LUMINEX PLC

ANNUAL REPORT
2025 - 2026



CORPORATE INFORMATION

Company	Luminex PLC (PQ - 00243223)
Registered Office	No. 24, New Galle Road, Moratuwa, Sri Lanka. Tel: +94 11 2 644 511
Legal Form	A Limited Liability Company Incorporated in Sri Lanka on 12/02/1986 under the Companies Act No. 17 of 1982 and re-registered on 19/2/2009 Under the Companies Act No. 07 of 2007. The legal form of the company was changed from Private Limited company to a Limited Company under Provisions of the Companies Act No. 07 of 2007 on 06th August 2021. The ordinary shares of the Company were listed with the Colombo Stock Exchange of Sri Lanka on 23rd June 2022.
Company Secretary	R N H Holdings (Private) Limited No. 107, Dewala Road, Nugegoda, Sri Lanka. Tel: +94 11 4 970 104 Fax: +94 11 2 815 144 Email: mgr.sec@rnhgroup.lk
Registrar to the Company	Central Depository Systems (Pvt) Ltd West Block, World Trade Centre, Echelon Square, Colombo 01.
Auditors	Wijeyeratne & Company Chartered Accountants No. 15, Maitland Crescent, Colombo 07. Tel: +94 11 2 693 148 Email: info@wijeyeratne.com
Internal Audit	Sarukkali Associates, (Chartered Accountants) 12B, 4th Cross Lane, Borupana Road, Ratmalana.
Bankers	Sampath Bank PLC National Development Bank PLC Hatton National Bank PLC Standard Chartered Bank Bank of Ceylon

LUMINEX we believe, the service we deliver which exceeds customer expectations along with innovative ideas, high quality standards and state-of- the-art technology is our footprint. This identity has been recognised as a one of a highest graded. EM1, C1 Graded Company by Construction Industry Development Authority (CIDA), Ministry of Engineering & Construction Development.

We are specialized in the fields of Telecommunication Network Development, Electrical Engineering (Low Tension (LT) & High Tension (HT)), Civil, Water and Sewerage Construction.



Vision

To be the most preferred company in providing total engineering and construction solutions in Sri Lanka and the region.

Our Values

Quality & Service Excellence

We deliver high quality products along with pioneering ideas and an exceptional service that exceeds customer expectations.

Teamwork

We value our human resources and recognize them as our esteemed assets. We constantly train and develop them whilst providing them with every opportunity to grow to their full potential.

Integrity

We are committed to honesty and fairness in all our dealings and practice the highest ethical standards in the industry.

Commitment

We promise to fulfill our obligations to the best of our ability, thereby building sustainable relationships with our clients.

Originality

We inspire each project with vision and ingenuity, thereby making each of them innovative, exclusive and outstanding.

Safety

We place great emphasis on environmental and work place safety by employing industrialized and personal safety methods, applied practically to protect our work force. We do not compromise or overlook our responsibility in keeping our people safe.

Luminex at a Glance



TELECOMMUNICATION

Telecommunication outside Plant and laying of Fiber Optic Cables by using state-of-the-art machinery such as Micro Trenching & Horizontal Directional Drilling (HDD).



ELECTRICAL

Electrical construction and infrastructure electrification of high-rise buildings, construction of High tension and Low-tension electrical power transmission systems & Building Management.



WATER & SEWERAGE

Construction activities relating Water & Sewerage and further provides wide range of services including water supply, sanitation improvements and construction of water treatment plant.



CIVIL

Construction services relating to Buildings, Roads and Bridges. Currently Company is in the level C3 under the CIDA grading.

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This Annual Report 2025 - 2026 is available in printed form and scan to view PDF version.

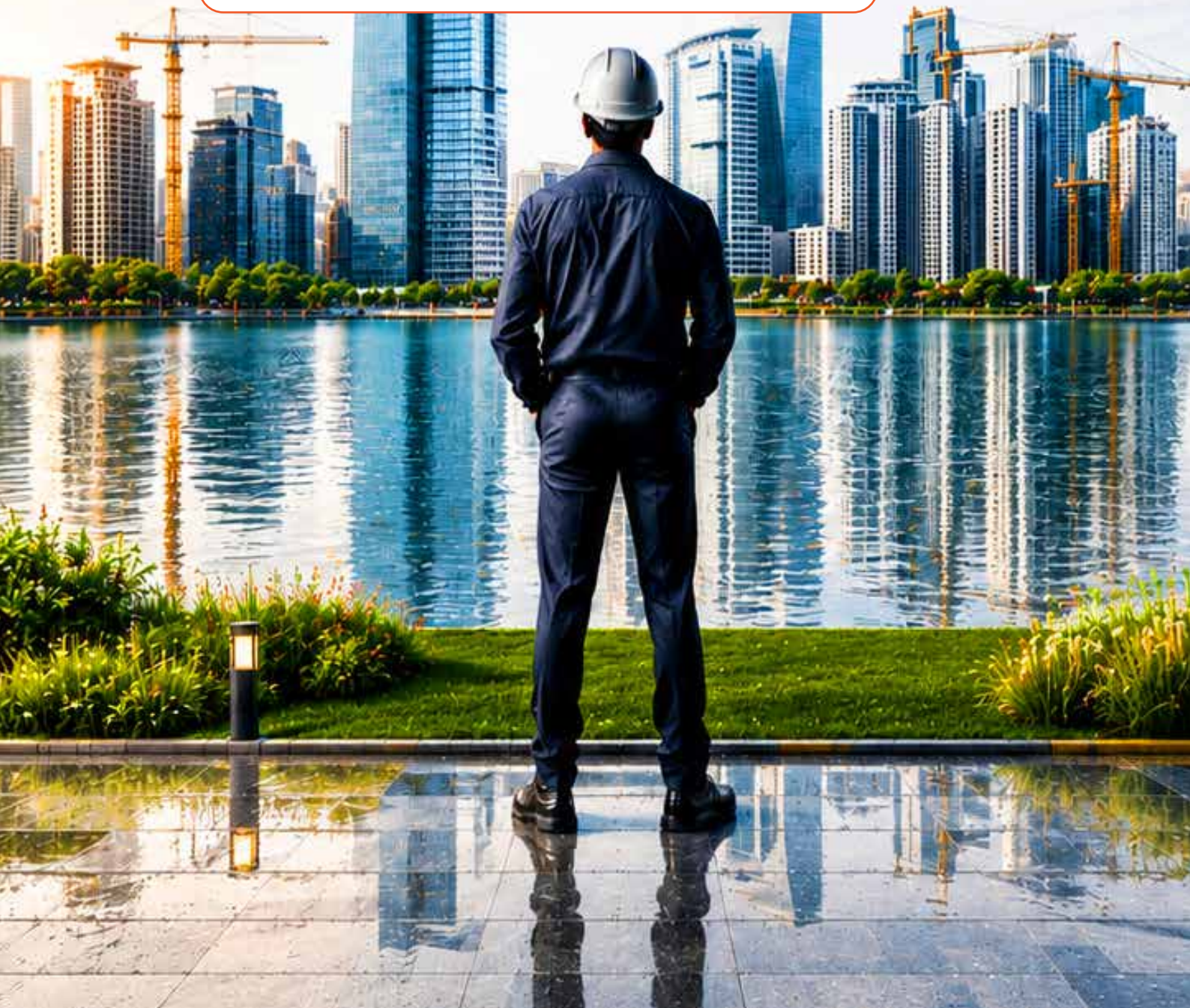
Link to Digital Version :
https://www.luminexpl.com/finance

Driven by innovation, quality, and trust, **LUMINEX PLC** continues to shape sustainable spaces and deliver lasting value to communities and stakeholders.



About Us

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KEY MILESTONES OF THE COMPANY

1986

- Incorporation of Luminex (Pvt) Ltd.
- Commenced Electrical Projects.

1987

- Commenced Casting Concrete Poles for Ceylon Electricity Board.

1996

- Commenced Telecom Outside Plant (OSP) Construction work with Sumitomo, Japan

1997

- Received award of first ever Telecom Contract from Sri Lanka Telecom.

2007

- Commenced Building Construction work.

2008

- Received award of first ever Telecom Optical Fiber Contract from Dialog, Sri Lanka

2009

- Received certification of ISO 9001: 2008 from DNV, Netherlands for Telecom, Electrical and Building Construction

2012

- E1- Sethsiripaya Stage II Building (13 Stories), Battaramulla.

2014

- T1 - World Trade Centre Twin Towers Proof of Concept for Latest Fiber Network (POC) for Sri Lanka Telecom. (43 Stories).

2015

- E1 - Secretariat for Personal Identification (20 Stories), Battaramulla.

KEY MILESTONES OF THE COMPANY

2017

- Won "Best Outside Plant Contractor Awards" from SLT for years 2012, 2013, 2014, 2016 and 2017.

2018

- Received award of first Water Project, at Glasso, Nanu Oya. Updated the certificate to ISO 9001: 2015 from DNV or Telecom, Electrical and Building Construction.

2020

- E1- Defense Head Quarters, Pelawatte Block 8 (10 Stories)
- E1 - Defense Head Quarters, Pelawatte Communication & Security Building.
- T1 - Sky Gardens (32 Stories).

2021

- E1 - Defense Head Quarters, Pelawatte Block 1 (10 Stories)
- T1- Shangrilla. (32 Stories).
- T1- Colombo City Centre. (47 Stories)
- T1 - Altair. (68 Stories) Included "Water & Sewerage"to the scope of ISO 9001: 2015

2022

- Initial Public Offering on the Colombo Stock Exchange, raising LKR250 million in equity funds Establishment of Subsidiary in Oman

2023

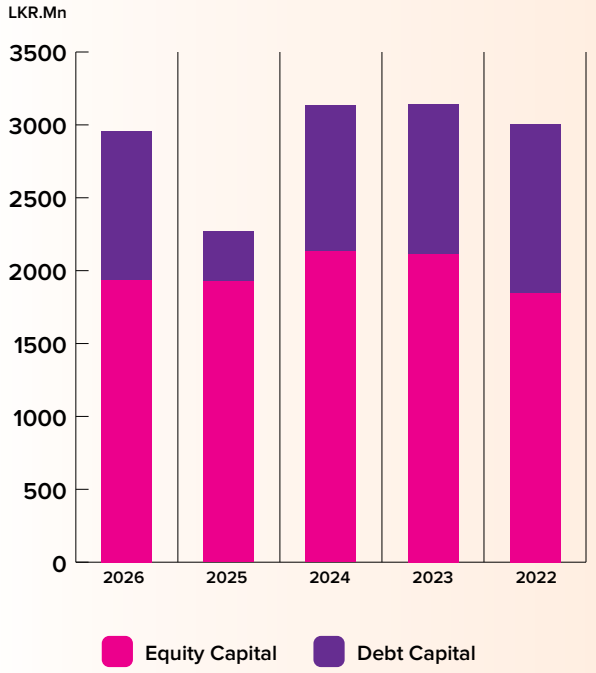
- Enter in to a JV Agreement with Puritas (Pvt) Ltd, for the construction project of mallavi urban water supply scheme in Mulathive District E1 - Defence Head Quarters pallewatte Block 364. Cida Level upgration.

2024

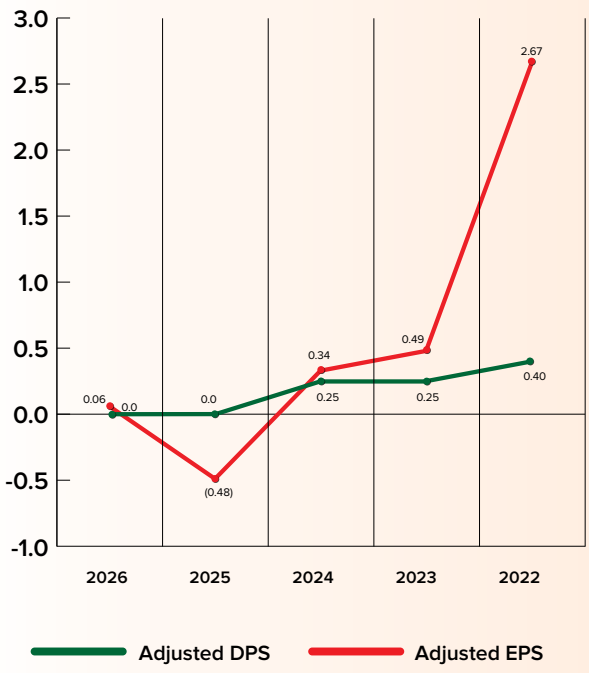
- Agreement with BOI to execute the waste Water Treatment plant at Horana Export Processing Zone.
- Partnering with Hutchison Telecom, a key mobile operator in Sri Lanka, as a reliable partner, particularly in the development of their transmission network infrastructure

KEY FINANCIAL PERFORMANCE AT A GLANCE - COMPANY

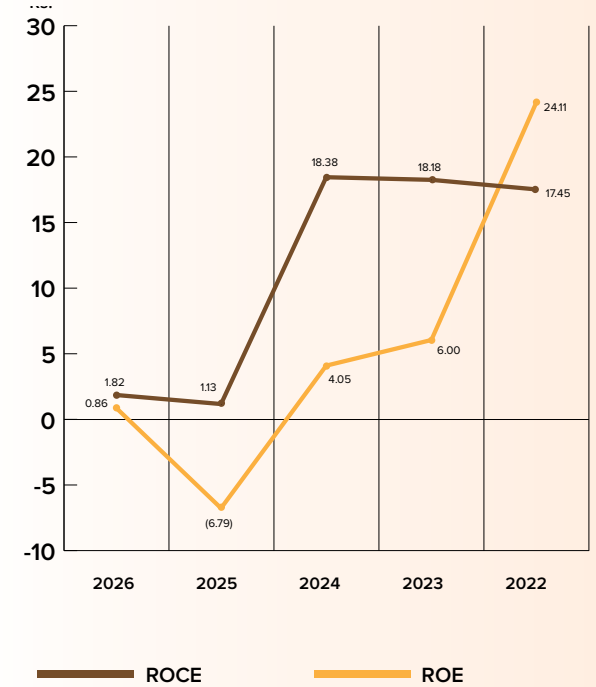
Capital Structure



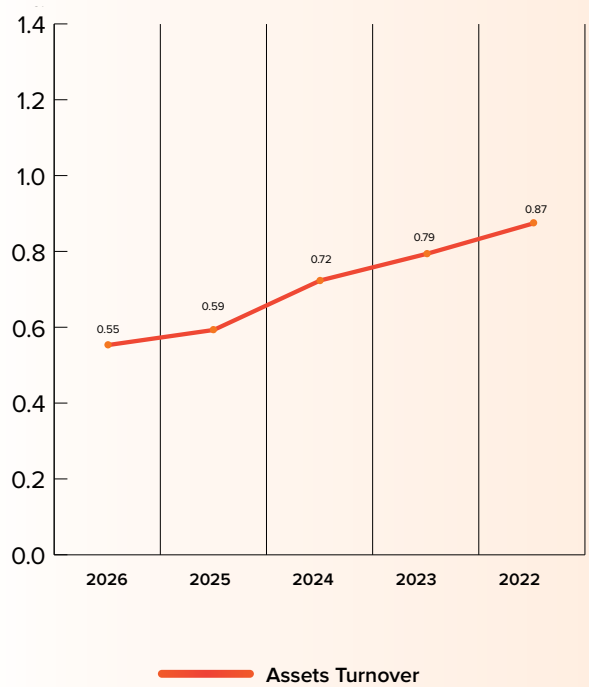
Adjusted DPS | Adjusted EPS



ROCE | ROE

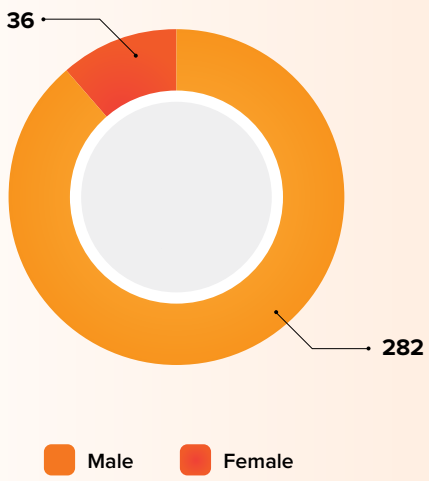


Assets Turnover Ratio

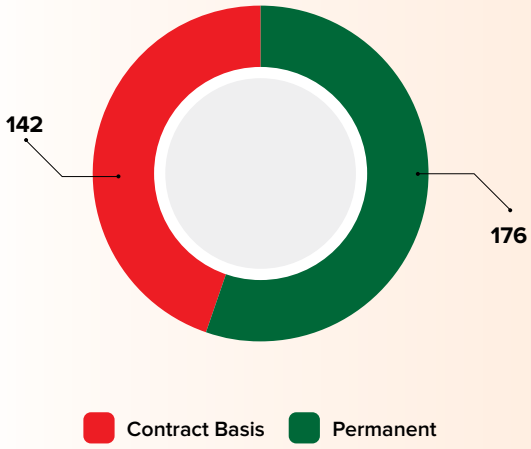


COMPOSITION OF HUMAN CAPITAL

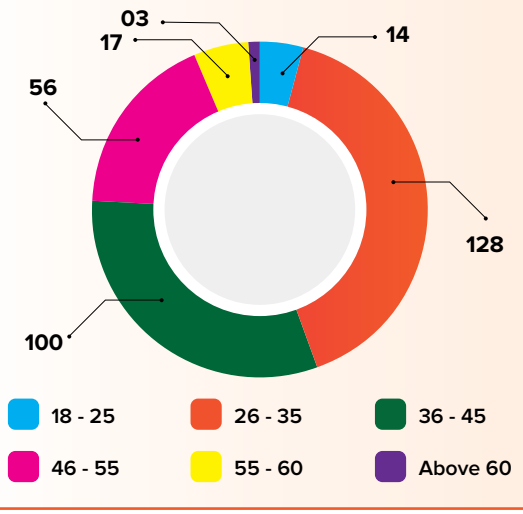
Composition of Human Capital Based on the Gender



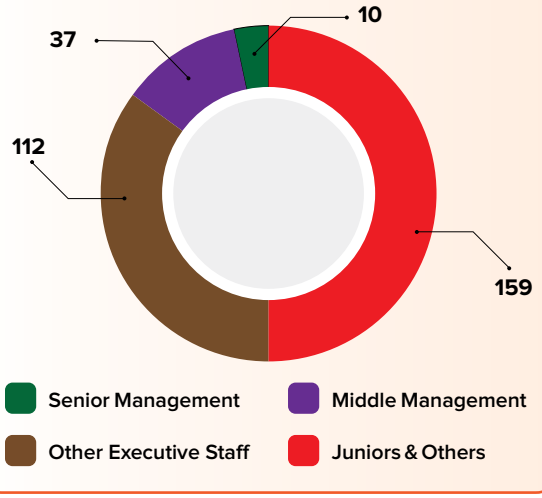
Status of Employment



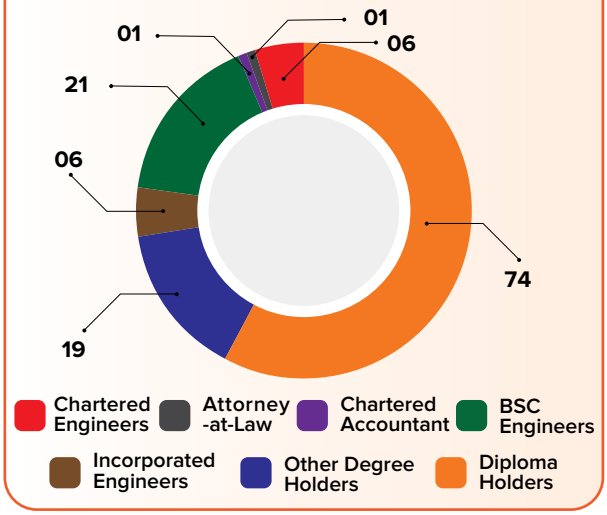
Age Category



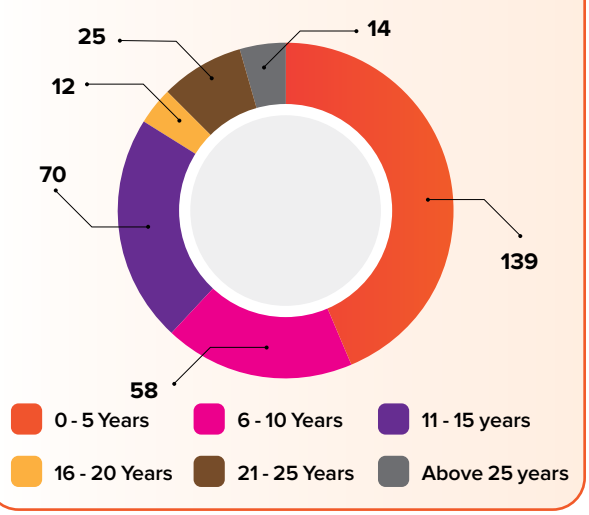
Composition of Staff Categories



Composition of Skilled Staff Categories



Tenure in the Company



CSR (CORPORATE SOCIAL RESPONSIBILITY)

Corporate Social Responsibility

At Luminex PLC, we recognize that sustainable business growth goes hand in hand with creating a positive impact on society. Guided by our commitment to community well-being, education, and responsible corporate citizenship, we undertook several meaningful initiatives during the year aimed at supporting national priorities and empowering future generations.

Blood Donation Campaign

Demonstrating our commitment to supporting the national healthcare system and saving lives, Luminex PLC successfully organized a Blood Donation Campaign in collaboration with the National Blood Centre. The initiative brought together both employees and members of the public, providing an opportunity for voluntary blood donation and fostering a spirit of compassion and community service.





The campaign received encouraging participation from our staff and external donors, reflecting the collective commitment to contributing towards the country's healthcare needs. Through this initiative, Luminex PLC was able to support the availability of lifesaving blood supplies while promoting awareness of the importance of regular blood donation within the community.



Supporting Future Capital Market Leaders

As part of our commitment to education and youth development, Luminex PLC extended its support to 60 Advanced Level students who participated in the Capital Market Master Quiz 2025, a national-level competition organized by the Colombo Stock Exchange.

The sponsorship enabled students from diverse educational backgrounds to engage in a platform that enhances financial literacy, capital market knowledge, and analytical thinking. By investing in educational initiatives that nurture future professionals and informed investors, Luminex PLC contributes to the development of a knowledgeable and financially empowered generation.







Creating Sustainable Value

Through these initiatives, Luminex PLC continues to demonstrate its commitment to creating sustainable value beyond business operations. We remain dedicated to supporting healthcare, education, and community development initiatives that positively impact society while strengthening our role as a responsible corporate citizen.

Provided of Drinking water to Victims of Dithwa disaster

As part of its Corporate Social Responsibility (CSR) commitment, Luminex PLC donated 4000 drinking water bottles (5L) to communities affected by the Dithwa disaster, with special attention given to those in the Central Province. This initiative was undertaken to provide immediate relief by ensuring access to safe and clean drinking water for families facing difficult circumstances. Through this meaningful contribution, Luminex PLC reaffirms its dedication to supporting communities in times of need and promoting social well-being. The company remains committed to making a positive impact through compassionate and responsible initiatives that improve the lives of those affected by unforeseen challenges.







CHAIRMAN'S REVIEW



A Year of Strategic Transition

Looking back on the 2025/26 financial year, I can report that Sri Lanka's economy has continued on its path of recovery from the deep downturn of recent years. Real GDP grew by an estimated 5% during 2025, matching the previous year's performance. The services sector, which forms the backbone of our economy, recorded growth of 3.4% in the first quarter of 2026 - an improvement from 2.7% in the corresponding quarter of 2025 - though this remains below its full potential.

Navigating a Complex Operating Environment

For Luminex, the year presented a mixed landscape. While the broader economic recovery created opportunities, our industry faced specific headwinds. The construction sector, in which we operate, recorded a 12.2% growth in activity during the third quarter of 2025.

Financial Performance and Prudent Assessment

During the fiscal year ended March 2026, Luminex recorded revenue of Rs. 2,104 million as its group revenue. This upward trajectory in revenue reflects the resilience of our business model and the effectiveness of our strategic initiatives, even as we continue to experience the lingering effects of the economic downturn.

We must, however, report a net loss of Rs. 18.16 million for the full year, a substantial improvement from the loss of Rs. 165.76 million recorded in the previous financial year. This narrowing of losses-by nearly 89%-demonstrates the progress we are making in stabilising our operations and positioning the company for sustainable profitability.

As a listed company, we have maintained full compliance with all corporate governance requirements and statutory obligations, reinforcing the confidence our shareholders place in us.

Strategic Positioning and Outlook

Looking ahead to the 2026/27 financial year, we approach with cautious optimism. The World Bank projects Sri Lanka's GDP growth to moderate to 3.5% in 2026 . While this represents a slight deceleration, it still indicates a steady recovery trajectory. More importantly, the economy is expected to regain its 2018 level of real output in the coming year two years earlier than previously forecast marking a significant psychological milestone in the recovery process .

Our diversified business initiatives require time to mature, and we are confident that they will add greater strength to our top line in the years ahead.
The large-scale projects we have already committed to and signed position us well for sustained growth, and we remain firmly focused on creating lasting value for all our stakeholders.

Acknowledgements

We were able to reach this position through the strong commitment and guidance of the Board of Directors, which extended through our senior management, managers and every level of our workforce to drive improvements in operational efficiency.

Credit is due to all employees of the company, whose resilience and innovative spirit enabled us to navigate these challenging circumstances, and who extended their fullest cooperation throughout.

With a dedicated team, a clear strategy and a strengthening economic environment, I am confident that the rewards of our collective efforts will be shared by our shareholders, our employees and their families for years to come.



Lionel Imbulana

Chairman,
Luminex PLC
31st July 2026
Colombo

JOINT STATEMENT FROM THE MANAGING DIRECTOR AND THE CHIEF EXECUTIVE OFFICER



Dear Shareholders,

The financial year 2025/2026 marked an important phase in Luminex PLC's journey as we transitioned from a period of resilience and business stabilization towards gradual recovery, operational strengthening and strategic repositioning with a hope for sustainable growth.

Following a challenging operating environment experienced over the past few years, the Group remained focused on disciplined execution, improving operational efficiency, strengthening technical capability and creating a stronger platform for sustainable long-term growth.

We are pleased to note that the year under review demonstrated encouraging signs of recovery across most of our business sectors while establishing greater confidence for the future.

OPERATING ENVIRONMENT

Sri Lanka continued its path towards economic stabilization during the year under review. Improvements in business confidence, easing inflationary pressures, increased economic activity and renewed attention towards infrastructure and digital development created a relatively improved operating environment compared to previous years.

The construction and engineering sectors, however, continued to operate under competitive market conditions characterized by pricing pressures, labor shortages, margin constraints and changing client expectations.

In addition to domestic economic developments, the global operating environment continued to be influenced by evolving geopolitical tensions and regional conflicts, contributing to uncertainty across energy markets, global supply chains and investment sentiment. While Sri Lanka remained relatively insulated from direct impacts, these developments continued to influence project costs, material pricing, financing conditions and business confidence across infrastructure-related sectors.

Against this backdrop, Luminex continued to focus on strengthening project execution capability, maintaining financial discipline, improving productivity and positioning the business to capitalize on future growth opportunities while managing associated risks.

PERFORMANCE IN FY 2025/2026

Following the difficult conditions experienced in the previous financial year, the Group recorded encouraging operational and financial improvement during FY 2025/26.

Revenue improved to approximately LKR 2.1 billion while Gross Profit margin improved to approximately 16%, reflecting our improved operational performance, better resource utilization, selective project engagement and improved execution capability across key business sectors.

Three of our four core business segments demonstrated positive revenue growth during the year under review, providing stronger diversification and reducing dependence on any single business stream.

While financial recovery remains an ongoing journey, the results achieved during the year demonstrate improved business fundamentals and provide confidence in the Group's future direction.

REVIEW OF BUSINESS SEGMENTS

Telecommunication Infrastructure Development

Telecommunication continued to remain one of the most important strategic pillars of Luminex PLC.

Following sector-related challenges experienced in previous years, our telecommunications business recorded encouraging improvement during the year through increased operational activity, stronger project execution and continued confidence placed in Luminex by leading telecommunications operators.

As a long-standing direct network development partner to major fixed and mobile telecommunications operators in Sri Lanka, Luminex remains well positioned to support the next phase of national digital infrastructure expansion.

Sri Lanka's accelerating digital transformation agenda, increasing adoption of digital public services, expanding demand for broadband connectivity, enterprise digitalization initiatives and future network modernization requirements are expected to generate substantial investment opportunities across telecommunications infrastructure.

JOINT STATEMENT FROM THE MANAGING DIRECTOR AND THE CHIEF EXECUTIVE OFFICER



We foresee increasing opportunities in:

- Optical Fiber Network Expansion
- FTTH and Enterprise Connectivity
- Fixed and Mobile Network Development
- Network Modernization Programs
- Infrastructure Readiness for Future Mobile Technologies
- Digital Infrastructure and Connectivity Projects

Through our technical capability, experienced workforce and long-standing operator relationships, we intend to further strengthen our contribution towards enabling Sri Lanka's digital future while expanding our participation across upcoming network development initiatives.

Water and Sewerage Infrastructure Development

Water and sewerage infrastructure continues to emerge as an important strategic growth pillar for Luminex PLC.

As Sri Lanka moves towards improving equitable access to safe and drinkable water for all communities while strengthening environmental sustainability and utility infrastructure, we expect increasing opportunities to emerge within this sector.

With increased focus on water accessibility, supply reliability and infrastructure modernization, future investments in water supply systems, distribution networks, sewerage systems and associated civil infrastructure are expected to create attractive growth opportunities.

Luminex intends to strengthen operational readiness and technical capability to increase participation in these future development initiatives and position itself as a trusted engineering partner in national utility development.

Electrical Infrastructure

The electrical infrastructure sector experienced comparatively moderate growth during the year under review.

We observe increasing long-term opportunities emerging from Sri Lanka's evolving energy infrastructure landscape. Continued investments in power distribution enhancement, industrial electrification, utility modernization, energy efficiency initiatives and supporting infrastructure for future energy transition are expected to create additional demand for specialized engineering and construction capabilities.

Accordingly, Luminex intends to continue strengthening its technical competence and operational readiness to participate selectively in these emerging opportunities while leveraging synergies across our electrical, civil and utility engineering capabilities.

Nevertheless, we remain confident of its long-term strategic importance to the Group considering future opportunities expected from industrial development, utility infrastructure expansion, integrated engineering services and building services development.

The Company will continue strengthening capability and market presence in this sector to support balanced business growth.

Civil Construction

The civil construction business recorded encouraging improvement during the year through disciplined project execution and selective business engagement. Compared to our performance last year, during this review period the civil construction division could enhance the annual revenue by 22%, which seems a considerable achievement amidst huge competition for this field.

As the country continues progressing towards economic recovery and development, increasing emphasis is expected on infrastructure modernization, urban development, utility expansion, industrial investment and public sector development initiatives.sustainable growth.

Emerging opportunities are expected across:

- Utility and Infrastructure Civil Works
- Water and Sewerage Infrastructure
- Commercial and Industrial Construction
- Urban and Regional Development Projects
- Building and Structural Engineering Works
- Climate Resilient and Sustainable Infrastructure Development

Looking ahead, we intend to further strengthen our position across infrastructure, utility-related civil works and integrated engineering developments while maintaining a strong focus on execution excellence and sustainable growth.







JOINT STATEMENT FROM THE MANAGING DIRECTOR AND THE CHIEF EXECUTIVE OFFICER



INTERNATIONAL OPERATIONS

Our international operations continued to maintain a presence in overseas markets during the year under review and remain an important component of the Group's long-term business diversification strategy.

Within our Oman operations, one of the strategic objectives has been to establish direct business engagement with major telecommunications operators and strengthen our position as a direct infrastructure delivery partner in the market.

While this objective has not yet been fully achieved during the year under review, the Group continued operations through the existing subcontracting business model in order to maintain market participation, strengthen local execution capability and sustain business continuity.

Although the current operating structure presents certain limitations in terms of business expansion and margin enhancement, we continue to evaluate opportunities to strengthen market positioning and pursue pathways for greater direct market access in the future.

Looking ahead, our focus remains on building stronger client relationships, improving operational efficiency and selectively expanding opportunities that align with Luminex's technical strengths and long-term strategic objectives.

We continue to view international operations as an important platform for future regional growth and long-term value creation.

HUMAN CAPITAL AND ORGANISATIONAL CAPABILITY

Our employees continue to remain the foundation of our progress and future ambitions.

As the Group prepares for its next phase of growth, strengthening organizational capability and operational capacity will remain a strategic priority.

To support targeted revenue growth and expanding project opportunities, we recognize the need to strategically strengthen our workforce with increased focus on developing middle-level technical expertise and enhancing project execution teams.

At the same time, continued investment in graduate engineer development, technical competency improvement, leadership succession and employee engagement initiatives will remain central to our people strategy.

We remain committed to creating a workplace culture that promotes performance, innovation, accountability and long-term professional development.

FUTURE OUTLOOK

Looking ahead, we remain optimistic regarding the outlook for the construction and infrastructure sectors.

