassified to profit or loss			
Quoted equity investments at FVOCI - net changes in fair value		**14,224,581**	6,761,895
Unquoted equity investments at FVOCI - net changes in fair value	13	**227,108**	13,020,000
Related tax	19	**(68,132)**	(3,906,000)
Other comprehensive income for the year, net of tax		**14,383,557**	15,875,895
Total comprehensive income for the year		**12,009,870**	17,660,129
Basic and diluted (loss)/earnings per share	12	**(0.02)**	0.01

The accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March	Note	**2026 Rs.**	2025 Rs.
Assets			
Non-current assets			
Financial investments	13	**96,614,949**	46,266,758
Amounts due from related parties	15.1	**96,510,564**	97,205,101
Deferred tax assets	19	**1,182,375**	881,291
Total non-current assets		**194,307,888**	144,353,150
Current assets			
Other receivables	14	**5,209,317**	7,196,492
Amounts due from related parties	15.2	**14,521,923**	16,032,422
Other investments	16	**7,353,844**	49,410,413
Cash and cash equivalents	17	**2,408,428**	1,844,488
Total current assets		**29,493,512**	74,483,815
Total assets		**223,801,400**	218,836,965
Equity and liabilities			
Stated capital	18	**14,400,000**	14,400,000
General reserve		**10,000,000**	10,000,000
Fair value reserve		**37,784,623**	25,558,081
Retained earnings		**152,935,865**	153,152,537
Total equity		**215,120,488**	203,110,618
Non-current liabilities			
Deferred tax liabilities	19	**5,874,632**	5,806,500
Total non-current liabilities		**5,874,632**	5,806,500
Current liabilities			
Payables	20	**1,579,751**	2,209,652
Current tax liabilities	21	**1,226,529**	7,630,970
Bank overdraft	17	**-**	79,225
Total current liabilities		**2,806,280**	9,919,847
Total liabilities		**8,680,912**	15,726,347
Total equity and liabilities		**223,801,400**	218,836,965

The accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

M. V. M. Paulraj
Director
Corporate Managers & Secretaries (Private) Limited

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of York Arcade Holdings PLC.

S.D.R. Arudpragasam
Chairman

Anushman Rajaratnam
Director

Colombo, Sri Lanka
18th June 2026

Statement of Changes in Equity

For the year ended 31st March

	Stated capital	*General reserve	**Fair Value reserve	Retained earnings	Total equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2024	14,400,000	10,000,000	9,682,186	151,368,303	185,450,489
Profit for the year	-	-	-	1,784,234	1,784,234
Other comprehensive income for the year	-	-	15,875,895	-	15,875,895
Total comprehensive income for the year	-	-	15,875,895	1,784,234	17,660,129
Balance as at 31st March 2025	14,400,000	10,000,000	25,558,081	153,152,537	203,110,618
Balance as at 01st April 2025	**14,400,000**	**10,000,000**	**25,558,081**	**153,152,537**	**203,110,618**
Total comprehensive income for the year					
Loss for the year	**-**	**-**	**-**	**(2,373,687)**	**(2,373,687)**
Other comprehensive income	**-**	**-**	**14,383,557**	**-**	**14,383,557**
Total comprehensive income for the year	**-**	**-**	**14,383,557**	**(2,373,687)**	**12,009,870**
Transfer to retained earnings on disposal of equity securities designated at FVOCI, net of tax	**-**	**-**	**(2,157,015)**	**2,157,015**	**-**
Balance as at 31st March 2026	**14,400,000**	**10,000,000**	**37,784,623**	**152,935,865**	**215,120,488**

*The General Reserve
- General Reserve is the reserve set a side for general purposes

** The Fair value Reserve comprises of
- The cumulative net change in the fair value of equity investment - at FVOCI

The accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st March	Note	**2026 Rs.**	2025 Rs.
Cash flow from operating activities			
(Loss)/ profit for the year		**(2,674,771)**	2,993,184
Adjustments for :			
Interest income	9	**(8,068,542)**	(11,181,234)
Impairment losses on financial assets	7	**1,171,726**	2,704,548
Write back of dividend payable	8	**(489,230)**	-
Dividend Income	8	**(102,240)**	(125,675)
Loss before working capital changes		**(10,163,057)**	(5,609,177)
Changes in :			
- Other receivables		**2,243,520**	1,136,492
- Amounts due from related companies		**411,888**	124,742
- Other payables		**(140,662)**	1,159,022
Cash used in operating activities		**(7,648,311)**	(3,188,921)
Income taxes paid	21	**(6,404,441)**	(4,343,422)
Net cash flow used in operating activities		**(14,052,752)**	(7,532,343)
Cash flow from investing activities			
Acquisition of equity investment	13	**(40,530,000)**	(10,665)
Loan given to related parties		**(40,000,000)**	-
Repayment of loans by related parties		**45,000,000**	1,000,000
Dividend income received		**90,596**	115,010
Realisation/(placement) of fixed deposit		**41,924,584**	(3,485,671)
Proceeds from disposal of financial assets		**2,215,985**	-
Interest received		**3,494,765**	5,738,812
Net cash generated from investing activities		**12,195,927**	3,357,486
Cash flow from financing activities			
Debenture redeemed		**2,499,990**	-
Net cash generated from financing activities		**2,499,990**	-
Net increase/(decrease) in cash and cash equivalents		**643,165**	(4,174,857)
Cash and cash equivalents at 01st April	17	**1,765,263**	5,940,120
Cash and cash equivalents at 31st March	17	**2,408,428**	1,765,263

The accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deduction

Notes to the Financial Statements

1. REPORTING ENTITY

1.1. DOMICILE AND LEGAL FORM

York Arcade Holdings PLC ('the Company'), is a public limited company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1.

1.2. PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activity of the Company was real estate management and development which was suspended in August 2017. There has been no change in the nature of this activity during the year.

The Company does not employ any staff. All services are provided by Corporate Managers & Secretaries (Private) Limited.

1.3. PARENT ENTITY

Up to 23rd November 2025, The Colombo Fort Land and Building PLC was immediate and ultimate parent of the Company.

On 24th November 2025, Lankem Ceylon PLC, which has been incorporated in Sri Lanka, has acquired 50.15% of York Arcade Holding PLC's shares and became the immediate parent of the company. The Colombo Fort Land and Building PLC remains ultimate parent of the Company.'

Transaction date -23rd January, 2026.

On 23rd January 2026, Lankem Ceylon PLC disposed 10% of its equity stake, representing 15,000,000 shares of the issued Ordinary Shares of York Arcade Holdings PLC to Darley Butler & Co. Ltd on the trading floor of the Colombo Stock Exchange. However, acting in concert with Darley Butler & Co. Ltd, the holding in York Arcade Holdings PLC remains at 50.15%.

2.1. STATEMENT OF COMPLIANCE

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

The financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL). Further, these financial statements comply with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2. RESPONSIBILITY OF FINANCIAL STATEMENTS

The Board of Directors of the Company acknowledges their responsibility for the financial statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities for financial statements" and the "Certification on the statement of financial position".

