INDEPENDENT ADVISOR'S REPORT

MYLAND DEVELOPMENTS PLC (MDL)

INDEPENDENT ADVISOR'S REPORT ON THE

MANDATORY OFFER MADE BY AMBEON CAPITAL PLC ACTING IN CONCERT WITH ATX PARTNERS (PRIVATE) LTD, ARCASIA INVESTMENT & TRADING (PRIVATE) LIMITED, AND DON TIBURTIUS SUJEEWA HANDAPANGODA MUDALIGE

TO THE SHAREHOLDERS OF MYLAND DEVELOPMENTS PLC
(Company Registration No. PQ 00248999)

HNB Investment Bank (Pvt) Limited possesses the requisite expertise to perform a business valuation of this nature involving a company quoted under the Real Estate Management and Development sector (according to the GICS classification)

This report is dated 23rd October 2025

REPORT PREPARED BY

HNB Investment Bank (Private) Limited

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HNB Investment Bank (Pvt) Ltd is not in the same group and does not have a significant interest in or financial connection with either offeror or offeree and the Company, its Board of Directors, senior management, employees or agents do not have any arrangements which would compromise its independence. Therefore, it is able to form an independent opinion and valuation of the mandatory offer of Myland Development PLC.

HNB Investment Bank (Private) Limited has employed reasonable care and consideration in preparing this report. HNB Investment Bank (Pvt) Ltd and its directors, officers, or employees shall not be held responsible for any loss or damage arising from any reliance placed on the information, analysis, or opinions contained herein.

We hereby give and have not withdrawn our consent to the publication of this report to the Board of Directors and Shareholders of Myland Development PLC.

HNB Investment Bank (Private) Limited as Independent Advisors (IA) are of the opinion that based on the overall valuations on different equity valuation methodologies detailed in this report, the Shareholders of MDL should Not Accept the Offer.

Contents

1. INTRODUCTION

1.1. Background of the Assignment

Ambeon Capital PLC (the "Offeror"), acting in concert with ATX Partners (Private) Limited, Arcasia Investment and Trading (Private) Limited and Don Tiburtius Sujeewa Handapangoda Mudalige (together with the Offeror, the "Purchasers"), acquired by way of trades carried out on the Colombo Stock Exchange on 4th September 2025, Twenty Nine Million Six Hundred and Twenty Eight Thousand Six Hundred and Twenty Three (29,628,623) ordinary shares amounting to Eighty One Decimal Seven Three (81.73%) of the issued shares in Myland Developments PLC ("Myland") at a price of Sri Lanka Rupees Eight and Cents Fifty (LKR 8.50) per share.

Details of Offeror's share purchases are in the manner set out below:

Sellers	Consideration Per Share (LKR)	No. of. Shares held	Percentage
Ambeon Capital PLC	8.50	18,500,000	51.03%
ATX Partners (Private) Limited	8.50	4,983,123	13.75%
Arcasia Investment and Trading (Private) Limited	8.50	5,058,000	13.95%
Don Tiburtius Sujeewa Handapangoda Mudalige	8.50	1,087,500	3.00%
Total		**29,628,623**	**81.73%**

The Offeror, offers to acquire from the remaining shareholders of MDL, the balance Six Million Six Hundred and Twenty One Thousand Three Hundred and Seventy Seven (6,621,377) ordinary shares amounting to Eighteen decimal Two Seven per centum (18.27%) of the issued and paid up ordinary shares of MDL, which are not already owned by the Offeror or the parties Acting in Concert with the Offeror at an Offer Price of Sri Lankan Rupees Eight and Cents Fifty (LKR 8.50) per ordinary share. The offer price of Rs. 8.50 per share is the highest price paid by the offeror during the last 12 months.
Source: *Mandatory Offer Document dated 8th October 2025*

1.2. Terms of Reference

Our terms of reference in respect to this assignment are to provide independent advice to the Board of Directors of MDL. Under Section 13(2) of the Company Takeovers and Mergers Code 1995 (as amended in 2003), the Board of Directors of MDL are required to obtain independent advice on the mandatory offer made by the Offeror to the remaining shareholders of the Company at the price of **LKR. 8.50 per share**.

1.3. Limitations

In carrying out this assignment, we have performed reasonable analysis and assessments that were possible and practical within the time available as at the date of this report. We have also obtained information that was considered relevant for this exercise from the management of MDL with reference to the current/future potential of the Company and performed a sensitivity analysis on the same. The value recommendations given in this report are valid as at the valuation date and a reasonable period of time therefrom. ***The use of these value recommendations will not be appropriate after the passage of a substantial time period (generally 6 months from the valuation date) and/or where material changes have taken place in the Company's operating environment.*** A factor to be considered when reading this report is that the valuations carried out have been done based on financial data released by MDL.