National priorities surrounding digital transformation, infrastructure modernization, utility expansion and economic development are expected to create meaningful opportunities for technically capable and execution-driven organizations.

Accordingly, our strategic priorities remain focused on:

- Expanding participation across telecommunications infrastructure programs
- Strengthening our water and utility infrastructure portfolio
- Improving operational efficiency and project margins
- Enhancing engineering excellence and technical capability
- Strengthening governance and business resilience
- Delivering sustainable long-term shareholder value

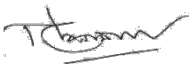
Supported by experienced leadership, strong technical foundations and the commitment of our employees, we remain confident in our ability to create sustainable growth and strengthen the position of Luminex PLC in the years ahead.

ACKNOWLEDGEMENT

On behalf of the Board of Directors and Management, we extend our sincere appreciation to our shareholders, customers, business partners, suppliers, financial institutions and regulatory authorities for their continued trust and confidence.

Our deepest gratitude is extended to all employees of Luminex PLC whose dedication, professionalism and commitment continue to drive our progress.

Together, we remain committed to delivering engineering excellence, enabling national development and creating sustainable value for all stakeholders.



Upul Lekamge
Managing Director



Palitha Herath
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026 - LUMINEX PLC

Executive Summary & Macroeconomic Context

The financial year ending 31 March 2026 represented a paradoxical period for Luminex PLC. While the Sri Lankan economy continued its fragile recovery from the 2022 sovereign default, the domestic construction sector faced renewed headwinds due to geopolitical spillovers from the Middle East.

Global and Local Headwinds:

- **Sri Lankan Construction Sector:** According to the Central Bank of Sri Lanka (CBSL), while the Construction PMI remained positive (57.1 in March 2026), the pace of expansion was throttled by "stiff market competition created by limited availability of projects" and "rising costs".
- **Middle East Conflict:** The escalation of regional tensions since early March 2026 has created significant logistical bottlenecks. Specifically, the disruption to global shipping routes (Red Sea crisis) resulted in a sharp spike in global crude prices directly impacted our fuel costs for fleet and machinery .
- **Domestic Policy Environment:** The delayed implementation of budget allocations for capital development (only 25~30% utilization of 2025 funds) constrained new project issuance by the government, leading to intense bidding pressure and margin compression in the local market .

Despite these challenges, Luminex PLC demonstrated resilience at the Parent level, driven by cost optimization and the completion of carry-over projects.

Operational and Financial Performance

Group Performance

On a consolidated basis, the Group recorded a Loss before Taxation of LKR 64.9 million, a significant improvement compared to the prior year's loss of LKR 165 million. The Group's Revenue grew by 22% YoY to LKR 2.1 billion. This top-line growth is primarily attributable to the scaling up of operations in the Telco, Water and Civil sectors, which offset the sluggish demand in Sri Lanka.

Parent Company (Sri Lanka Operations)

Luminex PLC (Parent) posted a standalone Loss Before Tax of LKR 30.1 million, a stark reversal from the previous year's loss. This return to profitability, despite flat revenue growth, is attributable to:

- Gross Profit Margin Improvement: Gross Profit margins improved to 16% from 12% in the prior year. This was achieved through stringent supply chain management and hedging against material price fluctuations, despite high labour costs.
- Finance Cost Reduction: The Group successfully refinanced short-term debt, reducing Finance Costs significantly to LKR 83 million from LKR 155 million in the previous year.

Liquidity & Solvency

The Parent company maintains a healthy current asset base of LKR 3.1 billion. However, the Group continues to carry substantial Trade & Other Receivables (LKR 1008 million), reflecting the extended credit cycles in the industry. We continue to focus on rigorous collection mechanisms to improve cash conversion cycles.

Review of Subsidiary: Luminex International LLC (Oman)

We acknowledge that Luminex International LLC has recorded a Net Loss of LKR 35.1 million (approx. OMR 44,388) for the period, contributing negatively to the Group's consolidation. While this performance is below expectations, it must be viewed against the specific backdrop of the Omani market entry strategy.

Explanatory Factors:

1. **Start-Up Phase Dumping Costs:** The subsidiary is in its "mobilization phase." The financials show high "Direct Salary" and "Wages" costs (LKR 46.3 million) and "Administration Expenses" (LKR 54.7 million) relative to revenue (LKR 62.7 million). These represent fixed costs for establishing the legal entity, hiring mandatory local staff (Omanisation), and securing grading certificates which are necessary for future large tender wins.
2. **Intense Market Competition:** Similar to Sri Lanka, the Omani construction market is currently squeezed by rising material costs (fuel/steel). While giants like OQGN and Galfar reported profit increases in Q1 2026 due to massive energy infrastructure projects, mid-tier contractors face pressure on working capital .
3. **Strategic Positioning:** The current loss is an investment in market share. The subsidiary has successfully secured its first few contracts (evidenced by the closing work-in-progress inventory of LKR 21 million in the balance sheet) and is positioned to bid on upcoming Telco and Sanitation schemes in Oman, a sector where Luminex holds specific expertise.

Diversification Strategy: Agri-Business

In previous years, Luminex announced diversification into export-based agri-business as a hedge against the cyclical construction sector. However, the Company has been unable to make material headway in this initiative during FY 2025/26.

The primary inhibiting factor is the volatility in the Middle East (GCC) region.

- **Market Closure:** Our target market for initial export volumes was the UAE and Saudi Arabia. The ongoing regional conflict has caused severe disruption in Letter of Credit (LC) confirmations and a sharp rise in marine insurance premiums for cargo destined for the Gulf .
- **Supply Chain Costs:** The conflict has raised fertilizer and energy costs by over 40%, destroying the initial margin calculations for the proposed vertical farming and export models .
- **Capital Re-allocation:** Given the liquidity squeeze in the local construction sector, the Board has taken a prudent decision to pause capital injection into the agri-business vertical until geopolitical stability returns to the Red Sea/Gulf region. We will revisit this diversification drive in FY 2026/27 should freight normalise.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026 - LUMINEX PLC

SWOT Analysis

STRENGTHS

Improved Operational Efficiency:
Gross profit margins improved to 16% from 12% in the prior year through stringent supply chain management and hedging .

Improved Financial Health:
Successful refinancing of short-term debt has reduced net finance costs, and the company maintains a healthy cash position (LKR 82 million Group level).

International Presence:
The subsidiary in Oman, Luminex International LLC, provides a foothold for revenue diversification and access to the Middle Eastern market .

Expertise in Niche Sectors:
Holds specific expertise in Telco, MEP, and Water sectors, allowing the company to target specific high-margin projects in Sri Lanka and Oman .

Human Capital Development:
Recognized as a training organization for Chartered Engineers and AAT Sri Lanka, indicating a strong commitment to talent development and long-term workforce stability.

WEAKNESSES

Consolidated Group Loss:
The Group remains at a loss before taxation (LKR 65 million), indicating that subsidiary performance continues to be a drag on overall financial health.

High Subsidiary Start-Up Costs:
The Omani subsidiary is loss-making due to high fixed costs (staffing, administration) relative to revenue, which is impacting group profitability.

Substantial Trade Receivables:
High trade receivables (LKR 991 million) reflect an industry-wide issue of extended credit cycles, which poses a liquidity risk.

Low Public Holding:
The public holding in the company is 24.55%, which may limit market liquidity and shareholder engagement.

Stalled Diversification:
The agri-business diversification strategy has been paused due to geopolitical risks, exposing the company's continued reliance on the construction sector.

Labour Shortages:
The company faces a challenge in sourcing skilled labour and engineers due to the post-2022 brain drain , increasing reliance on contract labour.

OPPORTUNITIES

Sri Lankan Infrastructure Recovery:
The anticipated release of stalled World Bank and ADB funding for infrastructure is expected to improve the local tender pipeline.

Higher Capital Expenditure for 2027 Budget Declared by the Government:
Sri Lanka Government Announced LKR 2000 billion budget allocation for 2027, increased from LKR 1369 billion allocated for 2026.

High-Margin MEP Works:
The company is actively bidding for higher-margin MEP (Mechanical, Electrical, Plumbing) works in Muscat, which could improve future revenue quality.

Market Share Gains:
The current industry challenges could present an opportunity for a financially stable player like Luminex to gain market share by acquiring distressed assets or competitors.

Future Agri-Business Resumption:
A future stabilization of the Red Sea/Suez Canal route would allow the company to revisit and potentially execute its agri-business export strategy, providing a new revenue stream.

THREATS

Geopolitical Instability (High):
A prolonged Middle East conflict could disrupt the supply chain, keep fuel/raw material costs high, and further suppress the agri-business diversification plans .

Rising Input Costs:
Significant increases in petrochemical-based raw materials and fuel costs squeeze margins and may require price renegotiations on existing and new projects .

Intense Market Competition:
The limited availability of projects in Sri Lanka and working capital pressure in Oman are creating stiff competition and margin compression .

Slowing Construction Sector:
The Construction PMI in Sri Lanka contracted to 45.7 in April 2026 , indicating a potential slowdown in the primary market.

Skilled Labour Shortage:
An ongoing shortage of skilled labour and engineers could constrain the company's ability to execute on project targets and pressure wage costs.

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2026 - LUMINEX PLC

Future Outlook & Strategic Priorities

Short-term (6-12 months):

- **Local Market Recovery:** With the anticipated release of stalled World Bank and ADB funding for Sri Lankan infrastructure, we expect the local tender pipeline to improve in the latter half of 2026.
- **Oman Stabilization**: We expect Luminex International LLC to reach break-even by Q3 FY 2026/27 as the current WIP is billed and overhead costs are absorbed by a higher revenue base. We are bidding for higher-margin MEP (Mechanical, Electrical, Plumbing) works in Muscat.

Medium-term:

- **Resolution of Agri-Business:** The board will maintain the agri-business land bank but will only commence planting/export operations upon a confirmed ceasefire or stabilization of the Suez Canal route.

Conclusion

The 2025/26 financial year was a period of resilience, adaptation, and forward-looking transformation for Luminex PLC. Despite significant challenges, we remained committed to delivering value to shareholders, clients, employees, and communities. Our focus on operational excellence, human capital development, and market diversification ensures that Luminex is well-equipped to navigate the evolving construction landscape and contribute positively to Sri Lanka's economic revival.

HR Review

The Human Resources function at Luminex plays a vital role in supporting our mission as a service-oriented organization. Our core competence is deeply rooted in the contributions made by our employees through their skills, dedication, and continuous career growth. The HR department focuses on creating a supportive and high-performing workplace aligned with our strategic business goals.

Key Focus Areas of HR:

- Employee Recruitment
- Training & Development
- Performance Management
- Health & Safety
- Staff-Related Community Enhancement

Employee Recruitment

Recruitment is conducted following a formal evaluation of staffing needs, primarily determined by current and upcoming projects. Project Managers identify resource gaps, and recruitment efforts are tailored accordingly to ensure timely and strategic hiring.







Recruitment is conducted following a formal evaluation of staffing needs, primarily determined by current and upcoming projects. Project Managers identify resource gaps, and recruitment efforts are then strategically tailored to ensure timely hiring.

The HR Department conducts a thorough assessment of each candidate's functional suitability, capability to achieve core responsibilities, and alignment with the organization's culture to ensure an effective and sustainable fit.

Training & Development

Luminex places a strong emphasis on continuous learning and development. Based on technical skill requirements and evolving industry trends, employees are regularly enrolled in various training programs such as seminars, classroom sessions, and internal knowledge sharing workshops engagement of staff in team building activities. For the current year, the total investment in training amounts to LKR 1 million.

As an Engineering based construction company, LUMINEX PLC has been recognized as a training organization for graduate Engineers pursuing corporate membership (Chartered Engineer status) in both Telecommunication and Electrical Engineering disciplines, with recognition for Civil Engineering expected to be awarded shortly.

Luminex is a training partner of AAT Sri Lanka, providing essential training and support to students who are completing their professional examinations under the AAT Sri Lanka curriculum framework.

Performance Management

Our performance evaluation process is designed to align with the company's overall business strategy. It includes regular assessments, benefits planning, and promotion pathways that reward high performance and support long-term employee growth.

Annual Performance evaluation is being conducted individually for almost all the employees effectively to evaluate all above, facilitating both the appraisee and the appraiser to come into a conclusion on appraisees performance to be rewarded and also for areas to be improved for betterment of both the employee and the employer.

Health & Safety

Health and safety are critical components of our workplace culture. We are committed to maintaining a safe and healthy working environment for all employees, adhering strictly to industry standards and regulatory guidelines.

Relevant employees are being sent for prospective training sessions conducted by the reputed organization considering the contents to improve our H & S processes.

Staff-Related Community Enhancement

Luminex supports the well-being of our employees and their families through several community-based initiatives. These include:

- **Scholarship programs** for the school aged children and university students of our staff members, regardless of the employee's position or level within the organization.
- **Funeral donation and other financial support** Funeral donation is made for close family members of staff, reflecting our commitment to employee welfare during difficult times.

And also, other financial supports are made with the realization of impact and company capabilities, when the employee are affected due to some disaster situations.

SUSTAINABILITY GOVERNANCE AND REPORTING

Our Sustainability Journey

Luminex PLC recognises that sustainable business practices are fundamental to creating long-term value for shareholders and other stakeholders. As a company engaged in engineering, infrastructure, telecommunications, water, sewerage and related civil construction projects, we acknowledge our responsibility to conduct our operations in an environmentally responsible, socially conscious and ethically governed manner.

During the year ended 31 March 2026, the Company commenced its sustainability reporting journey by preparing sustainability-related financial disclosures with reference to the requirements of **Sri Lanka Financial Reporting Standard SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures**.

This represents the Company's first year of reporting under these Standards. Accordingly, our focus during the year has been on understanding the requirements of the Standards, identifying sustainability-related risks and opportunities relevant to our operations, and establishing the foundation for an effective sustainability reporting framework.

Sustainability Governance

The Board of Directors has overall responsibility for the Company's governance framework and recognises the importance of overseeing sustainability-related risks and opportunities that may affect the Company's long-term performance and resilience.

As this is the initial year of reporting under SLFRS S1 and SLFRS S2, the Company has not yet established a dedicated Sustainability Committee. Sustainability matters are currently considered by the Board together with the Chief Executive Officer and the senior management team as part of the Company's strategic planning, operational management and risk management processes.

The Board acknowledges that sustainability reporting continues to evolve and has identified the strengthening of governance arrangements as an important priority. During the forthcoming reporting periods, the Company intends to formalise its sustainability governance framework by defining responsibilities, establishing reporting protocols and integrating sustainability considerations into its existing governance and decision-making processes.

Sustainability Strategy

The Company aims to integrate sustainability considerations into its business strategy while maintaining operational excellence and delivering value to customers, employees, shareholders and the wider community.
Our sustainability approach is guided by the following principles:

- Conducting business with integrity and accountability.
- Protecting the health, safety and wellbeing of employees and contractors.
- Minimising environmental impacts arising from our operations.
- Maintaining strong relationships with customers, suppliers and local communities.
- Promoting responsible use of natural resources.
- Complying with applicable legal and regulatory requirements.
- Continuously improving sustainability performance through enhanced governance and reporting.

These principles support our long-term objective of building a resilient and sustainable organisation capable of responding to changing stakeholder expectations and emerging environmental and social challenges.

Sustainability-related Risks and Opportunities

Management has commenced the process of identifying sustainability-related risks and opportunities that may reasonably be expected to influence the Company's business model, strategy and financial performance over the short, medium and long term.

The assessment considered factors including:

- Climate-related risks.
- Environmental compliance obligations.
- Occupational health and safety.
- Human capital management.
- Supply chain resilience.
- Business continuity.
- Corporate governance and ethical business practices.
- Customer expectations and stakeholder relationships.

The Company intends to further enhance these assessments by integrating sustainability considerations into its enterprise risk management framework.

Climate-related Considerations

Climate change presents both risks and opportunities for organisations operating within the engineering and construction sector. Luminex PLC recognises that changing weather patterns, regulatory developments, technological advancements and stakeholder expectations may influence future business operations.

During the current reporting period, the Company commenced evaluating climate-related matters relevant to its operations. However, formal climate scenario analysis, greenhouse gas emissions measurement, and climate-related financial impact assessments have not yet been fully developed.

The Company intends to progressively establish systems to:

- Identify and assess climate-related risks and opportunities.
- Measure greenhouse gas emissions.
- Improve energy efficiency across operations.
- Monitor environmental performance.
- Strengthen resilience to climate-related impacts.

These initiatives will support enhanced climate-related reporting in future years in line with SLFRS S2.

Looking Ahead

The Board of Directors is committed to strengthening the Company's sustainability framework and improving the quality, consistency and transparency of sustainability-related disclosures over time.

Key priorities for the coming years include:

- Establishing a formal sustainability governance structure.
- Developing sustainability policies and procedures.
- Enhancing sustainability data collection and internal reporting systems.
- Strengthening climate-related risk assessments.
- Defining sustainability performance indicators and targets.
- Improving stakeholder engagement on sustainability matters.
- Progressively enhancing compliance with the disclosure requirements of SLFRS S1 and SLFRS S2.

The Board believes that sustainability is an ongoing journey. While the Company is at an early stage of implementation, it remains committed to embedding sustainability into its business practices and creating long-term value for all stakeholders through responsible and sustainable growth.

BOARD OF DIRECTORS



1. **H M D Palitha Herath**
   Chief Executive Officer (CEO)
   Non-Independent - Executive Director

2. **L U Ranjith**
   Managing Director
   Non-Independent Executive Director

3. **G R P Fernando**
   Director
   Non-Independent - Executive Director

4. **I B Lionel**
   Chairman
   Independent – Non-Executive Director

5. **A A C De Alwis**
   Non-Independent - Executive Director

6. **B P S Swaris**
   Independent- Non-Executive Director

7. **S M S Sanjaya Bandara**
   Independent- Non-Executive Director





Lionel Imbulana

Chairman
Independent – Non-Executive Director

B. Lionel Imbulana is a seasoned professional with a strong academic and professional background in engineering and management. He is a graduate in Electronics and Radio Engineering from the Institution of Electronics and Radio Engineers (IERE), UK, and a Chartered Engineer affiliated with the Institution of Engineering and Technology (IET), UK. He is also a member of the Institute of Engineering and Technology (MIET), UK.

In addition to his engineering qualifications, he holds a Master of Business Administration (MBA) from the University of Kelaniya, Sri Lanka.

Mr. Imbulana has over 35 years of extensive experience with Sri Lanka Telecom, where he held various key roles, culminating in his position as Chief Regional Officer, overseeing regional sales and operations. His tenure at Sri Lanka Telecom is marked by leadership in strategic planning, operational management, and customer service excellence.

He has represented Sri Lanka Telecom at numerous international seminars, training programs, and professional discussions across more than 20 countries, enriching his global perspective and professional network.

Currently, Mr. Imbulana contributes to academia as a panel member of the Faculty of IT and Management at the University of Rajarata and as a visiting lecturer at Sri Lanka Telecom Training Centers, sharing his industry insights and expertise with the next generation of professionals.

Upul Ranjith Lekamge

Managing Director
Non-Independent Executive Director

U R Lekamge is a highly accomplished Mechanical Engineer and Chartered Engineer with over 30 years of distinguished experience in construction, manufacturing, and infrastructure development. He holds a Bachelor's Degree in Mechanical Engineering from the University of Peradeniya and a Postgraduate Diploma in Industrial Engineering from the Open University of Sri Lanka.

A proud member of the Institute of Engineers Sri Lanka (IESL), he has played a pivotal role in numerous landmark engineering projects in Sri Lanka, including:

- Critical structural repairs for the New Kelani Bridge Project.
- Design and construction of multiple mini-hydro power projects.
- Project management of major high-rise building developments.

Beyond construction, he brings five years of manufacturing expertise, having served as a Factory Engineer in the ceramic industry. He has also contributed to large-scale water supply projects across Sri Lanka, enhancing national infrastructure.

International Experience & Leadership
His global exposure includes:

- Key leadership roles in a UK-based multinational firm in the Gulf region, overseeing high-rise construction projects.
- Specialized expertise in HVAC and district cooling systems, notably in Doha, Qatar, where he also contributed to substation construction projects.
- Comprehensive project management of Building Services, including:
  - » Low & medium-voltage electrical distribution systems.
  - » Plumbing, drainage, and fire protection systems.
  - » Extra-low voltage (ELV) systems (fire detection, security, and communication networks).
- Facilities management leadership, ensuring operational excellence for large-scale developments.

Currently, as the Managing Director of Luminex PLC, he drives strategic growth, innovation, and excellence across the group's diversified ventures, reinforcing its position as an industry leader.

BOARD OF DIRECTORS



Anura De Alwis
Non-Independent-Executive Director

Mr. Alwis is a director of the company since its inception in 1986. He is a reputed and well known businessman from Panadura and also a respected philanthropist of the area. He is a prominent figure in Social Service activities in Panadura & Outstations.

His contribution to develop the religious institutions is praiseworthy and appreciated by different communities.

He gained the technical expertise in Telecommunication technology, leadership & personality development by following well recognized courses at School of Signals managed by Sri Lanka Signal Corps.

He counts vast experience in Telecom Project Management and strategic planning by active participation in King Khalid Military City, Saudi Arabia.

He is a Director of Luminex Bookshops (Pvt) Ltd. and Luminex Power Projects (Pvt) Ltd. too.



Sanjaya Bandara
Independent- Non-Executive Director

Mr. Bandara holds a Bachelor of Science Degree in Accountancy & Financial Management from the University of Sri Jayawardenapura and a Master's Degree in Business Administration from the University of Colombo. He is a fellow member of the Institute of Chartered Accountants of Sri Lanka and the Association of Accounting Technicians, Sri Lanka. Mr Bandara counts over 26 years of experience in the auditing practice.

Mr Bandara is the immediate past President of the Institute of Chartered Accountants of Sri Lanka and was a Board Member of the Confederation of Asian Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA). He is a board member of the Sri Lanka Accounting and Auditing Standards Monitoring Board. He is a partner of B. R De Silva & Co, Chartered Accountants (Member firm of Nexia International) and a Director of Nexia Services Management (Private) Limited and Nexia BPO (Private) Limited.



Suranjith Swaris
Independent- Non-Executive Director

Suranjith Swaris is an Independent Non-Executive Director, transformational business leader, and Go-to-Market (GTM) strategist with over 30 years of leadership experience driving business transformation, commercial excellence, market expansion, and sustainable growth across both B2B and B2C sectors.

He brings extensive executive and advisory experience across corporate leadership, strategic business development, market acceleration, and organizational capability building. In addition to his board responsibilities, he supports business innovation and growth initiatives through advisory and consulting engagements in technology and enterprise development.

A strong advocate of entrepreneurship and business sustainability, Suranjith actively contributes to SME and ScaleUp development, helping organizations strengthen commercial capability, accelerate growth, and unlock long-term value creation.

He also contributes to academia as a Visiting Lecturer at the University of Moratuwa and SLIIT, bridging industry practice with executive education and leadership development.

Suranjith has served as a National Jury / Expert Member for NCE, SLIM, FCCISL, EDB, and AMF, and is a Past President of SLIM. He holds an MBA (UK), postgraduate qualifications in Project Management and Marketing, and is currently reading for a Doctor of Business Administration (DBA).





G R P Fernando

Director
Non-Independent - Executive Director

Mr. Fernando is a Graduate from University of Moratuwa with BSc. Hons, degree in Electrical Engineering, had a stint of 2 years at Mahaweli Development Board and 16 years at Department of Telecommunication / and Sri Lanka Telecom corporation where he left as a Deputy General Manager.

He is also a Corporate Member at The Institution of Engineering and Technology, UK and a Chartered Engineer at The Engineering Council, UK.

Being the founder of Luminex, Mr. Fernando has a wide industry experience covering all aspects of business development including technology, finance and strategic business diversification.

He is also a founder member of Luminex Bookshops (Pvt) Ltd. and Luminex Power Projects (Pvt) Ltd.

Guided Luminex to achieve many accolades from Sri Lanka Telecom after establishing the Telco Sector at Luminex in 1996.

Led Luminex to its present status being in the capacity of MD/CEO until he stepped down in 2023. And he continues to function as an Executive Director and takes part in all strategic management processes of the company as a mentor.

H M D Palitha Herath

Chief Executive Officer
Non-Independent - Executive Director

Mr. Palitha Herath holds a Bachelor of Science in Engineering (Honours) Degree in Electrical and Electronics Engineering from the University of Peradeniya, Sri Lanka, and a Master of Business Administration (MBA) from Cardiff Metropolitan University, United Kingdom. He is a Chartered Engineer and a member of the Institution of Engineers Sri Lanka (IESL) and the Engineering Council of Sri Lanka (ECSL).

With over 30 years of extensive experience in the telecommunications industry, Mr. Herath commenced his professional career with Sri Lanka's pioneering mobile operator under the "Celltel" brand, which introduced the country's first mobile telephony services through analogue mobile technology.

Over a span of more than two decades, he played a significant role in the planning, design, development, operation, and enhancement of mobile telecommunications networks across Sri Lanka. His contributions supported the evolution of multiple generations of mobile technologies that have shaped the modern telecommunications landscape experienced today. During this period, he held several technical and senior managerial positions in leading telecommunications organizations and contributed significantly through his expertise in Network Operations, Engineering Management, and the delivery of reliable mobile communication services.

In the second phase of his career, Mr. Herath joined LUMINEX PLC and led multidisciplinary professional teams engaged in the planning and development of optical fiber network infrastructure. As a strategic network development partner to major fixed and mobile Telecommunications Operators in Sri Lanka, he contributed towards strengthening national broadband capabilities and enabling the growing demand for high-speed, reliable connectivity.

Presently, Mr. Herath serves as the Chief Executive Officer and Executive Director, providing overall strategic leadership and direction for the Group's business operations in Sri Lanka and its subsidiary operations in the Sultanate of Oman. In this role, he is responsible for driving sustainable business growth, strengthening corporate governance, overseeing operational performance, and advancing long-term business strategies across the Company's core sectors.

MANAGEMENT TEAM



Upul Ranjith Lekamge
Managing Director
Non-Independent Executive Director



H M D Palitha Herath
Chief Executive Officer
Non-Independent - Executive Director



Kalinga Wijesinghe
General Manager
Civil and Building services



Prasanna Walisundara
General Manager Finance & Tax



Kusum Priyananda
Deputy General Manager
Telecom Support Services/ Training & Quality



Asanga Weerasinghe
Deputy General Manager
(Telecom Projects)



Sunil Kankanamge
Deputy General Manager Finance



K. U. W. Jayaweera
Deputy General Manager of HRD &
Administration

MANAGEMENT TEAM

Upul Ranjith Lekamge

Managing Director
Non-Independent Executive Director

Refer profile under Board of Directors Profiles

H M D Palitha Herath

Chief Executive Officer
Non-Independent - Executive Director

Refer profile under Board of Directors Profiles

Kalinga Wijesinghe

General Manager
Civil and Building services

He holds a Bachelor of Science Degree in Civil Engineering from the University of Moratuwa in 1999 and a MSc in Construction Law & Dispute Resolution from University of Moratuwa, Postgraduate Diplomas in Business Administration specialized in Project Management from University of Moratuwa, Building Services Engineering from University of Peradeniya and Structural Engineering from University of Ruhuna.

He holds a certificate of Certified Business Accountant from CA Sri Lanka and a Diploma of British Computer Society.

He has 27 years' experience in Contract & Project Management in the field of Building Construction, Water & Sewerage Construction and Building Services by serving for leading construction companies in Sri Lanka and Overseas.

Prasanna Walisundara

General Manager Finance & Tax

He is a Qualified Chartered Accountant and counts over 24 years' working experience in various industries as a Finance and tax professional. Currently he is serving as General Manager Finance & Tax in Luminex PLC. He was an Independent Non-Executive Director of Lee Hedges PLC, Lee Hedges Investment Ltd and the Pioneer Properties & Lee Hedges Ltd.

He started his career at Ernst & Young (EY) and he provided various consultancy services through the Accounting Compliance & Reporting Service Division & the Tax compliance service division under Global Compliance Reporting (GCR) sector of EY-Global before joining Luminex PLC.

Mr. Walisundara holds a Bachelor of Science Degree in Business Administration from the University of Sri Jayewardenepura and a master's degree in business administration (MBA) from the University of Colombo. He is a fellow member of Chartered Accountants of Sri Lanka (FCA) and Associate member of the Association of Chartered Certified Accountants in UK (ACCA) and is also an Associate Member of Certified Management Accountant of Sri Lanka (ACMA). Further he is a Fellow member of the Institute of Taxation of Sri Lanka.

Eng. Kusum Priyananda

Deputy General Manager
Telecom Support Services/ Training & Quality

Eng. Kusum Priyananda holds a BSc. Eng (Hons) Degree in the field of Electrical and Electronics Engineering from University of Peradeniya, Sri Lanka. He is a Chartered Engineer, Member, and International Professional Engineer in Institution in Engineers Sri Lanka and a member of Engineering Council of Sri Lanka.

He has nearly 27 years of experience in the Telecom Industry. He started his career as an Instructor of Electrical and Electronic Engineering University of Peradeniya.

Successively, he joined as a Training Assistant Engineer in Sierra Construction Limited. Following that, he held the Project Manager position in Samsung Telecom Project - EDCF Project Gampaha.

After joining Luminex PLC, he served various positions of the company. Project Manager - Kurunegala, Regional Manager - Region North including Negombo, Kurunegala, Jaffna Project areas.

After the restructuring he holds the position of Regional Manager - Region II, including Kaluthara, Galle, Mathara, Jaffna areas.

Presently he serves as the Deputy General Manager - Telecom Support Services/ Training & Quality. Mainly involving in Project Management and Material Management in Optical Fiber Network Projects as Network Development Partners for major fixed and mobile operation in Sri Lanka, to enhance their fiber network developments specially.

In additional to his career path, he served as Chairman in Institution of Engineers Sri Lanka Wayamba Chapter and Council member of Institution of Engineers Sri Lanka main body.

Presently he is the President of Engineers Circle - Gampaha.

MANAGEMENT TEAM

Asanga Weerasinghe

Deputy General Manager
(Telecom Projects)

Mr. Asanga Weerasinghe is the Deputy General Manager (Telecom Projects) at Luminex PLC, where he leverages his extensive experience in the telecommunications industry. He holds a B.Sc (Honors) in Electrical and Telecommunication Engineering from the University of Ruhuna and is an Associate Member of the Institute of Engineers Sri Lanka and the Engineering Council of Sri Lanka.

He began his career in 2007 with ZTE Corporation, a prominent multinational company based in China. In 2013, he joined Luminex PLC as a Project Manager and has since risen to his current role through his dedication and expertise.

With 17 years in the telecom sector, Asanga has significant experience in wireless technologies such as GSM and CDMA, contributing to the first deployment of the CDMA network in Sri Lanka by Sri Lanka Telecom. His expertise also extends to optical fiber networks, where he has played a key role in the planning, design, and maintenance of FTTx networks and solutions.

Notably, Asanga has been instrumental in introducing FTTx passive network technologies in Sri Lanka and pioneering Micro Trenching and Micro Ducting Technology with Dialog Axiata. His project management skills, honed over more than a decade, have been critical in overseeing major initiatives and driving technological advancements within the company.

Under his leadership, Luminex PLC continues to excel, delivering high-speed and reliable services to its customers. His contributions have significantly impacted Sri Lanka's telecommunications landscape, ensuring the company remains at the forefront of the industry.

Sunil Kankanamge

Deputy General Manager Finance

Mr. D.K. Sunil Kankanamge is the Deputy General Manager at Luminex PLC, a role in which he has demonstrated substantial leadership and expertise since joining the company in 2009. Initially appointed as an Accountant, Mr. Kankanamge has been instrumental in steering the financial operations of Luminex PLC, leveraging his extensive background in accounting, auditing, and taxation.

With over 36 years of experience in the financial sector, Mr. Kankanamge brings a wealth of knowledge and proficiency to his role. Before his tenure at Luminex PLC, he accrued significant experience in both local and international companies in various industries. Notably, he served as a Senior Accountant at Almarai Company Ltd. in the Kingdom of Saudi Arabia, where he honed his skills in managing the financial intricacies of a large multinational organization.

Upon his return to Sri Lanka, Mr. Kankanamge continued to build his career by holding key accounting positions at several prominent companies. These included Deldem Group (Pvt) Ltd, Apparel SPA (Pvt) Ltd, and Lanka Corrugated Industries (Pvt) Ltd. Through these roles, he broadened his expertise across various industries, further solidifying his reputation as a seasoned financial professional.

Further, Mr. Kankanamge is part qualified in CA Sri Lanka Examinations, adding to his robust foundation in the field of finance and accounting.

K. U. W. Jayaweera

Deputy General Manager of HRD & Administration

Deputy General Manager of HRD & Administration of Luminex PLC, Mr. K. U. W. Jayaweera counts over 25 years of working experience in a wide range of Métiers, Human Resources Development, Project Management in IT content management, Market Research Analysis & Management Systems consultancy. Starting his career life in 1995 he joined the leading Market Research Agency in Sri Lanka the LMRB, a member of Kantar Group UK & actively involved in market research analysis. Changing the path, he started IT Project Management by joining Innodata Lanka where he excelled in Project Management especially in Data Engineering, content conversion, eBook conversion.