2.3. APPROVAL OF FINANCIAL STATEMENTS BY DIRECTORS

The financial statements for the year ended 31st March 2026 were authorised for issue by the Directors on 18th June, 2026

2.4. BASIS OF MEASUREMENT

The financial statements of the Company have been prepared on the historical cost basis and applied consistently with an adjustment being made for inflationary factors affecting the financial statements except for the following;

- Financial assets measured at fair value through other comprehensive income (FVOCI)

3. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Sri Lankan Rupees, which is the functional currency of the Company.

3.1 CURRENT VS. NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading;

or

Is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period.

or

There is no conditional right to defer the settlement of the liability for at least twelve months after the reporting period.

3.2 USE OF MATERIALITY AND AGGREGATION

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

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Company. Understandability of the financial statement is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with Sri Lanka Accounting Standards 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 and the disclosure of contingent liabilities at the reporting date. Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances.

Notes to the Financial Statements (*Contd.)*

Actual results may differ from those estimates and judgemental decisions.

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

No significant judgements were made in applying accounting policies in these financial statements.

4.1 ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Information about assumptions and estimation uncertainties as at 31st March 2026 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 5.12 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences can be utilised;
- Note 5.3 - measurement of ECL allowance for related party receivables and other financial assets classified as amortised cost and debt securities classified at FVOCI.
- Note 4.2 - measurement of unquoted investments classified at FVOCI

4.2 MEASUREMENT OF FAIR VALUES

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

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

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. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

4.3 GOING CONCERN

The Company suspended its real estate operations on discontinuance of the lease with The Colombo Fort Land & Building PLC on 31st August 2017. The Company currently maintains investment portfolio of financial assets. Further, the Board of Directors is currently evaluating the various business opportunities. Therefore, the consideration of going concern is appropriate as the Company will continue the business operations.

5. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

5.1. FOREIGN CURRENCY

5.1.1. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into the functional currencies of Company at the exchange rates at the dates of the transactions.

5.1.2. FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

5.2 FINANCIAL INSTRUMENTS

5.2.1. RECOGNITION AND INITIAL MEASUREMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Notes to the Financial Statements (*Contd.)*

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

5.2.2. CLASSIFICATION AND SUBSEQUENT MEASUREMENT

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI - debt investment; and FVOCI - equity instrument), or fair value through profit or loss (FVTPL).

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

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

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

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

FINANCIAL ASSETS - BUSINESS MODEL ASSESSMENT

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

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

FINANCIAL ASSETS - ASSESSMENT WHETHER CONTRACTUAL CASH FLOWS ARE SOLELY PAYMENTS OF PRINCIPAL AND INTEREST

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;

Notes to the Financial Statements (*Contd.)*

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

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

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss

5.2.3. DERECOGNITION

5.2.3.1. FINANCIAL ASSETS

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

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

5.2.3.2. FINANCIAL LIABILITIES

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

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

5.2.4. IMPAIRMENT

FINANCIAL ASSETS

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVTOCI

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

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

Loss allowance for other receivables and contract assets are always measured at an amount equals to life time ECLs.

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

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

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

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

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

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

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

Notes to the Financial Statements (*Contd.)*

MEASUREMENT OF ECLS

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

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

CREDIT-IMPAIRED FINANCIAL ASSETS

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than 90 days past due;
- the restructuring of a loan or advance on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION

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

5.3. PROVISIONS

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

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

5.4. FAIR VALUE MEASUREMENT

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

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

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

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

5.5. FINANCE INCOME

The Company's finance income includes:

- interest income;
- impairment losses (and reversals) on investments in debt securities carried at amortised cost or FVOCI

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost

Notes to the Financial Statements (*Contd.)*

of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

5.6. INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, contingent liabilities and contingent assets.

5.7. CURRENT TAX

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of tax payable and receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

5.8. DEFERRED TAX

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for;

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which can be used. Future taxable profits are determined based on the relevant taxable temporary differences. If the amount of taxable temporary difference is insufficient to recognise the deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will realised; such deductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

5.9. OTHER INCOME

Other income is recognised on an accrual basis. Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets including investment have been accounted for in the profit or loss for the year, having deducted from proceeds on disposal, the carrying amount of the assets and related expenses.

Dividends are recognised as other income in the Statement of Profit or Loss when the right of payment has been established.

Gains and losses arising from incidental activities to main revenue-generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

5.10. EXPENDITURE RECOGNITION

All expenditure incurred in running the business and in maintaining the capital assets in a state of efficiency have been charged to profit or loss for the year. Expenditure incurred for the purpose of acquiring and 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.

5.11. RELATED PARTY TRANSACTIONS

Disclosure has been 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/decisions of the other, irrespective of whether a price is being charged or not.

5.12. STATEMENT OF CASH FLOWS

Interest received and dividends received are classified as investing cash flows, while dividend paid and interest paid, is classified as operating cash flows for the purpose of presentation of statement of cash flows which has been prepared using the 'indirect method'

5.13. STATED CAPITAL

Ordinary shares are classified as equity. As per the Companies Act No. 07 of 2007, section 58(1), stated capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Notes to the Financial Statements (*Contd.)*

5.14. EARNINGS PER SHARE

The Company presents basic earnings per share and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.15. CASH & CASH EQUIVALENTS

Cash and Cash equivalents comprise cash on hand, together with other short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value.

5.16. MOVEMENT OF RESERVES

Movements of reserves are disclosed in the statement of changes in equity.

5.17. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital commitments and contingent liabilities of the Company are disclosed in the respective Notes to the financial statements.

5.18. EVENTS OCCURRING AFTER THE REPORTING DATE

The materiality of the events occurring after the statement of financial position date is considered and appropriate adjustments to or disclosures are made in the financial statements, where necessary.

6. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Company has not early in preparing these Financial Statements.

SLFRS 18 Presentation and Disclosure in Financial Statement

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

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to Company information in the financial statements.

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

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the financial statements.

- Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)
- Subsidiaries without Public Accountability Disclosures (SLFRS 19)

C. General requirements for disclosure of sustainability related financial information (SLFRS S1) and climate related disclosures (SLFRS S2).

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 1 January 2026. No financial impact is expected on the Company except for additional disclosures.