2. MYLAND DEVELOPMENTS PLC (MDL)

2.1. Background

Myland Developments PLC was incorporated as a private limited company on March 6, 2017, under the laws of Sri Lanka. The Company completed its initial public offering and commenced trading on the Colombo Stock Exchange on December 28, 2021, transitioning from private to public company status.

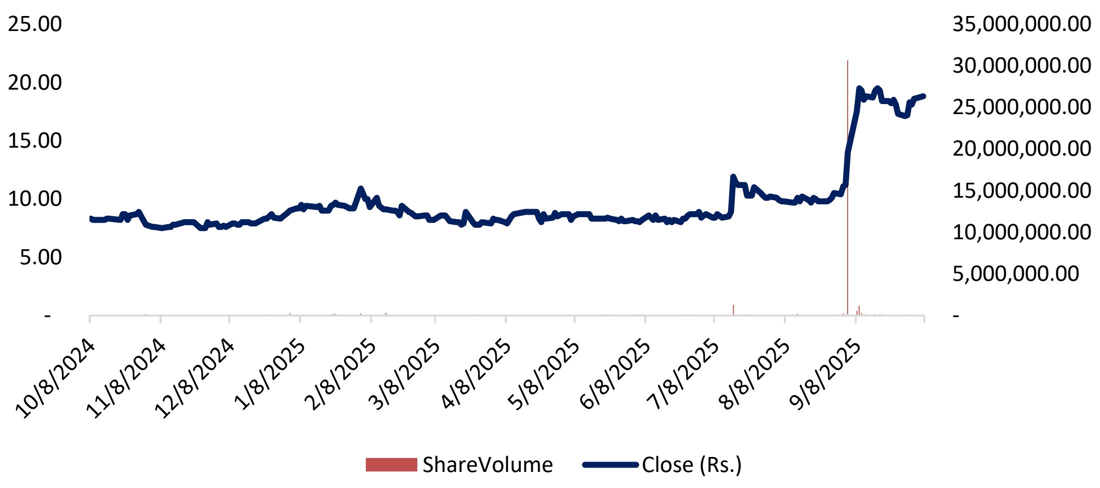
The Company operates as a real estate development entity with its principal business activities focused on the acquisition, development, and sale of land plots for both residential and commercial purposes. Operations are conducted primarily within the Western Province of Sri Lanka.

The Company's business model targets individuals seeking land acquisition opportunities for residential development and investment purposes. The Company serves both domestic Sri Lankan customers and Sri Lankan expatriates seeking property investment opportunities in their home country.

2.2. Share Performance of MDL

Figure 2.1 shows the MDL share price movement over the last 12 months. Over the last 12 months MDL share price has fluctuated with the share price showing a significant increase from the 4th of September this year closing at LKR 18.80 on 7th October 2025.

Figure 2.1 – Share Price Movement of MDL – Last 12 months



Source: *CSE*

2.3. Past Performance of MDL - Income Statements

For the year ended 31st Mar (LKR)	FY2023	FY2024	FY2025	FY2026- Q1
Revenue	66,429,773	70,415,354	48,851,635	14,540,189
Cost of Sales	(39,383,214)	(51,813,868)	(31,315,868)	(8,218,254)
Gross Profit	**27,046,559**	**18,601,487**	**17,535,767**	**6,321,936**
Other Income	783,170	1,646,734	1,139,595	1,793,545
Other gain/(losses)	5,719,575			
Selling and Marketing Expenses	(6,766,101)	(6,647,390)	(2,914,010)	(649,179)
Administration expenses	(33,922,358)	(33,992,832)	(33,257,088)	(7,581,690)
Other Operating Expenses	-	(1,171,846)	(693,513)	-
EBIT	**(7,139,155)**	**(21,563,847)**	**(18,189,250)**	**(115,389)**
Finance Cost	1,177,266	(5,962,806)	(5,609,743)	(1,895,985)
Finance Income	(5,250,434)	32,719	29,834	105,689
Net Finance Cost	**(4,073,168)**	**(5,930,087)**	**(5,579,909)**	**(1,790,297)**
Profit/(Loss) Before Tax	**(11,212,323)**	**(27,493,934)**	**(23,769,159)**	**(1,905,686)**
Tax	(78)	6,940,649	7,004,638	-
Profit/(Loss) After Tax	**(11,212,401)**	**(20,553,284)**	**(16,764,522)**	**(1,905,686)**
Other Comprehensive Income	478,124	(50,659)	11,073,159	
Total Comprehensive Income/(Loss) for the Year, Net of Tax	**(10,734,277)**	**(20,603,943)**	**(5,691,363)**	**(1,905,686)**

Source: *MDL Annual Reports (FY 2024, FY 2025); MDL Interim Financials (June 2025)*