Obtaining the National Diploma in Human Resources Management (NDHRM) at IPM Sri Lanka Mr. Jayaweera started his HR profession at Innodata Lanka as Head of Training & Development. Eager to learn more on system developments he started achieving auditor status in Management Systems such as Quality Management System, Environmental Management System & Employee Health & Safety Management System. He is a certified Lead Auditor for ISO 9001, 14001 & 45001.

Starting consultancy on management systems in 2012 he shared his knowledge with many conglomerates to obtain management systems certificates & maintenance of the systems requirements. He joined Luminex PLC in late 2024 as the Deputy General Manger HRD & Administration with the aim of improving the organizational culture, employee relationship & systems development as well.

Mr. Jayaweera holds a BSc in Physical Sciences from the University of Colombo. He also obtained National Diploma in Human Resources Management at the IPM & Diploma in Psychology from the Institute of Professional Psychologists.

Strong governance is the foundation of sustainable growth. Through effective board oversight, ethical leadership, and accountability, we safeguard stakeholder interests while creating long-term value.



Corporate Governance and Board Oversight

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ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

GENERAL

The Directors of Luminex PLC have pleasure in presenting to the shareholders affairs of the Company and audited Consolidated Financial Statements of the Group for the year ended 31st March 2026.

The information stated in the Annual Report of the Board of Directors on the Affairs of the Company, contains the information required in terms of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and guided by recommended best accounting practices.

The report has been approved by the Directors on 31st July 2026

REVIEW OF THE BUSINESS

PRINCIPAL ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES

- The principal activities of the Company is shown on page 64 in this Report.
- The Directors, to the best of their knowledge and belief, confirm that the Company has not engaged in any activities that contravene laws and regulations.
- The Company was listed on the Colombo Stock Exchange on 23rd June 2022 subsequent to an Initial Public Offering.

REVIEW OF OPERATIONS AND FINANCIAL HIGHLIGHTS

The Financial Statements which include the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the notes to the financial statements of the company for the year ended 31st March 2026 are set out on pages 59 to 116 of the Annual Report.

INDEPENDENT AUDITORS REPORT

Independent Auditors' Report on the Financial Statements is given on page 56 to 58

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Financial Statements so that they present a true and fair view of the state of affairs of the Company. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Companies Act No.07 of 2007, the Sri Lanka Accounting and Auditing Standards and the Continuing Listing Rules of the Colombo Stock Exchange.

STATED CAPITAL AND RESERVES

The Company's stated capital as at 31st March 2026 was Rs.450,000,000/= represented by 271,250,000 ordinary shares.

The total capital and reserves for the Company stood at Rs.1,931,532,880/- as at 31st March 2026.

ACCOUNTING POLICIES

The details of the accounting policies adopted by the Company in preparation of the financial statements and the impact thereon, of changes in the Sri Lanka Accounting Standard made during the year are disclosed on pages 64 to 116 of the Annual Report.

DIVIDENDS

No dividend has been recommended by the Board of Directors for the year ended 31st March 2026.

PROPERTY PLANT & EQUIPMENT

Capital expenditure during the year on property, plant and equipment by the Company was Rs.89.6 Mn (2025 – Rs.15.1Mn). The information relating to the movement of property, plant and equipment during the year is given in Note 10 to the Financial Statement. The freehold lands and building of the Company have been reported at cost for the year under consideration.

INVESTMENT PROPERTY

The details relating to the movement in investment properties are given in Note 13 to the Financial Statements. All investment properties are held at cost.

STATUTORY PAYMENTS

To the best of their knowledge and belief, the Directors are satisfied that all statutory payments in relation to the Government and to the Employees have been settled to date or are provided for in the books of the company.

POST BALANCE SHEET EVENTS

Details of events after the reporting date are reflected in note 31 Page 104 to the Financial Statements.

GOING CONCERN

After considering the financial position, the Company's Corporate / Business plans, operating conditions, regulatory and other factors and such matters required to be addressed in the Code of Best Practice on Corporate Governance, issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENT

The Contingent liabilities and capital commitment made on account of capital expenditure as at 31st March 2026 are given in Notes 30 to the Financial Statements.

INTEREST REGISTERS

In terms of the Companies Act No.07 of 2007, the company maintains an Interest Register.

The Board of Directors has duly disclosed their directorships in related companies and share dealing with the company and related companies at board meetings in terms of section 200 of the Companies Act No.2007.

The related party transactions and the Directors' interest in contracts and proposed contracts with the company are also disclosed in Note 29 to the Financial Statements.

SHARE INFORMATION

Information on earnings, dividends, net assets and share trading, 20 largest shareholders as at 31st March 2026, and public holding are disclosed on pages 119 to 120 .

DIRECTORS AS AT 31st MARCH 2026

The Board of Directors of Luminex PLC comprise of 07 Directors and 03 of them serves as Independent Non-Executive Directors. The qualifications and experience of the Directors are given on pages 19 to 22 of the Report.

The names of the Directors who held office during the year and as at 31st March 2026 under review are as follows:

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

- **Lionel Imbulana**
  Chairman/ Independent - Non-Executive Director
- **Ruwan Fernando**
  Non-Independent - Executive Director
- **Anura De Alwis**
  Non-Independent-Executive Director
- **Sanjaya Bandara**
  Independent - Non-Executive Director
- **Upul Lekamge**
  Managing Director / Non-Independent Executive Director
- **Palitha Herath**
  CEO/Non-Independent - Executive Director
- **B.P. Suranjith Swaris**
  Independent - Non-Executive Director

Mr G R P Fernando and Mr A.A.C De Alwis who are over 70 years of age retire in terms of section 210 of the Companies Act No.07 of 2007 and to be re-elected as Directors of the Company for a further period of one year from the conclusion of the Annual General Meeting and that the age limit stipulated in section 210 of the Companies Act No. 07 of 2007 shall not be applicable

Mr. B.P. Suranjith Swaris who was appointed to the Board on 08.06.2023 shall retire in terms of Article 79(i) of the Article of Association of the company and being eligible is recommended by the directors for re-election.

All the Non-Executive Directors have submitted annual declaration regarding their independence or non-independence. Brief resume of all the Directors are given on pages 19 to 20 of the Annual Report.

BOARD SUB COMMITTEE

The Board, while assuming overall responsibility and accountability for the management of the Company and in line with the Corporate Governance Code of Colombo Stock Exchange, has appointed four Board Sub-Committees; Audit Committee, Remuneration Committee Nomination and Governance Committee and Related Party Transactions Review Committee, to ensure oversight and control over certain affairs of the Company. The Board-approved Terms of references for these Sub Committees conform to the recommendations made by various regulatory bodies such as the Institute of Chartered Accountants of Sri Lanka, the Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange. Composition and function of each subcommittee are given on pages 50 to 53 of the corporate governance section of this Annual Report.

AUDIT COMMITTEE

Following are the names of the Directors comprising the Audit Committee of the Company.

1. Sanjaya Bandara (Chairman) appointment date on 14th February, 2023
2. Lionel Imbulana – appointment date on 16th November, 2021
3. Suranjith Swaris – appointment date on 11th August, 2023

The report of the Audit Committee on page 50 set out the manner of compliance by the Company in accordance with the requirements of the rule 9.13.5 of the Rules of the Colombo Stock Exchange on Corporate Governance

REMUNERATION COMMITTEE

Following are the names of the Directors comprising the Remuneration Committee of the company.

1. Suranjith Swaris (Chairman) appointment date on 11th August, 2023
2. Lionel Imbulana – appointment date on 16th November, 2021
3. Sanjaya Bandara – appointment date on 14th February, 2023

The primary objective of the Remuneration Committee is to lead and establish a formal and transparent procedure for the development of a remuneration policy and the establishment of a remuneration structure.

NOMINATION AND GOVERNANCE COMMITTEE

Following are the names of the Directors comprising the Nomination and Governance Committee of the company.

1. Sanjaya Bandara (Chairman) appointment date on 10th November, 2023
2. Lionel Imbulana – appointment date on 10th November, 2023
3. Suranjith Swaris – appointment date on 10th November, 2023

A Nominations and Governance Committee was formed on 10th November 2023 regulate appointments, structure, size and competencies of the Board of Directors.

The Report of the Board Nominations and Governance Committee on page 51 sets out the manner of compliance by the Company in accordance with the requirements of the Section 9.3 of Listing Rules and the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Following are the names of the directors comprising Related Party Transactions Review Committee of the company.

1. Sanjaya Bandara (Chairman) appointment date on 14th February, 2023
2. Lionel Imbulana - appointment date on 16th November, 2021
3. Suranjith Swaris - appointment date on 11th August, 2023

The committee met four times during the financial year 2025/2026.The Related party transactions review committee report is given on page 52 on this Annual Report.

NON-RECURRENT RELATED PARTY TRANSACTIONS

There is no Non-Recurrent Related Party Transactions for the period under review.

RECURRENT RELATED PARTY TRANSACTIONS

All the Recurrent Related Party Transactions are disclosed under Note 29 to the Financial Statements, as required by Colombo Stock Exchange listing Rule 9.14.8.(1) (a).

DIRECTORS' DECLARATION ON RELATED PARTY TRANSACTIONS

The Directors declare that the Company is in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2026. The Directors declare that there were no related party transactions required to be disclosed under the listing rules of the CSE other than as disclosed under Note 29 to the financial statements.

ANNUAL REPORT OF THE DIRECTORS ON THE AFFAIRS OF THE COMPANY

DIRECTORS DEALINGS WITH THE SHARES OF THE COMPANY

Director's shareholding in the company as at 1st April 2025 and 31st March 2026 are as follows.

Names of Directors	Shareholding	
	31.03.2026	01.04.2025
G. R. P. Fernando	120,900,000	120,900,000
A. A. C De Alwis	57,750,000	57,750,000
I. B. Lionel	None	None
Upul Ranjith Lekamge	62,500	62,500
H. M. D. Palitha Herath	62,500	62,500
Suranjith Swaris	None	None
Sanjaya Bandara	None	None

THE BOARD OF DIRECTORS DECLARES AS FOLLOWS:

1. The Company has not engaged in any activity which contravenes laws and regulations.
2. All material interests in contracts involving the Company have been disclosed or interested parties have refrained from voting on matters in which they were materially interested.
3. The Company has made all endeavors to ensure the equitable treatment of Shareholders.
4. The Directors have complied with best practices of Corporate Governance.
5. The Directors have conducted a review of internal controls covering financial, operational and compliance controls and risk management have obtained reasonable assurance of their effectiveness.
6. The business is a going concern, with supporting assumptions or qualifications as necessary; and they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith.

MATERIAL FORESEEABLE RISKS

The Company does not foresee any material risks that are likely to have an adverse impact on its performance in the foreseeable future.

MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS OF THE COMPANY

The Board of Luminex PLC continuously monitors and evaluates all matters relating to employee and industrial relations that may have an impact on the Company's performance.

REMUNERATION OF DIRECTORS

Remuneration received by the Directors is set out in Note 29 to the Financial Statements on page 103.

DIRECTORS INTEREST IN CONTRACTS

The Directors' interest in contracts and proposed contracts with the company are disclosed in Note 29 to the Financial Statements.

AUDITORS' RELATIONSHIP

Messrs. Wijeyeratne & Company, Chartered Accountants is the existing auditor of the Company and new auditor to be appointed at the AGM ensuing Financial year subjective approval at the shareholders at the AGM. The remuneration to be decided by the Board of Directors.

The fees paid to auditors are disclosed in Note 07 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the company other than those disclosed above. The auditors also do not have any interest in the Company. They confirm that they are independent in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Audit Committee has assessed and reviewed the effectiveness of the external auditors Messrs. The Independent Auditors' Report on the Financial Statements of the company is given on pages 56 to 58.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 25th August 2026 at 3.00 p.m. as a virtual meeting.

ACKNOWLEDEMENT OF THE CONTENTS OF THE REPORT

As required by the section 168(1) (K) of the Companies Act No.07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

For and on behalf of the Board,



Lionel Imbulana
Chairman



Upul Lekamge
Managing Director



RNH HOLDINGS (PRIVATE) LIMITED.
Secretaries
31st July 2026.
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENT

This statement sets out the responsibilities of the Directors in relation to the Financial Statements of the Company.

In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, the Directors of Luminex PLC are responsible for ensuring that the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Company as at end of each financial year and of the financial performance of the Company for each financial year and place them before a general meeting. The Financial Statements comprise of the Statement of Financial Position as at March 31, 2026, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the Company give a true and fair view of:

a. The financial position of the Company as at Reporting date;

and

b. The financial performance of the Company for the financial year ended on the Reporting date.

The Directors are required to ensure that the Financial Statements of the Company for the year ended 31st March 2026 have been prepared and presented based on the Sri Lanka Accounting Standards (SLFRSs and LKASs), Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (CASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

In terms of Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records are kept to enable the determination of the financial position of the Company with reasonable accuracy and to facilitate the preparation and auditing of financial Statements in a timely manner. Accordingly, the Directors have taken reasonable steps to ensure that the Company maintain proper books of accounts and review the financial reporting system through the Board Audit Committee.

The Board of Directors also approves the Interim Financial Statements prior to their release to the Colombo Stock Exchange, upon a review and recommendation by the Board Audit Committee.

The Directors confirm that these Financial Statements for the year ended 31st March 2026, prepared, and presented in this Annual Report agree with

a. Appropriate accounting policies selected and applied in a consistent manner and material departures if any have been disclosed and explained.

b. All applicable accounting standards that are relevant, have been followed.

c. Judgments and estimates have been made which are reasonable and prudent.

The Directors also have taken reasonable measures to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In that regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal audit function directly reporting to the Board.

The Directors have reasonable expectations, after making enquiries and following a review of the budget for the ensuing year including cash flows and borrowing facilities, that the Company has adequate resources to continue in operational existence for the foreseeable future, and therefore, has continued to adopt the going concern basis in preparing the financial statements.

Company has adequate resources to continue in operational existence for the foreseeable future, and therefore, has continued to adopt the going concern basis in preparing the financial statements.

Compliance Report

Directors confirm that to the best of their knowledge, all statutory and regulatory payments including taxes, duties levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the Employees of the Company and all other statutory dues as were due and payable by the Company and its subsidiaries as at the date of the statements of the Financial position have been paid, or adequately provided for in the Financial Statements.

The Board remains committed to upholding the highest standards of ethics, corporate governance, environmental stewardship, and health and safety across all levels of the Company's operations. The Company continue to comply with all applicable national laws, international standards, and codes of conduct prescribed by relevant regulatory bodies, professional institutions, and industry associations.

By Order of the Board.



RNH HOLDINGS (PRIVATE) LIMITED.
Company Secretaries
31st July 2026.
Colombo

RESPONSIBILITY STATEMENT OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Financial Statements of Luminex PLC as at 31st March 2026, are prepared and presented in conformity with the requirements of the following:

1. The Sri Lanka Accounting Standards, issued by the Institute of Chartered Accountants of Sri Lanka.
2. The Companies Act No. 07 of 2007.
3. The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.
4. Listing Rules of the Colombo Stock Exchange.
5. The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accounts of Sri Lanka
6. Acts, Circulars, Gazettes issued by the Taxation Authorities for Corporates
7. Exchange Control Act No. 22 of 2017

We confirm that the significant accounting policies used in the preparation of the financial statements are appropriate, and are consistently applied, unless otherwise stated in the Notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our external auditors.

We have also taken proper and sufficient care in installing systems of internal control and accounting records to safeguard assets and to prevent and detect fraud as well as other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by our internal audit team.

The company's audit committee meets on a regular basis to examine the efficacy of audits and to talk about matters related to internal control, financial reporting, and auditing. The meeting is attended by both internal and independent auditors. The Audit Committee is open to full and unrestricted access for discussions on any important issue by the internal and outside auditors.

We confirm that there were no significant inadequacies or substantial weaknesses in the way internal controls are established and executed, especially in detecting fraudulent activities involving management or other staff subject to inherent limitations of the processes, procedures and the human involvement in day today activities.

We confirm that:

- the Company has complied with all applicable laws and regulations and prudential requirements,
- there are no material non-compliances,
- there are no material litigations that are pending against the Company other than those disclosed in Note 30 of the Financial Statements of this Annual Report,
- All taxes, duties, levies and other statutory payments by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at 31st March 2026 have been paid, or where relevant provided for.



Palitha Herath
Chief Executive Officer/Director



Prasanna Walisundara
General Manager Finance & Tax

CORPORATE GOVERNANCE

INTRODUCTION

Luminex PLC, a diversified engineering solutions provider engaged in telecommunication network development, electrical engineering (both low tension and high tension), civil infrastructure, and water and sewerage construction, recognises that sound corporate governance is essential to achieving sustainable growth and long-term stakeholder confidence. As we operate in sectors that are critical to national infrastructure and economic development, integrity, transparency, and accountability are at the core of our business ethos.

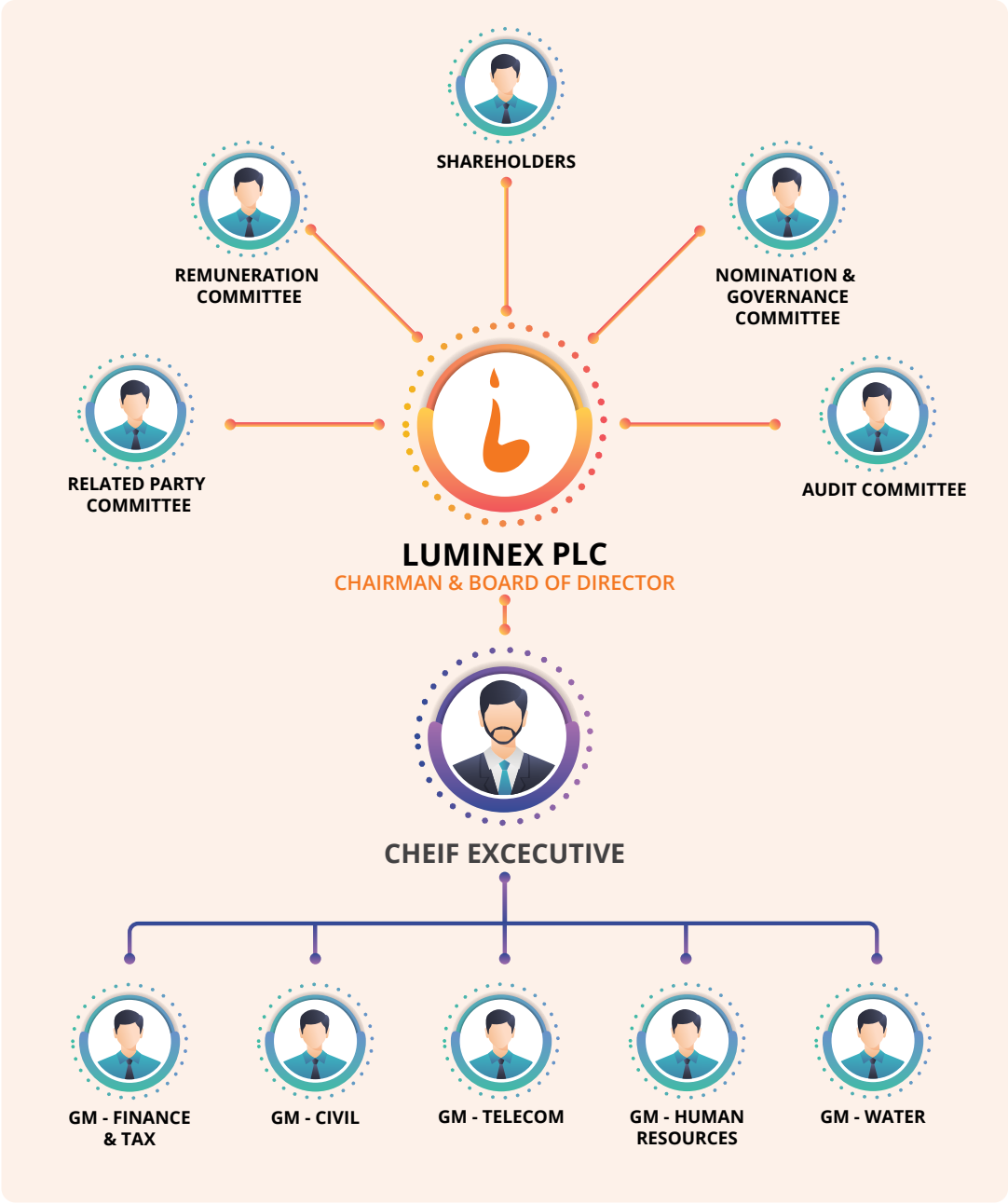
This Corporate Governance Report outlines the governance framework adopted by Luminex PLC to ensure responsible management, strategic oversight, and compliance with regulatory and ethical standards. The Report is prepared in line with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka, the listing rules of the Colombo Stock Exchange, and other applicable laws and regulations.

The Report covers key aspects of our governance structure, including the composition and function of the Board of Directors, the roles of Board Committees, risk management systems, internal controls, stakeholder engagement, and adherence to good governance practices. Through this Report, we reaffirm our commitment to upholding the highest standards of corporate governance, which we view as integral to building trust, enhancing shareholder value, and delivering infrastructure solutions that contribute meaningfully to national development.

GOVERNANCE STRUCTURE

As the Board of Directors of Luminex PLC, we continuously work to strengthen the corporate governance structure of the company to ensure the business protection and the continuity of the business for the purpose of betterment for our existing shareholders and the prospective shareholders. In this respect we have delegated the responsibilities pertaining to specific functions by creating various committes to assist the Board of Directors of the company. Acordingly, the main committees established are the Audit Committee, Remuneration Committee, Related Party Transaction Committee and Nomination and Governance Committee.

(Please refer to the Reports of the sub-committees from page 50 to page 53 of this Report for further information.)



CORPORATE GOVERNANCE

THE BOARD COMPOSITION

The Board is aware that culture and tone are established at the top, and each of us works hard to act morally in all relationships with stakeholders. The Board expects professional advisers and service providers it works with to operate with the same integrity, objectivity, accountability, and legacy that it upholds both individually and collectively. The Chair invites Directors to voice divergent viewpoints and to question beliefs, but in an amicable, transparent, encouraging, and cooperative manner at all times.

The Board of Luminex PLC maintains an effective balance between Executive and Independent Non-Executive Directors, ensuring sound governance and objective oversight. With three Independent Non-Executive Directors out of a total of seven members, the Board is structured to foster open dialogue, independent judgment, and strategic decision-making free from undue influence. This balance strengthens the Board's ability to guide the Company in the best interest of all stakeholders.

At Luminex, we prioritize maintaining a dynamic and effective Board of Directors. To achieve this, we ensure that board refreshment occurs regularly, aligning with best practices in corporate governance. This ongoing process allows us to infuse new perspectives and expertise into our leadership while ensuring stability and continuity.

Our approach to board appointments is rooted in transparency and rigor. The Nominations & Governance Committee meticulously oversees the selection process, adhering to a structured framework designed to identify and recommend the most qualified candidates. This committee evaluates potential directors based on a diverse set of criteria, including professional background, industry experience, and alignment with our company's strategic goals and values.

Evaluation of Skill Sets

The effectiveness of our Board is contingent upon the collective skills and experience of its members. conduct regular evaluations of the skill sets of board members. This assessment process is crucial for identifying any gaps and ensuring that our Board possesses the necessary expertise to navigate the complexities of our industry and drive the company forward.

By systematically reviewing the competencies of our directors, we are able to foster a balanced and proficient leadership team. This commitment to continuous improvement helps us remain agile and responsive to evolving business landscapes, ultimately supporting our mission to deliver long-term value to our shareholders and stakeholders.

Specially the diversity of experience and the skills is helpful to maintain the good governance in the management process.

Integrity

The Board has the guts to act morally in every circumstance and does so with integrity, commitment, and consistency. The Board operates under the tenets of mutual respect and trust.

Objectivity

The Board makes decisions in a fair, transparent, and impartial manner. The Board welcomes differing viewpoints and challenges them to provide helpful criticism as it carries out its duties.

Accountability

The Board makes sure that duties to shareholders are recognized and fulfilled in the best interests of all parties involved in the company. It is aware of its duty to manage its holdings responsibly and of the impact it can have on the environment, society, and the communities in which it operates.

Legacy

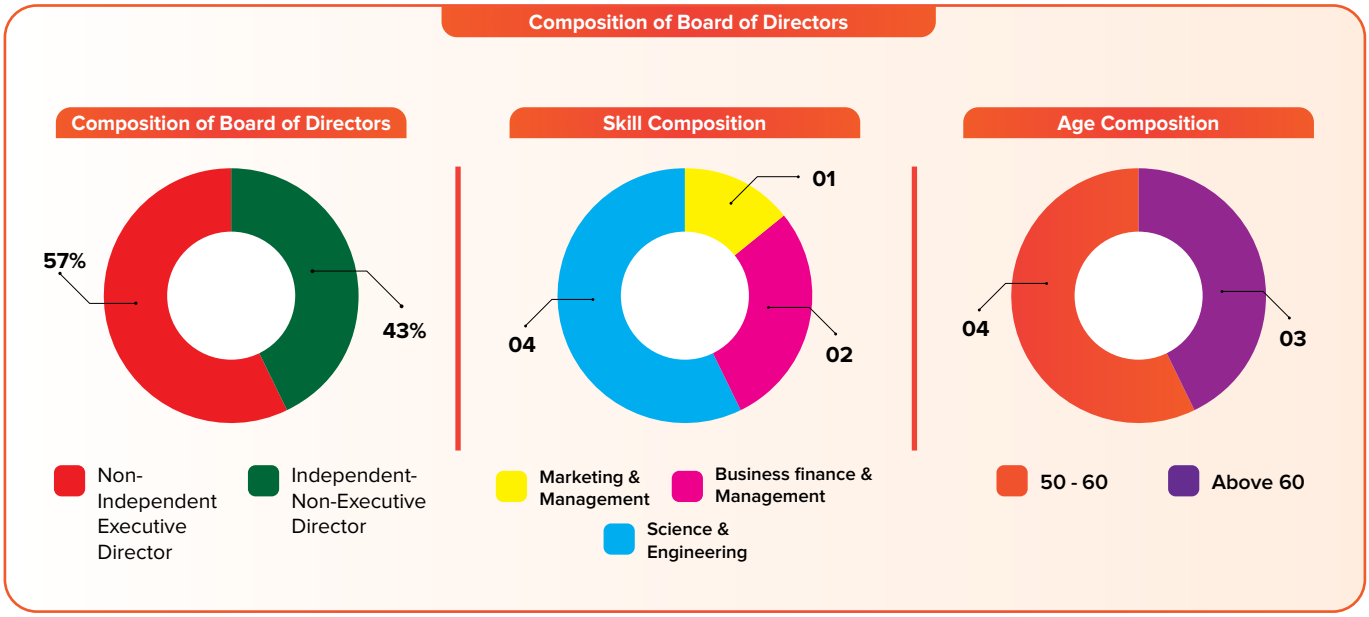
The Board aims to create a business and portfolio that provide our shareholders and society with long-term, sustainable value.



Refreshments of the Board and Success

In alignment with our commitment to strong corporate governance and the sustainable leadership of our company, we are dedicated to ensuring a structured and transparent process for the refreshment and succession of our Board of Directors. As per Article 79 (1) of our Articles of Association, there is a provision for the retirement of Directors,excluding the Chairman and CEO or Managing Director, is required to retire by rotation at each Annual General Meeting (AGM) to promote a dynamic and effective leadership structure.

This mechanism is designed to facilitate regular renewal of the Board, thereby ensuring a mix of fresh perspectives and experienced guidance, which are critical for the continuous growth and strategic direction of our company.



Fit & Proper Assessment of Board Members:

The Company's commitment to maintaining the highest standards of governance is reflected in our rigorous fit and proper assessment for Directors. This process is meticulously aligned with the guidelines set out in the Listing Rules of the Colombo Stock Exchange (CSE). The company has alredy obtained the Fit & Proper Assessment of board of directors based on the criteria of honesty, integrity, reputation, competence and capability and financial soundness through internally developed check list. Therefore, the Chairman and Directors satisfy the fit and proper assessment criteria stipulated in the Listing Rules of the CSE.

This framework ensures that each Director possesses not only the required technical skills and experience, but also demonstrates the personal and professional qualities necessary to perform their duties in a manner consistent with the values and obligations of the Company.

The assessment is conducted annually, and Directors are required to submit declarations confirming that they continue to meet the criteria. In addition, any material changes in their professional conduct, roles, or associations are to be disclosed without delay. These measures are in place to ensure ongoing compliance and transparency.

Through these practices, Luminex PLC ensures that its Board composition remains compliant with all applicable governance laws in Sri Lanka and reflects the principles of transparency, accountability, and ethical leadership that underpin effective corporate governance.

Independence

Luminex PLC ensures ongoing compliance with the relevant provisions of the Companies Act No. 07 of 2007, particularly directors' duties to act in good faith and in the interests of the company, reinforcing the importance of independence in oversight and decision-making.

In accordance with the Listing Rules of the Colombo Stock Exchange (CSE), and adhering to the guidelines of the Code of Best Practices, we are pleased to report that all our directors have submitted their declarations on an annual basis. "Independence" is determined based on the criteria set out in the Code of Best Practice on Corporate Governance (2017).

The evaluation is done based on the annual Decleration made by individual directors and following three Directors were independent for the year under review. This ensures that the Board retains the objectivity, accountability, and impartiality required for effective governance.

Luminex PLC places high importance on the independence and objectivity of its Non-Executive Independent Directors. The Board currently includes three Independent Directors who meet the criteria for independence as stipulated in the listing rules of the Colombo Stock Exchange (CSE). These criteria include the absence of any significant financial, familial, or other material relationships with the Company or its management that could impair their judgment. Each year, all Non-Executive Directors are required to submit formal declarations confirming their independent status. These declarations are reviewed by

CORPORATE GOVERNANCE

the Board to ensure continued compliance. The presence of Independent Directors ensures that Board deliberations and decisions are balanced, impartial, and free from undue influence, thereby reinforcing the principles of good corporate governance and protecting the interests of all shareholders, including minority stakeholders.

CONFLICT OF INTEREST

Luminex PLC has established clear procedures to manage actual or potential conflicts of interest among its Directors and senior management. All Directors are required to disclose any interest they may have in transactions or matters considered by the Board. These disclosures are recorded in the Interests Register, in accordance with the Companies Act No. 07 of 2007. Where a conflict arises, the Director concerned abstains from participating in related discussions and decisions, ensuring integrity and transparency in the Company's governance processes.

Hence, the Company adheres to all local and international governance standards and regulatory expectations which can be concluded as follow;

Local Requirements:

- Companies Act No. 07 of 2007: Mandates disclosure and proper documentation of directors' interests and abstention from decision-making in related matters.
- Securities and Exchange Commission (SEC) Guidelines: Provide additional governance expectations on managing conflicts, including disclosure in annual reports.

International Guidelines:

- OECD Principles of Corporate Governance: Recommend strong conflict of interest policies to safeguard shareholder interests.
- IFAC Code of Ethics for Professional Accountants: Promotes objectivity and independence in decision-making.

The Company incorporates these requirements through:

- Mandatory annual declarations of interest from all Directors.
- Periodic updates to the Interests Register.
- Recusal policies for conflicted directors during relevant Board or Committee discussions.
- Monitoring by the Company Secretary and Audit Committee for compliance.

These practices reinforce transparency, ethical conduct, and independence in decision-making.

PROFESSIONAL DEVELOPMENT AND PERFORMANCE EVALUATION

The Board of Directors is committed to continuous professional development to stay updated with industry trends, regulatory changes, and governance practices. Directors are encouraged to participate in relevant external training programs, workshops, and seminars to enhance their skills and understanding of their duties. The Company periodically organizes internal sessions to brief Directors on updates in legal, regulatory, and sector-specific matters.

Culture and Ethics

The Board is responsible for setting the right ethical tone at the top, thereby contributing towards shaping an organisational culture that is aligned with our values. By establishing and upholding high standards of integrity and ethical conduct, the Board ensures that these principles permeate throughout the entire organisation. This commitment to ethics fosters a culture of trust, accountability, and excellence, reinforcing our dedication to doing what is right and sustaining our reputation as a principled and responsible entity.

Measures to promote ethical behavior

In order to promote an ethical culture and promote ethical behavior, the company has implemented the following initiatives.

- Code of Ethics: This document outlines the company's values, ethical principles, and expected employee conduct.
- Continuse training sesions through HR Department.
- Whistleblower Protection, Ensuring employees can report issues without fear of retaliation.
- Annual Performanmce evaluation methodology and link to the monthly reward system.
- Segregation of the transaction execution and the final payment process.
- Regular Audits and Monitoring.
- Creating an ethical environment by making awareness prograsmme among the staff members.
- Background analysis of new Customers and new Supllers, before the transactions.

Anti-Bribery and Corruption

Luminex has an Anti-bribery and Corruption (ABC) Policy which is circulated among the senior, middle management and all staff members of the company to prevent, detect, and deter bribery and corruption when doing the transactions with the counterparties.