Notes to the Financial Statements (*Contd.)*

For the year ended 31st March		2026 Rs.	2025 Rs.
7	**Impairment losses on financial assets**		
	Debt securities - at amortised cost	**61,199**	(1,300,747)
	Fixed deposits - at amortised cost	**533**	14,570
	Amounts due from other receivables - at amortised cost	**(177,075)**	-
	Amounts due from related companies - at amortised cost	**(1,056,383)**	(1,418,371)
		(1,171,726)	(2,704,548)
8	**Other income**		
	Dividend income	**102,240**	125,675
	Write back of dividend payable	**489,230**	-
		591,470	125,675
9	**Finance income**		
	Interest income under the effective interest method on:		
	Fixed deposits	**1,587,649**	3,893,408
	Cash and cash equivalents	**88,522**	126,801
	Corporate debt securities - at amortised cost	**695,719**	749,228
	Loan granted to Corporate Managers & Secretaries (Pvt) Ltd	**433,417**	642,008
	Loans granted to related companies - at amortised cost	**5,263,235**	5,769,789
		8,068,542	11,181,234
10	**(Loss)/Profit before tax**		
	Directors' Fees	**1,415,400**	671,250
	Audit Committee Fees	**625,000**	223,873
	Remuneration & Nomination Committee Fees	**1,250,000**	380,123
	Related Party Review Committee fees	**625,000**	156,250
	Other Professional Fee	**1,181,355**	-
	Auditors' Remuneration		
	- Statutory audit	**465,000**	400,000
	- Non-audit related services	**258,000**	234,502
11	**Income tax expense**		
11.1	**Current tax expense**		
	Current tax on taxable profit	**-**	1,671,617
	Tax expense recognized in profit or loss (Note 11.2)	**-**	1,671,617
	Deferred tax expense		
	Origination / (reversal) of temporary differences (Note19)	**301,084**	(462,667)
		301,084	(462,667)
	Income tax reversal/(expense) recognized in profit or loss	**301,084**	1,208,950

Notes to the Financial Statements (*Contd.)*

For the year ended 31st March	**2026 Rs.**	2025 Rs.
11.2 Reconciliation of accounting profit to income tax expense		
(Loss)/ profit before tax	**(2,674,771)**	2,993,184
Aggregate disallowable income	**-**	(1,636)
Aggregate disallowable income	**(591,470)**	(124,038)
Aggregate disallowable expenses	**2,263,599**	2,704,548
Taxable (loss)/ profit	**(1,002,642)**	5,572,058
Assessable income from business	**-**	-
Total taxable income	**-**	5,572,058
	-	5,572,058
Income tax at 30%	**-**	1,671,617
Current income tax on taxable profit	**-**	1,671,617

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 and its subsequent amendments.

12 Basic/ diluted earnings per share

12.1 Earnings Per Share

The Calculation of Earnings per Ordinary Share is based on profit attributable to Ordinary Shareholders and weighted average number of ordinary shares in issue during the year and is calculated as follows:

For the year ended 31st March	**2026 Rs.**	2025 Rs.
		Restated
(Loss)/profit attributable to Ordinary Shareholders (Rs.)	**(2,373,687)**	1,784,234
Weighted Average Number of Ordinary Shares (Note 12.1.1)	**150,000,000**	150,000,000
Earnings per Share (Rs.)	**(0.02)**	0.01

12.1.1 Weighted Average Number of Ordinary Shares

Number of shares in issue as at 1st April	**750,000**	750,000
Subdivision of shares	**149,250,000**	149,250,000
Weighted average number of ordinary shares at 31st March	**150,000,000**	150,000,000

12.2 The Company on 14th November, 2025 announced a Subdivision of Shares, and consequent to an Ordinary Resolution pertaining to the Subdivision of shares of the Company being carried unanimously by the Shareholders present and voting at the Extraordinary General Meeting held on 31st December, 2025, such Subdivision was effected based on the shareholding as at end of trading on 5th January, 2026 (record date). Accordingly, without actuating any increase to the Stated Capital of the Company, the existing 750,000 issued ordinary shares of the Company, was subdivided and that such subdivision was effected by subdividing every One (1) existing issued Ordinary Share into Two Hundred (200) issued Ordinary Shares thereby increasing the number of shares of the Company to 150,000,000 shares. These notes have been changed with restatements.

Notes to the Financial Statements (*Contd.)*

13 Financial investments

The Company designated the investments shown below as equity other investments at FVOCI since these equity represents investments that the Company intend to hold for the long term strategic purposes.

As at 31st March	Notes	2026 Rs.	2025 Rs.
Non-current investments			
Corporate debt securities - at amortised cost	Note 13.1	5,830,337	8,259,483
Equity securities - at FVOCI	Note 13.2	90,784,612	38,007,275
		96,614,949	42,266,758

13.1 Corporate debt securities - at amortised cost

	Debentures 2026	Debentures 2025		
Kotagala Plantations PLC	100,000	100,000	7,711,218	10,201,563
Allowances for impairment on corporate debt securities			(1,880,881)	(1,942,080)
			5,830,337	8,259,483

13.1.1 The Company has subscribed to Rated Secured Debentures of Kotagala Plantations PLC at Rs. 100/- each having the the following terms :

Category	No. of Debentures	Term of Debentures	Interest Rates	Date of Maturity
Type C (Restructured)	50,000	6 Years	7.50%	31st August, 2026
Type D (Restructured)	50,000	6 Years	7.50%	31st August, 2026

The rated Secured Redeemable Debentures Type C and D issued by Kotagala Plantations PLC in terms of the Trust deed dated 5th May, 2014 was restructured with the requisite consent of the Debenture Holders of Kotagala Plantations PLC at a meeting convinced by the Trustees on 17th September, 2020.

13.1.2 Allowance for Impairment on corporate debt securities amortised cost

	2026 Rs.	2025 Rs.
Balance at 01st April	(1,942,080)	(641,333)
Reversal/ (charge) for Impairment on corporate debt securites	61,199	(1,300,747)
Balance at 31st March	(1,880,881)	(1,942,080)

13.2 Equity Securities - at FVOCI

	As at 31.03.2026 No. of Shares	As at 31.03.2026 Cost Rs.	As at 31.03.2026 Market Value Rs.	As at 31.03.2025 No. of Shares	As at 31.03.2025 Cost Rs.	As at 31.03.2025 Market Value Rs.
Related companies						
C M Holdings PLC	686,378	1,318,761	30,887,010	71,707	1,377,731	11,831,655
C.W. Mackie PLC	965,000	40,530,000	32,713,500	-	-	-
Others						
Maskeliya Plantations PLC	800	12,000	55,920	800	12,000	63,120
Watawala Plantations PLC	25,290	10,290	1,044,477	25,290	10,290	708,120
Balangoda Plantations PLC	200	2,000	12,000	200	2,000	13,500
Kahawatte Plantations PLC	165	1,975	2,970	165	1,975	3,763
Nations Trust Bank PLC	3,945	103,176	1,141,091	3,912	103,176	743,280
Hatton Plantation PLC	6,000	45,720	138,600	6,000	45,720	166,200
RIL Properties PLC	6,666	53,328	167,316	6,666	53,328	100,657
Sierra Cables PLC	1,400	4,200	39,620	1,400	4,200	21,980
		42,081,450	66,202,504		1,610,420	13,652,275

Notes to the Financial Statements (*Contd.)*

13.2 Related Company unquoted equity securities - at FVOCI

	No. of Shares	**Cost Rs.**	**Value Rs.**	No. of Shares	Cost Rs.	Value Rs.
Imperial Hotels Ltd	**500,000**	**5,000,000**	**24,582,108**	500,000	5,000,000	24,355,000
		5,000,000	**24,582,108**	500,000	5,000,000	24,355,000
		47,081,450	**90,784,612**		6,610,420	38,007,275

During the year, the Company has disposed the C M Holding PLC 30,692 shares and earned Rs. 2,157,015/- gain in equity relating to these investments.

Equity securities - The Company valued the unquoted equity securities based on the net assets of the investee and recognised a net fair value of Rs. 227,108/-.

