INDEPENDENT ADVISOR'S REPORT

SERENDIB LAND PLC

INDEPENDENT ADVISOR'S REPORT ON THE

MANDATORY OFFER MADE BY SENTHILVERL HOLDINGS (PRIVATE) LIMITED

TO THE SHAREHOLDERS OF SERENDIB LAND PLC
(Company Registration No. PQ212)

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 01st January 2026

The initial report was submitted for SEC approval on the 23rd December 2025
and after corrections/amendments SEC approval was received on the 01st January 2026

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 Serendib Land 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We hereby give and have not withdrawn our consent to the publication of this report to the Board of Directors and Shareholders of Serendib Land PLC.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 Serendib Land PLC should Not Accept the Offer.

Contents

1. INTRODUCTION

1.1. Background of the Assignment

Senthilverl Holdings (Private) Limited (the "Offeror") acquired by way of a trade carried out on the Colombo Stock Exchange on 14th November 2025 (by utilising a facility provided by Sampath Bank PLC), Fifty One Thousand Ninety Four (51,094) ordinary shares of Serendib Land PLC ("Serendib") amounting to Twelve decimal Eight One percent (12.81%) of the issued shares of Serendib at a price of Sri Lanka Rupees One Thousand Five Hundred (LKR 1,500) per share.

Prior to the transaction, the Offeror held One Hundred and One Thousand Five Hundred and Eighty-Seven (101,587) ordinary shares in Serendib, amounting to approximately Twenty-Five decimal Four Six percent (25.46%) of the issued shares thereof. Accordingly, following the said acquisition, the total number of ordinary shares held by the Offeror in Serendib as at 14th November 2025 is One Hundred and Fifty-Two Thousand Six Hundred and Eighty-One (152,681), amounting to Thirty-Eight decimal Two Seven percent (38.27%) of the issued shares of Serendib. Consequently, the Offeror has become obliged to make a Mandatory Offer to the remaining shareholders of Serendib in terms of Rule 31(1)(a) of the Takeovers and Mergers Code.

Accordingly, the Offeror offers to acquire from the remaining shareholders of Serendib, the balance Two Hundred and Forty Six Thousand Two Hundred and Twenty Five (246,225) ordinary shares amounting to Sixty One decimal Seven Three percent (61.73%) of the issued and paid-up ordinary shares of Serendib, which are not already owned by the Offeror, at an Offer Price of Sri Lanka Rupees One Thousand Five Hundred (LKR 1,500) per ordinary share. The Offer Price of LKR 1,500 per share is the highest price paid by the Offeror for shares of Serendib during the twelve (12) months preceding 14th November 2025.

Source: *Mandatory Offer Document dated 18th December 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 Serendib Land PLC. Under Section 13(2) of the Company Takeovers and Mergers Code 1995 (as amended in 2003), the Board of Directors of Serendib Land PLC 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. 1,500 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 obtained information considered relevant for this exercise from the management of Serendib

Land PLC in respect of the Company's current position. 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 Serendib Land PLC.

2. SERENDIB LAND PLC (SLND)

2.1. Background

Serendib Land PLC is a public limited liability company incorporated in Sri Lanka in 1980 and is listed on the Colombo Stock Exchange (Ticker: SLND.N0000). Since its listing, the Company has established itself as a specialist in real estate ownership and management, focusing on generating stable, long-term returns from property assets.