2.4. Past Performance of MDL – Balance Sheets

As at 31st Mar – LKr	FY2023	FY2024	FY2025	FY2026-Q1
Non-Current Assets				
Property, Plant & Equipment	41,281,915	42,992,408	62,197,863	61,775,355
Right of use Assets	12,109,589	8,700,274	-	
Intangible Assets				
Deferred Tax	324,150	8,147,981	10,776,506	10,776,506
	53,715,654	**59,840,663**	**72,974,369**	**72,551,861**
Current Assets				
Inventory	129,881,064	176,868,241	195,643,238	195,868,021
Trade and Other Receivables	25,715,164	16,936,646	12,421,930	8,948,542
Other Current Assets	-	3,618,421	2,731,792	2,730,992
Financial Assets at Fair Value through Profit or Loss	14,438,193	5,234,480	-	-
Cash at Bank & In hand	1,216,393	3,578,835	6,431,835	5,055,837
	171,250,814	**206,236,623**	**217,228,795**	**212,603,393**
Total Assets	**224,966,468**	**266,077,286**	**290,203,164**	**285,155,253**
Capital and Reserves				
Stated capital	150,000,000	150,000,000	150,000,000	150,000,000
Revaluation Reserves	10,661,000	10,661,000	21,161,000	21,161,000
Retained earnings	10,390,221	(9,328,664)	(25,520,027)	(27,425,713)
Total Equity	**171,051,221**	**151,332,336**	**145,640,973**	**143,735,287**
Non-Current Liabilities				
Interest - Bearing Loans & Borrowings	14,112,514	48,543,055	62,392,277	66,302,275
Retirement Benefit Obligation	2,285,780	3,179,221	3,165,717	3,165,717
Total Non-Current Liabilities	**16,398,294**	**51,722,276**	**65,557,994**	**69,467,992**
Current Liabilities				
Trade and Other payables	26,473,381	11,114,590	16,194,219	14,580,154
Other Current Liabilities	-	25,071,038	29,789,362	37,583,116
Interest - Bearing Loans & Borrowings	11,039,794	21,006,587	31,817,118	18,787,704
Amount due to Related Parties	-	5,000,000	1,200,000	1,000,000
Bank Overdraft	3,778	830,459	3,500	1,000
	37,516,953	**63,022,674**	**79,004,199**	**71,951,974**
Total Equity & Liabilities	**224,966,468**	**266,077,286**	**290,203,164**	**285,155,253**

Source: *MDL Annual Reports (FY 2024,FY 2025); MDL Interim Financials (June 2025)*

3. THE OFFERORS

3.1 Profile of Ambeon Capital PLC

Ambeon Capital PLC was incorporated in Sri Lanka on 20th September 2006 as a public limited liability company and re-registered under the Companies Act No. 7 of 2007 on 31d August 2009, bearing company registration No. PB 1090 PQ, having its registered office at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. The principal activity of Ambeon Capital PLC is to operate as an investment holding company.

3.2 Profile of ATX Partners (Pvt) Ltd

ATX Partners (Private) Limited was incorporated in Sri Lanika as a limited liability company on 1st February 2024 under the Companies Act No. 7 of 2007 and bears Company Registration No. PV00293285. The registered office of ATX Partners (Private) Limited is situated at Level 3, No.100/1, Elvitigala Mawatha, Colombo 08. The principal activities of ATX Partners (Private) Limited are retail trade and related commercial operations.

3.3 Profile of Arcasia Investment & Trading (Pvt) Ltd

Arcasia Investment & Trading (Pvt) Ltd is a limited liability company incorporated in Sri Lanka on 24th August 2019 under the Companies Act, bearing company number PV00214802 and having its registered office at No. 37 1/1, Pedris Road, Colombo 03. The principal activities of Arcasia Investment & Trading (Pvt) Ltd include making and managing investments, engaging in trading operations and conducting related commercial activities.

3.4 Profile of Don Tiburtius Sujeewa Handapangoda Mudalige

Don Tiburtius Sujeewa Handapangoda Mudalige is the holder of National Identity Card number No. 652240887V of No. 21, Spathodea Avenue, Colombo 05.

Source: *Mandatory Offer Document dated 8th October 2025*

3.5 Intention of the Offeror

The Offer to the Shareholders of MLD is made pursuant to a statutory obligation on the Offeror to make a mandatory offer under Rule 31 (1) (a) of the Code, consequent to the acquisition by the Purchasers, by trades carried on 4th September 2025, of eighty one decimal seven three percent (81.73%) of the Shares in MLD.

The Offeror's intention is to continue, in its ordinary course, the current business of MLD, which is the purchasing of land for the purposes of development, subdivision and sale of such land as individual plots.