Imperial Hotel Ltd's shares were valued as a Net Asset price of Rs.49.16 per share as at the reporting date.

14 Other receivables

	2026 Rs.	2025 Rs.
Deposits and Prepayments	**128,645**	123,750
Corporate Managers and Secretaries (Pvt) Ltd	**5,011,592**	6,493,586
WHT Receivables	**246,155**	579,156
	5,386,392	7,196,492
Less: Allowance for impairment (Note 14.1)	**(177,075)**	-
	5,209,317	7,196,492

14.1 Allowance for impairment on other receivables

Corporate Managers and Secretaries (Pvt) Ltd	**(177,075)**	-
	(177,075)	-

14.2 The Company granted a loan of Rs. 7.8M out of funds advanced to Corporate Managers & Secretaries (Pvt) Ltd disclosed to the financial statements, at an interest rate of AWPLR + 2% commencing from 01st April, 2021. The Loan is repayable on demand.

15 Amounts due from related parties

Amount due after one year

	Relationship		
15.1 The Colombo Fort Land & Building PLC	Ultimate Parent		
Loan granted		**45,500,000**	50,500,000
Interest Income Receivable		**51,013,453**	47,051,051
		96,513,453	97,551,051
Less: allowance for impairment on amount due from related parties		**(2,889)**	(345,950)
		96,510,564	97,205,101

The Company charges interest at AWPLR+2% on loan granted to The Colombo Fort Land & Building PLC. The loan is recoverable by the end of December 2030.

15.2 Amounts due within one year

	Relationship		
The Colombo Fort Land & Building PLC (Note 15.1)	Ultimate Parent	**8,211,308**	8,211,308
Lankem Ceylon PLC	Parent	**300,833**	-
Colombo Fort Group Services (Pvt) Ltd	Common Ultimate Parent	**641,991**	839,108
York Hotel Management Services Ltd	Common Ultimate Parent	**9,499,999**	9,714,770
		18,654,131	18,765,186
Less: allowance for impairment		**(4,132,208)**	(2,732,764)
		14,521,923	16,032,422

Balance outstanding from Colombo Fort Group Services (Pvt) Ltd and York Hotel Management Services Ltd is recoverable on demand.

Notes to the Financial Statements (*Contd.)*

As at 31st March	**2026 Rs.**	2025 Rs.
15.3 Allowance for impairment on related party receivables		
Amounts due after one year		
The Colombo Fort Land & Building PLC		
Loan granted and interest receivable	**(2,889)**	(345,950)
	(2,889)	(345,950)
Amounts due within one year		
The Colombo Fort Land & Building PLC	**(245)**	(29,120)
Colombo Fort Group Services (Pvt) Ltd	**(9,475)**	(1,768)
York Hotel Management Services Ltd	**(4,122,488)**	(2,701,875)
	(4,132,208)	(2,732,763)

Information about the companies exposure to credit and market risks, and impairment losses for related party receivables is included in Note 27.1.1 to the Financial Statements.

16 Other investments	**2026 Rs.**	2025 Rs.
Fixed deposits	**7,296,782**	49,221,366
Interest income recoverable	**57,210**	189,728
	7,353,992	49,411,094
Allowance for impairment (16.1)	**(148)**	(681)
	7,353,844	49,410,413

16.1 Allowance for impairment on fixed deposits

Balance at 01st April	**(681)**	(15,251)
Reversal of impairment	**533**	14,570
Balance at 31st March	**(148)**	(681)

17 Cash and cash equivalents

Bank Balance	**2,408,428**	1,844,488
Cash and cash equivalents in the statement of financial position	**2,408,428**	1,844,488
Bank overdraft repayable on demand and used for cash management purposes	**-**	(79,225)
Cash and cash equivalents for the purpose of statement of cash flows	**2,408,428**	1,765,263

18 Stated Capital	**No of Shares**	
	2026	2025
Balance at 01st April	**750,000**	750,000
Sub division of Shares	**149,250,000**	-
Balance at 31st March	**150,000,000**	750,000

Issued and Fully Paid	**No of Shares**			
As at 31st March	**2026**	2025		
No of shares	**150,000,000**	750,000	**14,400,000**	14,400,000
Ordinary shares (Rs.)			**14,400,000**	14,400,000

All ordinary shares rank equally with regard to the companies residual asset.

The holder of ordinary shares are entailed to dividend as declared from time to time and are entitled one vote per share on a poll at meetings of the shareholders of the Company.

Notes to the Financial Statements (*Contd.)*

As at 31st March	2026 Rs.	2025 Rs.
19 Deferred tax		
Movement in the deferred tax assets		
Balance at 01st April	**881,291**	418,624
Origination of temporary difference		
Originating during the year recognised in income statement	**301,084**	462,667
Balance at 31st March	**1,182,375**	881,291

Movement in the deferred tax liabilities	2026 Rs.'000	2025 Rs. '000
Balance at 01st April	**5,806,500**	1,900,500
Origination of temporary difference		
Originating during the year recognised in OCI	**68,132**	3,906,000
Balance at 31st March	**5,874,632**	5,806,500
	(4,692,257)	(4,925,209)

Deferred tax is provided using the liability method, provided to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes Deferred Tax has been computed, taking into consideration the effective tax rate, which is 30% for the Company, and the Deferred tax liability on fair value change in unquoted investments.

	2026		2025	
	Temporary difference Rs.	**Tax effect on temporary difference Rs.**	Temporary difference Rs.	Tax effect on temporary difference Rs.
Deferred tax liabilities				
Un-quoted investment at FVOCI-net change in fair value	**19,582,108**	**5,874,632**	19,355,000	5,806,500
	19,582,108	**5,874,632**	19,355,000	5,806,500
Deferred tax assets attributes to:				
Allowance for impairment on:				
- Fixed deposits	**2**	**1**	(4)	(1)
- Corporate Debt securities	**(333,241)**	**(99,972)**	38,016	11,405
-Amounts due from other receivables	**140,751**	**42,225**	-	-
-Amounts due from related companies	**4,133,736**	**1,240,121**	2,899,624	869,887
	3,941,248	**1,182,375**	2,937,636	881,291
Balance at 31st March	**(15,640,860)**	**(4,692,257)**	(16,417,364)	(4,925,209)

The Company does not have a legally enforceable right to set off tax on capital gains against the tax on business income. Therefore, deferred tax liability arising from fair value change in unquoted investments are shown separately in the Statement of Financial Position.

Notes to the Financial Statements (*Contd.*)

19.1 Unrecognised Deferred Tax Asset

	2026			2025		
	Temporary difference Rs.	**Expiry**	**Tax effect Rs.**	Temporary difference Rs.	Expiry	Tax effect Rs.
Tax losses	**1,002,642**	**2025-2031**	**300,793**	-	-	-
	1,002,642		**300,793**	-		-

As at 31st March 2026, a deferred tax asset of Rs.300,793/- (2025 - Rs. Nil) was not recognized since it is not probable that adequate taxable profits will be available in the foreseeable future to absorb these amounts.