- Zero tolerance to bribery and corruption
- As a hiring policy, conduct thorough back ground analysis by evaluating educational and employment history and references.
- Getting the Compliance acknowledgment at the point of hiring the people.
- Prohibition of accepting or offering bribe when involve with Business transactions on behalf of the company.
- Prohibition of involvement with political activities and donate to political parties or election candidates

The Anti - Bribery & Corruption Policy is reviewed periodically to align with local and international anti-corruption standards.

Board Responsibility for Internal Control and Financial Reporting

The Board of Directors remains committed to upholding the highest standards of internal control and financial reporting. We believe that robust internal controls and accurate financial reporting are essential to maintaining the trust of our stakeholders and achieving our strategic objectives. Through continuous evaluation and enhancement of our processes, we strive to maintain excellence in corporate governance and financial integrity. In this respect, as a board In our continuous effort to enhance the robustness of our internal control processes, we, appoint a dedicated Internal Audit Team (Sarukkali Associates-Chartered Accountants firm) as our internal auditor for the year. This strategic initiative aims to ensure that our operations adhere to the highest standards of efficiency, accuracy, and compliance. The focuss areas were, Process of Cash handling , Fixed Assets and the Procurement process of the company.

Company Governance Framwork;

Company Government frame work comprises the Exterenal Regulatory requairements, Internal rules & standards and other related Interenal mechanism to function the governance structure;

Compliance in terms of the Companies Act No. 07 of 2007		
Extemal Regilatory Requirements	**Internal Rules & Standards**	**Internal Mechanism**
Companies Act No. 07 of 2007	Articles of Association	HR Policies & Procedures
Sri Lanka Accounting and Auditing Standards Act No. 115 of 1995	Organizational structure	Procurement Procedures
Continuing listing requirements of the Colombo Stock Exchange	Related Party Transactions policy	Quality Maintanances policies
Code of Best Practice on Corporate Governance issued by the Chartered Accountants of Sri Lanka	Code of Ethics	Financial Budgeting & Cost Control Procedure
Acts, Circulars, and Gazettes issued by the Taxation Authorities for Corporates.	Policies of Board of Directors	Periodical Audits (ISO Certification)
Sri Lanka Accounting and Auditing Standards Act No. 115 of 1995	Internal controls systems and manuals	
Shop and Office Employees Act No. 19 of 1954 and amendments thereto		
Exchange Control Act No. 22 of 2017		
Directives/Regulations of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and its amendments thereto, as repealed by the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021		

Together, these components ensure that Luminex PLC maintains a transparent, accountable, and performance-driven governance culture in alignment with its strategic objectives and stakeholder expectations.

Division of Responsibilities

Luminex PLC ensures a clear and well-defined division of responsibilities between the Chairman, CEO/Managing Director (where applicable), and the other members of the Board. This separation is essential to uphold effective governance, avoid conflicts of interest, and facilitate independent oversight.

- **Chairman:** The Chairman leads the Board and is responsible for ensuring its effectiveness. This includes setting the agenda, facilitating open dialogue during meetings, and promoting a culture of constructive challenge and collaboration among Directors. The Chairman does not engage in the day-to-day management of the Company.
- **CEO/Managing Director:** The CEO/MD is responsible for the day-to-day operations and implementation of the Board's strategic decisions. He/she leads the senior management team, ensuring that business objectives are met efficiently and responsibly in alignment with the Company's long-term goals.
- **Board Members:** All Directors contribute to the formulation of strategy and provide independent oversight. Executive Directors bring operational insight, while Non-Executive Directors—especially Independent Non-Executive Directors—offer impartial judgment, scrutinise performance, and safeguard stakeholder interests.

This structured division of roles ensures accountability, enhances leadership effectiveness, and reinforces the overall integrity of Luminex PLC's governance framework.

RE-APPOINTMENT AND RE-ELECTION

In accordance with the Articles of Association of Luminex PLC and the requirements under the Companies Act No. 07 of 2007, Directors are subject to re-appointment and re-election at intervals specified by law and internal governance policies. The process is designed to ensure continuity, accountability, and the optimal composition of the Board.

The Company's Corporate Governance Structure is detailed below which demonstrates the extent to which the Company adheres to in relation to Provisions of the Companies Act No.07 of 2007 and CSE regulations on Corporate Governance.

CORPORATE GOVERNANCE

Compliance in terms of the Companies Act No. 07 of 2007		
Section Reference	**Requirement**	**Annual Report Reference (Page)**
168 (1) (a)	The nature of the business of the Company with any change thereof during the accounting period	64
168 (1) (b)	Signed Financial Statements of the Company for the accounting period completed	61
168 (1) (c)	Auditors' Report on Financial Statements of the the Company	56 - 58
168 (1) (d)	Accounting Policies and any changes made during the accounting period	64 - 116
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	28
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	103
168 (1) (g)	Corporate donations made by the Company during the accounting period	76
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period	19 - 22
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	103
168 (1) (j)	Auditors' relationship or any interest with the Company and its Subsidiaries	30
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board (Annual Report of the Board of Directors)	30

Company is also compliant with The Code of Best Practices on Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka and The Institute of Chartered Accountants of Sri Lanka (The Code) Best Practices of Corporate Governance and extent to which the company is compliant with the principles of the Code are detailed below.

THE BOARD- PRINCIPLE A. OF THE CODE

The Board of Directors comprise 07 Directors of which 03 are Non Executive independent Directors. . The Board represents extensive industry expertise. Board meet at least once in every quarter to discuss company's performance and evaluate its strategic direction. There were 4 Board meetings and 4 sub committee meetings held during the year under review and the attendance of the Board members are given below.

Name	Directorship	Board Meeting	Audit Committee Meeting	Related Party Transaction Meetings	Remuneration Committee Meeting
G R P Fernando	Executive Director	4	-	-	-
A.A.C De Alwis	Executive Director	4	-	-	-
I B Lionel	Chairman/ Independent Non Executive Director	4	4	4	4
Upul Ranjith Lekamge	Managing Director/Executive Director	4	-	-	-
H M D Palitha Herath	CEO/Executive Director	4	-	-	-
S.M.S.Sanjaya Bandara	Independent Non Executive Director	4	4	4	4
B.P.Suranjith Swaris	Independent Non Executive Director	4	4	4	4

At all Audit Committee meetings and Board meetings, statutory compliance statement showing extent to which the company is compliant with the rules and regulations are circulated amongst the Directors for information of the Board. All the Board members have access to the advice of the Company Secretary, RNH Holdings (Pvt) Limited who acts as the registered company secretaries to the company.

The Board of Directors demonstrate independent judgement on aspects related to company's corporate strategy, performance and financial evaluation. All the Directors are given fair treatment at Boardmeetings and encourage them to express their views at Board meetings.

Board meeting and sub committeemeeting dates are circulated to the Board well in advance. Board Papers are circulated to the Board in advance, enabling Boardmemebrs to dedicate adequate time and effort in studying the papers. Board members are free to request any additional information on matters that are being discussed at Board level.

Chairman ensures that there is a proper balance between Non ExecutiveDirectors and Executive Directors. This is achieved by fostering a culture of open dialogue, encouraging all Directors (regardless of designation) to actively contribute to discussions, and ensuring that the views of Non-Executive and Independent Directors are given due weight in decision-making, thereby promoting balanced oversight and collective responsibility.

The Board comprises of individuals with sound financial acumen and they guide the Board on financial matters. This collective financial insight strengthens the Board's ability to make prudent decisions in line with the Company's strategic and governance objectives.

There are three Non Execuitve Independent Directors. Independent Directors meet the criteria set out in the CSE regulations for "independence". Annual declarations are obtained from all Non ExecutiveDirectors and submitted to the Board.

Senior Management of the company provides all information required for decision making by the Board of Directors. Where necessary Directors obtain independent opinon from legal and accounting professionals in order to bring in wider perspectives on matters of importance.

Information relating to the Directors are given on pages 19 to 22 of this Annual Report.Directors attendance at Board and sub committee meetings are given on pages 50 to 53 of this report.

DIRECTORS' REMUNERATION – PRINCIPLE B

Remuneration of Executive Director is determined in terms of company remuneration policy which is in line with industry practices, and the Remuneration Committee reviews the such policy and make recommendations to the Board.

To ensure high standards of corporate governance, the company follows several key practices:

- A Remuneration Committee of non-executive directors recommends executive pay, subject to Board approval.
- Non-discriminatory pay ensures fair remuneration and director independence.
- Performance-based remuneration, including bonuses or stock options, aligns pay with company performance.
- Pay structures are designed to align director and shareholder interests for long-term value.
- External benchmarking is used to set competitive, industry-aligned remuneration.
- All remuneration complies with Sri Lankan laws and regulations.
- Tax-neutral pay is prohibited, meaning directors must bear their own tax liabilities.
- A Related Party Transactions Review Committee oversees related dealings to avoid conflicts of interest.

SHAREHOLDER COMMUNICATION AND RELATIONS - PRINCIPLE C

Shareholder engagement is a key priority at Luminex PLC. Annual General Meeting(AGM) is the main platform for the Sharehoolders to raise queries from the Board. AGM notices and Annual Report in QR code form are sent to all the sharehodlers by giving required statutory notice of the AGM , and shareholders are encouraged to use the AGM to constructively to discuss matters.

Chairmen of sub committees are available at AGM to respond any queries of shareholders. There were no major or material transactions entered into or proposed to be entered into by the company during the period under review.

AGM notices and the Annual Report are shared with all the shareholders with the required statutory notice. The Chairmen of the subcommittees are present at the AGM to respond to any shareholder queries. There were no major or material transactions entered into or proposed by the Company during the period under review.

To support effective communication, the General Manager – Finance and Tax acts as the direct contact point for shareholders. Additionally, the Company Secretary and the Registrar to the Company (CDS) facilitate the provision of required information as necessary.

The Board is consulted on all significant shareholder issues and concerns, alongside the perspectives of management. The Company promptly communicates quarterly financial statements and other price-sensitive information to the Colombo Stock Exchange (CSE), including updates on acquisitions, disposals, share transactions, and other corporate developments.

Information on the companies performance, financial information, annual reports and other corporate information is made available on the companies website.

MINORITY SHAREHOLDER RIGHTS- PRINCIPLE D

Luminex PLC is committed to protecting the rights of all shareholders, including minority shareholders. The Company ensures equitable treatment by maintaining transparency in disclosures, encouraging active participation in decision-making processes, and adhering strictly to applicable laws and governance codes. Measures include timely communication of all price-sensitive and material information via the Colombo Stock Exchange (CSE), ensuring voting rights are fairly exercised at AGMs, and providing clear access to financial and corporate data through annual reports and public announcements. Any significant related-party transactions or corporate actions are subject to prior Board scrutiny and disclosed to maintain full transparency and fairness.

ACCOUNTABILITY AND AUDIT- PRINCIPLE E

The Board has the task to present balanced and understandable assessment of the company's performance, financial position and outlook. Directors declaration on the preparation of financial statements are given on page 31 of this report.

POLICY ON RELATIONS WITH INVESTORS

Luminex PLC is committed to fostering a transparent and mutually beneficial relationship with its investors. The Company ensures timely dissemination of accurate information through quarterly and annual financial reports, press releases, and disclosures to the Colombo Stock Exchange (CSE). A dedicated Investor Relations function facilitates regular engagement through investor briefings, correspondence, and meetings, while maintaining strict compliance with disclosure obligations and fair information access. Feedback from investors is considered valuable in enhancing corporate strategy and governance practices.

CORPORATE GOVERNANCE

POLICY ON WHISTLEBLOWING

Luminex PLC recognizes the importance of creating an environment where employees, stakeholders, and other parties can raise concerns regarding unethical, illegal, or inappropriate conduct without fear of retaliation. Although a formal Whistleblowing Policy is under development, the Company is committed to establishing clear reporting channels and assurance of confidentiality and protection for whistleblowers. It is intended that this policy will outline procedures for reporting, investigation, and resolution of complaints in a transparent and impartial manner. As a forward-looking governance measure, the introduction and implementation of a Whistleblowing Policy will be prioritized in the current reporting year.

ACCESS TO INFORMATION

Luminex PLC ensures that its Board of Directors is granted full and timely access to all information necessary for the effective discharge of their duties. In accordance with the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange (CSE), Directors are provided with comprehensive board papers, financial reports, and other relevant documentation well in advance of meetings to support informed and independent decision-making.

Board subcommittee members are granted access to all relevant information necessary to perform their oversight functions effectively. This access is provided within a structured framework that respects the Company's internal confidentiality protocols and complies with applicable data protection laws, including the Personal Data Protection Act, No. 9 of 2022. While there are no undue barriers to access, necessary safeguards are in place to ensure the secure and ethical handling of sensitive data.

External auditors and internal auditors are similarly provided with appropriate access to company records, systems, and management personnel in order to carry out their assurance functions.

The Company also utilizes secure digital platforms to facilitate real-time access to documentation and confidential communications among Board members and relevant stakeholders, thereby reinforcing transparency, accountability, and strong corporate governance.

DATA PROTECTION AND COMPLIANCE

Luminex PLC is fully committed to safeguarding personal and confidential data in compliance with all applicable data protection laws and governance best practices. The Company strictly adheres to the provisions of the Personal Data Protection Act, No. 9 of 2022 of Sri Lanka, which governs the collection, processing, storage, and sharing of personal data.
In doing so, Luminex ensures alignment with both local and international legal frameworks, as detailed below:

Local Data Protection Framework

- Personal Data Protection Act, No. 9 of 2022 (Sri Lanka):
  - **What it protects:** Personal data related to individuals, including names, contact details, identification numbers, and sensitive information.
  - **How it protects:** Requires organizations to obtain valid consent, ensure transparency in data usage, maintain data accuracy, and implement security safeguards.
  - **Luminex's implementation:**
    - Consent-based data collection and privacy notices are used.
    - Security measures include encryption, access control, and periodic audits.

To ensure robust protection of data, Luminex has implemented comprehensive measures, including secure IT infrastructure, access control protocols, periodic data audits, and employee awareness programs. All data access, especially that involving sensitive or stakeholder-related information is governed by strict internal policies and reviewed under well-established confidentiality and cybersecurity guidelines. The Company also subjects its third-party service providers and consultants to data protection obligations through contractual safeguards.

By embedding data privacy and security into its operational and governance structures, Luminex reinforces its commitment to ethical conduct, legal compliance, and the long-term trust of its stakeholders.

RECOGNITION AND MANAGEMENT OF RISK

Luminex PLC recognizes that effective risk management is essential to safeguarding the Company's assets, maintaining operational continuity, and achieving sustainable growth. The Board of Directors holds ultimate responsibility for ensuring a comprehensive risk management framework that systematically identifies, assesses, and mitigates risks across all facets of the business.

Risk identification involves ongoing monitoring of internal processes and external market conditions to detect potential strategic, operational, financial, compliance, and reputational risks. These risks are evaluated based on their likelihood and potential impact, enabling prioritization and timely implementation of appropriate control measures.

Key risk categories pertinent to Luminex PLC's industry include:

- **Strategic Risks:** Changes in market demand, evolving customer preferences, and competitive pressures that may affect the Company's market position and profitability.
- **Operational Risks:** Risks related to manufacturing processes, supply chain disruptions, quality control failures, inventory management, and health and safety compliance.
- **Financial Risks:** Exposure to currency fluctuations, credit risks from customers and suppliers, cash flow management, and cost control challenges.
- **Compliance and Legal Risks:** potential for financial loss, penalties, reputational damage, or operational disruption resulting from a company's failure to adhere to applicable laws, regulations, codes of conduct, or internal policies.
- **Reputational Risks:** Potential impacts arising from product quality issues, environmental incidents, ethical breaches, or negative stakeholder perceptions.

The Company's Internal Audit team, conducts regular audits focusing on critical risk areas including cash handling, fixed asset management, procurement processes, and regulatory compliance. Audit findings and risk reports are presented to the Audit Committee and the Board, ensuring that management actions effectively address identified risks.

Luminex PLC fosters a risk-aware culture by promoting risk identification and reporting at all organizational levels. Ongoing training and investment in modern risk management tools support the Company's ability to anticipate and mitigate risks proactively.

Risks Management and Mitigation Measures

To manage different types of risk, Luminex PLC has implemented the following controls:

- Strategic Risks:
  - Regular strategic reviews
  - Board involvement in key decisions
  - Scenario planning and stakeholder engagement
- Operational Risks:
  - Established internal controls and SOPs
  - Internal audits of critical processes
  - Business continuity planning
  - Ongoing employee training
- Financial Risks:
  - Budgetary controls and variance analysis
  - Cash flow and liquidity management
  - Controlled investment practices
  - Adequate insurance coverage

- Compliance and Legal Risks:
  - Legal and regulatory monitoring - Adherence to local and international regulatory requirements such as environmental laws, labor regulations, data protection statutes including Sri Lanka's Personal Data Protection Act No. 9 of 2022, and internationally recognized frameworks like GDPR where applicable.
  - Robust internal policies and procedures
  - Training on compliance and ethics
  - Periodic regulatory and internal audits
- Reputational Risks:
  - Timely and transparent disclosures
  - Crisis management protocols
  - Stakeholder and CSR engagement
  - Enforcement of a company-wide Code of Conduct

By integrating robust risk management into corporate governance and daily operations, Luminex PLC ensures resilience and supports its commitment to stakeholder confidence and long-term value creation.

Internal Audit

Internal Audits are conducted by Sarukkali Accosiates. The Internal Auditor has access to management and the authority to seek information, records, properties, and the responsible persons.

The Members of the Audit Committee oversees the scope of the internal audit and and recomedations are direct to the Board of Directors if necessary.

Policies

Pursuant to newly introduced listing regulations, the Company established and adopted required policies ensuring adhhirence to best practices in corporate governance and regulatory compliance.

Major Transactions

The Company did not enter into any major transaction in terms of the Companies Act No. 7 of 2007 during the period under review.

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

Luminex PLC is committed to the responsible stewardship and prudent management of all company assets and shareholder investments. The Company recognises that sound asset management is essential to protecting shareholder value, ensuring operational efficiency, and maintaining financial integrity.

All company assets (whether tangible or intangible), including property, equipment, inventory, and intellectual property, are recorded in a comprehensive Asset and Inventory Register, maintained and regularly updated by the Finance and Administration Division. Each department is responsible for maintaining detailed inventory checklists relevant to their operations. Periodic asset verification and physical audits are conducted to assess the condition, usage, and location of company property, ensuring alignment with accounting records.

Luminex PLC has established standardised procedures for the allocation, monitoring, and safeguarding of assets, including the use of asset tagging and assignment logs. Employees are held accountable for any company property under their custody. All staff are regularly trained and guided on the responsible use of company assets, with emphasis on minimising misuse, damage, and wastage, in line with the Company's values of efficiency and sustainability.

In the event of employee resignation, retirement, or termination, a formal clearance process is initiated. This includes the mandatory handover of all company-issued items, such as electronic devices, documents, tools, and protective equipment. Clearance certificates are issued only upon full return and verification of assigned property.

In managing shareholder investments, the Company exercises careful oversight and risk assessment in all strategic investment decisions. These decisions are subject to Board approval and are monitored through appropriate governance mechanisms to ensure alignment with the Company's growth strategy and value creation objectives.

Luminex PLC follows internationally recognised frameworks to uphold its asset and investment governance standards. These include the International Financial Reporting Standards (IFRS) for the accounting and disclosure of assets, particularly:

- IAS 16 – Property, Plant, and Equipment
- IAS 38 – Intangible Assets
- IFRS 9 – Financial Instruments (important for investment management)

Internal controls, policies, and procedures relating to asset and investment management are reviewed periodically by the Audit Committee, and any irregularities or inefficiencies are addressed promptly through appropriate corrective actions.

POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) SUSTAINABILITY

Luminex PLC fully integrates Environmental, Social, and Governance (ESG) principles into its core business strategy, reflecting its commitment to sustainable development and responsibility towards all stakeholders, including employees, shareholders, customers, communities, and the environment.

Environmental Responsibility: The Company is dedicated to minimising its environmental footprint by implementing sustainable operational practices that promote energy efficiency, waste reduction, responsible water usage, and carbon footprint mitigation. Efforts include adopting renewable energy sources where feasible, enhancing resource conservation, and ensuring compliance with all relevant environmental regulations and standards.

Social Commitment: Luminex PLC actively supports social initiatives that foster community development, uphold human rights, promote employee well-being, diversity and inclusion, and encourage inclusive growth. The Company strives to maintain a safe and healthy workplace, invest in employee training and development, and engage in corporate social responsibility programmes that positively impact local communities.

Governance Excellence: Robust governance frameworks are continuously enhanced to uphold ethical conduct, transparency, accountability, and long-term value creation.

CORPORATE GOVERNANCE

Company's level of compliance to CSE regulations on corporate governance is given below.

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

	Rule	Compliance status	Reference (within the Report)
(i)	Names of persons who during the financial year were directors of the Entity.	Complied	19 - 22
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Complied	64
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Complied	119 - 120
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement. The public holding percentage in respect of non- voting Shares (where applicable)	Complied	119
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Complied	30
(vi)	Information pertaining to material foreseeable risk factors of the Entity.	Complied	30
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Complied	30
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Complied	80
(ix)	Number of shares representing the Entity's stated capital.	Complied	119
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Complied	120
(xi)	Financial ratios and market price information 1. Dividend per share 2. Dividend pay out 3. Net asset value per share 4. Market value per share - highest and lowest values recorded during the financial year - value as at the end of financial year	Complied	118
	The market prices & yield during the year (ex: interest) - Highest Price - Lowest price - Last traded price (as at dd/mm/yy)	Complied	120
	Any changes in credit rating (for the Entity or any other instrument issued by the Entity), if applicable.	N/A	N/A
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Complied	78

CORPORATE GOVERNANCE

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

	Rule	Compliance status	Reference (within the Report)
(xiii)	Details of funds raised via IPO and further issues - Manner in which funds are utilized (disclose as per the format) - Number, class of shares or debenture, consideration received and reason for the issue - Any material changes in the use of funds	N/A	N/A
(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules Section 9 of the Listing Rules	Complied	33 - 49
(xvi)	Details of Investments in RP and due from RP - date of the transaction - name of the Related Party - relationship between the Entity and the Related Party -amount of the transaction and terms of the transaction - rationale for entering into the transaction	Complied	88

Statement of Compliance under Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

Rule No.	Applicable Requirement	Compliance Status	Details
9.5.1(a)	The Board of Directors of a Listed Entity shall include at least, - two non-executive Directors; or - such number of non-executive Directors equivalent to one third of the total number of Directors whichever is higher.	Complied	Out of 07 Directors, company has 03 Non Executive Directors.
9.19.1(a)	Two or 1/3 of non-executive Directors appointed to the Board of Directors, whichever is higher shall be 'independent'.	Complied	Out of 07Directors, company has 03 Independent Non Executive Directors
9.19.2(b)	The Board shall require each non-executive director to submit a signed and dated declaration annually of his/her independence or non Independence against the specified criteria	Complied	All Non-Executive Directors have submitted their confirmation of independence as per the criteria set by the CSE rules, which is in line with the regulatory requirements.
9.19.3(a)	The Board shall determine annually as to the independence or non-independence of each non-executive Director based on such declaration and other information available to the Board and shall set out in the annual report the names of Directors determined to be 'independent'	Complied	The Board has made such determination and the basis for determination of "Independence" is in line with the definition of the CSE Regulations in force.
9.19.3(b)	In the event a director does not qualify as 'independent' against any of the criteria set out in the regulation but if the Board, taking account all the circumstances, is of the opinion that the Director is nevertheless 'independent', the Board shall specify the criteria not met and the basis for its determination in the annual report.	Complied	All the Non Executive Directors have declared their independence or non independence. All the new Board appointments wereinformed to shareholders by making an announcement in Colombo Stock Exchange in compliance with Rule 7.10.3 (d).
9.19.3(c)	The Board shall publish in its annual report a brief resume of each director on its Board which includes information on the nature of his/her expertise in relevant functional areas.	Complied	Brief Resume of each Director is given on pages 19 to 22 of the Annual Report.
9.19.3(d)	Upon appointment of a new Director to its Board, the Entity shall forthwith provide to the Exchange a brief resume of such director for dissemination to the public.	Complied	Whenever there is a new Director appointed to the Board, announcement is made to Colombo Stock Exchange together with his brief resume.

CORPORATE GOVERNANCE

Statement of Compliance under Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure

Rule No.	Applicable Requirement	Compliance Status	Details
9.19.5(a)(i)	The remuneration committee shall comprise; of a minimum of two independent non-executive Directors (in instances where an Entity has only two Directors on its Board);	Complied	Composition of the Remuneration Committee is given on page 53 of the Annual Report under Remuneration Committee Report.
9.19.5(b)	The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and Chief Executive Officer of the Listed Entity and/or equivalent position thereof, to the Board of the Listed Entity which will make the final decision upon consideration of such recommendations.	Complied	Remuneration committee reviews the group remuneration policy and make recommendations to the Board.
9.19.5(c)	The annual report should set out the names of Directors (or persons in the parent company's committee in the case of a group company) comprising the remuneration committee, contain a statement of the remuneration policy and set out the aggregate remuneration paid to executive and non-executive Directors.	Complied	The names of the Directors of the Remuneration Committee are set out on 53 of this report.
9.19.6(a)	The audit committee shall comprise; of a minimum of two independent non-executive Directors (in instances where a Entity has only two Directors on its Board); or of non-executive Directors a majority of whom shall be independent, whichever shall be higher. In a situation where both the parent company and the subsidiary are 'Listed Entities', the audit committee of the parent company may function as the audit committee of the subsidiary.	Complied	The Audit Committee consists of 03 independent Non Execuitve Directors. Report of the Audit Committee is given on page 50 to the Annual Report Out of the 3 members, one of them is a member of the recognized professional accounting body.
9.19.6(b)	Function of the Audit committeeshall include, (i) Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of a Listed Entity, in accordance with Sri Lanka Accounting Standards. (ii) Overseeing of the Entity's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements. (iii) Overseeing the processes to ensure that the Entity's internal controls and risk management, are adequate, to meet the requirements of the Sri Lanka Auditing Standards. (iv) Assessment of the independence and performance of the Entity's external auditors. (v) To make recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Complied	The Audit Committee charter encompasses, its functions and responsibilities covering functions prescribed in rule 7.10.6(b)
9.19.6(c)	The names of the Directors comprising the audit committee should be disclosed in the annual report. The committee shall make a determination of the independence of the auditors and shall disclose the basis for such determination in the annual report. The annual report shall contain a report by the audit committee, setting out the manner of compliance by the Entity in relation to the above, during the period to which the annual report relates.	Complied	Name of the Directors on the Audit committee is given on page 50 of the Annual Report. Audit Committee report is given on page 50 of the report. Statement of Auditors independence is disclosed in page 50 of the Audit Committee report.

CORPORATE GOVERNANCE

Rule No.	Rule	Compliance status	Reference (within the Report)
9.3	Board Committees		
9.3.1	Listed entities shall ensure that the following Board Committees are established and maintained at a minimum and are functioning effectively. The said Board Committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	Complied	Please refer the Board Committe Report
9.3.2	Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in these Rules.	Complied	29
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders.		30
9.4.1	Listed Entity shall make an immediate announcement to Listed entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the entity. The entity shall provide copies of the same at the request of the Exchange and/or the SEC (a) The number of shares in respect of which proxy appointments have been validly made (b) The number of votes in favor of the resolution (c) The number of votes against the resolution (d) The number of shares in respect of which the vote was directed to be abstained	Complied	
9.4.2 (a)	Listed entities shall maintain effective communication and relations with shareholders and investors	Complied	
9.6	Chairperson and CEO		
9.6.1	The Chairperson of every listed entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such entity in terms of Rule 9.6.3 below	Complied	Chairperson of the Company is non Executive Independence Director and CEO position held by an another Executive Director.
9.6.3	The Requirement for a SID; A listed entity shall appoint an Independent Director as the SID in the following instances: i. The Chairperson and CEO are the same person ii. The Chairperson and CEO are Close Family Members or Related Parties	N/A	The functions of Chairman and CEO are clearly separated.
9.7	Fitness of Directors and CEOs		
9.7.1	The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Rules	Complied	Directors are required to provide general disclosures and declarations on fitness and propriety annually and are required to report any material changes to the information provided therein, including any changes to their professional responsibilities and business associations, to the Board.
9..7.2	Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	Complied	

CORPORATE GOVERNANCE

Rule No.	Rule	Compliance status	Reference (within the Report)
9.7.4	Listed entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the f inancial year concerned and satisfies the said criteria as at the date of such confirmation	Complied	
9.7.5	Disclosures in the Annual Report of Listed entities; (a) A statement that the Directors and CEO of the Listed entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange (b) Any non-compliance/s by a director and/or the CEO of the Listed entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed entity to rectify such noncompliance/s	Complied	All Directors of the Company provide a Decleration
9.8	Board Composition		
9.8.3	A Director shall not be considered 'independent' if he/she is 70 years of age or above 9.8.3. (ix)	Complied	Company has ensured that all Independent Directors have satisfied the criteria
9.8.5	The Board of Directors of Listed entities shall require:		
(a)	Each Independent Director to annually submit a signed and dated declaration of their 'independence' or 'non-independence' using the specified criteria and format in Appendix 9A	Complied	All Independent Directors submitted the signed declaration of their independence to the Board.
(b)	Annually assess the 'independence' or 'non-independence' of each Independent Director based on their declaration and other available information, listing the names of 'independent' Directors in the Annual Report	Complied	
9.9	Alternate Directors		
(a)	Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment	N/A	Currently there are no Alternative Directors appointed
9.10	Disclosures relating to Directors		
9.10.1	Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the entity shall provide an explanation for such noncompliance in the manner specified in Rule 9.5.2 above	Complied	As per Article 73 of the Articles of Association of the Company, subject to the Companies Act the Company may by Ordinary Resolution from time to time increase or reduce the maximum or minimum number of Directors.
9.10.4	Listed entities shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile (b) the nature of his/her expertise in relevant functional areas (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed entity (d) whether Executive, Non-Executive and/or independent Director (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies (f) number of Board meetings of the Listed entity attended during the year (g) names of Board Committees in which the Director serves as Chairperson or a member (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member (i) The terms of reference and powers of the SID (where applicable)	Complied Complied	Pages 19 to 22 of the Annual Report Page No 29

Rule No.	Rule	Compliance status	Reference (within the Report)
9.12	Remuneration Committee		
9.12.2	Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules	Complied	Page 53
9.12.3	The Remuneration Committee shall 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.	Complied	Page 53
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	Complied	Page 53
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings	Complied	Page 53
9.12.6	Composition		
9.12.6(1)	(a) The remuneration committee should comprise of a minimum of three (03) Directors of the listed entity, out of which a minimum of two (02) shall be Independent Directors of the listed entity (b) The members of the Remuneration Committee shall not comprise of Executive Directors of the listed entity	Complied	All three members are independance
9.12.8	Disclosure in Annual Report		
(a)	Names of the Chairperson and members Remuneration Committee and the nature of directorships held by such members	Complied	Page 53
(b)	A statement regarding the remuneration policy	Complied	Page 53
(c)	The aggregate remuneration of the Executive and Non-Executive Directors	Complied	Page 103
9.13	Audit Committee		
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Complied	Page 50
9.13.5	Disclosures in the Annual Report	Complied	
9.13.5(1)	Prepare an Audit Committee Report which shall be included in the Annual Report and it should set out the manner in which the entity has complied with the requirements applicable to the Audit Committee during the considered period	Complied	Page 50
9.13.5(2)	The audit committee report shall contain,		Page 50
(a)	The names of the Chairperson, members of the Audit Committee, and the nature of directorships held by such members	Complied	Page 50
(b)	The status of risk management and internal control of the Listed entity.		Page 50
(c)	A statement that it has received assurance from the CEO and the CFO of the entity's operations and finances	Complied	Page 32

CORPORATE GOVERNANCE

Rule No.	Rule	Compliance status	Reference (within the Report)
(d)	An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements	Complied	The audit committee is reponsible for overseeing the preparation and presentations of financial statements in accordance with the applicable laws and regulations.
(f)	the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function;	Complied	
(g)	The effective discharge of its functions and duties for the financial year	Complied	
(h)	A statement confirming that the external auditors approved by the SEC have provided written assurance confirming their independence throughout the audit engagement, in accordance with all relevant professional and regulatory standards	Complied	
(i)	statement confirming that the Audit Committee has determined the independence of auditors and the basis of such determination, including the details on the number of years the external auditor and the audit partner were engaged. If the external auditor provides non audit se vices, it should explain on how auditor objectivity and indepedence are safeguarded	Complied	
9.14	Related Party Transactions Review Committee		
9.14.1	Listed entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules	Complied	
9.14.2	Composition		
9.14.(2).(1)	The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed entity, out of which two (02) members shall be Independent Directors of the Listed entity. It may also include Executive Directors, at the option of the Listed entity. An Independent Director shall be appointed as the Chairperson of the Committee	Complied	The committee comprised of a three (03) Directors and all three members are Independent Directors of the Entity
9.14.8	Disclosures in the Annual Report		
9.14.8.(1)	Details of non-recurrent Related Party Transactions	Complied	Please refer Related Party Transactions Review Committee Report
9.14.8.(2)	Details of recurrent Related Party Transactions	Complied	Please refer Related Party Transactions Review Committee Report
9.14.8.(3)	The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: • The names of the Directors comprising the Committee • A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/observations to the Board of Directors • The policies and procedures adopted by the Committee for reviewing the Related Party Transactions	Complied	Please refer Related Party Transactions Review Committee Report
9.14.8.(4)	An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with	Complied	

Rule No.	Rule	Compliance status	Reference (within the Report)
9.17	Additional Disclosures by the Board of Directors		
9.17 (i)	They have declared all material interests in contracts involving in the entity and whether they have refrained from voting on matters in which they were materially interested	Complied	
9.17 (ii)	They have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successfuln adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so	Complied	Please refer Directors' Statement on Internal Control
9.17 (iii)	They made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions	Complied	
9.17 (iv)	Disclosure of relevant areas of any material non-compliance with law or egulation and any fines, which are material, imposed by any government orregulatory authority in any jurisdiction where the entity has operations	Complied	

AUDIT COMMITTEE REPORT



Sanjaya Bandara
Chairman
Independent- Non-Executive Director

Purpose of the Committee

The Board has established an Audit Committee, tasked with monitoring the Company's financial reporting system, selecting, and application of accounting policies, monitoring effectiveness of internal controls.