The Offeror does not intend to make any major changes to the business operations of MLD including any redeployment of the fixed assets of MLD.

The Offeror intends that the recruitment and termination of employees of MLD will continue to form part of the duties and responsibilities of the management of MLD, following the Offer. The Offeror does not currently intend to terminate the services of any employees of MLD.

Source: *Mandatory Offer Document dated 8th October 2025*

4. VALUATION METHODOLOGY

As mentioned earlier, the purpose of this report is to determine the value of the shares of MDL and to make a recommendation on the offer made by the Offeror.

The *Fair Market Value* is the expected price at which the business would be transferred from a willing seller to a willing buyer. This assumes that both parties to the transaction are informed of all relevant factors as at the date of the transaction and are undertaking the transaction without undue pressure.

Valuation Methodologies	
Asset based Approach – Net Asset Value (NAV)	Estimates the intrinsic value of a common share as the value of the total assets of a company minus the value of its total liabilities
Market Approach - Price to Book Value Based Approach (P/BV)	Based on the estimated market value of assets (adjusted for physical, functional and economic depreciation) and the market value of liabilities
Market Approach – Price to Earnings Based Approach (P/E)	Based on the general market indicator of Price/Earnings in the Sri Lankan marketplace
Discounted Cash Flow Based Approach (DCF)	Based on the earnings/cash generating capacity of the assets under appraisal

4.1. Net Asset Value (NAV) Based Valuation

Net Asset based valuation focuses on a company's Net Asset Value (NAV), or the fair-market value of its total assets minus its total liabilities. NAV is also known as the book value of a company. NAV based valuation approach is most suitable when a business is non-operating or has been generating losses, and the company's focus is holding investments or real estate.

4.2. Price to Book Value (P/BV) Based Valuation

The Net Asset Value (NAV) which is the Book Value, involves determining the fair market value of all assets and liabilities of the enterprise. P/BV approach is a multiple based valuation that determines the value of the shares based on its book value.

This approach is generally not favoured in the valuation of an enterprise as a going concern as it is difficult to establish the contribution of individual assets to the business and because it does not reflect the future earnings potential of the assets held. However, in certain exceptional circumstances the NAV method can be used. Namely, when the current returns of the entity do not adequately reflect the FMV (Future Market Value) of an enterprise's net assets or when there is no potential future operational purpose seen in the assets for the company owning them.

4.3. Price to Earnings (P/E) Based Valuation

The P/E ratio (price-to-earnings ratio) of a stock (also called its "P/E", or simply "multiple") is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. The P/E tells you what the market is willing to pay for the company's earnings. If a stock has a P/E of 10(x), it means the market is willing to pay 10 times its earnings for the stock.

The disadvantage of using P/E based valuation is that when earnings are negative P/E valuation does not make economic sense. Also, P/E based valuation approach focuses on the short-term earnings potential and does not take into consideration the long term earnings growth. As such this approach will under value a company where there is significant potential for earnings growth due to capacity expansion, market growth etc.

4.4. Discounted Cash Flow Approach (DCF)

The Discounted Cash Flow (DCF) method is considered a theoretically sound valuation methodology for an ongoing business. In this approach, the value of a business entity is considered to be equivalent to the present value of the operating cash that could potentially be withdrawn from the entity without impairing its growth or operations. It is the amount an investor would pay for the right to receive such cash flows. Hence, this valuation approach is based on the premise that the value of an organisation is a function of the future cash flows generated by the business, discounted back to its present value by a risk adjusted cost of capital.

4.5. Volume Weighted Average Price (VWAP) Analysis

The Volume Weighted Average Price (VWAP) is a widely recognized trading benchmark that represents the average price at which a security has traded throughout a specified period, weighted by trading volume. VWAP is calculated by dividing the total LKR value of all trades by the total trading volume for the period under consideration.

5. ASSUMPTIONS

In arriving at the value recommendations, financial forecasts have been prepared by management, which are detailed below.

5.1 Key Assumptions for the Financial Forecast – Myland Developments PLC

Revenue and Growth Projections

The Company experienced a downward trend in turnover over the past three years due to prevailing economic and social conditions. In response to subdued property demand, the Board adopted a cautious approach to inventory expansion through borrowed capital, which, while prudent, limited inventory diversification and impacted overall performance. Consequently, the Company's turnover declined sharply by 30.6%, from LKR 70.41 million in 2023/24 to LKR 48.85 million in the current year.

Under Ambeon's ownership, the strategic focus has shifted to accelerate growth. Management plans to expedite the remaining development phases of the Ballummahara project, aiming for its completion and sale within the current financial year. Furthermore, the company is actively evaluating several new land acquisition opportunities to build a robust development pipeline for the coming years. The company projects completing a minimum of four new projects annually over the next few years.