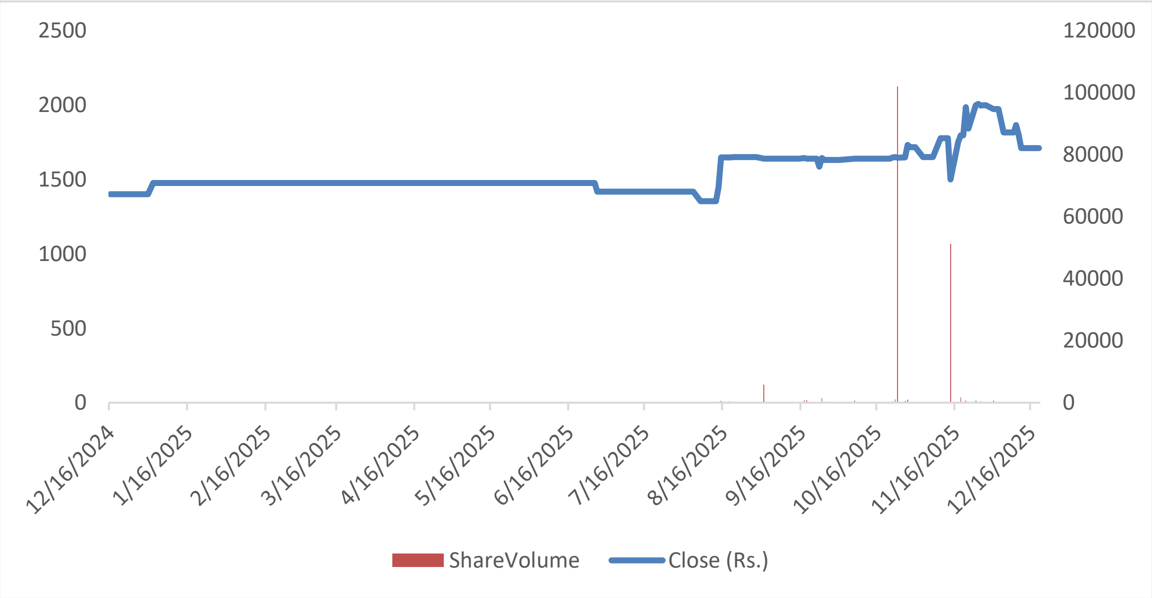
The Company's principal activities involve leasing office premises and managing investment properties, including land and buildings, to serve corporate and institutional tenants. Its operations are conducted primarily from its headquarters in Colombo, where it oversees the administration and strategic direction of its property portfolio.

Serendib Land PLC's business model targets investors and occupiers seeking stable property income and value appreciation. The Company's revenue is derived from long-term rental contracts and the strategic holding of real estate assets.

2.2. Share Performance of SLND

Figure 2.1 shows the SLND share price movement. Following the transaction on 14th November 2025, the share price showed an upward trend.

Figure 2.1 – Share Price Movement of SERENDIB LAND PLC – Last 12 months



Source: *CSE*

2.3. Past Performance of SLND - Income Statement

For the year ended 31st Mar (LKR)	**FY2023**	**FY2024**	**FY2025**	**FY2026- Q1**	**FY2026-Q2**
Revenue	27,046,644	27,046,644	27,046,644	6,761,661	-
Direct expenses	(1,137,385)	(1,374,397)	(1,374,397)	(343,599)	(343,599)
Gross Profit/(Loss)	**25,909,259**	**25,672,247**	**25,672,247**	**6,418,062**	**(343,599)**
Other operating (expense)/income	-	18,200	(1,036,247)	1,141,936	1,024,340
Changes in fair value of investment property	69,775,000	35,250,000	(2,519,371)		
Administration expenses	(6,213,067)	(5,269,191)	(7,043,422)	(1,164,810)	(2,523,415)
Profit from operations	**89,471,192**	**55,671,256**	**15,073,207**	**6,395,188**	**(1,842,674)**
Finance income	7,064,718	7,547,942	4,788,851	-	-
Finance expenses	(100)	(100)	-	-	-
Profit/(Loss) Before Taxation	**96,535,809**	**63,219,098**	**19,862,058**	**6,395,188**	**(1,842,674)**
Income tax expense	(67,640,528)	(13,811,981)	(6,427,087)	(1,918,556)	-
Profit/(Loss) for the year	**28,895,282**	**49,407,117**	**13,434,971**	**4,476,632**	**(1,842,674)**