As at 31st March	**2026 Rs.**	2025 Rs.
20 Payables		
Accrued expenses and other payables	**1,579,751**	1,720,422
Unclaimed dividends	**-**	489,230
	1,579,751	2,209,652
21 Current tax liabilities		
Balance at 01st April	**7,630,970**	10,302,775
Current tax expense (Note 11)	**-**	1,671,617
	7,630,970	11,974,392
Settlements	**(6,404,441)**	(4,343,422)
Balance at 31st March	**1,226,529**	7,630,970

Notes to the Financial Statements (*Contd.)*

22 Related Party Disclosures

22.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standards 24 'Related Party Disclosures', Key Management Personnel, are those having authority and responsibility for planning directing, and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non - Executive Directors), have been classified as Key Management Personnel of the Company.

(a) Loans to Key Management Personnel

No loans have been given to Key Management Personnel during the year.

(b) Key Management Personnel Compensation

Details of compensation are given in Note no 10 to the Financial Statements.

(c) Key Management Personnel Shareholding of the Company

The shareholding of the Key Management Personnel are disclosed on page 5 of this Annual Report.

(d) Transactions with Close Family Members

There were no transactions with the Close Family Members during the year.

22.2 Terms and Conditions of Transactions with Related Parties

Transactions with Related parties are carried out in the ordinary course of the business.

There are no Guarantees received from or given to Related Parties during the financial year.

22.3 Recurrent and Non Recurrent Related Party Transactions

During the year, there were non-recurrent related party transactions, the value of which exceeded the disclosure thresholds mentioned in section 9.14 of the Colombo Stock Exchange Listing Rules as disclosed below. Recurrent transactions although exempt which exceeded the disclosure threshold are disclosed below:

Non-Recurrent Transactions

<table>
<tr><th>Name of Related Party</th><th>Relationship</th><th>Value of Related Party Transactions entered during the Financial Year(Rs.)</th><th>Value of Related Party Transaction as a % of Equity and as a % Total Assets</th><th>Terms and Conditions of the Related Party Transactions</th><th>Rational for entering into the transaction</th></tr>
<tr><td rowspan="2">Lankem Ceylon PLC</td><td rowspan="2">Parent</td><td>40,000,000/-</td><td>Equity - 20%
Total Assets - 18%</td><td>Loan granted to Lankem Ceylon PLC at an interest rate of AWPLR+2% per annum</td><td>Loan granted to the Parent Company to meet treasury requirements</td></tr>
<tr><td>40,530,000/-</td><td>Equity - 20%
Total Assets - 19%</td><td>N/A</td><td>Acquisition of 965,000 ordinary shares of C. W. Mackie PLC ("CWMPLC") at a price of Rs.42/- per share on the trading floor of the Colombo Stock Exchange.</td></tr>
</table>

Recurrent Transactions

Name of Related Party	Relationship	Nature of the Transaction	Aggregate Value of Related Party Transactions Entered into during the Financial Year (Rs.)	Aggregate Value of Related Party Transactions as a % of Net Revenue/Income	Terms and Conditions of the Related Party Transactions
The Colombo Fort Land and Building PLC	Ultimate Parent	Loan Interest	4,962,402	62%	The Loan is recoverable by the end of December 2030.

Notes to the Financial Statements (*Contd.)*

As at 31st March

22 Related party disclosures (Continued)

Recurrent Transactions (Continued)

22.4 Related Party Transactions

				2026		2025	
	Company	**Relationship**	**Nature of Transaction**	**Amount (Rs.) (Payments)/ Receipts Rs.**	**Balance as at 31 March Rs.**	Amount (Rs.) (Payments)/ Receipts Rs.	Balance as at 31 March Rs.
(a)	**The Colombo Fort Land & Building PLC**						
	Common Directors						
	Mr. S.D.R. Arudpragasam	Ultimate Parent	- Interest income on short term loan	**4,962,402**		5,769,788	
	Mr. Anushman Rajaratnam		- Part settlement of short term loan	**(5,000,000)**	**104,721,627**	(1,000,000)	105,387,289
	Mr.S. Rajaratnam		- Part settlement of Loan Interest received	**(1,000,000)**		(300,000)	
	Mr. Amrit Rajaratnam		- Allowance for impairment on related party receivables	**371,936**		171,057	
(b)	**Lankem Ceylon PLC**						
	Common Directors		- Loan given to Parent Company	**40,000,000**	**-**		
	Mr. S.D.R. Arudpragasam	Parent	- Loan Settlement	**(40,000,000)**	**300,833**	-	-
	Mr. Anushman Rajaratnam		- Interest Income on Loan	**300,833**	**-**		
(c)	**Colombo Fort Group Services (Pvt) Ltd**						
	Common Directors	Common Ultimate Parent					
	Mr. S.D.R. Arudpragasam		- Part settlement of outstanding	**(197,117)**	**632,516**	(175,256)	837,340
	Mr. Anushman Rajaratnam		- Allowance for impairment financial assets	**(7,707)**		3,878	
(d)	**Kotagala Plantations PLC**						
	Common Directors						
	Mr. S.D.R. Arudpragasam	Common Ultimate Parent	- Debenture interest income	**695,719**	**5,830,337**	749,228	8,259,483
	Mr. Anushman Rajaratnam		- Debenture interest received	**(686,074)**		(749,228)	
			- Redemption of Debenture	**(2,499,990)**			
			- Allowance for impairment on corporate debt securites	**61,199**		(1,300,747)	
(e)	**York Hotel Management Services Limited**						
	Common Directors						
	Mr. S.D.R. Arudpragasam	Common Ultimate Parent	- Part settlement of outstanding	**(214,771)**	**5,377,511**	-	7,012,895
	Mr. Anushman Rajaratnam		- Allowance for impairment on related party receivables	**(1,420,613)**		(1,593,306)	
	Mr. Amrit Rajaratnam						
	Mr. S. Rajaratnam						
	Mr. S. Shanmugalingam						

22.5 The above Note should be read in conjunction with Note 13 and 15 to the Financial Statements.

22.6 The Related Party Transactions Review Committee has reviewed the transactions mentioned above.

22.7 There were no material related party transactions other than the above and those disclosed in Note no 22 of the Financial Statements

Notes to the Financial Statements (*Contd.)*

23 Transaction with managers & secretaries

The Company had the following transactions during the year under review with Corporate Managers & Secretaries (Private) Limited, the Managers & Secretaries to the Company.

For the year ended 31st March	**2026 Rs.**	2025 Rs.
Secretarial Expenses	**(360,000)**	(360,000)
Registrar's Fees	**(432,000)**	(432,000)
Administrative Expenses	**(648,000)**	(648,000)
Stationary, Photocopy, Postage and Premises Expenses	**(766,455)**	(1,114,457)
Settlements of Loan Capital and Interest	**2,173,417**	1,261,180
Settlement of Expenses	**2,031,044**	29,107
Allowance for impairment	**(177,075)**	-

24 Capital commitments and contingent liabilities

There were no other material capital commitments and contingent liabilities as at the reporting date which require adjustments to or disclosure in the Financial Statements.

25 Events occurring after the balance sheet date

The Company disposed 3.4% of its equity state, (amounting to 500,000 ordinary shares) in Imperial Hotels Ltd to its parent company Lankem Ceylon PLC on 2nd April, 2026 at a price of Rs. 48.71 per share amounting to a total consideration of Rs. 24,355,000/-. There are no other material events occurring after the reporting date other than those disclosed in the Financial Statements.