	2027F	2028F	2029F
Revenue	515,726,250	603,398,250	642,496,920
Total Saleable Extent	878	835	944
Average Selling Price Per P.	587,722	722,979	680,755

Profitability Analysis

Despite the prevailing economic and social conditions, the Company was able to improve its gross profit margin from 26.4% to 35.9%. During the forecast period, the gross profit margin is expected to stabilize at 28.6% in FY2026 and thereafter to grow to 32.3% by FY2029F.

	2023A	2024A	2025A	2026F	2027F	2028F	2029F
Revenue Growth		6.00%	-30.62%	419.89%	103.06%	17.00%	6.48%
Gross Profit Margin	40.71%	26.42%	35.90%	28.59%	27.10%	31.53%	32.28%
Sales and Marketing Expenses as a % of Revenue	10.19%	9.44%	5.97%	6.00%	6.00%	6.00%	6.00%

Administrative Expenses as a % of revenue	51.06%	48.27%	68.08%	11.94%	6.45%	6.17%	6.38%
EBIT Margin	-10.75%	-30.62%	-37.23%	15.18%	14.88%	19.64%	20.31%
Net Profit Margin	-16.88%	-29.19%	-34.32%	13.23%	12.07%	11.90%	12.39%

Working Capital Assumptions

Under Ambeon's management, the Company is expected to achieve significant sales growth, which is anticipated to improve the working capital cycle relative to historical performance levels.

	2023A	2024A	2025A	2026F	2027F	2028F	2029F
Inventory/CoS	329.79%	341.35%	624.74%	72.00%	51.24%	62.52%	74.81%
Receivables/Revenue	38.71%	24.05%	25.43%	4.34%	1.74%	1.23%	1.00%
Payables/CoS	67.22%	21.45%	51.71%	8.93%	4.31%	3.92%	3.72%

Gearing Assumptions

Under the new management, the Company is expected to expand its land bank through debt financing, with debt repayment anticipated within five-month cycles at an interest cost of 9.25%. The interest rate is expected to be lower than historical levels, as the Company would leverage Ambeon's group balance sheet to reduce borrowing costs.

Note:

Refer Annexure I for the forecasted financial statements of Myland Developments PLC.

6. VALUE RECOMMENDATIONS

6.1. NAV Based Valuation

Based on the interim financials reported by the company, the Net Asset Value per share of MDL as at 30th June 2025 is valued at LKR. 03.97 per share.

MDL's NAV per share is valued at LKR 03.97 based on the latest interim NAV as at 30th June 2025, as such the Mandatory Offer price of LKR 8.50 per share is at a 114% premium to the NAV based valuation.

6.2. P/BV Based Valuation

Based on MDL's latest unaudited NAV as of June 30th, 2025:

Market P/BV Analysis: Using the market P/BV ratio of all CSE-listed companies as of October 07, 2025, and a market multiple of **1.46x,** MDL shares are valued at LKR 5.79 per share.

GICS Industry P/BV Analysis: Using the GICS Industry P/BV ratio as of October 07, 2025, and a market multiple of **1.11x,** MDL shares are valued at LKR 4.40 per share.

Peer P/BV Analysis: Using the peer company P/BV multiple as of October 07, 2025, and a peer multiple of **3.21x**, MDL shares are valued at LKR 12.74 per share. Prime Lands Residencies (PLR) represents the closest comparable peer within the GICS real estate and development sector. The peer multiple is calculated using the most recent quarterly financial results and prevailing share price.

Offer Assessment
The mandatory offer price of LKR 8.50 represents:

- A **47% premium** to the market P/BV valuation of LKR 5.79 per share.
- A **93% premium** to the GICS Industry P/BV valuation of LKR 4.40 per share.
- A **33% discount** to the peer P/BV valuation of LKR 12.74 per share.

6.3. P/E Based Valuation

The P/E valuation methodology requires positive earnings to produce a meaningful valuation metric. When a company reports losses, the resulting P/E multiple becomes negative or undefined, rendering any valuation derived from this approach meaningless and unsuitable for comparative purposes.

The Company reported a net loss for the fiscal year ended FY2025. Furthermore, the Company is expected to generate negative earnings on an annualized basis for FY2026F.

Accordingly, we have relied on alternative valuation methodologies that are more appropriate given the Company's current financial profile.

6.4. Discounted Cash Flow (DCF) Based Valuation

DCF Valuation – Based on "Free Cash flow to Firm" with 9.07% Weighted Average Cost of Capital and a terminal growth rate of 3%, net of debt and cash, we arrive at a value of **LKR 9.57** per MDL share.