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

2.4. Past Performance of SLND – Balance Sheet

As at 31st March– LKR	**FY2023**	**FY2024**	**FY2025**	**FY2026-Q1**	**FY2026-Q2**
Non-Current Assets					
Investment property	705,250,000	740,500,000	737,980,629	740,500,000	737,980,629
Right of use Assets	1,055,282	1,037,087	-	1,014,345	-
Equity investments - FVOCI	6,407,000	6,934,913	9,942,589	-	-
Total non-current assets	**712,712,282**	**748,472,000**	**747,923,218**	**741,514,345**	**737,980,629**
Current Assets					
Trade and Other Receivables	20,044,409	23,416,981	23,834,000	13,884,233	13,995,570
Short term investments	46,099,562	11,315,464	12,042,108	58,200,352	45,947,771
Investment in equity securities	-	-	-	11,198,782	14,259,549
Income tax receivable	-	-	-	4,603,089	6,410,045
Cash and cash equivalents	4,483,390	45,401,983	52,031,555	8,586,012	8,552,736
Total current assets	**70,627,361**	**80,134,428**	**87,907,663**	**96,472,468**	**89,165,671**
Total assets	**783,339,643**	**828,606,428**	**835,830,881**	**837,986,813**	**827,146,300**
Capital and Reserves					
Stated capital	100,000,800	100,000,800	100,000,800	100,000,800	100,000,800
Retained earnings	62,934,427	67,118,894	73,100,586	79,174,943	73,608,442
Financial assets FVOCI Reserve	2,344,878	2,872,792	5,880,468	7,136,661	10,197,428
Other reserve	495,602,700	530,852,700	528,333,329	530,852,700	528,333,329
Total Equity	**660,882,805**	**700,845,186**	**707,315,183**	**717,165,104**	**712,139,999**

Non-Current Liabilities					
Deferred tax liability	103,923,727	109,339,490	108,741,274	109,339,491	108,741,273
Lease liability	640	740	-	812	-
Total Non-Current Liabilities	**103,924,367**	**109,340,230**	**108,741,274**	**109,340,303**	**108,741,273**
Current Liabilities					
Other payables	13,254,515	13,385,349	15,003,852	10,680,050	3,980,324
Income tax payable	3,211,025	2,523,053	2,736,391	-	-
Lease liabilities	100	100	-	153	-
Dividend payable	1,468,221	1,842,035	1,931,474	488	488
Bank Overdraft	598,610	670,475	102,707	800,714	2,284,213
Total current liabilities	**18,532,472**	**18,421,012**	**19,774,424**	**11,481,405**	**6,265,025**
Total liabilities	**122,456,839**	**127,761,242**	**128,516,698**	**120,821,708**	**115,006,298**
Total equity and liabilities	**783,339,643**	**828,606,428**	**835,830,881**	**837,986,813**	**827,146,300**

Source: *SLND Annual Reports (FY 2024, FY 2025); SERENDIB LAND PLC Interim Financials (June, September 2025*

3. THE OFFEROR

3.1. Profile of Senthilverl Holdings (Private) Limited

Senthilverl Holdings (Private) Limited was incorporated in Sri Lanka on 25th of October 2017 as a private limited liability company under the provisions of the Companies Act No. 7 of 2007, bearing company registration number PV 126635. The registered office of the Company is situated at 14, Dam Street, Colombo 12. The principal activity of Senthilverl Holdings (Private) Limited is to operate as an investment holding company.

Source: *Mandatory Offer Document dated 18th December 2025*

3.2. Intention of the Offeror

The Offeror's intention is to continue, in its ordinary course, the current business of Serendib, which is the rental and development of land and properties.

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

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

Source: *Mandatory Offer Document dated 18th December 2025*

4. VALUATION METHODOLOGY

As stated earlier, the purpose of this report is to determine the **fair value of the ordinary shares of Serendib Land PLC** and to provide an informed assessment of the offer made by the Offeror.

Fair Market Value is defined as the estimated price at which an asset would change hands between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion, as at the date of valuation.

Valuation Methodologies	
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 – Volume Weighted Average Price (VWAP) Method	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.
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

4.1. 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.

4.2. 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.

4.3. 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.

4.4. Other Considerations:

The Price-to-Earnings (P/E) and Discounted Cash Flow (DCF) valuation methodologies have been excluded due to the absence of tenant occupancy in the existing properties. Under these circumstances, book value approaches are considered more relevant.

5. VALUE RECOMMENDATIONS

5.1. P/BV Based Valuation

Based on Serendib Land PLC's latest audited NAV as of September 30th, 2025:

Under the Price-to-Book Value (P/BV) approach, the value of Serendib Land PLC's shares has been estimated by applying the median P/BV multiple of comparable listed real estate companies listed on the Colombo Stock Exchange- with similar business models, primarily engaged in commercial property leasing, renting and investment property management.

Using the median peer P/BV multiple of 0.99x, derived from the selected closest comparable companies listed on the Colombo Stock Exchange (refer to annexure in section 9 of this report), and applying this multiple to Serendib Land PLC's book value per share of LKR 1785.23, the P/BV-based valuation of Serendib Land PLC is valued at LKR 1,774.80 per share.