Notes to the Financial Statements (*Contd.)*

26 Financial instruments - Fair values and risk management

26.1 Accounting classifications and fair value

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

At 31st March 2026	Financial assets measured at FVOCI Rs.	Other financial Liabilities Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial assets measured at fair value							
Equity securities - Quoted	66,202,504	-	66,202,504	66,202,504	-	-	66,202,504
Equity Securities - Unquoted**	24,582,108	-	24,582,108	-	-	24,582,108	24,582,108
	90,784,612	-	90,784,612	-	-	24,582,108	90,784,612
Financial assets measured at amortised cost							
Corporate debt securities	5,830,337	-	5,830,337	-	-	-	
Other receivables *	4,834,517	-	4,834,517	-	-	-	-
Amounts due from related parties	111,032,487	-	111,032,487	-	-	-	
Other investments	7,296,634	-	7,296,634	-	-	-	-
Cash and Cash equivalents	2,408,428	-	2,408,428	-	-	-	-
	222,187,015	-	222,187,015	-		-	-
Financial Liabilities not measured at fair value		-			-	-	-
Payables	-	-	(1,579,751)	(1,579,751)	-	-	-
	-	-	(1,579,751)	(1,579,751)	-	-	-

* Other receivables that are not financial assets (Deposits & Prepayments and WHT receivable Rs. 374,800/-) are not included.

** Equity Securities - The Company valued the FVOCI on unquoted equity securities based on the net assets of the investee.

The valuation technique used by the Company in measuring Level 3 fair values, and the significant unobservable inputs used for the valuation, are given below,

Category	Valuation Technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Unqouted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions	Variability of inputs are insignificant to have an impact on fair values.

Company	Net Asset per share Rs.
Imperial Hotels Ltd	49.16

Notes to the Financial Statements (*Contd.)*

26 Financial instruments - Fair values and risk management (Continued)

26.1

At 31st March 2025	Financial assets measured at FVOCI cost Rs.	Other financial Liabilities Rs.	Total Rs.	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial assets measured at FVOCI							
Equity securities - Quoted	13,652,275	-	13,652,275	13,652,275	-	-	13,652,275
Equity Securities - Unquoted**	24,355,000	-	24,355,000	-	-	24,355,000	24,355,000
	38,007,275	-	38,007,275	13,652,275	-	24,355,000	38,007,275
Financial assets measured at fair value							
Corporate Debt Securities	8,259,483	-	8,259,483	-	-	-	-
Other receivables *	6,493,586	-	6,493,586	-	-	-	-
Amounts due from related parties	113,237,523	-	113,237,523	-	-	-	-
Other investments	49,220,685	-	49,220,685	-	-	-	-
Cash and Cash equivalents	1,844,488	-	1,844,488	-	-	-	-
	179,055,765	-	179,055,765	-	-	-	-
Financial Liabilities not measured at fair value	-	-	-	-	-	-	-
Payables	-	(2,209,653)	(2,209,653)	(2,209,653)	-	-	-
Bank overdrafts	-	(79,225)	(79,225)	(79,225)	-	-	-
	-	(2,288,878)	(2,288,878)	(2,288,878)	-	-	-

* Other receivables that are not financial assets (Deposits & Prepayments and WHT receivable Rs. 702,906/-) are not included.

** Equity Securities - The Company valued the FVOCI on unquoted equity securities based on the net assets of the investee.

The valuation technique used by the Company in measuring Level 3 fair values, and the significant unobservable inputs used for the valuation, are given below,

Category	Valuation Technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Unqouted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions	Variability of inputs are insignificant to have an impact on fair values.

Company	Net Asset per share Rs.
Imperial Hotels Ltd	48.71

Notes to the Financial Statements (*Contd.)*

27 Financial risk management objectives and policies

27.1 Risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

27.1.1 Credit risk

27.1.2 Liquidity risk

27.1.3 Interest rate risk

Risk Management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management polices and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

27.1.1 Credit risk

Credit risk is the risk of financial loss to the Company, if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The carrying amounts of financial assets represent the maximum credit exposure.

As at 31st March	Note	2026 Rs.	2025 Rs.
Financial investments	13	**7,711,218**	10,201,563
Other receivables	14	**5,011,592**	6,493,586
Amounts due from related parties	15	**115,167,584**	116,316,237
Other investments	16	**7,353,992**	49,411,094
		135,244,386	182,422,480

Impairment Losses on Financial Assets recognised in profit or loss were as follows:

	Note	2026 Rs.	2025 Rs.
Allowance for impairment on amounts due from other receivables	14.1	**177,075**	-
Allowances for impairment on amounts due from related parties	15.3	**4,135,097**	3,078,714
Allowance for impairment on fixed deposits	16.1	**148**	681
Allowance for impairment on corporate debt securities	13.1	**1,880,881**	1,942,080
		6,193,201	5,021,475

Other receivables and amounts due from related parties

Impairment on amounts due from related parties and trade receivables has been measured on a life time expected credit loss basis and reflected the short maturities of the exposures.

	Other receivables Rs.	Amounts due from related parties Rs.
Provision for expected credit loss (Note 14.1)	177,075	-
Provision for expected credit loss (Note 15.3)	-	4,135,097

Notes to the Financial Statements (*Contd.)*

27.1.1 Credit risk (Contd.)

Debt securities

The following table presents an analysis of the credit quality of debt securities at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12 month ECL (Expected Credit Loss) or lifetime ECL.

	2026			2025		
	12 month ECL	**At amortised cost Life time ECL- At Not credit impairment Rs.**	**Life time ECL- credit impairment Rs.**	12 month ECL Rs.	At amortised cost Life time ECL- Not credit impairment Rs.	Life time ECL- credit impairment Rs.
Credit Rating - C to CC	**-**	**7,711,218**	**-**	-	10,201,563	-
Gross carrying amounts	**-**	**7,711,218**	**-**		10,201,563	-
Loss allowance	**-**	**(1,880,881)**	**-**		(1,942,080)	-
Carrying amount	**-**	**5,830,337**	**-**		8,259,483	-

Fixed deposits

Impairment of fixed deposits has been measured on a 12 - month expected loss and reflect the short maturities of the exposures. The Company considers fixed deposits have credit risk.
The Company uses similar approach for assessment of ECLs for fixed deposits to those used for debt securities.

at 31st March	**2026**		2025	
	Rs.	**Rating % of Total**	**Rs.**	Rating % of Total
Fitch Rating				
A	**-**	**-**	42,196,277	86%
A-	**-**	**-**	-	-
AA-	**7,296,782**	**100%**	7,025,089	14%
Total	**7,296,782**	**100%**	49,221,366	100%

27.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by deriving cash or other 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 consideration, without incurring unacceptable losses or risking damages to the Company's reputation.