Sensitivity Analysis of MDL' price per share is provided below:

		WACC				
		7%	8%	9%	10%	11%
Terminal Growth	1%	10.22	8.60	7.32	6.44	5.69
	2%	12.16	9.95	8.28	7.19	6.27
	3%	15.07	11.84	**9.57**	**8.15**	7.00
	4%	19.91	14.67	**11.36**	**9.44**	7.94

Note:

Specific assumptions

- Cost of Equity (Ke): 05-year T-bond rate of 09.60% (as at 07th October 2025 reported by CBSL) with a Risk premium assumed to be 8%.
- Pre Tax Cost of Debt (Kd): 9.25% (Based on management discussions)
- Tax Rate 30%
- Weight of Equity: 30.00%, Weight of Debt: 70.00% (based on Ambeon's Group balance sheet)
- Terminal Growth rate 3%

The DCF Valuation has been carried out based on the assumptions/forecasts detailed in Section 05 and shown in Annexures I and the specific WACC and Terminal Growth rate assumptions detailed above which are considered to be reasonable.

In arriving at the DCF equity valuation, the net debt calculation as at 30th June 2025 was applied:

Net Debt Calculation	
Long Term Debt	66,302,275
Short Term Debt	18,788,704
(-) Cash and Cash Equivalent	5,055,837
Net Debt	**80,035,142**

The mandatory offer price of LKR 8.50 is at a 11% discount to MDL' Discounted Cash Flow based value as ascertained above.

6.5. Volume Weighted Average Price (VWAP) Analysis

The VWAP of MDL as of 7th October 2025 is provided below:

	VWAP (LKR)
1M VWAP (Sept-Oct)	18.86
3M VWAP (July-Oct)	12.66
6M VWAP(Apr – Oct)	12.54
12 VWAP	12.28

Source: CSE

Offer Assessment:

The mandatory offer price of LKR 8.50 represents:

- A **222% discount** to the One-Month VWAP price of 18.86.
- A **149% discount** to the Three-Month Month VWAP price of 12.66.
- A **147% discount** to the Six-Month Month VWAP price of 12.54.
- A **144% discount** to the Twelve-Month Month VWAP price of 12.28.

6.6. Valuation Summary

Methodologies	Equity Value per share (LKR)	Offer Price at a Premium/ (Discount)
Net Asset Value – 30th June 2025	03.97	Premium
Market P/BV based valuation – 30th June 2025 NAV	05.79	Premium
GICS Industry P/BV based valuation – 30th June 2025 NAV	04.40	Premium
Peer sector P/BV based valuation – 30th June 2025 NAV	12.74	Discount
Discounted Cashflow Based Valuation	09.57	Discount
One Month VWAP	18.86	Discount
Three Month VWAP	12.66	Discount
Six Month VWAP	12.54	Discount
Twelve Month VWAP	12.28	Discount
Last Traded Market Price (07th October 2025)	18.80	Discount
Offer Price	08.50	

6.7. Independent Advisor's Recommendation

Our recommendation is based purely on the past financial performance, current situation of the Company and future expected performance of MDL based on management's forecasts shown in Annexure I. Given the above valuations we are of the view that **shareholders should not accept the offer, since the offer price is at a discount to most of the valuation methods.**

With the last traded price exceeding almost all values derived from the valuation methods, we recommend that shareholders reject this offer.

It should be noted that the financial forecasts are mainly based on the assumptions that we have used and explained in detail in Section 5 of this report. Therefore, the shareholders should refer to Section 7 of this report related to risks of accepting or rejecting the Offer.

HNB Investment Bank (Pvt) Ltd is not in the same group and does not have a significant interest in or financial connection with either offeror or offeree and the Company, its Board of Directors, senior management, employees or agents do not have any arrangements which would compromise its independence. Therefore, it is able to form an independent opinion and valuation of the mandatory offer of Myland Development PLC.

7. RISK FACTORS TO THE EXISTING SHAREHOLDERS

7.1. If Shareholders Accept the Offer

The valuations carried out in this report are based on reported audited and interim financials of the Company, which is publicly available and information obtained from the management to carry out our financial forecast in this report. Future business plans of the Company and Offeror can have a significant effect on the performance and position of MDL in the future. Therefore, market prices can move favourably or unfavourably due to this. Shareholders who accept the Offer may also lose out on investment gains, if MDL' financial performance improves subsequent to changes in business plans of the acquirer and related parties.

7.2. If Shareholders Reject the Offer

By not accepting the Offer shareholders may face the risk of low liquidity of MDL shares. The Public float immediately prior to the Mandatory Offer was 18.07% as at 30th June 2025. Subsequent to the Mandatory Offer if the majority of the remaining shareholders accept the offer, it will lead to low liquidity.

Information asymmetry is another risk facing the existing shareholders when deciding whether to accept the offer or not.