Members of the Committee

Sanjaya Bandara
Chairman
Independent - Non-Executive Director

I B Lionel
Independent - Non-Executive Director

Suranjith Swaris
Independent - Non-Executive Director

Brief profiles of each member are given on pages 19 to 22 of this report.

Role of the Committee

Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview. The composition meets the requirements of the Listing Rules of the Colombo Stock Exchange.

The Audit Committee is appointed by and reports to the Board of Directors and is empowered to examine any matter relating to the financial reporting systems of the Company and its external audits with unrestricted access to the books and records of the Company.

The Audit Committee assist the Board in the following:

- To review the financial statements in details to ensure that the financial reporting process is in compliance with the required standards.
- To review the year-end financial statements and interim financial statements and recommend for Board approval prior to submission to the shareholders and relevant authorities.
- Provide oversight assessing the Company's ability to continue as a going concern in the foreseeable future.
- Making recommendations to the Board with regard to the reappointment of external auditors, their remuneration and terms of engagement.
- To assess the effectiveness of the company`s internal controls and risk management.

Review of Financial Statements

The Audit Committee reviews the quarterly and annual Financial Statements prior to its publication. The review includes appropriateness and changes in accounting policies, significant estimates and judgements made by the management, compliance with relevant Accounting Standards and applicable regulatory requirements and issues arising from the Independent External Audits.

External Audit

The External Audit function of the Company is carried out by Messrs. Wijerathna & Co, Chartered Accountants. The External Auditors Letter of Engagement including the scope of the Audit is discussed with the External Auditors and the Management prior to commencement of the Audit.

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Confirmation has been obtained from the External Auditors of their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The Committee recommended to appoint Messers, Nihal Hettiarachchi & Company Chartered Accountants as Company External Auditors subject to the Shareholder approval at AGM for the Financial year 31st March 2027.

Internal Audit

The Committee reviewed the process to assess the effectiveness of the Internal Controls that have been designed to provide reasonable assurance to the Directors that assets are safeguarded, and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements. During the year the company has outsourced the internal audit function to Sarukkali Associates Chartered Accountants.

Assurance from Chief Executive Officer & Chief Financial Officer

We confirm that the Board of Directors has received comprehensive assurances from both the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) regarding the current state of our Company's operations and financial health. This assurance highlights our dedication to maintaining more effective governance practices and ensuring more transparency in all our financial transactions of the company.

Meetings

The Committee met 4 times during the year under review. The attendance of the members of Audit Committee meeting is stated in the table below.

	Meeting	Sanjaya Bandara Chairman	I B Lionel	Suranjith Swaris
1.	28th May 2025	√	√	√
2.	22nd July 2025	√	√	√
3.	04th November 2025	√	√	√
4.	2nd February 2026	√	√	√

Sanjaya Bandara
Chairman-Audit Committee
Colombo
31st July 2026

NOMINATION AND GOVERANANCE COMMITTEE REPORT



Sanjaya Bandara
Chairman
Independent- Non-Executive Director

Purpose of the Committee

This committee was established on 10th November 2023 as per the requirement of section 9.3 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka to manage the composition of the Board.

Members of the Committee

Sanjaya Bandara
Chairman
Independent - Non-Executive Director

I B Lionel
Independent - Non-Executive Director

Suranjith Swaris
Independent - Non-Executive Director

Brief profiles of each member are given on pages 15 to 22 of this report.

Role of the Committee

- The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the re- election of current directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Boards overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint or re-appoint Directors of the Listed Entity.
- Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements.
- Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the company to ensure that their responsibilities are satisfactorily discharged.
- Develop succession plan for Board of Directors and CEO of the of the company.
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- Review and recommend the overall corporate governance framework of the company taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry or international best practices.
- Periodically review and update the corporate Governance Policies and Framework of the company in line with the regulatory and legal developments relating to same, as a best practice.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance with provisions of the SEC Act, the Companies Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

Board Composition and Renewal

The Committee continuously assessed the Board composition and the key management personals skills, knowledge and the competent level required to align with the overall Business strategy of the company.

The Committee has undertaken a comprehensive evaluation of the skill sets and competencies of our existing Board members and Key Management Personnel. This rigorous review process is essential to ensure that our leadership team possesses the necessary expertise and experience to steer the company towards achieving its long-term objectives and maintaining our competitive edge in the industry. The committee was satisfied with the existing composition of the Board and the key management individuals for company's outlook.

Meetings

The Committee met 4 times during the year under review. The attendance of the members of Nomination & Goveranance Committee meeting is stated in the table below.

	Meeting	Sanjaya Bandara Chairman	I B Lionel	Suranjith Swaris
1.	28th May 2025	√	√	√
2.	22nd July 2025	√	√	√
3.	04th November 2025	√	√	√
4.	2nd February 2026	√	√	√

Sanjaya Bandara
Chairman- Nomination and Governance Committee
Colombo
31st July 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT



Sanjaya Bandara
Chairman
Independent- Non-Executive Director

Purpose of the Committee

The objective of the Committee is to exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs") of Luminex PLC and its listed subsidiaries, other than those exempted by the Code of Best Practices on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka ("Code"), are consistent with the Code and that the required disclosures are made in a timely manner as required by the Code.

The objective of the RPTRC is to review all related party transactions of the Company prior to the transaction being entered into or prior to completion of the transaction in the event the transaction commences subject to the review by the RPTRC.

Members of the Committee

Sanjaya Bandara
Chairman
Independent – Non-Executive Director

I B Lionel
Independent - Non-Executive Director

Suranjith Swaris
Independent - Non-Executive Director

Duties and Responsibilities

Committee review the related party transaction entered in to by the company and has made recommendation to the Board.

The policies and procedures adopted by the Committee forreviewing the Related Party Transactions are as follows:

- To review all Related Party transactions pertaining to transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and making a decision if the transaction needs the approval of the Board of Directors prior to entering to the transaction.
- When reviewing a transaction, the RPTRC would decide whether the proposed transaction is carried out on an arm's length basis irrespective of whetherit is recurrent or non-recurrent in nature.
- Reviewing and approval would be either by meeting of members or by circulation.
- Details of transactions exceeding 10% of the Company's equity or 5% of the total assets of the Company are promptly disclosed to the Colombo Stock Exchange for transparency.
- The members of the Board of Directors and their close family members are identified and information pertaining to them for the purpose of identifying parties related to them. The information is sharedwith the Company Secretaries in order to fulfill the regulatory requirements.
- Further, in accordance with the RPT Policy, the criteria for identifying the Company's Key Management Personnel (KMP) was established and all Executive & Non-Executive Directors of Boards, and all members of the Senior Management teams were identified as the KMPs in order to establish greater transparency and governance. Also, declarations were obtained from each Director and KMP of the Company for the purpose of identifying parties related to them and to provide annual disclosure.

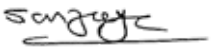
Meetings

The Committee met 4 times during the year under review. The attendance of the members of Audit Committee meeting is stated in the table below.

	Meeting	Sanjaya Bandara Chairman	I B Lionel	Suranjith Swaris
1.	28th May 2025	√	√	√
2.	22nd July 2025	√	√	√
3.	04th November 2025	√	√	√
4.	2nd February 2026	√	√	√

Related Party transactions review committee reviewed all related party transactions during the financial year and their comments and observations have been communicated to the Board.

On behalf of the Board Related Party Transaction Review Committee.



Sanjaya Bandara
Chairman- Related Party Transaction Review Committee
Colombo
31st July 2026

REMUNERATION COMMITTEE REPORT



Suranjith Swaris

Chairman
Independent Non-Executive Director

Purpose of the Committee

The Remuneration Committee was appointed by the Board of Directors with the aim of recommending the remuneration payable to the Executive Directors, Chief Executive Officer, and the senior management persons of the Company.

Members of the Committee

Suranjith Swaris
Chairman
Independent – Non-Executive Director

I.B Lionel
Independent – Non-Executive Director

Sanjaya Bandara
Independent – Non-Executive Director

The duties of the Committee are as follows:

Determining the compensation of the Chairman & Chief Executive, Executive Directors and the Members of the Company Management Committee.

Lay down guidelines and parameters for the compensation structures of all management staff within the Company taking into consideration industry norms.

Recommend the contract of employment or related contracts with executive Directors on behalf of the Company.

Determine terms of any compensation package in the event of early termination of the contract of any Executive Director.

The Committee makes every endeavour to maintain remuneration levels that are sufficient to attract and retain executive Directors and senior Management.

The Committee meets as awhen the need arises.

Meetings

The Committee met 4 times during the year under review. The attendance of the members of Audit Committee meeting is stated in the table below.

	Meeting	Suranjith Swaris Chairman	I B Lionel	Sanjaya Bandara
1.	28th May 2025	√	√	√
2.	22nd July 2025	√	√	√
3.	04th November 2025	√	√	√
4.	2nd February 2026	√	√	√



Suranjith Swaris
Chairman-Remuneration Committee
Colombo
31st July 2026

Every number tells a story of resilience, responsible growth, and our unwavering commitment to long-term success.



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INDEPENDENT AUDITORS' REPORT

WIJEYERATNE & COMPANY
CHARTERED ACCOUNTANTS
Estd 1949

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TO THE SHAREHOLDERS OF LUMINEX PLC

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key Audit Matters (Contd.)

Recognition of Revenue

Refer Note 4 to the Audited Financial Statements.

Risk description:

The revenue of the Company and the Group amounted to Rs. 2.04Bn and 2.10Bn respectively, and comprised revenues from civil construction revenue and infrastructure development revenue that is material to the financial statements.

Revenue was a key audit matter due to;

Construction revenue is recognized overtime by reference to the Group's progress toward completing the contracts (Approved IPC and work certifications). Revenue recognition involves significant management judgment, particularly in estimating the value of work completed and determining the stage of completion using IPCs and work certifications. The risk of material misstatement is high due to the inherent uncertainties and potential for management bias.

How our audit addressed the key audit matter

- Obtaining an understanding and assessing the design, implementation and operating effectiveness of the management's key internal controls over revenue recognition.
- Discussing with the Group management and project managers the performance of the major contracts in progress during the year.
- On a sample basis, inspect project contract agreements with customers and subcontractors to identify key terms and conditions, including contracting parties, contract period, contract sum, and scope of work.
- Evaluate whether these key terms and conditions have been appropriately reflected in the total estimated revenue and cost to complete under the forecasts of contracts, thereby testing the accuracy of estimates.
- Assessing the adequacy of financial statements disclosure as per the required accounting standards.

Recognition of Deferred Tax Assets

Refer Note 16 to the Audited Financial Statements.

Risk description:

As disclosed in Note 16 to the financial statements, the Company has recognised deferred tax assets amounting to Rs. 59,227,857 as at 31 March 2026, primarily arising from carried-forward tax losses.

The recognition of deferred tax assets requires management to assess whether it is probable that sufficient future taxable profits will be available against which the carried-forward tax losses can be utilised. This assessment involves significant judgement and estimates regarding future profitability, business performance, expected taxable income, and the period over which the tax losses are expected to be recovered.

Given the significant management judgement involved and the materiality of the deferred tax asset balance, we considered this to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included, among others :

- Obtaining an understanding of management's process for recognising deferred tax assets.
- Evaluating whether the recognition criteria under the applicable financial reporting framework (LKAS 12 – Income Taxes) had been appropriately applied.
- Assessing the reasonableness of management's forecasts of future taxable profits by comparing them with approved budgets, historical performance, and other supporting evidence.
- Challenging the key assumptions used in forecasting future taxable income, including expected revenue growth, profit margins, and business plans.
- Evaluating the availability and expiry period of carried-forward tax losses in accordance with applicable tax legislation.
- Assessing the adequacy and appropriateness of the related disclosures in the financial statements.

Other Information included in the Group's 2025/26 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' 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 auditors' 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or 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 auditors' 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 auditors' report is 4515.

Wijeyeratne & Co

COLOMBO,
31st July , 2026

WIJEYERATNE & CO.,
Chartered Accountants

INCOME STATEMENT

For the year ended 31st March	Notes	Group 2026	Group (Reclassified) 2025	Company 2026	Company (Reclassified) 2025
		Rs.	Rs.	Rs.	Rs.
Revenue	04	2,104,777,865	1,722,043,855	2,042,020,907	1,677,848,911
Cost of sales		(1,750,755,639)	(1,502,811,536)	(1,704,940,826)	(1,476,525,034)
Gross profit		354,022,226	219,232,319	337,080,081	201,323,877
Other income	05	41,357,238	46,523,171	41,357,238	46,523,171
Administration expenses		(414,489,372)	(423,948,259)	(363,122,120)	(371,287,638)
Other expenses		(52,037,181)	(56,654,403)	(51,950,783)	(56,590,725)
Operating loss for the year		(71,147,089)	(214,847,172)	(36,635,584)	(180,031,315)
Finance income	06	90,186,439	205,591,314	90,186,439	205,591,314
Finance costs	06	(83,973,818)	(155,781,548)	(83,655,823)	(155,323,019)
Loss before tax	07	(64,934,468)	(165,037,406)	(30,104,968)	(129,763,020)
Income tax reversal / (expense)	08	46,765,464	(727,148)	46,765,464	(727,148)
(Loss) / profit for the year		(18,169,004)	(165,764,554)	16,660,496	(130,490,168)
Loss for the year					
Attributable to:					
Equity holders of the parent		(7,720,154)	(155,182,238)		
Non-controlling interest		(10,448,850)	(10,582,316)		
		(18,169,004)	(165,764,554)		
Basic (loss) / profit per share	09	(0.07)	(0.61)	0.06	(0.48)
Dividend per share		-	-	-	-

The significant accounting policies and notes from pages 64 to 116 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March	Notes	Group 2026 Rs.	Group 2025 Rs.	Company 2026 Rs.	Company 2025 Rs.
(Loss) / profit for the year		(18,169,004)	(165,764,554)	16,660,496	(130,490,168)
Other comprehensive income					
Items that will not be reclassified to profit and loss in subsequent period					
Remeasurement of defined benefit obligation		(9,145,435)	(13,651,334)	(9,145,435)	(13,651,334)
Deferred tax charge on remeasurement of defined benefit obligation		2,743,631	4,095,400	2,743,631	4,095,400
		(6,401,804)	(9,555,934)	(6,401,804)	(9,555,934)
Items that will be reclassified to profit and loss in subsequent period					
Foreign currency translation difference of foreign operations		(1,486,097)	(342,393)	-	-
Other comprehensive income for the year		(7,887,901)	(9,898,327)	(6,401,804)	(9,555,934)
Total comprehensive income for the year net of tax		(26,056,905)	(175,662,881)	10,258,692	(140,046,102)
Attributable to:					
Equity holders of the parent		(15,608,055)	(165,080,565)		
Non-controlling interest		(10,448,850)	(10,582,316)		
		(26,056,905)	(175,662,881)		

The significant accounting policies and notes from pages 64 to 116 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at	Notes	Group 2026 Rs.	Group (Reclassified) 2025 Rs.	Company 2026 Rs.	Company (Reclassified) 2025 Rs.
ASSETS					
Non - current assets					
Property, plant and equipment	10	211,722,108	151,248,818	207,213,004	144,770,897
Capital work-in-progress	11	66,365,622	-	66,365,622	-
Right-of-use assets	12	37,801,547	48,442,937	36,462,772	46,215,007
Investment properties	13	47,805,495	49,934,234	47,805,495	49,934,234
Intangible assets	14	335,431	489,084	335,431	489,084
Investment in subsidiary	15	-	-	100,438,800	100,438,800
Deferred tax assets	16	59,227,857	8,862,552	59,227,857	8,862,552
Other non - current financial assets	18	106,893,650	226,485,612	106,893,650	226,485,612
		530,151,710	485,463,237	624,742,631	577,196,186
Current assets					
Inventories	17	1,346,580,579	852,637,715	1,324,718,341	840,540,351
Trade and other receivables	19	1,008,631,281	751,825,066	990,999,171	740,230,913
Amounts due from related parties	20	26,383,659	33,519,119	92,549,812	56,940,818
Other current financial assets	18	621,355,939	456,752,586	621,355,939	456,752,586
Income tax receivable	27	7,521,881	4,015,218	7,521,881	4,015,218
Cash and cash equivalents	21	82,098,054	155,103,546	81,644,794	151,246,142
		3,092,571,393	2,253,853,250	3,118,789,938	2,249,726,028
Total assets		3,622,723,103	2,739,316,487	3,743,532,569	2,826,922,214
EQUITY AND LIABILITIES					
Equity					
Stated capital	22	450,000,000	450,000,000	450,000,000	450,000,000
Retained earnings		1,375,471,353	1,389,593,311	1,481,532,880	1,471,274,188
Other components of equity		(14,550,474)	(13,510,206)	-	-
Equity attributable to equity holders of the parent		1,810,920,879	1,826,083,105	1,931,532,880	1,921,274,188
Non-controlling interest		(8,645,659)	2,249,020	-	-
Total equity		1,802,275,220	1,828,332,125	1,931,532,880	1,921,274,188
Non - current liabilities					
Retirement benefit obligation	23	69,872,777	65,199,226	69,872,777	65,199,226
Interest bearing borrowings	24	25,455,358	27,128,000	25,455,358	27,128,000
Lease liabilities	25	11,383,148	9,560,739	10,112,475	7,611,360
		106,711,283	101,887,965	105,440,610	99,938,586
Current liabilities					
Trade and other payables	26	729,616,346	496,865,519	723,319,439	494,122,959
Interest bearing borrowings	24	566,601,488	83,043,533	566,601,488	83,043,533
Lease liabilities	25	5,335,726	13,575,709	4,455,112	12,931,312
Bank overdrafts	21	412,183,040	215,611,636	412,183,040	215,611,636
		1,713,736,600	809,096,397	1,706,559,079	805,709,440
Total liabilities		1,820,447,883	910,984,362	1,811,999,689	905,648,026
Total equity and liabilities		3,622,723,103	2,739,316,487	3,743,532,569	2,826,922,214

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

Prasanna Walisundara
General Manager – Finance & Tax

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of The Board by,

Upul Lekamge
Managing Director
31st July 2026

Palitha Herath
Chief Executive Officer / Director

The significant accounting policies and notes from pages 64 to 116 form an integral part of these financial statements.

CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY (Group)

For the year ended	Attributable to Equity Holders of the Parent			Non-con-trolling interest	Total
	Stated capital	Retained earnings	Foreign currency translation reserve		
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April, 2024	450,000,000	1,622,143,983	(13,270,531)	12,934,054	2,071,807,506
Loss for the year	-	(155,182,238)	-	(10,582,316)	(165,764,554)
Other comprehensive income	-	(9,555,934)	(239,675)	(102,718)	(9,898,327)
Total comprehensive income for the year net of tax	-	(164,738,172)	(239,675)	(10,685,034)	(175,662,881)
Dividends	-	(67,812,500)	-	-	(67,812,500)
Balance as at 31st March, 2025	450,000,000	1,389,593,311	(13,510,206)	2,249,020	1,828,332,125
Balance as at 01st April, 2025	450,000,000	1,389,593,311	(13,510,206)	2,249,020	1,828,332,125
Loss for the year	-	(7,720,154)	-	(10,448,850)	(18,169,004)
Other comprehensive income	-	(6,401,804)	(1,040,268)	(445,829)	(7,887,901)
Total comprehensive income for the year net of tax	-	(14,121,958)	(1,040,268)	(10,894,679)	(26,056,905)
Dividends	-	-	-	-	-
Balance as at 31st March, 2026	450,000,000	1,375,471,353	(14,550,474)	(8,645,659)	1,802,275,220

STATEMENT OF CHANGES IN EQUITY (Company)

For the year ended	Stated capital	Retained earnings	Total
	Rs.	Rs.	Rs.
Balance as at 01st April, 2024	450,000,000	1,679,132,790	2,129,132,790
Loss for the year	-	(130,490,168)	(130,490,168)
Other comprehensive income	-	(9,555,934)	(9,555,934)
Total comprehensive income for the year net of tax	-	(140,046,102)	(140,046,102)
Dividends	-	(67,812,500)	(67,812,500)
Balance as at 31st March, 2025	450,000,000	1,471,274,188	1,921,274,188
Balance as at 01st April, 2025	450,000,000	1,471,274,188	1,921,274,188
Profit for the year	-	16,660,496	16,660,496
Other comprehensive income	-	(6,401,804)	(6,401,804)
Total comprehensive income for the year net of tax	-	10,258,692	10,258,692
Dividends	-	-	-
Balance as at 31st March, 2026	450,000,000	1,481,532,880	1,931,532,880

The significant accounting policies and notes from pages 64 to 116 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March	Notes	Group 2026 Rs.	Group 2025 Rs.	Company 2026 Rs.	Company 2025 Rs.
Cash flows from operating activities					
Loss before tax		(64,934,468)	(165,037,406)	(30,104,968)	(129,763,020)
Adjustments for non - cash income and expenses :					
Amortization of intangible assets	14	153,653	204,161	153,653	204,161
Amortization of right-of-use assets	12	20,114,601	23,097,559	19,225,075	22,227,192
Depreciation of investment property	13	2,128,739	2,128,739	2,128,739	2,128,739
Depreciation of property, plant and equipment	10	28,356,019	33,009,731	26,387,572	31,650,413
(Reversal) / Provision for impairment on trade debtors	19	(8,223,918)	4,642,015	(8,223,918)	4,642,015
Interest income	06	(90,186,439)	(205,591,314)	(90,186,439)	(205,591,314)
Changes in fair value of investment in unit trust	05	(10,622,893)	(5,869,511)	(10,622,893)	(5,869,511)
Provision for gratuity	23	11,544,904	12,319,091	11,544,904	12,319,091
Profit on disposal of property, plant and equipment	05	(4,173,220)	(14,673,305)	(4,173,220)	(14,673,305)
Loss on disposal of property, plant and equipment		136,392	-	136,392	-
Loan interest	06	35,084,471	66,010,784	35,084,471	66,010,784
Lease interest	06	2,670,110	4,097,604	2,352,115	3,639,075
Operating cash flows before change in working capital		(77,952,049)	(245,661,852)	(46,298,517)	(213,075,680)
Changes in working capital					
Increase in trade and other receivables		(248,582,297)	(205,180,644)	(242,544,340)	(216,582,164)
Decrease / (Increase) in amounts due from related parties		7,135,460	(5,721,102)	(35,608,994)	(46,678,448)
(Increase) / Decrease in inventories		(493,942,864)	16,082,606	(484,177,990)	23,189,470
Increase in trade and other payables		232,750,827	214,478,933	229,196,480	223,691,634
Cash flows used in operating activities		(580,590,923)	(226,002,059)	(579,433,361)	(229,455,188)
Income tax paid	27	(4,362,873)	(31,268,619)	(4,362,873)	(31,268,619)
Interest paid		(35,084,471)	(66,010,784)	(35,084,471)	(66,010,784)
Gratuity paid	23	(16,016,788)	(19,074,648)	(16,016,788)	(19,074,648)
Net cash flows used in operating activities		(636,055,055)	(342,356,110)	(634,897,493)	(345,809,239)
Cash flows from / (used in) investing activities					
Interest received		76,674,907	233,273,151	76,674,907	233,273,151
(Investment in) / withdrawal of other financial assets		(20,876,966)	851,331,109	(20,876,966)	851,315,483
Purchase of property, plant and equipment	10	(89,634,352)	(18,454,250)	(89,634,352)	(15,166,199)
Expense incurred in capital work-in-progress		(66,365,622)	-	(66,365,622)	-
Purchase of lease right		(1,222,840)	(3,950,000)	(1,222,840)	(3,950,000)
Sales proceeds from disposal of assets		4,841,501	14,673,305	4,841,501	14,673,305
Net cash flows (used in) / generated from investing activities		(96,583,372)	1,076,873,315	(96,583,372)	1,080,145,740
Cash flows from / (used in) financing activities					
Dividend paid		-	(67,812,500)	-	(67,812,500)
Proceeds received from borrowings	24	1,096,443,316	403,033,795	1,096,443,316	403,033,795
Repayment of capital portion of borrowings	24	(614,558,003)	(1,186,240,481)	(614,558,003)	(1,186,240,481)
Repayment of lease rentals	25	(17,479,316)	(25,725,954)	(16,577,200)	(24,714,009)
Net cash flows generated from / (used in) financing activities		464,405,997	(876,745,140)	465,308,113	(875,733,195)
Net Decrease in cash and cash equivalents		(268,232,430)	(142,227,935)	(266,172,752)	(141,396,694)
Cash and cash equivalents at the beginning of the year		(60,508,090)	82,104,088	(64,365,494)	77,031,200
Decrease		(268,232,430)	(142,227,935)	(266,172,752)	(141,396,694)
Effect of exchange rate changes on cash		(1,344,466)	(384,243)	-	-
Cash and cash equivalents at the end of the year	21	(330,084,986)	(60,508,090)	(330,538,246)	(64,365,494)

The significant accounting policies and notes from pages 64 to 116 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

1.1 Reporting Entity

Luminex PLC is a public limited liability incorporated and domiciled in Sri Lanka. The address of the Company's Registered Office and the principal place of business is situated at No. 24, New Galle Road, Moratuwa, Sri Lanka. Ordinary shares of the Company are listed at the Colombo Stock Exchange on the 23rd June, 2022.

1.2 Consolidated financial statements

The financial statements for the year ended 31 March 2026 comprise "the Company" referring to Luminex PLC as the holding Company and "the Group" referring to the subsidiary that has been consolidated therein.

1.3 Principal activities and nature of operations of the holding company

The Company is engaged in the business of,

- electrical, electronics, telecommunication, civil mechanical engineering and water engineering contractors, consultants and technical advisers.
- manufacture, assemble, maintain, repair, service and sell both wholesale and retail, electrical, electronic and telecommunication equipment and telecommunication outside plant constructions.
- export of agricultural related products.
- import, export distribute and sell both wholesale and retail, hire, rent and lease, electrical, electronic and telecommunication equipment and telecommunication outside plant constructions both within Sri Lanka and outside Sri Lanka.

During the period under review, no agricultural products were exported. However, several initiatives have been undertaken to support future export activities.

1.4 Group information

The information of the group's subsidiary is as follows.

Name of the Company	Nature of the relationship	Nature of the business	Functional currency	Country
Luminex International LLC	Subsidiary	Construction contracts in water, electricity, and telephone network station and installation of communication wiring and fiber optical cables	Omani Rial	Sultanate of Oman

1.5 Components of financial statements

The Financial Statements include the following components:

- Statement of Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review.
- Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end.
- Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company.
- Statement of Cash Flows providing the information to the users, the amount of cash and cash equivalents inflows to and outflows from the Group and the Company.
- Notes to the Financial Statements comprising material accounting policy information and other explanatory information.

1.6 Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. This has been further set out in the Statement of Directors' Responsibility report in the annual report.

1.7 Approval of financial statements by Directors

The Financial Statements were authorized for issue by the Board of Directors on 31st July 2026 in accordance with a resolution of the Board of Directors on 31st July 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General

2.1.1 Basis of preparation

Statement of compliance

The statement of financial position, statement of comprehensive income, statements of changes in equity and cash flows, together with the notes, (the "Financial Statements") thereto have been prepared in accordance with the Sri Lanka Accounting Standards (LKASs and SLFRSs) laid down by the Institute of Chartered Accountants of Sri Lanka, and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.1.2 Comparative information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. Further, comparative information is reclassified wherever necessary to comply with the current year presentation.

2.1.3 Basis of measurement

The financial statements of the Group have been prepared an accrual basis under the historical cost, unless otherwise stated in the relevant section to these financial statements except for fair value through profit or loss financial assets.

2.1.4 Materiality and aggregation

Each material class of similar item 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 01 on 'Presentation of Financial Statements' and amendments to the LKAS 01 on 'Disclosure Initiative'.

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

2.1.5 Offsetting

Assets and liabilities or income and expenses are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.1.6 Rounding

Financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand, unless indicated otherwise.

2.1.7 Summary of significant accounting judgments, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, Management has made various judgments. Those which Management has assessed to have the most significant effect on the amounts recognized in the Consolidated Financial Statements have been discussed in the individual Notes of the related Financial Statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual Notes of the related Financial Statement line items below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

- Measurement of defined benefit obligation: key actuarial assumptions – Note 23
- Income Tax (current tax and deferred tax) – Note 27 & 16
- Impairment of non-financial assets: key assumption underlying recoverable amount – Note 3.13
- Fair value measurement of financial instruments – Note 28
- Impairment of financial assets: key assumption underlying recoverable amount – Note 3.5.2.3

2.1.8 Going concern

The Group has prepared the Financial Statements for the year ended 31st March 2026 on the basis that it will continue to operate as a going concern. In determining the basis of preparing the Financial Statements for the year ended 31st March 2026, based on available information, the Management has assessed the prevailing macroeconomic conditions and its impact on the Group and the appropriateness of the use of the going concern basis.

In making this assessment, the Directors considered a range of factors, including the Group's current financial position, projects in hand, and future plans. Significant management judgments, estimates, and assumptions have been applied in evaluating the Group's and the Company's ability to continue operations for the foreseeable future, and the relevant disclosures have been included in the accompanying Financial Statements.

Management remains optimistic about the economic outlook and expects an improvement in business conditions, driven by ongoing government-led economic initiatives and increased public sector spending. The allocation of funds through the government budget is expected to stimulate construction activity across the country, creating additional opportunities within the construction sector and contributing positively to the Group's future performance.

In addition, the Group has implemented various cost-optimization initiatives to reduce overhead expenditure and improve operational efficiency. During the year, several underutilized assets were disposed of to enhance asset utilization and strengthen the Group's financial position.

The Group is also actively pursuing new business opportunities in regional markets, particularly in the Middle East through its subsidiary in Oman, where management expects to secure additional construction-related projects and expand its revenue base.

Based on the above considerations and the anticipated improvement in operating performance, the Directors have a reasonable expectation that the Group and the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Financial Statements have been prepared on a going concern basis.

2.1.9 Functional and presentation currency

The financial statements are prepared and presented in Sri Lankan Rupees (Rs.).

For subsidiary entity, the Group determines the functional currency and items included in the Financial Statements of the entity are measured using that functional currency.

There was no change in the Group's presentation and functional currency during the year under review.

Functional currency of the subsidiary has been given in note No. 1.4.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Consolidated financial statements

The Consolidated Financial Statements of Luminex PLC, as at and for the year ended 31 March 2026 encompass the Group and its subsidiary (together referred to as the "Group"). The subsidiary in the Group is limited liability Company namely Luminex International LLC incorporated and domiciled in Sultanate of Oman.

3.1.1 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard – SLFRS 10 on "Consolidated Financial Statements". Thus, the Consolidated Financial Statements present financial information about the Group as a single economic entity distinguishing the equity attributable to the parent (Controlling Interest) and attributable to minority shareholders with non-controlling interest.

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Parent Company. Control exists when the Parent Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Parent Company takes into consideration potential voting rights that are currently exercisable and other contractual arrangements.

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

- When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Parent Company's voting rights and potential voting right.

The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Parent Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

3.1.3 Non-controlling interest

Non-Controlling Interests represent the portion of profit or loss and net assets that is not held by the Company and are presented separately in the Consolidated Statement of Profit and Loss, Other Comprehensive Income and within equity in the Consolidated Statement of Financial Position separately from parent shareholders' equity. Non-controlling interest are measured at their proportionate share of the acquires identifiable net assets at the acquisition date. The Parent Company elects whether to measure the non-controlling interest in the proportionate share of the acquires fair value or at the proportionate share of the acquires identifiable net assets.

3.1.4 Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

3.1.5 Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. No entries are recognised in the Statement of Profit or Loss on the Consolidated Financial Statements arising from common control transactions.

3.2 Foreign currency transaction and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit or Loss.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or Profit or Loss are also recognised in OCI or Profit or Loss, respectively).