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

As at 31 March 2026	**Carrying amount**	**Contractual cash flows**	**12months or less**	1 - 2 years	2 - 5 Years	More than 5 years
Non-derivative financial liabilities						
Payables	**1,579,751**	**(1,579,751)**	**(1,579,751)**	-	-	-
Bank overdraft	**-**	**-**	**-**	-	-	-
	1,579,751	**(1,579,751)**	**(1,579,751)**	-	-	-
As at 31 March 2025						
Non-derivative financial liabilities						
Payables	**2,209,652**	**(2,209,652)**	**(2,209,652)**	-	-	-
Bank overdraft	**79,225**	**(79,225)**	**(79,225)**	-	-	-
	2,288,877	**(2,288,877)**	**(2,288,877)**	-	-	-

Notes to the Financial Statements (*Contd.)*

27.1.3 Interest rate risk

At the reporting period the interest rate profile of the Company interest bearing financial instruments was;

	Nominal amount	
	2026	2025
	Rs.	Rs.
Fixed rate instruments		
Financial assets	**15,008,000**	59,422,929
Financial liabilities	**-**	79,225
	15,008,000	59,502,154
Variable rate instruments		
Financial assets	**109,736,353**	112,255,945
	109,736,353	112,255,945

Ten Year Summary

	SLFRS									
31st March,	**2026**	2025	2024	2023	2022	2021	2020	2019	2018	2017
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trading results										
Revenue	**-**	-	-	-	-	-	-	-	36,632	80,205
(Loss)/Profit before Tax	**(2,675)**	2,993	20,955	17,927	3,577	8,912	4,802	13,111	12,886	44,081
Income Tax Expense	**301**	(1,209)	(4,967)	(4,586)	(1,013)	(1,627)	(2,722)	(7,290)	(5,868)	(10,999)
Profit for the period	**(2,374)**	1,784	15,988	13,341	2,564	7,285	2,080	5,821	7,018	33,082
Capital employed										
Stated Capital	**14,400**	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Property Development Reserve	**-**	-	-	-	-	-	-	-	10,000	10,000
General Reserve	**10,000**	10,000	10,000	10,000	10,000	10,000	10,000	10,000	-	-
Retained Earnings	**152,935**	153,153	151,368	135,381	122,040	119,477	112,192	110,112	109,296	178,778
Fair Value Reserve	**37,785**	25,558	9,682	9,037	9,424	9,494	6,395	5,994	4,241	4,292
Total Equity	**215,120**	203,111	185,450	168,818	155,864	153,371	142,987	140,506	137,937	207,470
Total Debt	**-**	79	583	143	340	821	1,357	-	445	448
	-	79	583	143	340	821	1,357	-	445	207,918
Assets employed										
Investment Property	**-**	-	-	-	-	-	-	-	-	91,569
Property, Plant & Equipment	**-**	-	-	-	-	-	-	-	-	12,922
Non Current Assets	**194,308**	144,353	28,193	22,865	23,449	24,216	25,260	27,216	31,540	26,493
Current Assets	**29,494**	74,484	171,094	161,551	147,378	146,437	147,505	142,502	138,904	129,564
Liabilities net of Debt	**8,054**	15,647	13,253	15,455	14,623	16,371	27,918	28,721	32,062	52,631
	231,856	234,484	212,540	199,871	185,450	187,024	200,683	198,439	202,506	313,179
CASH FLOW										
Net Cash Generated from/(Used in) :										
Operating Activities	**(14,053)**	(7,532)	(17,858)	(5,523)	(5,991)	(17,869)	(7,251)	(11,621)	9,612	33,067
Investing Activities	**12,196**	3,357	22,096	5,200	4,318	21,681	3,043	(27,992)	90,983	(33,540)
Financing Activities	**2,500**	-	-	-	-	-	-	(76,500)	(3,600)	(2,400)
KEY INDICATORS										
Return on Shareholders' Equity	**-1%**	1%	9%	8%	2%	5%	1%	4%	5%	16%
(Loss)/Basic and diluted earnings Per Share (Rs.)	**(0.02)**	0.01	21.32	17.79	3.42	9.71	2.77	7.76	2.41	2.76
Net Asset Per Share (Rs.)	**1.43**	1.35	247	225	208	204.49	190.65	187.34	183.92	17.29
Market Value Per Share (Rs.)	**14.10**	168.25	131	142.25	153.50	143.00	62.00	70.10	110.00	12.50
Market Capitalisation (Rs.'000)	**2,115,000**	126,187	98,250	106,688	115,125	107,250	46,500	52,575	82,500.00	150,000
Price Earnings Ratio (Times)	**1,410**	16,825	6.15	8.00	44.88	14.73	22.38	9.03	45.64	4.52
Current Ratio (Times)	**3.66**	4.76	12.91	10.77	10.08	8.94	5.03	4.96	4.27	4.82

Information to Shareholders and Investors

The issued Ordinary Shares of the Company are listed with the Colombo Stock Exchange.

Distribution of Shareholdings

Shareholdings			31st March 2026			31st March 2025		
			No.of Share Holders	**Total Share Holdings**	**%**	No.of Share Holders	Total Share Holdings	%
1	-	1,000	1,428	539,166	0.36	1,134	121,868	16.25
1,001	-	10,000	1315	5,639,095	3.76	66	161,683	21.56
10,001	-	100,000	699	21,984,956	14.66	3	96,954	12.93
100,001	-	1,000,000	101	24,921,277	16.61	1	369,495	49.26
Over	-	1,000,000	6	96,915,506	64.61	-	-	-
Total			3,549	150,000,000	100.00	1,204	750,000	100.00

Categories of Shareholders	31st March 2026			31st March 2025		
	No.of Share Holders	**Total Share Holdings**	**%**	No.of Share Holders	Total Share Holdings	%
Individuals	3,412	46,737,082	31.16	1,140	259,702	34.63
Institutions	137	103,262,918	68.84	64	490,298	65.37
	3,549	150,000,000	100.00	1,204	750,000	100.00

Public Holding

The percentage of shares held by the Public as at 31st March, 2026 was 48.48% (31st March, 2025 - 48.40%).

Public Shareholders

The number of public Shareholders as at 31st March 2026 were 3,535.(31st March, 2025-1,188).

The applicable option under Colombo Stock Exchange Rule 7.13.1(i)(a) on Minimum Public Holding is Option 5 and the Float Adjusted Market Capitalization as at 31.03.2026 was Rs.1,025,352,000.00

Market Performances - Ordinary Shares

The Market Value of an Ordinary Shares of York Arcade Holdings PLC.