Offer Assessment:

The Mandatory Offer price of LKR 1,500 per share represents a 15.48% discount to the value derived under the P/BV-based valuation approach of LKR 1,774.80 per share.

5.2. Volume Weighted Average Price (VWAP) Analysis

The VWAP of SLND as of 19th of December 2025 is provided below:

	VWAP (LKR)
3M VWAP (Sep-Dec)	1,611.74
6M VWAP (June – Dec)	1,611.49
12 M VWAP	1,610.61

Source: *CSE*

Offer Assessment:

The mandatory offer price of LKR 1500.00 represents:

- A **6.93% discount** to the Three-Month Month VWAP price of LKR 1611.74.
- A **6.92% discount** to the Six-Month Month VWAP price of LKR 1611.49.
- A **6.87% discount** to the Twelve-Month Month VWAP price of LKR 1610.61.

5.3. NAV based valuation

Based on the interim financials reported by the company, the Net Asset Value per share of Serendib Land PLC's as of 30th September 2025 is reported at LKR. 1,785.23 per share, as such the Mandatory Offer price of LKR 1,500.00 per share is at a 15.98% discount to the NAV based valuation.

5.4. Valuation Summary

Methodologies	Equity Value per share (LKR)	Offer Price at a Premium/ (Discount)
Price to book method	1,774.80	Discount
3M VWAP	1,611.74	Discount
6M VWAP	1,611.49	Discount
12 VWAP	1,610.61	Discount
Net Asset Value	1,785.23	Discount
Last Traded Market Price (19th December 2025)	1,899.00	Discount
Offer Price	1,500.00	

5.5. Independent Advisor's Recommendation

Our recommendation is based purely on the past financial performance, current situation of the Company and future expected performance of Serendib Lands PLC. 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 all 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.

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 Serendib Lands PLC.

6. RISK FACTORS TO THE EXISTING SHAREHOLDERS

6.1. 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. Future business plans of the Company and Offeror can have a significant effect on the performance and position of Serendib Land PLC in the future. Therefore, market prices can move favorably or unfavorably due to this. Shareholders who accept the Offer may also lose out on investment gains, if Serendib Land PLC's financial performance improves subsequent to changes in business plans of the acquirer and related parties.

6.2. If Shareholders Reject the Offer

By not accepting the Offer shareholders may face the risk of low liquidity of Serendib Land PLC shares. The Public float immediately prior to the Mandatory Offer was 11.43% as at 30th September 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.

7. LIMITATIONS

To appraise this entity the information was obtained from the audited and interim financials of Serendib Land PLC reported on the CSE as well as from the Serendib Land PLC 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 Serendib Land PLC 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.**

8. 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.

- **Senal Dharmawardena**- *Junior Analyst*

Senal Dharmawardena joined HNB Investment Bank's Corporate Finance Division in June 2024. Since joining, he has been actively involved in a range of corporate finance engagements, with hands-on experience across IPO and M&A assignments. Prior to HNB Investment Bank, Senal worked as an Analyst at Tempest Private Equity Partners and as an Equities Research Intern at Capital Alliance PLC, supporting the preparation of investor memorandums, market analysis, and research reports. He began his career at CHEC Port City Colombo as a Business Analyst and holds an MSc in Banking & Finance from King's College London and a BSc in Business & Management from Brunel University London.

9. Annexure- Comparable Multiple Analysis

Company	**Ticker**	**Market Cap as of 19th Dec 2025 (LKR)**	**Net Book Value 30th Sep 2025 (LKR)**	**PBV**
Equity Two PLC	EQTY.N0000	2,340,500,000	1,912,542,000	1.22
Cargo Boat Development Company PLC	CARGO.N0000	2,975,279,175	5,074,848,000	0.59
East West Properties PLC	EAST.N0000	9,358,848,000	2,827,781,161	3.31
Colombo Land & Development Company PLC	CLDC.N0000	9,194,526,368	8,500,178,662	1.08
CT Land Development PLC	CTLD.N0000	2,990,000,000	4,787,857,000	0.62
Seylan Developments PLC	SEYL.N0000	4,344,306,068	5,553,751,000	0.78
Lee Hedges PLC	SHAW.N000	5,632,600,600	6,212,711,000	0.91
York Arcade Holdings PLC	YORK.N000	655,500,000	228,161,000	2.87

Source: CSE

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.