Foreign currency differences arising on re-translation is recognized in the Statement of Comprehensive Income.

3.3 Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at annual average rate. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date. However, no goodwill arisen on consolidation.

3.4 Current versus non-current classification

The Group presents assets and liabilities in a statement of financial position based on current/non-current classification. An asset as current when it is :

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period. Or
- 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 a normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. Or
- It does not have a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

3.5 Financial instruments

3.5.1 Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. For financial instruments not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of the instrument are included in the initial carrying amount.

Trade receivables that do not contain a significant financing component are initially measured at the transaction price.

3.5.2 Financial assets

3.5.2.1 Classification and subsequent measurement

Financial assets are classified at initial recognition as:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Classification is based on:

- The Group's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset (SPPI test)

Financial assets are not reclassified unless the Group changes its business model.

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI)

The Group's financial assets at amortised cost include trade and other receivables, deposits, cash and cash equivalents, and other debt instruments held within a hold-to-collect business model.

These assets are subsequently measured using the effective interest method. Interest income, impairment losses, foreign exchange gains and losses, and gains or losses on derecognition are recognised in profit or loss.

(b) Debt instruments at FVOCI

Debt instruments are measured at FVOCI where both conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual cash flows meet the SPPI criterion

Subsequent changes in fair value are recognised in other comprehensive income, except for interest income, foreign exchange differences and impairment losses which are recognised in profit or loss.

Upon derecognition, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Equity instruments at FVOCI

The Group may make an irrevocable election at initial recognition to present subsequent changes in fair value of equity investments in other comprehensive income, provided the investment is not held for trading.

Dividends are recognised in profit or loss when the right to receive payment is established, unless they represent recovery of part of the cost of the investment.

Amounts recognised in other comprehensive income are not subsequently reclassified to profit or loss.

(d) Financial Assets at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL.

These assets are subsequently measured at fair value, with net gains and losses, including interest and dividend income, recognised in profit or loss.

The Group's investments in unit trusts are classified as financial assets at FVTPL.

3.5.3 Impairment of financial assets

The Group recognises expected credit losses (ECLs) on financial assets measured at amortised cost and debt instruments measured at FVOCI.

For trade receivables, the Group applies the simplified approach and measures loss allowances at an amount equal to lifetime expected credit losses.

ECLs are based on historical credit loss experience, adjusted for current conditions and forward-looking information where relevant.

A financial asset is written off when there is no reasonable expectation of recovery.

3.5.4 Financial liabilities

Financial liabilities are classified as either:

- Financial liabilities at amortised cost; or
- Financial liabilities at FVTPL

The Group's financial liabilities primarily comprise trade and other payables, borrowings, lease liabilities, and amounts due to related parties.

(a) Financial liabilities at amortised cost

Financial liabilities not classified at FVTPL are measured at amortised cost using the effective interest method.

After initial recognition, these liabilities are subsequently measured at amortised cost. Interest expense, foreign exchange gains and losses, and gains or losses on derecognition are recognised in profit or loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised in accordance with LKAS 23 Borrowing Costs. All other borrowing costs are recognised in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease or, where that rate cannot be readily determined, the Group's incremental borrowing rate.

Subsequently, lease liabilities are increased to reflect interest and reduced by lease payments made. Interest is recognised in finance costs.

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(b) Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL if they are held for trading, are derivatives, or are designated at FVTPL upon initial recognition.

Changes in fair value are recognised in profit or loss, except for changes attributable to the Group's own credit risk for liabilities designated at FVTPL, which are recognised in other comprehensive income.

3.5.4.1 Derecognition of financial liabilities

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

Where an existing financial liability is replaced or substantially modified, the original liability is derecognised and a new liability is recognised. The difference between the carrying amount of the extinguished liability and the consideration paid is recognised in profit or loss.

3.5.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and presented on a net basis in the statement of financial position only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 Fair value measurement

SLFRS 13 defines fair value as 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.

Fair value is a market-based measurement, not an entity-specific measurement. In measuring fair value, the Group considers the assumptions that market participants would use when pricing the asset or liability under current market conditions.

The Group measures fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The Group's intention to hold an asset or settle a liability is not relevant in determining fair value.

3.6.1 Fair value measurement principles

In determining fair value, the Group considers the following:

- The specific asset or liability being measured;
- For non-financial assets, the valuation premise that is appropriate for the measurement (i.e. highest and best use);
- The principal (or most advantageous) market for the asset or liability; and
- The valuation techniques appropriate for the measurement, considering the availability of inputs that maximise observable data and minimise unobservable inputs.

3.6.2 Valuation techniques

Where observable market prices are available, these are used to determine fair value. If observable market prices are not available, the Group uses appropriate valuation techniques, including:

- Market approach;
- Income approach (discounted cash flow techniques); and
- Cost approach (where applicable)

Valuation techniques are applied consistently from period to period unless a change results in a more appropriate measurement.

3.6.3 Fair value hierarchy

The Group categorises fair value measurements using a three-level hierarchy that reflects the significance of inputs used in the valuation:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: Inputs that are unobservable for the asset or liability.

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period in which the transfer occurs.

3.6.4 Day one gain or loss

When the transaction price differs from the fair value at initial recognition, determined using a valuation technique, the difference is not immediately recognised in profit or loss if fair value is not evidenced by observable market data.

Such differences are deferred and recognised in profit or loss over the life of the instrument or when the valuation becomes supported by observable market data, or when the transaction is settled.

3.6.5 Financial instruments measured at fair value

The Group measures certain financial instruments at fair value, including financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, where applicable.

Fair value is determined using quoted market prices in active markets where available. Where such prices are not available, valuation techniques are used as described above.

3.6.6 Non-financial assets measured at fair value

For non-financial assets measured at fair value (if applicable), fair value is determined based on highest and best use of the asset from a market participant perspective.

3.6.7 Fair value at initial recognition

In cases where the transaction price is not equal to fair value at initial recognition, the Group assesses whether the fair value is evidenced by observable market transactions. If not, the transaction price is considered the best evidence of fair value at initial recognition.

3.7 Taxation

Tax expense comprises of current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive Income.

a) Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and also for items recognised in other comprehensive income are recognized in other comprehensive income and not in the Statement of Profit or Loss.

Provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and the subsequent amendments thereto. This Note also includes the major components of tax expense and a reconciliation between the Profit Before Tax and Tax Expense, as required by the Sri Lanka Accounting Standard – LKAS 12 - Income Taxes.

b) Deferred taxation

Deferred tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except;

- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax relating to items recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included.
- The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

IFRIC interpretation 23 uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Group assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions and Group determined that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

3.8 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one accounting year. Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

3.8.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

3.8.2 Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

3.8.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

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Type of assets	Useful life 2024/25	Useful life 2025/26
Computer equipment	05 Years	05 Years
Buildings	40 Years	40 Years
Plant, machinery and equipment	10 Years	10 Years
Furniture and fittings	10 Years	10 Years
Motor vehicles	10 Years	10 Years
Formation expences of telex bureau	05 Years	05 Years

No depreciation is provided on freehold land.

The depreciation charges are determined separately for each significant part of an item of property, plant and equipment and begin to depreciate when it is available for use and cease on disposal of such assets.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

3.8.4 De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is de-recognised.

3.8.5 Impairment of property, plant and equipment

At each reporting date, the Group evaluates whether there are indications that an asset may be impaired. If there is any such indication, or if annual impairment testing is required for an asset, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Estimated future cash flows are discounted to present value using a pre-tax discount rate that incorporates current market assessments of the time value of money and the risks specific to the asset when determining value in use. Impairment losses are recorded in the Statement of Profit or Loss, with the exception that impairment losses in respect of previously revalued property, plant, and equipment are recorded against the revaluation reserve through the Statement of Other Comprehensive Income to the extent that they reverse a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss, unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.8.6 Borrowing cost

Borrowing costs are recognised as expense in the year in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale, are capitalised as part of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.9 Right-of-use-assets and lease liabilities

The Group / Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.9.1 Group as a lessee

The Group / Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group / Company only re-assesses whether a contract is, or contains, a lease subsequent to initial recognition if the terms and conditions of the contract are changed.

3.9.1.1 Basis of measurement

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Type of assets	Useful life 2024/25	Useful life 2025/26
SUV s	10 Years	10 Years
Other motor vehicles	04 Years	04 Years

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from debt financing arrangements at the inception of the lease period.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.9.2 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.10 Intangible assets

Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

3.10.1 Software

Software acquired by the Group is measured at cost on initial recognition and subsequently carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date on which it is available for use. The estimated useful life of software is 5 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Any gain or losses arising from derecognition of intangible assets are measured as the difference between the net disposals proceeds and the carrying amount of the assets and are recognized in the income statement when the asset is derecognised.

3.11 Investment property

Investment property is a property held either to earn rental income or for capital appreciation or both, rather than sale in the ordinary course of business and use in the production or supply of goods or services or for administrative purposes.

3.11.1 Basis of recognition

Investment properties are recognised only if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the investment property can be reliably measured.

3.11.2 Basis of measurement

Investment properties are measured initially at cost, including transaction costs. The carrying value of investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of investment property.

Subsequent to initial recognition, all investment properties are carried at cost less any accumulated depreciation (aggregated with accumulated impairment losses) thereon.

Address / Location of the investment property	Group		Company	
	As at 31.03.2026 At Cost (Rs.)	As at 31.03.2025 At Cost (Rs.)	As at 31.03.2026 At Cost (Rs.)	As at 31.03.2025 At Cost (Rs.)
Investment property - Land				
No.465, Galle Road, Panadura	16,709,000	16,709,000	16,709,000	16,709,000
No. 646, Galle Road, Moratuwa	14,175,000	14,175,000	14,175,000	14,175,000
Investment property - Building				
Three story building at No.465, Galle Road, Panadura	20,072,296	20,072,296	20,072,296	20,072,296
Three story building at No. 646, Galle Road, Moratuwa	22,502,492	22,502,492	22,502,492	22,502,492

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3.11.3 Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of investment property, in order to write off such amounts over the estimated useful lives by equal installments.

The useful life of investment property is as follows;

Class of investment property	Useful life	Depreciation method
Buildings	20 Years	Straight-line method

3.11.4 Derecognition

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

3.11.5 Reclassification to or investment property

Transfers are made to or from Investment Property only when there is a change in use. For a transfer from Investment Property to owner occupied property, the value for subsequent accounting is the fair value at the date of change. If owner occupied property becomes an Investment Property, Group/Company accounts for such property in accordance with the policy stated under Property, Plant and Equipment up to the date of change.

If Group companies occupy a significant portion of the Investment Property of a subsidiary, such Investment Properties are treated as Property, Plant and Equipment in the Consolidated Financial Statements, and accounted using Group Accounting Policy for Property, Plant and Equipment.

3.12 Investment in subsidiary

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

3.13 Inventories

Inventories are measured at the lower of cost or net realisable value, after making due allowance for obsolete and slow-moving items. The cost of raw materials is based on a weighted average basis. The cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, excluding borrowing cost.

Borrowing cost for inventories that are qualifying assets are capitalized as part of cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Inventory movement is reviewed at the end of reporting period by an expert to assess the recoverability of inventory and the items that are identified as irrecoverable are written off during the year.

3.13.1 Work-in-progress

Work in progress represents the value of ongoing construction works performed on ongoing projects that are not yet completed at the reporting date.

Work in progress reflects the Company's performance under construction contracts in accordance with SLFRS 15 – Revenue from Contracts with Customers.

Measurement

Work in progress is measured based on the stage of completion of each contract, using the input method (cost-to-cost approach), which represents the proportion of contract costs incurred for work performed to date relative to total estimated contract costs.

It includes:

- Direct materials consumed in project execution
- Direct labour costs
- Subcontractor and specialist engineering service costs;
- Site-based overheads directly attributable to contract execution;
- Equipment usage costs and project-specific mobilization costs; and
- Where applicable, borrowing costs capitalised in accordance with LKAS 23 – Borrowing Costs.

3.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired.

If any indication exists, or when the annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuous operations are recognized in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for the property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to ascertain as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

3.15 Provisions

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

3.15.1 Defined benefit plans – Gratuity

The Company measures the present value of the promised retirement benefits of gratuity which is a defined benefit plan with the advice of an actuary using the Projected Unit Credit method (PUC). Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occur in Other Comprehensive Income.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service based on half a month salary.

The gratuity liability is not externally funded.

3.15.2 Defined contribution plan

Defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay any further amounts.

Obligations for contributions to Employees Provident Fund and Employees Trust Fund covering all employees are recognized as an expense in the Statement of Comprehensive Income, as incurred.

3.15.3 Employees' Provident Fund

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the Employees' Provident Fund.

3.15.4Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognized as an expense to the Company for contribution to ETF and EPF is disclosed in the Note 07 to the financial statements.

3.15.5Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.16 Related party disclosures

3.16.1Transactions with related parties

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard No. 24. The Pricing applicable to such transactions is based on the assessment of the risk and pricing model of the Group and is comparable with what is applied to transactions between the Group and its unrelated Customers.

Related party transactions are made on terms equivalent to those that prevail in arm's length transactions. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the company as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

3.16.2 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard No. 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), and their immediate family members have been classified as Key Management Personnel of the Group.

STATEMENT OF COMPREHENSIVE INCOME

3.17 Revenue and other income

3.17.1 Revenue recognition

Revenue represents income arising from the Group's ordinary activities from construction-related services, net of applicable taxes and discounts.

Revenue is recognised when control of services is transferred to customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group applies SLFRS 15 using the five-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations
5. Recognise revenue when (or as) performance obligations are satisfied

3.17.2Construction related services

Revenue from construction-related services is recognised over time, as the customer simultaneously receives and consumes the benefits of the Group's performance.

Progress towards completion is determined based on customer-certified progress billings and confirmations of work performed, which reflect the extent of services completed under the contract.

Revenue is recognised based on the amounts certified by the customer or approved through agreed progress measurements, representing the best evidence of performance completed at the reporting date.

Where applicable, any expected contract losses are recognised immediately in profit or loss when identified.

3.17.3 Contract assets and contract liabilities

A contract asset is recognised when services are performed and certified but not yet billed or not yet due for payment.

A contract liability is recognised when consideration is received or due before related services are certified or performed.

Contract liabilities are recognised as revenue when the related performance obligations are satisfied and customer certification is obtained.

3.17.4 Accounting judgements, estimates and assumptions

The preparation of revenue from construction-related services requires the use of significant judgement, estimates, and assumptions, which affect the timing and amount of revenue recognised.

Key judgements include:

- Determining whether revenue is recognised over time based on customer control and contractual terms;
- Determining that customer certification represents appropriate evidence of progress towards satisfaction of performance obligations;
- Identifying the point at which control of services is transferred to the customer.

Key estimates and assumptions include:

- Estimation of total contract value and expected cost to complete;
- Measurement of progress based on certified work performed;
- Estimation of variable consideration, including any uncertified work subject to customer approval;
- Assessment of recoverability of contract balances;
- Recognition of expected contract losses when forecast costs exceed expected revenue.

Estimates are reviewed at each reporting date and revised where necessary. Changes are recognised prospectively in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3.17.5 Other income

Other income comprises income not arising from contracts with customers within the scope of SLFRS 15 and includes:

- Commission income – recognised when services are rendered and right to consideration is established
- Rental income – recognised on a straight-line basis under SLFRS 16
- Foreign exchange gains – recognised in profit or loss as they arise
- Fair value gains on financial assets – recognised under SLFRS 9
- Profit on disposal of property, plant and equipment – recognised on disposal of property, plant and equipment

Reversal of impairment losses

Reversals of impairment losses previously recognised on financial assets are recognised in profit or loss when there is objective evidence that the expected credit loss allowance has decreased as a result of an event occurring after the impairment was recognised.

Recoveries of amounts previously written off or provided for are recognised in profit or loss in the period in which the cash is received or the recoverability of the balance becomes probable.

Finance income

Finance income comprises interest income on funds invested and financial assets. Interest income is recognised using the effective interest method as it accrues.

Finance costs

Finance costs include interest expense on borrowings and lease liabilities. All borrowing costs that are not capitalised in accordance with LKAS 23 are recognised in profit or loss using the effective interest method.

3.18 Expenses recognition

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

For the presentation of the statement of comprehensive income, the directors are of the opinion that the nature of the expense's method presents fairly the element of the Group's performance, and hence, such presentation method is adopted.

3.19 Earnings Per Share (EPS)

The Group presents Basic Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

3.20 Statement of Cash Flows

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits and money market investments with a maturity of three months or less.

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard 07-Statement of Cash Flows.

Interest paid are classified as operating cash flows, interests received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting of Statement of Cash Flows.

3.21 Events occurring after the reporting period

All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in respective notes to the financial statements.

3.22 Segment reporting

An operating segment is a component within the Group that engage in business activities for which it may earn distinguish revenue and expenses for such segment.

The operating results arising from Construction activities as a whole is reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resource to be allocated and to assess its performance. The Group has only one segment hence no separate disclosure is given for operating segment.

3.23 Stated capital

Stated capital consists solely of ordinary share capital. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds.

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Group's shareholders.

3.24 Contingent liabilities and commitments

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard - LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent Liabilities are not recognized in the Statement of Financial Position but are disclosed unless its occurrence is remote.

Details of the commitments and contingencies are given in Note 30 to the financial statements.

3.25 Changes in accounting standards

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

- Amendment to LKAS 21: Lack of exchangeability.
- SLFRS 18: Presentation and disclosure in Financial Statements

The Group is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures

- Amendments to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments
- SLFRS 19 Subsidiaries without public accountability: Disclosures

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
04	**REVENUE**				
	Civil construction revenue	524,831,692	423,704,950	462,074,734	379,510,006
	Infrastructure development revenue	1,579,946,173	1,298,338,905	1,579,946,173	1,298,338,905
		2,104,777,865	1,722,043,855	2,042,020,907	1,677,848,911
05	**OTHER INCOME**				
	Commission income	-	5,679,490	-	5,679,490
	Changes in fair value of investment in unit trust	10,622,893	5,869,511	10,622,893	5,869,511
	Exchange gain	6,089,245	-	6,089,245	-
	Other sales income	1,926,087	9,993,750	1,926,087	9,993,750
	Profit on disposal of property, plant and equipment	4,173,220	14,673,305	4,173,220	14,673,305
	Reversal of provision for doubtful debts	8,223,918	-	8,223,918	-
	Rent income	10,321,875	10,307,115	10,321,875	10,307,115
		41,357,238	46,523,171	41,357,238	46,523,171
06	**NET FINANCE INCOME**				
	Finance income (Note - 6.1)	90,186,439	205,591,314	90,186,439	205,591,314
	Finance cost (Note - 6.2)	(83,973,818)	(155,781,548)	(83,655,823)	(155,323,019)
		6,212,621	49,809,766	6,530,616	50,268,295
6.1	**Finance income**				
	Interest income (Note - 6.1.1)	90,186,439	89,193,023	90,186,439	89,193,023
	Interest income on promissory notes	-	116,398,291	-	116,398,291
		90,186,439	205,591,314	90,186,439	205,591,314
6.1.1	**Interest income**				
	Interest on fixed deposits	22,885,808	24,311,898	22,885,808	24,311,898
	Interest on savings	2,852,092	3,179,496	2,852,092	3,179,496
	Interest on treasury bonds	64,448,539	61,701,629	64,448,539	61,701,629
		90,186,439	89,193,023	90,186,439	89,193,023
6.2	**Finance cost**				
	Bank account commission	137,496	86,000	137,496	86,000
	Bank charges	6,294,093	1,652,472	6,294,093	1,652,472
	Bank guarantee commission	10,106,869	16,073,017	10,106,869	16,073,017
	Interest on bank overdrafts	29,680,779	11,228,645	29,680,779	11,228,645
	Interest on leases	2,670,110	4,097,604	2,352,115	3,639,075
	Interest on loans	35,084,471	66,010,784	35,084,471	66,010,784
	Interest on promissory notes	-	56,633,026	-	56,633,026
		83,973,818	155,781,548	83,655,823	155,323,019

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
07	**(LOSS) / PROFIT BEFORE TAX**				
	Is stated after charging all expenses including the following:				
	Amortization of intangible assets	153,653	204,161	153,653	204,161
	Amortization of right-of-use assets	20,114,230	23,097,559	19,225,075	22,227,192
	Depreciation of investment property	2,128,739	2,128,739	2,128,739	2,128,739
	Depreciation of property, plant and equipment	28,356,389	33,009,731	26,062,572	31,650,413
	Auditor's remuneration	1,294,949	826,049	781,000	710,000
	Internal audit fees	400,000	400,000	400,000	400,000
	Directors' remuneration				
	- Executive Directors	18,864,000	16,944,000	18,864,000	16,944,000
	- Non-Executive Directors	4,500,000	4,500,000	4,500,000	4,500,000
	Loan interest	35,084,471	66,010,784	35,084,471	66,010,784
	Lease interest	2,670,110	4,097,604	2,352,115	3,639,075
	Personnel cost include :				
	- Annual bonus	6,453,092	8,472,930	6,453,092	8,472,930
	- Defined benefit plan costs - Gratuity	11,544,903	12,319,091	11,544,903	12,319,091
	- Defined contribution plan cost - E.P.F. & E.T.F.	27,570,073	27,028,460	27,570,073	27,028,460
	- Other staff costs	281,008,591	258,627,849	251,093,149	229,979,675
	- Salaries and wages	205,892,631	195,547,648	180,730,621	170,483,887
08	**INCOME TAX REVERSAL / (EXPENSE)**				
	Adjustment made in respect of previous years	(856,210)	-	(856,210)	-
	Current income taxes (Note - 8.1)	-	-	-	-
	Deferred tax reversal / (expense) (Note - 16)	47,621,674	(727,148)	47,621,674	(727,148)
		46,765,464	(727,148)	46,765,464	(727,148)
8.1	**Reconciliation between accounting loss and taxable loss**				
	Accounting loss before income tax expense	(64,934,468)	(165,037,406)	(30,104,968)	(129,763,020)
	Aggregate disallowable expenses	148,515,164	186,748,035	138,066,568	177,091,224
	Aggregate allowable expenses	(125,162,006)	(136,162,178)	(123,503,253)	(133,906,006)
	Exempt income / other sources of income	(135,003,375)	(162,219,026)	(135,003,375)	(162,219,026)
	Taxable profit from disposal of property, plant and equipment	279,410	1,756,517	279,410	1,756,517
	Assessable loss from business	(176,305,275)	(274,914,058)	(150,265,618)	(247,040,311)
	Less : Tax loss allowed for the year	122,015,065	99,500,138	122,015,065	99,500,138
	Adjusted assessable loss from business	(54,290,210)	(175,413,920)	(28,250,553)	(147,540,173)
	Investment income				
	Assessable income from investments	122,015,065	99,500,138	122,015,065	99,500,138
	Less : Tax loss allowed for the year	(122,015,065)	(99,500,138)	(122,015,065)	(99,500,138)
	Adjusted assessable income from investments	-	-	-	-
	Taxable income	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

08 INCOME TAX REVERSAL / (EXPENSE) (CONTINUED)

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Statutory tax rate				
Company :				
Business income				
- On construction income	30%	30%	30%	30%
- On other business income	30%	30%	30%	30%
Investment income	30%	30%	30%	30%
Subsidiary :				
Corporate tax rate	15%	15%	15%	15%
Current income tax expense				
On business income	-	-	-	-
On investment income	-	-	-	-
Current income tax expense	-	-	-	-

09 (LOSS) / PROFIT PER SHARE

9.1 Basic loss / (profit) per share is calculated by dividing the net (loss) / profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares in issue during the previous year are adjusted for events that have changed the number of ordinary shares in issue without a corresponding change in the resources.

9.2 The following data has been used in the computation of the basic (loss) / profit per share for the year.
(Loss) / profit per share has been calculated, for all periods, based on the number of shares in issue as at 31st March 2026,

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Amount used as the numerator				
Net (loss) / profit attributable to ordinary shareholders of the Company	(18,169,004)	(165,764,554)	16,660,496	(130,490,168)
Amount used as the denominator				
Weighted average number of ordinary shares in issue	271,250,000	271,250,000	271,250,000	271,250,000
Basic (loss) / profit per share	(0.07)	(0.61)	0.06	(0.48)

NOTES TO THE FINANCIAL STATEMENTS

10 / 10.1	PROPERTY, PLANT AND EQUIPMENT Group	As at 01st April, 2025 Rs.	Additions / Adjustments Rs.	(Disposals) / Adjustments / Transfers Rs.	As at 31st March, 2026 Rs.
	Cost				
	Freehold assets				
	Land	81,800,193	72,331,000	-	154,131,193
	Buildings	21,790,447	1,432,372	-	23,222,819
	Plant, machinery and equipment	293,402,887	8,470,794	13,006,523	288,867,158
	Furniture and fittings	16,980,509	1,101,829	489,870	17,592,468
	Computers	25,081,233	1,486,069	1,949,200	24,618,102
	Motor vehicles	129,409,456	4,812,288	6,932,142	127,289,602
	Formation expenses of telex bureau	224,775	-	224,775	-
		568,689,500	89,634,352	22,602,510	635,721,342
	Accumulated depreciation				
	Freehold assets				
	Buildings	10,506,311	895,921	-	11,402,232
	Plant, machinery and equipment	253,367,863	18,665,368	12,265,224	259,768,007
	Furniture and fittings	9,555,236	1,177,705	446,573	10,286,368
	Computers	21,270,200	1,956,401	1,929,124	21,297,477
	Motor vehicles	122,516,298	5,660,994	6,932,142	121,245,150
	Formation expenses of telex bureau	224,774	-	224,774	-
		417,440,682	28,356,389	21,797,837	423,999,234
	Carrying value				
	Freehold assets				
	Land	81,800,193			154,131,193
	Buildings	11,284,136			11,820,587
	Plant, machinery and equipment	40,035,024			29,099,151
	Furniture and fittings	7,425,273			7,306,100
	Computers	3,811,033			3,320,625
	Motor vehicles	6,893,158			6,044,452
	Formation expenses of telex bureau	1			-
		151,248,818			211,722,108

During the financial year, the Group acquired property, plant and equipment to the aggregate value of Rs. 89,634,352/- by means of cash.

Property, plant and equipment includes fully depreciated assets for the cost of Rs. 351,731,913/- (2025 - Rs. 320,357,550/-).

Group has disposed property, plant and equipment with a total cost of Rs. 22,602,510, including assets with zero net book value, at a selling price of Rs. 4,841,501/-.

NOTES TO THE FINANCIAL STATEMENTS

10 / 10.2	PROPERTY, PLANT AND EQUIPMENT / Company	As at 01st April, 2025	Additions / Adjustments	(Disposals) / Adjustments / Transfers	As at 31st March, 2026
		Rs.	Rs.	Rs.	Rs.
	Cost				
	Freehold assets				
	Land	81,800,193	72,331,000	-	154,131,193
	Buildings	21,790,447	1,432,372	-	23,222,819
	Plant, machinery and equipment	288,653,842	8,470,794	13,006,523	284,118,113
	Furniture and fittings	16,966,546	1,101,829	489,870	17,578,505
	Computers	24,663,787	1,486,069	1,949,200	24,200,656
	Motor vehicles	125,363,632	4,812,288	6,932,142	123,243,778
	Formation expenses of telex bureau	224,775	-	224,775	-
		559,463,222	89,634,352	22,602,510	626,495,064
	Accumulated depreciation				
	Freehold assets				
	Buildings	10,506,311	895,921	-	11,402,232
	Plant, machinery and equipment	252,833,496	17,714,867	12,265,224	258,283,139
	Furniture and fittings	9,553,694	1,176,368	446,573	10,283,489
	Computers	21,103,994	1,878,745	1,929,124	21,053,615
	Motor vehicles	120,470,056	4,721,671	6,932,142	118,259,585
	Formation expenses of telex bureau	224,774	-	224,774	-
		414,692,325	26,387,572	21,797,837	419,282,060
	Carrying value				
	Freehold assets				
	Land	81,800,193			154,131,193
	Buildings	11,284,136			11,820,587
	Plant, machinery and equipment	35,820,346			25,834,974
	Furniture and fittings	7,412,852			7,295,016
	Computers	3,559,793			3,147,041
	Motor vehicles	4,893,576			4,984,193
	Formation expenses of telex bureau	1			-
		144,770,897			207,213,004

The Company property, plant and equipment with a cost of Rs. 351,731,913/- (2025 – Rs. 320,357,550/-) have been fully-depreciated and continue to be in use by the Company.

There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year 2025/26 (2024/25 – Nil).

NOTES TO THE FINANCIAL STATEMENTS

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Location and extent of land value

Address	Extent	No. of buildings	Current use	Cost (Rs.)
No. 15/03, St. Joseph's Street, Moratuwa	10.5 P	1	Vehicle parking facility	15,700,950
No. 18, Galle Road, Moratuwa	21.50 P	1	Use for office space of the Company	50,241,150
No. 24, Galle Road, Moratuwa	12.25 P	1	Use for office space of the Company	7,032,243
No. 502/A, Thotupola Road, Pallimulla	22 P	1	Space for workshop	8,825,850
R 6, Diyagama Road, Kahatuduwa, Polgasowita	227.1 P	-	Space for warehouse	72,331,000

Property, plant and equipment pledged as security

Property pledged as securities against loans and borrowings are described in Note 24.

The Management has assessed the potential impairment loss of property, plant and equipment as at 31st March 2026.

Based on the assessment, the Group does not foresee any indications of impairment as at the reporting date due to the economic uncertainties, and functions under the business continuity plan as per the Group's risk management strategy.

There were no restrictions existed on the title of the assets of the Group as at the reporting date.

There are no temporarily idle assets as at the reporting date.

	For the year ended 31st March	As at 01st April, 2025	Additions / Adjustments	Transfers / Adjustments	As at 31st March, 2026
		Rs.		Rs.	Rs.
11	**CAPITAL WORK-IN-PROGRESS**				
11.1	**Group**				
	Construction of warehouse - Kahatuduwa	-	66,365,622	-	66,365,622
		-	66,365,622	-	66,365,622
11.2	**Company**				
	Construction of warehouse - Kahatuduwa	-	66,365,622	-	66,365,622
		-	66,365,622	-	66,365,622

Capital work-in-progress includes, construction cost incurred for the construction of warehouse in Kahatuduwa.

NOTES TO THE FINANCIAL STATEMENTS

12 RIGHT-OF-USE-ASSETS

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Cost				
Balance as at the beginning of the year	318,820,532	306,820,532	315,102,576	303,102,576
Add : Additions made during the year	9,472,840	12,000,000	9,472,840	12,000,000
Less : Transfers made during the year	(325,000)	-	(325,000)	-
Balance as at the end of the year	327,968,372	318,820,532	324,250,416	315,102,576
Less :				
Amortization				
Balance as at the beginning of the year	270,377,595	247,280,036	268,887,569	246,660,377
Add : Amortization for the year	20,114,230	23,097,559	19,225,075	22,227,192
Less : Transfers made during the year	(325,000)	-	(325,000)	-
Balance as at the end of the year	290,166,825	270,377,595	287,787,644	268,887,569
Carrying amount at the end of the year	37,801,547	48,442,937	36,462,772	46,215,007

Leasehold properties with an aggregate carrying value of Rs. Nil (2025 - Rs 96,025) have been pledged as security against term loan facilities obtained by the Group amounting to Rs. 4,500,000/-.

13 INVESTMENT PROPERTY

13.1 Group

Cost Property	Market value as at 31.03.2026	Cost as at 01.04.2025	Additions	Transfers / disposal	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.
Panadura Land No 465, Galle Road, Panadura	149,187,500	16,709,000	-	-	16,709,000
Panadura Building No 465, Galle Road, Panadura (Three storey building)	161,500,000	20,072,296	-	-	20,072,296
Rawathawatta Land No 646, Galle Road, Rawathawatta, Moratuwa	99,750,000	14,175,000	-	-	14,175,000
Rawathawatta Building No 646, Galle Road, Rawathawatta, Moratuwa (Three storey building)	69,640,000	22,502,492	-	-	22,502,492
	480,077,500	73,458,788	-	-	73,458,788

NOTES TO THE FINANCIAL STATEMENTS

13 INVESTMENT PROPERTY (CONTINUED)

13.1 Group (Contd.)

Depreciation Property	Accumulated depreciation as at 01.04.2025	Additions	Transfers / disposal	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Panadura Building No 465, Galle Road, Panadura (Three storey building)	14,050,610	1,003,614	-	15,054,224
Rawathawatta Building No 646, Galle Road, Rawathawatta, Moratuwa (Three storey building)	9,473,944	1,125,125	-	10,599,069
	23,524,554	2,128,739	-	25,653,293
Net book values				
Panadura Land No 465, Galle Road, Panadura	16,709,000			16,709,000
Panadura Building No 465, Galle Road, Panadura (Three storey building)	6,021,686			5,018,072
Rawathawatta Land No 646, Galle Road, Rawathawatta, Moratuwa	14,175,000			14,175,000
Rawathawatta Building No 646, Galle Road, Rawathawatta, Moratuwa (Three storey building)	13,028,548			11,903,423
	49,934,234			47,805,495

All above investment properties are freehold.