	2026 Rs.	2025 Rs.
Highest	935.00	180.00
Lowest	4.90	130.25
Market Value as at the year end	14.10	168.25

Information to Shareholders and Investors (*Contd.)*

Twenty Major Shareholders of the Company

	31st March Shares	**2026 %**	31st March Shares	2025 %
Lankem Ceylon PLC	**60,212,600**	**40.14**	-	-
Darley Butler & Company Ltd	**15,900,000**	**10.60**	4,500	0.60
Senkadagala Finance PLC / S.M.D.N.P. Banda	**7,500,200**	**5.00**	-	-
Assetline Finance Ltd / S.M.D.N.P. Banda	**7,500,000**	**5.00**	-	-
Mr. A. M. Weerasinghe	**3,784,929**	**2.52**	38,844	5.18
People's Leasing & Finance PLC / A.G.M.M. Dharmadasa	**2,017,777**	**1.35**	10,720	1.43
Chatham House Ltd	**968,600**	**0.65**	4,843	0.65
Senkadagala Finance PLC / A.K.G. Indika	**847,200**	**0.56**	1,824	0.24
Assetline Finance Limited/ U.C.Bandaranayake	**810,328**	**0.54**	5,000	0.67
Mr. H. A. S. Madanayaka	**728,000**	**0.49**	-	-
Merchant Bank of Sri Lanka & Finance PLC/S.S. DE Fonseka	**691,800**	**0.46**	3,459	0.46
Mrs. J. A. I. S. Perera	**640,000**	**0.43**	3,200	0.43
Mr. R. E. Rambukwelle	**553,400**	**0.37**	4,817	0.64
Mr. C. P. Malalanayake	**544,624**	**0.36**	609	0.08
Mr. A. M. A. B. Adhikari	**543,000**	**0.36**	400	0.05
Creasy Foods Ltd	**500,000**	**0.33**	2,500	0.33
Dr. V. K. C. Indrajith	**464,000**	**0.31**	2,320	0.31
E.B. Creasy Ceylon (Private) Ltd	**400,000**	**0.27**	2000	0.27
Mr. A. H.T. K.Samarapala	**400,000**	**0.27**	2,000	0.27
Mrs M. R. C. Hettiarachchi	**377,400**	**0.25**	1,887	0.25
	105,383,858	**70.26**	88,923	11.86

Financial Statistics	**2026 Rs.**	2025 Rs.
Basic and diluted (loss)/earnings per share*	**(0.02)**	0.01
Net Assets per share*	**1.43**	1.35
Dividend Proposed per share	**-**	-
Dividend pay out ratio	**-**	-

*Following the sub-division of the Company's issued ordinary shares, the earnings per share (EPS) and net assets per share have been restated on a post sub-division basis.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of York Arcade Holdings PLC will be conducted as a virtual meeting from the Registered Office of the Company, 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1 on 21st, July, 2026 at 11.30 a.m. for the following purposes;

1. To receive and consider the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March, 2026 together with the Report of the Auditors thereon.

2. To re-elect Mr. Sanjeev Rajaratnam who retires by rotation in terms of Articles 84 and 85 of the Articles of Association.

3. To reappoint as a Director Mr. S.D.R. Arudpragasam, who is over seventy years of age.

   Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 5 below).

4. To reappoint as a Director, Mr. S. Shanmugalingam who is over seventy years of age.

   Special Notice has been received from a shareholder of the intention to pass a Resolution which is set out in the notes in relation to his reappointment (See Note No 6 below).

5. To authorize the Directors to determine donations to Charities.

6. To reappoint as Auditors, Messrs. KPMG, Chartered Accountants, and to authorize the Directors to determine their remuneration.

By order of the Board,
Corporate Managers & Secretaries (Pvt) Limited
Secretaries

Colombo
18th June, 2026

Notes : -

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his/her stead.

2. A Proxy need not be a Member of the Company. The Form of Proxy is attached hereto.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than forty eight hours before the time appointed for the holding of the Meeting.

4. Please refer the "Circular to Shareholders" and CSE website for further instructions relating to the Annual General Meeting and for joining the meeting virtually.

5. Special Notice has been received by the Company from a shareholder giving notice of the intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

   Resolved -

   "That Mr. S.D.R. Arudpragasam who is seventy four years of age be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Director, Mr. S.D.R. Arudpragasam."

6. Special Notice has been received by the Company from a Shareholder giving notice of the Intention to move the following Resolution as an Ordinary Resolution at the Annual General Meeting.

   Resolved -

   That Mr. S. Shanmugalingam who is seventy one years of age, be and is hereby reappointed a Director of the Company and it is further specially declared that the age limit of seventy years referred to in section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Mr. S. Shanmugalingam."

Form of Proxy

I/We the undersigned ....of ....

....being a member/members of

York Arcade Holdings PLC, do hereby appoint : ....of...

.... whom failing

Sri Dhaman Rajendram Arudpragasam	of Colombo whom failing
Sriskandamoorthy Shanmugalingam	of Colombo whom failing
Sanjeev Rajaratnam	of Colombo whom failing
Amrit Rajaratnam	of Colombo whom failing
Anushman Rajaratnam	of Colombo whom failing
Eugen Dilikshan Pratharp Soosaipillai	of Colombo whom failing
Asoka Indrasiri Piyadigama	of Colomno

as my/our Proxy to represent me/us and to speak and to vote on my/our behalf at the Fortieth Annual General Meeting of the Company to be held on 21st July 2026 at 11.30 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof. I/ We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preferences indicated below:

RESOLUTIONS						
Resolution Numbers as set out in the Notice convening the Meeting	1	2	3	4	5	6
For						
Against						

As witness, my / our * hands this.................................day of ....Two Thousand and Twenty Six

....

Signature of Shareholder

Notes :
Please indicate with an 'X' in the space provided how your Proxy is to vote. If there is in the view of the Proxy doubt (by reason of the way in which the instructions contained in the Proxy have been completed) as to the way in which the Proxy should vote, the Proxy shall vote as he thinks fit. A Proxy need not be a member of the Company. Instructions as to completion appear on the reverse hereof

Form of Proxy (Contd.)

INSTRUCTIONS AS TO COMPLETION

1 Please write legibly, your name, address and date and sign in the space provided.

2. The completed Form of Proxy should be received at the Registered Office of the Company at 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 1, not less than 48 hours before the time appointed for the holding of the meeting.

3. In case of a Company/Corporation, this Form of Proxy shall be executed either under its Common Seal or by its Attorney or by an officer on behalf of such Company/Corporation duly authorised in writing.

4. In the case of a Proxy signed by an Attorney, the Power of Attorney must be deposited at the Registered Office of the Company for registration.

Corporate Information

Name of the Company
York Arcade Holdings PLC

Legal Form
A Public Quoted Company with Limited Liability incorporated in Sri Lanka under the Companies Act No. 17 of 1982 on 11th March 1983, and re-registered on 13th July 2008 under the Companies Act No. 7 of 2007.

Company No.
PQ 181

Board of Directors
S.D.R.Arudpragasam (Chairman)
S.Shanmugalingam
S.Rajaratnam
Amrit Rajaratnam
Anushman Rajaratnam
E.D.P. Soosaipillai
A.I.Piyadigama

Managers & Secretaries
Corporate Managers & Secretaries (Pvt) Limited
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo - 1.
Tel : 0112344485 - 9

Registered Office
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo - 1.
Tel : 0112344485 - 9

Stock Exchange Listing
The Shares of the Company are listed with the Colombo Stock Exchange

Auditors
Messrs. KPMG Chartered Accountants

Tax Advisors
Messrs. KPMG
Chartered Accountants

Bankers
Commercial Bank of Ceylon PLC
National Development Bank PLC

Lawyers
Messrs. Julius & Creasy
Attorneys-at-Law

Website
www.yorkarcadeholdings.com

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York Arcade Holdings PLC
8-5/2, Leyden Bastian Road,
York Arcade Building,
Colombo 01.