8. LIMITATIONS

All assumptions made in order to appraise this entity were based on information obtained from the audited and interim financials of MDL reported on the CSE as well as from the MDL board of directors/ management. Nothing has come to our attention to cause us to believe that the facts and data set forth in this report are incorrect. However, no responsibility is assumed for technical information furnished by the organization and these are believed to be reliable. Neither HNB Investment Bank (Private) Limited nor any of its employees has a financial interest in the entity being appraised. The fee for the preparation of this report is not contingent upon results reported. No investigations of the titles of the properties have been made and the directorate's claims to the properties have been assumed to be valid. No consideration has been given to liens or encumbrances, which may be against the properties.

This report is for the use of the Board of Directors and Shareholders of MDL for the purpose set out in Section 1.0 of this report and should not be used for any other purpose. Neither all nor part of the contents of this report shall be disseminated to the public, through advertising, public relation, news, sales or any other public media without prior approval of HNB Investment Bank (Private) Limited.

The estimates of future operations herein were prepared by HNB Investment Bank (Private) Limited based on the information made available by the company. The value recommendations made herein are valid as of the valuation date and a reasonable period of time thereafter, subject to there being no material changes to the operating environment of the Company. The information that was available was adequate to facilitate an informed view of the Offer and to form a reasonable basis for the opinion. **The use of the value recommendations in this report after the passage of six months from the valuation date is not recommended.**

9. INDIVIDUALS MATERIALLY PARTICIPATING IN THE VALUATION ASSIGNMENT

- **Raafidh Markar –** *Senior Associate*

Raafidh Markar has over 9 years of experience in corporate finance and equity research, specializing in valuations, feasibility studies, market analysis, and corporate planning. Prior to joining HNBIB, he served as a Senior Analyst in Corporate Finance and Planning at Steradian Capital Investments (SCI). Before SCI, Raafidh held the position of Vice President at Lynear Wealth Management, managing a portfolio of companies and developing investment theses, financial forecasts, and investor presentations. Earlier in his career, Raafidh worked as an Analyst in PwC's advisory services team, gaining valuable experience in business valuations, feasibility studies, market entry analyses, and commercial due diligence. Raafidh holds a Bachelor of Science degree in Economics and Management from the University of London.

10. DISCLAIMER

This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources, believed to be reliable. Opinions and estimates given constitute a judgment as of the date of the material and are subject to change without notice. This report is not intended as an offer or solicitation for the purchase or sale of any financial instrument. **The recipients of this report must make their own independent decision regarding any securities, investments or financial instruments mentioned herein**. This report is for the use of the intended recipient only. Access, disclosure, copying, distribution or reliance on any of it by anyone else is prohibited and may be a criminal offence.

Ray Abeywardena

Managing Director

HNB Investment Bank (Pvt) Ltd.

ANNEXURE I – FORECASTED FINANCIALS (2026F TO 2030F) –

MYLAND DEVELOPMENTS PLC

Income Statements

31St March - LKR

	FY2025A	FY2026F	FY2027F	FY2028F	FY2029F
Revenue	48,851,635	253,974,706	515,726,250	603,398,250	642,496,920
Cost of Sales	(31,315,868)	(181,360,778)	(375,945,919)	(413,175,515)	(435,075,277)
Gross Profit	**17,535,767**	**72,613,928**	**139,780,331**	**190,222,735**	**207,421,643**
Other Operating Income	1,139,595	1,793,545	1,139,595	1,709,392	2,564,088
Other gain /(losses)	-	9,700,000	-	-	-
Selling &Marketing Expenses	(2,914,010)	(15,238,482)	(30,943,575)	(36,203,895)	(38,549,815)
Administrative Expenses	(33,257,088)	(30,326,760)	(33,257,088)	(37,247,939)	(40,972,733)
Other Operating Expenses	(693,513)				
EBIT	**(18,189,250)**	**38,542,230**	**76,719,262**	**118,480,293**	**130,463,183**
Finance Income	29,834	105,689	29,834	29,834	29,834
Finance Cost	(5,609,743)	(5,058,734)	(14,489,582)	(15,924,473)	(16,768,526)
PBT	**(23,769,159)**	**33,589,184**	**62,259,514**	**102,585,654**	**113,724,491**
Income tax expense	7,004,638	-	-	(30,775,696)	(34,117,347)
PAT	**(16,764,522)**	**33,589,184**	**62,259,514**	**71,809,958**	**79,607,143**

The company is not expected to incur tax expenses during FY2026F and FY2027F, as carried-forward tax losses will fully offset taxable income during this period.