13.1.1 Relevant income and expenditure relating to investment properties

	(Rs.)
Rental income earned for the year ended 31.03.2026	10,321,875
Rental income earned for the year ended 31.03.2025	10,307,115

Direct operating expenses in generating income	31.03.2026	31.03.2025
	Rs.	Rs.
Rates and taxes	274,320	221,360
Depreciation	2,128,739	2,128,739
Building maintenance	1,345,495	-
	3,748,554	2,350,099

NOTES TO THE FINANCIAL STATEMENTS

13 INVESTMENT PROPERTY (CONTINUED)

13.2 Company

Cost Property	Market value as at 31.03.2026	Cost as at 01.04.2025	Additions	Transfers / disposal	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.	Rs.
Panadura Land No 465, Galle Road, Panadura	149,187,500	16,709,000	-	-	16,709,000
Panadura Building No 465, Galle Road, Panadura (Three storey building)	161,500,000	20,072,296	-	-	20,072,296
Rawathawatta Land No 646, Galle Road, Rawathawatta, Moratuwa	99,750,000	14,175,000	-	-	14,175,000
Rawathawatta Building No 646, Galle Road, Rawathawatta, Moratuwa (Three storey building)	69,640,000	22,502,492	-	-	22,502,492
	480,077,500	73,458,788	-	-	73,458,788

Depreciation Property	Accumulated depreciation as at 01.04.2025	Additions	Transfers / disposal	Balance as at 31.03.2026
	Rs.	Rs.	Rs.	Rs.
Panadura Building No 465, Galle Road, Panadura (Three storey building)	14,050,610	1,003,614	-	15,054,224
Rawathawatta Building No 646, Galle Road, Rawathawatta, Moratuwa (Three storey building)	9,473,944	1,125,125	-	10,599,069
	23,524,554	2,128,739	-	25,653,293
Net book values				
Panadura Land No 465, Galle Road, Panadura	16,709,000			16,709,000
Panadura Building No 465, Galle Road, Panadura (Three storey building)	6,021,686			5,018,072
Rawathawatta Land No 646, Galle Road, Rawathawatta, Moratuwa	14,175,000			14,175,000
Rawathawatta Building No 646, Galle Road, Rawathawatta, Moratuwa (Three storey building)	13,028,548			11,903,423
	49,934,234			47,805,495

Location and extent of land value

Address	Extent	Current use	No. of buldings	Cost (Rs.)
No. 465, Galle Road, Panadura	19.25 P	Rented out to Luminex Bookshops (Pvt) Ltd	1	16,709,000
No. 646, Galle Road, Rawathawatta, Moratuwa	10.50 P	Rented out to Luminex Bookshops (Pvt) Ltd	1	14,175,000

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group 2026 Rs.	Group 2025 Rs.	Company 2026 Rs.	Company 2025 Rs.
14	**INTANGIBLE ASSETS**				
	Cost				
	Balance as at the beginning of the year	8,556,666	8,556,666	8,556,666	8,556,666
	Add : Additions made during the year	-	-	-	-
	Balance as at the end of the year	8,556,666	8,556,666	8,556,666	8,556,666
	Less :				
	Amortization				
	Balance as at the beginning of the year	8,067,582	7,863,421	8,067,582	7,863,421
	Add : Amortization for the year	153,653	204,161	153,653	204,161
	Balance as at the end of the year	8,221,235	8,067,582	8,221,235	8,067,582
	Carrying amount at the end of the year	335,431	489,084	335,431	489,084

Software in intangible assets mainly consists of Accounting package (SAGE), Project Management System (PMS) & Inventory Management System (IMS) acquired by the Group.

Intangible assets with a cost of Rs. 7,788,400/- (2025 – Rs. 7,788,400/-) have been fully amortised and continue to be in use by the Group respectively.

There were no intangible assets pledged by the Company as security for facilities obtained from the Banks (2025 – Nil).

	For the year ended 31st March	Percentage of shareholding	Group 2026 Rs.	Group 2025 Rs.	Company 2026 Rs.	Company 2025 Rs.
15	**INVESTMENT IN SUBSIDIARY**					
	Investment in subsidiaries					
	Luminex International LLC	70%	-	-	100,438,800	100,438,800
			-	-	100,438,800	100,438,800

	For the year ended 31st March	Group 2026 Rs.	Group 2025 Rs.	Company 2026 Rs.	Company 2025 Rs.
16	**DEFERRED TAX ASSETS**				
	Balance at the beginning of the year	8,862,552	5,494,300	8,862,552	5,494,300
	Reversal for the year:				
	Recognized in other comprehensive income - Retirement benefit obligation	2,743,631	4,095,400	2,743,631	4,095,400
	Recognized in profit or loss statement				
	Deferred tax (expense) / income resulting from the reversal and origination of temporary difference				
	- On property, plant and equipment	(1,902,725)	1,299,519	(1,902,725)	1,299,519
	- On retirement benefit obligation	(1,341,566)	(2,026,667)	(1,341,566)	(2,026,667)
	- On business loss	50,865,965	-	50,865,965	-
	Balance at the end of the year	59,227,857	8,862,552	59,227,857	8,862,552

16 DEFERRED TAX ASSETS (CONTINUED)

16.1 Group

Deferred tax assets / (liabilities) arising from :	2026		2025	
	Temporary Difference	Tax effect on Temporary Difference	Temporary Difference	Tax effect on Temporary Difference
	Rs.	Rs.	Rs.	Rs.
Deferred tax provision;				
Deferred tax liabilities				
On property, plant and equipment	(41,999,803)	(12,599,941)	(35,657,386)	(10,697,216)
Deferred tax assets				
On retirement benefit obligation	69,872,777	20,961,833	65,199,226	19,559,768
On business loss	169,553,218	50,865,965	-	-
	197,426,192	59,227,857	29,541,840	8,862,552

Recognition of deferred tax asset on tax losses

During the year ended 31 March 2026, the Group recognized a deferred tax asset amounting to Rs. 50,865,965 in respect of unused tax losses of Rs. 169,553,218 (2025 - Rs. 141,157,662). The deferred tax asset has been measured using the applicable tax rate of 30%.

Management has assessed the recoverability of the deferred tax asset based on approved business forecasts, projected future taxable profits, and expected reversal of existing taxable temporary differences. Based on this assessment, it is considered probable that sufficient taxable profits will be available in future periods against which the tax losses can be utilized. Accordingly, the deferred tax asset has been recognized as at 31 March 2026.

As at 31 March 2025, no deferred tax asset had been recognized in respect of these tax losses due to uncertainty regarding the availability of future taxable profits. The corresponding unrecognized deferred tax asset at that date amounted to Rs. 42,347,299.

The deferred tax asset recognized on tax losses is included within the total deferred tax asset of the Group as disclosed in Note 16.1.

The Group continues to reassess the recoverability of deferred tax assets at each reporting date and will recognize additional deferred tax assets only to the extent that it is probable that future taxable profits will be available.

16.2 Company

Deferred tax assets / (liabilities) arising from :	2026		2025	
	Temporary Difference Rs.	Tax effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax effect on Temporary Difference Rs.
Deferred tax provision;				
Deferred tax liabilities				
On property, plant and equipment	(41,999,803)	(12,599,941)	(35,657,386)	(10,697,216)
Deferred tax assets				
On retirement benefit obligation	69,872,777	20,961,833	65,199,226	19,559,768
On business loss	169,553,218	50,865,965	-	-
	197,426,192	59,227,857	29,541,840	8,862,552
Effective tax rate		30%		30%

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
17	**INVENTORIES**				
	Raw material	246,462,361	217,200,494	246,261,492	217,011,457
	Work in progress	1,100,118,218	635,437,221	1,078,456,849	623,528,894
		1,346,580,579	852,637,715	1,324,718,341	840,540,351
18	**OTHER FINANCIAL ASSETS**				
	Other non-current financial assets				
	Treasury bonds (Note – 18.2)	106,893,650	226,485,612	106,893,650	226,485,612
		106,893,650	226,485,612	106,893,650	226,485,612
	Other current financial assets				
	Investments in fixed deposits (Note – 18.1)	366,336,422	276,996,439	366,336,422	276,996,439
	Treasury bonds (Note – 18.2)	142,838,304	11,623,171	142,838,304	11,623,171
	Staff loans & advances	1,011,790	586,446	1,011,790	586,446
	Investment in unit trust	111,169,423	167,546,530	111,169,423	167,546,530
		621,355,939	456,752,586	621,355,939	456,752,586
18.1	**Investments in fixed deposits**				
	Sampath Bank PLC.	357,696,951	270,245,329	357,696,951	270,245,329
	Fixed deposit interest receivable	8,639,471	6,751,110	8,639,471	6,751,110
		366,336,422	276,996,439	366,336,422	276,996,439
18.2	**Treasury bonds**				
	Treasury bonds	208,088,591	208,088,591	208,088,591	208,088,591
	Treasury bond interest receivable	41,643,363	30,020,192	41,643,363	30,020,192
		249,731,954	238,108,783	249,731,954	238,108,783
	Matured within one year	142,838,304	11,623,171	142,838,304	11,623,171
	Matured after one year	106,893,650	226,485,612	106,893,650	226,485,612
		249,731,954	238,108,783	249,731,954	238,108,783

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group		Company	
		2026	(Reclassified) 2025	2026	(Reclassified) 2025
		Rs.	Rs.	Rs.	Rs.
19	**TRADE AND OTHER RECEIVABLES**				
	Gross trade debtors	508,333,906	552,320,786	490,968,293	543,384,876
	Less : Provision for impairment on trade debtors	(2,004,703)	(10,375,774)	(2,004,703)	(10,375,774)
	Net trade debtors	506,329,203	541,945,012	488,963,590	533,009,102
	Other receivables				
	Advance for purchases	445,983,757	157,530,558	445,983,757	154,987,891
	Cash advances - Petty cash	25,905,840	28,435,965	25,905,840	28,435,965
	Fuel deposit	8,300,000	5,300,000	8,300,000	5,300,000
	House and rent deposit	5,028,500	4,471,000	5,028,500	4,471,000
	Prepayment - Insurance	4,730,377	2,341,593	4,730,377	2,341,593
	Prepayment - Maintenance	550,516	-	550,516	-
	Prepayment - Rates and taxes	330,801	333,271	330,801	333,271
	Prepayment - Rent	1,434,000	3,043,500	1,434,000	3,043,500
	Prepayment - Salary	266,497	115,576	-	-
	Prepayment - Subscription	246,702	-	246,702	-
	Prepayment - Website renewal	390,432	313,659	390,432	313,659
	Refundable deposits	1,481,973	696,973	1,481,973	696,973
	Rent receivable	7,174,471	6,819,747	7,174,471	6,819,747
	Retention by customers (Note 19.1)	478,212	478,212	478,212	478,212
		502,302,078	209,880,054	502,035,581	207,221,811
		1,008,631,281	751,825,066	990,999,171	740,230,913
19.1	**Retention by customers**				
	MEP (JF-Bus Stand) retention	478,212	478,212	478,212	478,212
		478,212	478,212	478,212	478,212

19.2	Age analysis of trade debtors	Total	1 to 30 days	31 to 60 days	61 to 90 days	Less than one year	More than one year
	Balance as at 31st March, 2026	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Group	506,329,203	291,691,615	77,101,289	32,941,797	89,052,028	15,542,474
	Company	488,963,590	288,389,098	77,101,289	29,544,813	80,691,950	13,236,440

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
20	**AMOUNTS DUE FROM RELATED PARTIES**				
	Luminex Bookshops (Pvt) Ltd.	1,874,077	10,453,279	1,874,077	10,453,279
	Luminex International LLC	-	-	90,675,735	46,487,539
	Ms. Watfa Mohammed Abdullah Al Breiki	24,509,582	23,065,840	-	-
		26,383,659	33,519,119	92,549,812	56,940,818

Detailed related party transactions are disclosed in note no. 29.

	For the year ended 31st March	Group		Company	
		2026	(Reclassified) 2025	2026	(Reclassified) 2025
		Rs.	Rs.	Rs.	Rs.
21	**CASH AND CASH EQUIVALENTS**				
	Favourable balance				
	Current accounts				
	Sampath Bank PLC.	330,604	330,704	330,604	330,704
	Pan Asia Banking Corporation PLC.	758,004	760,254	758,004	760,254
	National Development Bank PLC.	60,924	61,274	60,924	61,274
	Bank of Ceylon	532,804	521,169	532,804	521,169
	DFCC Bank PLC.	113,817	115,317	113,817	115,317
	Standard Chartered Bank	1,208,390	-	1,208,390	-
	Bank Dhofar	453,260	1,452,272	-	-
	Savings accounts				
	Sampath Bank PLC.	9,527,768	34,318,519	9,527,768	34,318,519
	DFCC Bank PLC.	9,642	9,457	9,642	9,457
	National Development Bank PLC.	64,041,793	113,051,449	64,041,793	113,051,449
	Petty cash	5,061,048	4,483,131	5,061,048	2,077,999
		82,098,054	155,103,546	81,644,794	151,246,142
	Unfavourable balances				
	Bank overdrafts				
	Sampath Bank PLC.	266,181,729	111,654,518	266,181,729	111,654,518
	National Development Bank PLC.	50,122,330	24,028,421	50,122,330	24,028,421
	Hatton National Bank PLC.	95,878,981	79,835,849	95,878,981	79,835,849
	Standard Chartered Bank	-	92,848	-	92,848
		412,183,040	215,611,636	412,183,040	215,611,636
	Cash and cash equivalents for the purpose of statement of cash flows.	(330,084,986)	(60,508,090)	(330,538,246)	(64,365,494)

NOTES TO THE FINANCIAL STATEMENTS

		Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
22	**STATED CAPITAL AND OTHER COMPONENTS OF EQUITY**				
22.1	**Stated capital**				
	271,250,000 Ordinary shares as at 31.03.2026 and 31.03.2025	450,000,000	450,000,000	450,000,000	450,000,000

Note:
a) The company has not declared and paid divided for the years ended 31st March, 2025 and 31st March, 2026.

		Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
22.2	**Other components of equity**				
	Foreign currency translation reserve	(14,550,474)	(13,510,206)	-	-

The foreign currency translation reserve comprises the net exchange movement arising from the currency translation of foreign operations into Sri Lankan rupees.

	For the year ended 31st March	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
23	**RETIREMENT BENEFIT OBLIGATION**				
	Balance at the beginning of the year	65,199,226	58,303,449	65,199,226	58,303,449
	Add : Current service cost	5,350,977	5,147,767	5,350,977	5,147,767
	Interest charge for the year	6,193,927	7,171,324	6,193,927	7,171,324
	Loss arising from changes in assumptions	9,145,435	13,651,334	9,145,435	13,651,334
	Less : Payments made during the year	(16,016,788)	(19,074,648)	(16,016,788)	(19,074,648)
	Balance at the end of the year	69,872,777	65,199,226	69,872,777	65,199,226

The gratuity liability as at 31st March 2026, amounting to Rs. 69,872,777/-, was based on an actuarial valuation carried out by Smiles Global (Pvt) Ltd.

The gratuity liability has been calculated in compliance with the provisions of the Gratuity Act No. 12 of 1983.

NOTES TO THE FINANCIAL STATEMENTS

23 RETIREMENT BENEFIT OBLIGATION (CONTINUED)

23.1 Accounting judgements, estimates and assumptions

The Management tested several scenarios based calculations on possible changes of the assumptions due to the prevailing macroeconomic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligation liability of the Group.

The principal assumptions used in determining the cost of employee benefits were:

	Group		Company	
	2026	2025	2026	2025
Expected salary increment	5.00%	5.00%	5.00%	5.00%
Discounting / Interest	9.25%	9.50%	9.25%	9.50%
Staff turnover factor (As a %)	32.00%	33.00%	32.00%	33.00%

23.2 Sensitivity of assumptions used

A percentage change in the assumptions would have the following effects to employee defined benefit plan - gratuity.

As at 31 March	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Discount rate:				
1% Increase	68,565,485	63,979,455	68,565,485	63,979,455
1% Decrease	71,250,422	66,483,532	71,250,422	66,483,532
Salary increment rate:				
1% Increase	71,621,229	66,830,756	71,621,229	66,830,756
1% Decrease	68,184,943	63,623,411	68,184,943	63,623,411

23.3 Maturity analysis of the payments

The following payments are expected on employee benefit plan - gratuity in future years.

As at 31 March	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	19,807,787	17,015,868	19,807,787	17,015,868
Between 1 and 2 years	238,745	584,035	238,745	584,035
Between 2 and 5 years	49,826,245	47,599,323	49,826,245	47,599,323
Between 5 and 10 years	-	-	-	-
Beyond 10 years	-	-	-	-
Total expected payments	69,872,777	65,199,226	69,872,777	65,199,226
Weighted average duration (years) of defined benefit obligation	2.91	2.83	2.91	2.83

The Group will continue in business as going concern. The above provision has not been externally funded.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March		Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
24	**INTEREST BEARING BORROWINGS**				
	Amounts payable between one year and five years				
	Long term loan payables (Note – 24.2)	25,455,358	27,128,000	25,455,358	27,128,000
		25,455,358	27,128,000	25,455,358	27,128,000
	Amounts payable within one year				
	Short term loan payables (Note – 24.1)	560,644,913	78,027,533	560,644,913	78,027,533
	Long term loan payables (Note – 24.2)	5,956,575	5,016,000	5,956,575	5,016,000
		566,601,488	83,043,533	566,601,488	83,043,533
24.1	**Short term loans**				
	Balance at the beginning of the year	78,027,533	173,006,198	78,027,533	173,006,198
	Add : Obtained during the year	1,091,943,316	292,254,763	1,091,943,316	292,254,763
	Less : Repayments made during the year	(609,325,936)	(387,233,428)	(609,325,936)	(387,233,428)
	Balance at the end of the year	560,644,913	78,027,533	560,644,913	78,027,533
23.2	**Long term loans**				
	Balance at the beginning of the year	32,144,000	720,372,021	32,144,000	720,372,021
	Add : Obtained during the year	4,500,000	110,779,032	4,500,000	110,779,032
	Less : Repayments made during the year	(5,232,067)	(799,007,053)	(5,232,067)	(799,007,053)
	Balance at the end of the year	31,411,933	32,144,000	31,411,933	32,144,000
	Payable within one year	5,956,575	5,016,000	5,956,575	5,016,000
	Payable between one year and five years	25,455,358	27,128,000	25,455,358	27,128,000
		31,411,933	32,144,000	31,411,933	32,144,000

Analysis of loans and borrowings and assets pledged as securities

Long term loans

Lending institution	Loan no	Rate of interest (p.a.)	Maturity	Security	Loan value	Amount outstanding as at 31.03.2026	Amount outstanding as at 31.03.2025
					Rs.	Rs.	Rs.
Sampath Bank PLC	3980 7000 0025	AWPLR + 2.5%	01.11.2031	Property at No 15/3, St. Joseph Street, Moratuwa balance as at the reporting date Rs.15,700,950/-	16,000,000	9,032,000	10,640,000
Sampath Bank PLC	3980 7000 0019	AWPLR + 2.5%	10.07.2031	Property at No 18, New Galle Road, Moratuwa balance as at the reporting date Rs.50,241,150/-	34,000,000	18,096,000	21,504,000
LB Finance PLC	VL2512DWC4 7888	13.5%	23.12.2029	WP KT-0092 Mitshibishi motor vehicle. (Cost - Rs. 4,000,000/-)	4,500,000	4,283,933	-

NOTES TO THE FINANCIAL STATEMENTS

24 INTEREST BEARING BORROWINGS (CONTINUED)

Short term loans

Lending institution	Loan no	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2026 Rs.
Sampath Bank PLC	3980 7500 2913	AWPLR + 2%	18th April 2026	Stocks held at the stores at 17/F/6, Diyagama Road, Kahatuduwa, Polgasowita as at the reporting date is Rs.177,152,002/-.	147,423
Sampath Bank PLC	3980 7500 2954	AWPLR + 2%	9th May 2026		560,209
Sampath Bank PLC	3980 7500 3031	AWPLR + 2%	11th June 2026		364,273
Sampath Bank PLC	3980 7500 3072	AWPLR + 2%	29th June 2026		826,438
Sampath Bank PLC	3980 7500 3095	AWPLR + 2%	3rd July 2026		765,118
Sampath Bank PLC	3980 7500 3096	AWPLR + 2%	3rd July 2026		1,976,123
Sampath Bank PLC	3980 7500 3097	AWPLR + 2%	3rd July 2026		3,370,191
Sampath Bank PLC	3980 7500 3151	AWPLR + 2%	24th July 2026		4,343,678
Sampath Bank PLC	3980 7500 3158	AWPLR + 2%	26th July 2026		5,029,800
Sampath Bank PLC	3980 7500 3159	AWPLR + 2%	26th July 2026		1,919,062
Sampath Bank PLC	3980 7500 3163	AWPLR + 2%	26th July 2026		5,405,958
Sampath Bank PLC	3980 7500 3164	AWPLR + 2%	26th July 2026		2,180,726
Sampath Bank PLC	3980 7500 3235	AWPLR + 2%	27th August 2026		2,920,515

NOTES TO THE FINANCIAL STATEMENTS

24 INTEREST BEARING BORROWINGS (CONTINUED)

Short term loans (Contd.)

Lending institution	Loan no	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2026 Rs.
Sampath Bank PLC	3980 7500 3322	AWPLR + 2%	5th October 2026		5,947,402
Sampath Bank PLC	3980 7500 3346	AWPLR + 2%	12th October 2026		3,085,271
Sampath Bank PLC	3980 7500 3374	AWPLR + 2%	29th October 2026		2,834,985
Sampath Bank PLC	3980 7500 3375	AWPLR + 2%	29th October 2026		10,274,360
Sampath Bank PLC	3980 7500 3449	AWPLR + 2%	20th November 2026		1,030,032
Sampath Bank PLC	3980 7500 3500	AWPLR + 2%	3rd December 2026		5,874,630
Sampath Bank PLC	3980 7500 3609	AWPLR + 2%	23rd January 2027	Stocks held at the stores at 17/F/6, Diyagama Road, Kahatuduwa, Polgasowita as at the reporting date is Rs.177,152,002/-.	13,348,115
Sampath Bank PLC	3980 7500 3610	AWPLR + 2%	23rd January 2027		54,727,829
Sampath Bank PLC	3980 7500 3639	AWPLR + 2%	27th January 2027		17,487,993
Sampath Bank PLC	3980 8000 1199	AWPLR + 2%	24th April 2026		1,519,390
Sampath Bank PLC	3980 8000 1207	AWPLR + 2%	1st May 2026		1,068,493
Sampath Bank PLC	3980 8000 1232	AWPLR + 2%	11th June 2026		2,805,578
Sampath Bank PLC	3980 8000 1276	AWPLR + 2%	3rd August 2026		8,194,139

NOTES TO THE FINANCIAL STATEMENTS

24 INTEREST BEARING BORROWINGS (CONTINUED)

Short term loans (Contd.)

Lending institution	Loan no	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2026 Rs.
Sampath Bank PLC	3980 8000 1289	AWPLR + 2%	4th September 2026	Stocks held at the stores at 17/F/6, Diyagama Road, Kahatuduwa, Polgasowita as at the reporting date is Rs.177,152,002/-.	10,079,817
Sampath Bank PLC	3980 8000 1320	AWPLR + 2%	2nd October 2026		6,087,531
Sampath Bank PLC	3980 8000 1352	AWPLR + 2%	6th November 2026		4,210,852
Sampath Bank PLC	3980 8000 1353	AWPLR + 2%	6th November 2026		3,227,100
Sampath Bank PLC	3980 8000 1357	AWPLR + 2%	7th November 2026		10,510,849
Sampath Bank PLC	3980 8000 1387	AWPLR + 2%	10th January 2027		34,357,254
NDB	1144 9020 4429	AWPLR + 1%	12th April 2026	Savings account No. 106110497507 balance as at the reporting date Rs.38,749,865/-, saving account No. 106110510821 balance as at the reporting date Rs.11,375,537/- and the personal guarantees from Mr. G. R. P. Fernando and Mr. A. A. C. D. Alwis for Rs. 1,200,000,000/-.	2,848,968
NDB	1144 9020 7983	AWPLR + 1%	25th April 2026		1,000,000
NDB	1144 9020 8866	AWPLR + 1%	30th April 2026		1,189,700
NDB	1144 9021 2545	AWPLR + 1%	15th May 2026		346,246
NDB	1144 9021 3096	AWPLR + 1%	16th May 2026		16,017,690
NDB	1144 9022 3091	AWPLR + 1%	27th June 2026		2,094,696
NDB	1144 9022 3105	AWPLR + 1%	27th June 2026		26,657

NOTES TO THE FINANCIAL STATEMENTS

24 INTEREST BEARING BORROWINGS (CONTINUED)

Short term loans (Contd.)

Lending institution	Loan no	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2026 Rs.
NDB	1144 9022 4705	AWPLR + 1%	3rd July 2026		8,051,919
NDB	1144 9022 5108	AWPLR + 1%	4th July 2026		45,659
NDB	1144 9022 5116	AWPLR + 1%	4th July 2026		1,722,048
NDB	1144 9022 5124	AWPLR + 1%	4th July 2026		928,012
NDB	1144 9022 5744	AWPLR + 1%	9th July 2026		12,944,364
NDB	1144 9022 9782	AWPLR + 1%	25th July 2026	Savings account No. 106110497507 balance as at the reporting date Rs.38,749,865/-, saving account No. 106110510821 balance as at the reporting date Rs.11,375,537/- and the personal guarantees from Mr. G. R. P. Fernando and Mr. A. A. C. D. Alwis for Rs. 1,200,000,000/-.	2,980,286
NDB	1144 9023 0063	AWPLR + 1%	26th July 2026		1,818,308
NDB	1144 9023 0071	AWPLR + 1%	26th July 2026		3,163,469
NDB	1144 9023 1493	AWPLR + 1%	1st August 2026		16,148,727
NDB	1144 9023 3607	AWPLR + 1%	10th August 2026		1,794,726
NDB	1144 9023 4727	AWPLR + 1%	15th August 2026		3,834,267
NDB	1144 9023 7637	AWPLR + 1%	28th August 2026		2,156,104
NDB	1144 9024 5532	AWPLR + 1%	25th September 2026		20,693,333

NOTES TO THE FINANCIAL STATEMENTS

24 INTEREST BEARING BORROWINGS (CONTINUED)

Short term loans (Contd.)

Lending institution	Loan no	Rate of interest (p.a.)	Repayment & loan expiry	Security	Amount outstanding as at 31.03.2026 Rs.
NDB	1144 9024 7934	AWPLR + 1%	3rd October 2026	Savings account No. 106110497507 balance as at the reporting date Rs.38,749,865/-, saving account No. 106110510821 balance as at the reporting date Rs.11,375,537/- and the personal guarantees from Mr. G. R. P. Fernando and Mr. A. A. C. D. Alwis for Rs. 1,200,000,000/-.	21,523,011
NDB	1144 9024 9961	AWPLR + 1%	11th October 2026		18,107,469
NDB	1144 9025 0374	AWPLR + 1%	15th October 2026		2,360,911
NDB	1144 9025 2318	AWPLR + 1%	19th October 2026		2,797,687
NDB	1144 9025 4768	AWPLR + 1%	29th October 2026		5,825,930
NDB	1144 9025 4779	AWPLR + 1%	29th October 2026		1,926,807
NDB	1144 9026 4537	AWPLR + 1%	3rd December 2026		40,184,978
NDB	1144 9026 4561	AWPLR + 1%	3rd December 2026		12,713,533
NDB	1144 9026 4577	AWPLR + 1%	3rd December 2026		6,491,363
NDB	1144 9026 5533	AWPLR + 1%	6th December 2026		30,499,918
NDB	1144 9027 2197	AWPLR + 1%	4th January 2027		25,030,054
NDB	1145 6015 9318	AWPLR + 1%	24th December 2026		31,672,144
HNB	0220 4014 7040	AWPLR + 0.25%	17th January 2027	A monthly cash build-up of Rs. 750,000/- to be commenced to a separate account and held under lien.	35,224,795

For the year ended 31st March		Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
25	**LEASE LIABILITIES**				
	Balance at the beginning of the year	23,136,448	36,756,648	20,542,672	33,567,606
	Add : Leases acquired during the year	8,250,000	8,050,000	8,250,000	8,050,000
	Add : Interest expense for the year	2,670,110	4,097,604	2,352,115	3,639,075
	Less : Repayments made during the year	(17,479,316)	(25,725,954)	(16,577,200)	(24,714,009)
	Add : Adjustment for foreign exchange loss	141,632	(41,850)	-	-
	Net liability at the end of the year	16,718,874	23,136,448	14,567,587	20,542,672
	Payable within one year	5,335,726	13,575,709	4,455,112	12,931,312
	Payable between one year and five years	11,383,148	9,560,739	10,112,475	7,611,360
		16,718,874	23,136,448	14,567,587	20,542,672

Lease liabilities

Lending institution	Lease no	Date of lease obtained	Period of the lease	Amount outstanding as at 31.03.2026
				Rs.
LB Finance	LF2205DWC62721	19.05.2022	04 years	186,169
LB Finance	VL2506DWC39419	01.05.2025	04 years	3,478,109
LB Finance	VL2506DWC39562	01.06.2025	04 years	3,478,109
Sampath Bank PLC	3980 4800 0015	07.03.2024	04 years	1,764,950
Sampath Bank PLC	3980 4800 0019	06.04.2024	04 years	5,660,250

NOTES TO THE FINANCIAL STATEMENTS

		Group		Company	
	For the year ended 31st March	2026	2025	2026	2026
		Rs.	Rs.	Rs.	Rs.
26	**TRADE AND OTHER PAYABLES**				
	Trade payables	139,107,938	19,163,195	138,721,541	18,758,256
	Contract liabilities (Note 26.1)	489,746,818	373,471,053	489,746,818	373,471,053
	Retention	18,526,652	11,194,434	18,526,652	11,194,434
	Other payables				
	A.P.I.T. payable	1,273,695	1,144,776	1,273,695	1,144,776
	E.P.F. & E.T.F payables	3,607,961	3,178,933	3,607,961	3,178,933
	Other payables	419,438	419,438	419,438	419,438
	Petty cash reimbursement payable	811,545	-	-	-
	Rent	1,702,964	1,687,406	-	-
	Salaries	35,434,158	27,807,102	33,547,471	27,807,102
	Social insurance	780,033	292,214	-	-
	Stamp duty payable	31,075	28,425	31,075	28,425
	Unclaimed salary	3,612,378	171,989	3,612,378	171,989
	V.A.T.	26,422,971	47,866,477	25,693,690	47,508,476
	W.H.T. payable	68,095	28,737	68,095	28,737
		74,164,313	82,625,497	68,253,803	80,287,876
	Accruals				
	Auditors' remuneration	781,000	710,000	781,000	710,000
	Electricity and water	174,215	235,556	174,215	235,556
	Social security contribution levy	6,751,362	9,057,020	6,751,362	9,057,020
	Telephone	364,048	408,764	364,048	408,764
		8,070,625	10,411,340	8,070,625	10,411,340
		729,616,346	496,865,519	723,319,439	494,122,959
26.1	**Contract liabilities**				
	Balance at the beginning of the year	373,471,053	114,602,226	373,471,053	114,602,226
	Add : Advance received during the year	439,101,827	478,896,330	439,101,827	478,896,330
	Less : Revenue recognized during the year	(322,826,062)	(220,027,503)	(322,826,062)	(220,027,503)
	Balance at the end of the year	489,746,818	373,471,053	489,746,818	373,471,053

NOTES TO THE FINANCIAL STATEMENTS

	For the year ended 31st March	Group 2026 Rs.	Group 2025 Rs.	Company 2026 Rs.	Company 2025 Rs.
27	**INCOME TAX RECEIVABLE**				
	Balance at the beginning of the year	(4,015,218)	27,253,401	(4,015,218)	27,253,401
	Add :				
	Income tax provision for the year	-	-	-	-
	Provision for the tax assessments - 2021/22	856,210	-	856,210	-
		(3,159,008)	27,253,401	(3,159,008)	27,253,401
	Less :				
	Payments made during the year				
	- Income tax	-	29,186,595	-	29,186,595
	- Withholding tax	3,506,663	2,082,024	3,506,663	2,082,024
	- Tax assessments - 2021/22	856,210	-	856,210	-
		4,362,873	31,268,619	4,362,873	31,268,619
	Balance at the end of the year	(7,521,881)	(4,015,218)	(7,521,881)	(4,015,218)

NOTES TO THE FINANCIAL STATEMENTS

28 FAIR VALUES OF FINANCIAL INSTRUMENTS AND ITS CLASSIFICATION

28.1 Group

The following table shows the categories of the financial assets and financial liabilities under SLFRS 9 including their levels in the fair value hierarchy of the Group. Except the unit trust investments, carrying values of other financial assets and liabilities are a reasonable approximate of fair values.