Balance Sheets

31St March - LKR

	FY2025A	FY2026F	FY2027F	FY2028F	FY2029F
ASSETS					
NON-CURRENT ASSETS					
Property, Plant & Equipment	62,197,863	3,897,863	3,702,970	3,508,077	3,313,184
Deferred Tax	10,776,506	10,776,506	10,776,506	10,776,506	10,776,506
Total Non - Current Assets	**72,974,369**	**14,674,369**	**14,479,476**	**14,284,583**	**14,089,690**
CURRENT ASSETS					
Inventory	195,643,238	130,579,892	192,629,219	258,328,505	325,487,776
Trade Receivables	12,421,930	11,026,235	8,972,352	7,419,793	6,394,887
Other Current Assets	2,731,792	2,731,792	2,731,792	2,731,792	2,731,792
Cash at Bank & In hand	6,431,835	95,888,877	137,371,619	174,728,361	207,869,249
Total Current Assets	**217,228,795**	**240,226,796**	**341,704,981**	**443,208,452**	**542,483,704**
TOTAL ASSETS	290,203,164	254,901,165	356,184,457	457,493,034	556,573,393
EQUITY & LIABILITIES					
EQUITY					
Stated Capital	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
Revaluation Reserve	21,161,000	21,161,000	21,161,000	21,161,000	21,161,000
Retained Earnings	(25,520,027)	8,069,157	70,328,671	142,138,629	221,745,773
Total Equity	**145,640,973**	**179,230,157**	**241,489,671**	**313,299,629**	**392,906,773**
NON-CURRENT LIABILITIES					
Interest - Bearing Loans & Borrowings	62,392,277	-	-	-	-
Retirement Benefit Obligation	3,165,717	3,165,717	3,165,717	3,165,717	3,165,717
Total Non-Current Liabilities	**65,557,994**	**3,165,717**	**3,165,717**	**3,165,717**	**3,165,717**
CURRENT LIABILITIES					
Trade & Other Payables	16,194,219	16,194,219	16,194,219	16,194,219	16,194,219
Other Current Liabilities	29,789,362	56,307,573	95,331,351	124,829,970	144,303,186
Interest - Bearing Loans & Borrowings	31,817,118	-	-	-	-
Amount due to Related Parties	1,200,000	-	-		
Bank Overdraft	3,500	3,500	3,500.00	3,500.00	3,500.00
Total Current Liabilities	**79,004,199**	**72,505,292**	**111,529,070**	**141,027,689**	**160,500,905**
TOTAL EQUITY & LIABILITIES	290,203,166	254,901,167	356,184,459	457,493,036	556,573,395

Cashflow Statements

31st March - LKR

	2026F	2027F	2028F	2029F
Opening Balance	**6,431,835**	**95,888,877**	**137,371,619**	**174,728,362**
Cash Inflow				
Land Sale	49,841,757	515,726,250	603,398,250	642,496,920
Proceeds from vehicle sale	15,000,000			
Proceed From Land Sales (Kadawatha & Kiridivalla)	53,450,000			
Balummahara Land Sale	87,835,516			
Other Income	1,899,233	1,169,429	1,739,226	2,593,922
Loan Grant	-	437,995,245	478,874,802	502,234,548
Receive from Debtor & Advance	27,658,800	41,077,660.8	31,051,178.5	20,498,121.9
Cash Outflow				
Loan Paid	(94,209,395)	(452,484,828)	(494,799,275)	(519,003,074)
Land Purchase	-	(300,000,000)	(328,000,000)	(344,000,000)
Development Cost	-	(137,995,245)	(150,874,802)	(158,234,548)
Other Expenses (Admin and Sells)	(50,818,870)	(64,005,770)	(73,256,941)	(79,327,655)
Amount due to Related Parties	(1,200,000)			
Tax Expenses	-	-	(30,775,696)	(34,117,347)
Closing Balance	**95,888,877**	**137,371,619**	**174,728,362**	**207,869,249**

ANNEXURE II – DISCOUNTED CASH FLOW BASED VALUATION

LKR	2026E	2027E	2028E	2029E
EBIT	38,542,230	76,719,262	118,480,293	130,463,183
EBIT*(1-T)	26,979,561	53,703,484	82,936,205	91,324,228
Add/Less: Change in Working Capital	66,459,041	(59,995,443)	(64,146,728)	(66,134,365)
Add/Less: Depreciation	194,893	194,893	194,893	194,893
Unlevered FCF to the Firm	**93,633,495**	**(6,097,067)**	**18,984,370**	**25,384,756**
	0.75	1.75	2.75	3.75
Terminal Value				430,852,746
Discount Factor	0.94	0.86	0.79	0.72
Present Value	**87,731,737**	**(5,237,778)**	**14,952,817**	**329,471,956**

Value of Equity	
Enterprise value	**426,918,732**
Less: Net Debt	(80,035,142)
Implied equity value	346,883,590
Less: Marketability discount	-
Indicative fair market value of equity	**346,883,590**
Number of Shares	36,250,000
Value per share	9.57