		Financial assets and liabilities by categories in accordance with SLFRS 09				Fair values			
	NOTES	AC	FVTOCI	FVTPL	Total	Level 01	Level 02	Level 03	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2026									
Non - current financial assets									
Other financial assets	18								
- Treasury bonds		106,893,650	-	-	106,893,650	-	-	-	-
		106,893,650	-	-	106,893,650	-	-	-	-
Current financial assets									
Other financial assets	18								
- Fixed deposits		366,336,422	-	-	366,336,422	-	-	-	-
- Treasury bonds		142,838,304	-	-	142,838,304	-	-	-	-
- Staff loans & advances		1,011,790	-	-	1,011,790	-	-	-	-
- Investment in unit trust		-	111,169,423	-	111,169,423	-	111,169,423	-	111,169,423
Trade and other receivables	19	1,008,631,281	-	-	1,008,631,281	-	-	-	-
Cash and cash equivalents	21	82,098,054	-	-	82,098,054	-	-	-	-
		1,600,915,851	111,169,423	-	1,712,085,274	-	111,169,423	-	111,169,423
Non - current financial liabilities									
Interest bearing borrowings	24	25,455,358	-	-	25,455,358	-	-	-	-
Lease liabilities	25	11,383,148	-	-	11,383,148	-	-	-	-
		36,838,506	-	-	36,838,506	-	-	-	-
Current financial liabilities									
Interest bearing borrowings	24	566,601,488	-	-	566,601,488	-	-	-	-
Lease liabilities	25	5,335,726	-	-	5,335,726	-	-	-	-
Bank overdrafts	21	412,183,040	-	-	412,183,040	-	-	-	-
		984,120,254	-	-	984,120,254	-	-	-	-
Balance as at 31.03.2025									
Non - current financial assets									
Other financial assets	18								
- Treasury bonds		226,485,612	-	-	226,485,612	-	-	-	-
		226,485,612	-	-	226,485,612	-	-	-	-
Current financial assets									
Other financial assets	18								
- Fixed deposits		276,996,439	-	-	276,996,439	-	-	-	-
- Treasury bonds		11,623,171	-	-	11,623,171	-	-	-	-
- Staff loans & advances		586,446	-	-	586,446	-	-	-	-
- Investment in unit trust		-	167,546,530	-	167,546,530	-	167,546,530	-	167,546,530
Trade and other receivables	19	751,825,066	-	-	751,825,066	-	-	-	-
Cash and cash equivalents	21	155,103,546	-	-	155,103,546	-	-	-	-
		1,196,134,668	167,546,530	-	1,363,681,198	-	167,546,530	-	167,546,530
Non - current financial liabilities									
Interest bearing borrowings	24	27,128,000	-	-	27,128,000	-	-	-	-
Lease liabilities	25	9,560,739	-	-	9,560,739	-	-	-	-
		36,688,739	-	-	36,688,739	-	-	-	-
Current financial liabilities									
Interest bearing borrowings	24	83,043,533	-	-	83,043,533	-	-	-	-
Lease liabilities	25	13,575,709	-	-	13,575,709	-	-	-	-
Bank overdrafts	21	215,611,636	-	-	215,611,636	-	-	-	-
		312,230,878	-	-	312,230,878	-	-	-	-

28 FAIR VALUES OF FINANCIAL INSTRUMENTS AND ITS CLASSIFICATION (CONTINUED)

28.2 Company

The following table shows the categories of the financial assets and financial liabilities under SLFRS 9 including their levels in the fair value hierarchy of the Company.

		Financial assets and liabilities by categories in accordance with SLFRS 09				Fair values			
	NOTES	AC	FVTOCI	FVTPL	Total	Level 01	Level 02	Level 03	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2026									
Non - current financial assets									
Other financial assets	18								
- Treasury bonds		106,893,650	-	-	106,893,650	-	-	-	-
		106,893,650	-	-	106,893,650	-	-	-	-
Current financial assets									
Other financial assets	18								
- Fixed deposits		366,336,422	-	-	366,336,422	-	-	-	-
- Treasury bonds		142,838,304	-	-	142,838,304	-	-	-	-
- Staff loans & advances		1,011,790	-	-	1,011,790	-	-	-	-
- Investment in unit trust		-	111,169,423	-	111,169,423	-	111,169,423	-	111,169,423
Trade and other receivables	19	990,999,171	-	-	990,999,171	-	-	-	-
Cash and cash equivalents	21	81,644,794	-	-	81,644,794	-	-	-	-
		1,582,830,481	111,169,423	-	1,693,999,904	-	111,169,423	-	111,169,423
Non – current financial liabilities									
Interest bearing borrowings	24	25,455,358	-	-	25,455,358	-	-	-	-
Lease liabilities	25	10,112,475	-	-	10,112,475	-	-	-	-
		35,567,833	-	-	35,567,833	-	-	-	-
Current financial liabilities									
Interest bearing borrowings	24	566,601,488	-	-	566,601,488	-	-	-	-
Lease liabilities	25	4,455,112	-	-	4,455,112	-	-	-	-
Bank overdrafts	21	412,183,040	-	-	412,183,040	-	-	-	-
		983,239,640	-	-	983,239,640	-	-	-	-
Balance as at 31.03.2025									
Non - current financial assets									
Other financial assets	18								
- Treasury bonds		226,485,612	-	-	226,485,612	-	-	-	-
		226,485,612	-	-	226,485,612	-	-	-	-
Current financial assets									
Other financial assets	18								
- Fixed deposits		276,996,439	-	-	276,996,439	-	-	-	-
- Treasury bonds		11,623,171	-	-	11,623,171	-	-	-	-
- Staff loans & advances		586,446	-	-	586,446	-	-	-	-
- Investment in unit trust		-	167,546,530	-	167,546,530	-	167,546,530	-	167,546,530
Trade and other receivables	19	740,230,913	-	-	740,230,913	-	-	-	-
Cash and cash equivalents	21	151,246,142	-	-	151,246,142	-	-	-	-
		1,180,683,111	167,546,530	-	1,348,229,641	-	167,546,530	-	167,546,530
Non - current financial liabilities									
Interest bearing borrowings	24	27,128,000	-	-	27,128,000	-	-	-	-
Lease liabilities	25	7,611,360	-	-	7,611,360	-	-	-	-
		34,739,360	-	-	34,739,360	-	-	-	-
Current financial liabilities									
Interest bearing borrowings	24	83,043,533	-	-	83,043,533	-	-	-	-
Lease liabilities	25	12,931,312	-	-	12,931,312	-	-	-	-
Bank overdrafts	21	215,611,636	-	-	215,611,636	-	-	-	-
		311,586,481	-	-	311,586,481	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

29 RELATED PARTY TRANSACTIONS

The Group carried out transactions in the ordinary course of its business on an arm's length basis with parties who are defined in Sri Lanka Financial Reporting Standards LKAS 24 (Related Party Transactions). The details of which are given below.

29.1 Transactions with related parties

The amounts composites with the inter-company current account balances between the affiliated companies ;

	Relationship	2026 Rs.	2025 Rs.
Amounts due from related parties			
Luminex Bookshops (Pvt) Ltd.	Affiliate	1,874,077	10,453,279
Luminex International LLC	Subsidiary	90,675,735	46,487,539
Transactions with related entities			
Luminex Bookshops (Pvt) Ltd.			
Amounts paid on behalf of affiliate companies		2,434,488	1,148,538
Fund transfers (Outflows)		(19,607,360)	(5,689,727)
Rent income to be paid		13,462,646	12,882,853
Luminex International LLC			
Amounts paid on behalf of affiliate companies		21,773,431	20,353,195
Fund transfers (Inflows)		19,722,000	23,764,059

Outstanding current account balances at the year end are unsecured, interest free and settlements occur in cash.

29.2 Nature of relationship

Directorship in related Companies

Name of the Director	Luminex Bookshops (Pvt) Ltd.	Luminex Power Projects (Pvt) Ltd.	Luminex International LLC
Mr. G. R. P. Fernando	x	x	-
Mr. A. A. C. De Alwis	x	x	-
Mr. I. B. Lionel	-	-	-
Mr. U. R. Lekamge	-	-	-
Mr. H. M. D. P. Herath	-	-	-
Mr. S. M. S. S. Bandara	-	-	-
Mr. B. P. S. Swaris	-	-	-

Directors' shareholding in related Companies

Name of the Director	Luminex Bookshops (Pvt) Ltd.	Luminex Power Projects (Pvt) Ltd.	Luminex International LLC
Mr. G. R. P. Fernando	x	x	-
Mr. A. A. C. De Alwis	x	x	-
Mr. I. B. Lionel	-	-	-
Mr. U. R. Lekamge	-	-	-
Mr. H. M. D. P. Herath	-	-	-
Mr. S. M. S. S. Bandara	-	-	-
Mr. B. P. S. Swaris	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

29 RELATED PARTY TRANSACTIONS (CONTINUED)

29.3 Transactions with key management personnel

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

Close Family Members (CFM) of the KMP are those family members who may be expected to influence, or be influenced by, that KMPs in their dealing with the entity. They may include :

(a) The KMP's domestic partner and children;
(b) Children of the KMP's domestic partner ; and
(c) Dependents of the KMP or the KMP's domestic partner

CFM are related parties to the entity. There were no material transactions with CFM during the year.

A. Directors' loans
Loans have not granted by the Directors during the year.

B. Compensation of Key Management Personnel of the Group

For the year ended	2026 Rs.	2025 Rs.
Short term employee benefits		
- Executive Directors	18,864,000	16,944,000
- Non-Executive Directors	4,500,000	4,500,000
Interest on directors loan	-	-
Total compensation paid to Key Management Personnel	23,364,000	21,444,000

* Under the year 2026 and 2025, benefits of executive Directors and the Director fee of non-executive Directors were included.

Amounts due from Key Management Personnel	Relationship	2026 Rs.	2025 Rs.
Ms. Watfa Mohammed Abdullah Al Breiki	Oman partner	24,509,582	23,065,840

30 CAPITAL COMMITMENTS AND CONTINGENCIES

30.1 Details of bank guarantees

Bank guarantees issued by the banks on behalf of the company are as follows.

	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Bank				
Sampath Bank PLC.	581,793,987	547,543,824	581,793,987	547,543,824
Hatton National Bank PLC.	405,449,131	280,925,429	405,449,131	280,925,429
Nation Development Bank PLC.	204,932,321	162,244,507	204,932,321	162,244,507
	1,192,175,439	990,713,760	1,192,175,439	990,713,760

NOTES TO THE FINANCIAL STATEMENTS

30 CAPITAL COMMITMENTS AND CONTINGENCIES (CONTINUED)

Lending institution	Security
Sampath Bank PLC.	Personal guarantees from the Directors of the company for Rs. 975,000,000/- and saving account no.1031 1374 0755 balance as at the reporting date was Rs. 9,403,345/-
National Development Bank PLC.	Personal guarantees from the Directors of the company for Rs. 1,200,000,000/- and lien over saving account balances as at the reporting date.

A/c no. 1061 1049 7507	Rs. 38,749,865/-
A/c no. 1061 1051 0821	Rs. 11,375,537/-
A/c no. 1065 9000 6222	USD 42,686.50

30.2 Capital expenditure / Operational commitments

The Group does not have any significant capital or operational commitments as at the reporting date.

30.3 Contingent liabilities

There were no material contingent liabilities outstanding as at the reporting date that required adjustment to or disclosure in the financial statements, other than those disclosed below

The Company has received assessments from the Inland Revenue Department (IRD) in respect of Value Added Tax (VAT) and income tax for specific tax periods. The contingent liabilities associated with these assessments as at the reporting date are as follows:

Assessment for	Received date	Taxable period	Reason for making assessment	Contingent liability as at 31.03.2026 (Approximately) Rs.
VAT	03.10.2025	01.07.2022 - 30.09.2022	Tax payments made for 1/7/2022 - 30/9/2022 taxble period is not in accordance with section 26 of the VAT Act, No.14 of 2002.	2,860,642
Income tax	19.01.2026	2009/10	Tax in default amounting Rs. 6,219,162.17.	3,328,738

No provision has been recognised in respect of these tax assessments in the financial statements.

31 EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events occurring after the reporting date as at 31st March 2026, that require adjustments to or disclosure in the financial statements.

32 ASSETS PLEDGED AS SECURITIES

The loans of the Company have been secured against the mortgage of the under mentioned assets of the Company and other securities offered as per details given below.

Assets pledges as securities under long term loans and short term loans are disclosed in Note 24.

Bank overdrafts

Lending institution	Security
Sampath Bank PLC.	Fixed deposits totaling to Rs. 326,143,031/- and USD 100,000 as at the reporting date.
National Development Bank PLC.	Securities which have been disclosed under Note 24.
Hatton National Bank PLC.	Securities which have been disclosed under Note 24.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Introduction and overview

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

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

Risk management framework

The Board of Directors has the overall responsibilities for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyses the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with their risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

33.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's investments and deposits with banks.

The Group is exposed to credit risk from its investing and financing activities, including deposits with banks and other financial assets.

Management of credit risk includes the following components

The Group does an extensive and continuous evaluation of credit worthiness of its customers / financial institutions by assessing external credit ratings (if available) or historical information about default rates and change the credit limits and payment terms where necessary.

Impairment of financial assets

The Group has a well-established credit control policy & process to minimize credit risk. Group has established policies & procedures to ensure that the Group held cash and cash equivalents of Rs. 82.09 Mn at 31st March 2026 (2025 - Rs. 155.10 Mn), which represents its maximum credit exposure on these assets.

The cash and cash equivalents are held with banks, which are rated A (lka), based on fitch ratings.

Corporate guarantee

The Group has obtained an overdraft facility for the working capital requirement of the Group and secured by a term deposit and long-term loan facility.

Exposure to credit risk

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

	Group		Company	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.	Rs.	Rs.
Financial assets at amortized cost	728,249,589	683,238,198	728,249,589	683,238,198
Cash and cash equivalents	(330,084,986)	(60,508,090)	(330,538,246)	(64,365,494)

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.1 Credit risk (contd.)

Exposure to credit risk (Contd.)

Trade and other receivables

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

However, management also considers the default risk of the industry in which customers operate, as this factor may have an influence on credit risk. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available and in some cases bank references.

The Group has obtained customer advances before executing the assignment and from major customers by reviewing their past performance and creditworthiness. In addition, receivable balances are monitored on an ongoing basis with the result that Group's exposure to bad debts is not significant. Further if there is a risk to recover the outstanding balance from the respective customers making the provision appropriately.

The overall credit rating of Sri Lanka Telecom is AA- (lka) and Dialog Axiata credit rating is AAA (lka) as per the classification of Fitch Ratings.

Receivable balances are continuously monitored to minimize the risk of bad debts and to maintain very low default rates. Improved economic conditions during the financial year contributed to stronger collections. Macroeconomic uncertainties—such as elevated inflation, rising interest rates, and potential pressure on consumer discretionary spending—may pose challenges in the forthcoming financial year.

The majority of customers consist of government-related institutions, major telecommunications companies in Sri Lanka, and international donors such as the World Bank. Historically, there have been no instances of default among these key debtors. The Company continue to adopt prudent financial practices by making adequate provisions for bad debts in each financial cycle.

	Group		Company	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.	Rs.	Rs.
Carrying amount				
Trade receivable	506,329,203	541,945,012	488,963,590	533,009,102
Other receivables	502,302,078	209,880,054	502,035,581	207,221,811
Total trade and other receivables	1,008,631,281	751,825,066	990,999,171	740,230,913

The Group applies the simplified approach under SLFRS 9 for trade receivables and measures loss allowances at an amount equal to lifetime expected credit losses (ECL). The ECL calculation reflects probability-weighted outcomes, the time value of money, and reasonable and supportable forward-looking information available at the reporting date.

The estimation of ECL involves significant judgement, including the relationship between historical default rates, current conditions, and forecast economic variables. Actual credit losses may differ from estimates.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.1 Credit risk (contd.)

Exposure to credit risk (Contd.)

Trade and other receivables (Contd.)

As at 31st March, the aging analysis of trade receivables and provision for impairment were as follows for the Group.

Group

	2026			2025		
	Gross carrying amount	Provision for impairment (According to SLFRS 9)	Weighted average loss rate	Gross carrying amount	Provision for impairment (According to SLFRS 9)	Weighted average loss rate
Current	42,247,623	-	0%	111,465,019	-	0%
< 30 days	249,443,992	-	0%	296,997,570	-	0%
30–60 days	77,101,289	-	0%	60,001,965	-	0%
61–90 days	32,941,797	-	0%	25,461,938	-	0%
> 90 days	106,599,205	2,004,703	1.88%	58,394,294	10,375,774	17.77%
Total	508,333,906	2,004,703	0.39%	552,320,786	10,375,774	1.88%

As at 31st March, the aging analysis of trade receivables and provision for impairment were as follows for the Company.

Company

	2026			2025		
	Gross carrying amount	Provision for impairment (According to SLFRS 9)	Weighted average loss rate	Gross carrying amount	Provision for impairment (According to SLFRS 9)	Weighted average loss rate
Current	42,247,623	-	0%	111,465,019	-	0%
< 30 days	246,141,475	-	0%	296,997,570	-	0%
30–60 days	77,101,289	-	0%	60,001,965	-	0%
61–90 days	29,544,813	-	0%	25,461,938	-	0%
> 90 days	95,933,093	2,004,703	2.09%	49,458,384	10,375,774	20.98%
Total	490,968,293	2,004,703	0.41%	543,384,876	10,375,774	1.91%

Cash and cash equivalents and other financial assets

The cash and cash equivalents are held with banks and financial institutions which are rated above A (lka).

The allowance accounts in respect of cash at bank and financial institutions, and financial assets at FVTPL and other financial assets, are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible.

At that point, the amounts are considered irrecoverable and are written off against the financial assets directly.

33.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

The Group manages the liquidity risk by carrying out cash flow forecasts and identifying future cash needs. Investments are planned ensuring money is available for settlements. Adequate banking facilities are approved and kept for use as and when necessary. Strong relationships have been built with banks to ensure that urgent borrowing needs are met at short notice.

The table below summaries the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted (principle plus interest) payments.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.2 Liquidity risk (Contd.)

Management of liquidity risk (Contd.)

Group	Carrying Amount	Less than 3 Months	3 -12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2026					
Non - derivative financial liabilities					
Trade and other payables	729,616,346	189,390,974	540,225,372	-	-
Bank overdraft	412,183,040	412,183,040	-	-	-
Loans and borrowings	592,056,846	245,606,137	320,793,330	21,476,735	4,180,644
Lease liabilities	16,718,874	1,472,466	3,863,513	11,382,895	-
	1,750,575,106	848,652,617	864,882,215	32,859,630	4,180,644

Company	Carrying Amount	Less than 3 Months	3 -12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2026					
Non - derivative financial liabilities					
Trade and other payables	723,319,439	92,008,966	631,310,473	-	-
Bank overdraft	412,183,040	412,183,040	-	-	-
Loans and borrowings	592,056,846	245,606,137	320,793,330	21,476,735	4,180,644
Lease liabilities	14,567,587	1,203,818	3,251,278	10,112,491	-
	1,742,126,912	751,001,961	955,355,081	31,589,226	4,180,644

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.2 Liquidity risk (Contd.)

Management of liquidity risk (Contd.)

Group	Carrying Amount	Less than 3 Months	3 -12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2025					
Non - derivative financial liabilities					
Trade and other payables	496,865,519	16,245,407	480,620,112	-	-
Bank overdraft	215,611,636	215,611,636	-	-	-
Loans and borrowings	110,171,533	48,454,900	42,112,633	19,416,000	188,000
Lease liabilities	23,136,448	3,232,827	12,292,253	7,611,368	-
	845,785,136	283,544,770	535,024,998	27,027,368	188,000

Company	Carrying Amount	Less than 3 Months	3 -12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.03.2025					
Non - derivative financial liabilities					
Trade and other payables	494,122,959	16,245,407	477,877,552	-	-
Bank overdraft	215,611,636	215,611,636	-	-	-
Loans and borrowings	110,171,533	48,454,900	42,112,633	19,416,000	188,000
Lease liabilities	20,542,672	3,232,827	9,698,477	7,611,368	-
	840,448,800	283,544,770	529,688,662	27,027,368	188,000

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises three types of risks;

- Foreign exchange risk
- Interest rate risk
- Equity price risk

33.3.1 Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on investments in balances denominated in US Dollars (USD).

The exposure to currency risk as at the reporting date is as follows:

Group	USD	Omani Rial (OMR)
As at 31st March 2026		
Bank balances	42,775	554
Fixed deposit balances	100,000	-
As at 31st March 2025		
Bank balances	256,628	1,885

Company	USD	Omani Rial (OMR)
As at 31st March 2026		
Bank balances	42,775	-
Fixed deposit balances	100,000	-
As at 31st March 2025		
Bank balances	256,628	-

Sri Lankan Rupee has been depreciated significantly due to changes of exchange rate policy to free float status by the Central Bank of Sri Lanka (CBSL).

The following significant exchange rates were applicable during the year 2025/2026 & 2024/2025.

	Year end spot rate 2026	Year end spot rate 2025
USD	315.5392	296.3238
OMR	818.7326	770.5051

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.3 Market risk (Contd.)

33.3.1 Foreign exchange risk (Contd.)

Sensitivity analysis

The following table demonstrates the sensitivity of Group's profits to a reasonable possible change in the US Dollar (USD) exchange rate with all other variables held constant. The impact on the profit before tax due to change in the fair value of monetary assets and liabilities denominated in foreign currency is as follows:

Group	Increase / decrease in exchange rate	Effect on (loss) / profit before tax
		Rs.
2026		
US Dollar (USD)	25%	11,262,810
	-25%	(11,262,810)
Omani Rial (OMR)	25%	113,315
	-25%	(113,315)
2025		
US Dollar (USD)	25%	19,011,258
	-25%	(19,011,258)
Omani Rial (OMR)	25%	363,101
	-25%	(363,101)

Company	Increase / decrease in exchange rate	Effect on (loss) / profit before tax
		Rs.
2026		
US Dollar (USD)	25%	11,262,810
	-25%	(11,262,810)
2025		
US Dollar (USD)	25%	19,011,258
	-25%	(19,011,258)

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.3 Market risk (Contd.)

33.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of change in market interest rates relates primarily to the Group's short term and long-term debt obligations with floating interest rates.

The Group manage its working capital requirement through short term borrowings and excess money investing in financial institutions ensuring the best gains to the Group.

Group	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.
Fixed rate instruments		
Financial assets		
Financial assets at amortized cost	728,249,589	683,238,198
Financial liabilities		
Lease creditors	(16,718,874)	(23,136,448)
	711,530,715	660,101,750
Variable rate instruments		
Financial assets		
Bank balances	82,098,054	155,103,546
Financial liabilities		
Loans and borrowings	(592,056,846)	(110,171,533)
Bank overdrafts	(412,183,040)	(215,611,636)
	(922,141,832)	(170,679,623)
	(840,043,778)	(15,576,077)

Company	As at 31.03.2026	As at 31.03.2025
	Rs.	Rs.
Fixed rate instruments		
Financial assets		
Financial assets at amortized cost	728,249,589	683,238,198
Financial liabilities		
Lease creditors	(14,567,587)	(20,542,672)
	713,682,002	662,695,526
Variable rate instruments		
Financial assets		
Bank balances	81,644,794	151,246,142
Financial liabilities		
Loans and borrowings	(592,056,846)	(110,171,533)
Bank overdrafts	(412,183,040)	(215,611,636)
	(922,595,092)	(174,537,027)
	(840,950,298)	(23,290,885)

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.3 Market risk (Contd.)

33.3.2 Interest rate risk (Contd.)

The following table demonstrates the sensitivity to a reasonable possible change in variable interest;

Group	Profit or loss		Equity	
	For the year ended 31.03.2026	For the year ended 31.03.2025	For the year ended 31.03.2026	For the year ended 31.03.2025
	Rs.	Rs.	Rs.	Rs.
5% Increase	(3,371,768)	(6,898,503)	(3,371,768)	(6,898,503)
5% Decrease	3,371,768	6,898,503	3,371,768	6,898,503

Company	Profit or loss		Equity	
	For the year ended 31.03.2026	For the year ended 31.03.2025	For the year ended 31.03.2026	For the year ended 31.03.2025
	Rs.	Rs.	Rs.	Rs.
5% Increase	(3,355,868)	(6,875,577)	(3,355,868)	(6,875,577)
5% Decrease	3,355,868	6,875,577	3,355,868	6,875,577

33.3.3 Equity price risk

Listed equity securities are susceptible to equity price risk arising from uncertainties of future values of the investment securities. The Group manages the equity price risk through diversification of its portfolio to different business segments and different geographical locations.

33.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Group's operations.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management within the Group. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Risk mitigation, including insurance when this is effective.
- Requirements for the reporting of operational losses and proposed remedial action.
- Training and professional development.
- Ethical and business standards.
- Diversification of business activities.

NOTES TO THE FINANCIAL STATEMENTS

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

33.4 Operational risk (Contd.)

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of stated capital and reserves of the Group. The Board of Directors monitors the return on capital, which the Group defines as a result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may issue new shares, have a rights issue or buy back of shares.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows.

	Group		Company	
	As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Debt to equity ratio	34%	7%	31%	7%

34 RECLASSIFICATION

a. Direct salaries which were previously classified under administration expenses in the prior year, have been reclassified under cost of sales.

	Group		
	Amount before reclassification	Reclassification	Amount after reclassification
	Rs.	Rs.	Rs.
Administration expenses			
Salaries and wages	173,032,105	(19,564,526)	153,467,579
	173,032,105	(19,564,526)	153,467,579
Cost of sales			
Wages, incentives and overtime	164,171,508	19,564,526	183,736,034
	164,171,508	19,564,526	183,736,034

34 RECLASSIFICATION (CONTINUED)

b. EPF and ETF expenses related to staff salaries, which were previously classified under cost of sales in the prior year, have been reclassified under administrative expenses.

	Company		
	Amount before reclassification	Reclassification	Amount after reclassification
	Rs.	Rs.	Rs.
Cost of sales			
E.P.F. and E.T.F.	19,618,556	(14,255,835)	5,362,721
	19,618,556	(14,255,835)	5,362,721
Administration expenses			
E.P.F.	5,927,923	11,404,664	17,332,587
E.T.F.	1,481,981	2,851,171	4,333,152
	7,409,904	14,255,835	21,665,739

c. Following bank balances pertaining to current accounts, which were previously classified under savings accounts in the prior year, have been reclassified under current accounts.

	Company		
	Amount before reclassification	Reclassification	Amount after reclassification
	Rs.	Rs.	Rs.
Savings accounts			
DFCC Bank PLC. - A/c no. 1010 0003 6251	115,317	(115,317)	-
National Development Bank PLC. - A/c no. 1010 0101 8389	61,274	(61,274)	-
	176,591	(176,591)	-
Current accounts			
DFCC Bank PLC. - A/c no. 1010 0003 6251	-	115,317	115,317
National Development Bank PLC. - A/c no. 1010 0101 8389	-	61,274	61,274
	-	176,591	176,591

NOTES TO THE FINANCIAL STATEMENTS

34 RECLASSIFICATION (CONTINUED)

d. Cash advances, which were previously classified under petty cash in the prior year, have been reclassified under other receivables.

	Company		
	Amount before reclassification	Reclassification	Amount after reclassification
	Rs.	Rs.	Rs.
Cash and cash equivalents			
Petty cash	30,513,964	(28,435,965)	2,077,999
	30,513,964	(28,435,965)	2,077,999
Other receivables			
Cash advances	-	28,435,965	28,435,965
	-	28,435,965	28,435,965

The above-mentioned reclassifications do not have any impact on the financial statements.

Supplementary Information

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PAST FIVE YEAR SUMMARY

LUMINEX PLC	2026	2025	2024	2023	2022
Year ended 31st March, - Company results	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	2,042,020,907	1,677,848,911	2,508,766,447	3,045,264,832	3,121,311,743
(Loss)/profit before taxation	(30,104,968)	(129,763,020)	146,150,171	182,530,660	558,473,352
Income tax reversal / (expense)	46,765,464	(727,148)	(52,836,289)	(52,852,814)	(114,226,668)
Profit / (loss) after taxation	16,660,496	(130,490,168)	93,313,882	129,677,846	444,246,684
STATEMENT OF FINANCIAL POSITION					
Assets					
Property, plant & equipment	207,213,004	144,770,897	161,255,111	193,404,469	221,381,046
Capital work-in-progress	66,365,662	-	-	-	1,056,400
Right-of-use assets	36,462,772	46,215,007	56,442,199	84,400,640	139,094,535
Investment property	47,805,495	49,934,234	52,062,973	51,481,439	51,339,619
Intangible assets	335,431	489,084	693,245	946,243	2,202,606
Investment in subsidiary	100,438,800	100,438,800	100,438,800	100,438,800	-
Trade & other receivables	-	-	-	56,633,026	-
Other non-current financial assets	106,893,650	226,485,612	647,550,806	763,323,793	
Deferred tax assets	59,227,857	8,862,552	5,494,300	-	-
	624,742,631	577,196,186	1,023,937,434	1,250,628,410	415,074,206
Current assets	3,118,789,938	2,249,726,028	2,459,207,661	2,586,945,236	3,178,566,248
Total assets	3,743,532,569	2,826,922,214	3,483,145,095	3,837,573,646	3,593,640,454
EQUITY AND LIABILITIES					
Stated capital	450,000,000	450,000,000	450,000,000	450,000,000	200,000,000
Revenue reserves	1,481,532,880	1,471,274,188	1,679,132,790	1,660,803,938	1,642,579,922
Total equity attributable to equity holder of the parent	1,931,532,880	1,921,274,188	2,129,132,790	2,110,803,938	1,842,579,922
Current liabilities	1,706,559,079	805,709,440	1,110,551,905	1,096,687,721	1,599,640,900
Non current liabilities	105,440,610	99,938,586	243,460,400	630,081,987	151,419,632
Total equity and liabilities	3,743,532,569	2,826,922,214	3,483,145,095	3,837,573,646	3,593,640,454
Ratios and statistics					
Return on capital employed (Times)	(0.02)	(0.09)	0.01	0.10	0.31
Return on shareholders' funds (%)	0.86	(6.79)	4.38	6.14	24.11
Current ratio (Times)	1.83	2.79	2.21	2.36	1.99
Quick assets ratio (Times)	1.33	1.75	1.27	1.40	1.12
Debt / equity ratio (%)	93.81	47.14	63.59	81.81	95.03
Equity to total assets (%)	51.60	67.96	61.13	55.00	51.27
Dividend pay out ratio (Times)	0.00	0.00	0.74	0.63	0.15
Net assets per share (Rs.)	7.12	7.08	7.85	7.78	7.68
Dividend per share	-	-	0.25	0.25	0.40
Number of shares	271,250,000	271,250,000	271,250,000	271,250,000	240,000,000

SHAREHOLDERS INFORMATION

Twenty Largest Shareholders of the Company are as follows;

	2026			2025		
	Name of the Shareholder	Number of Shares	%	Name of the Shareholder	Number of Shares	%
1	MR. G.R.P. FERNANDO	120,900,000	44.57%	MR. G.R.P. FERNANDO	120,900,000	44.57%
2	MR. A.A.C. DE ALWIS	57,750,000	21.29%	MR. A.A.C. DE ALWIS	57,750,000	21.29%
3	MRS. D.H.S. RAMANAYAKA	25,870,626	9.53%	MRS. D.H.S. RAMANAYAKA	55,884,000	20.60%
4	MR. G.V.M.C. FERNANDO	11,997,200	4.42%	MR. G.V.M.C. FERNANDO	11,997,200	4.42%
5	MISS. G.V.M.B.R. FERNANDO	7,875,000	2.90%	MISS. G.V.M.B.R. FERNANDO	7,875,000	2.90%
6	MRS. A.H.D. DE ALWIS	5,000,000	1.84%	MRS. A.H.D. DE ALWIS	5,000,000	1.84%
7	MR. R.ARIFEEN	3,000,000	1.10%	MR. U.D.M. FERNANDO	900,000	0.33%
8	ASSETLINE FINANCE PLC/ P.C.U.EKANAYAKA	1,140,091	0.42%	MR. S.B. ULLANDUPITIYA & MRS. L.M.ULLANDUPITIYA	848,991	0.31%
9	MR. A.GOWTHAMAN	1,130,662	0.41%	MR. W.A.Y.K. RATHNAYAKE	750,251	0.28%
10	MR. SENKADAGALA FINANCE PLC/R. ARIFEEN	1,100,000	0.40%	MR. V. SUNILGAVASKER	634,139	0.23%
11	MR. M.T. RAJAB KHAN	1,033,400	0.38%	MR. C.P.G. PUNCHIHEWA	554,815	0.21%
12	MR. W.A.Y.K. RATHNAYAKE	880,000	0.32%	ROSEWOOD (PVT) LIMITED ACCOUNT NO.1	552,802	0.20%
13	ASSETLINE FINANCE PLC/ H.M.LALITH	824,631	0.30%	PEOPLE S LEASING AND FINANCE PLC/U.L.B.ARIYARATNA	466,924	0.17%
14	MR. S.D.M. HEMAJITH & MRS. R.A.N.UDANI	800,000	0.29%	MR. R.T.S. FERNANDO	304,850	0.11%
15	MR.G. WICKREMASINGHE	753,273	0.27%	MR. J.M.P.S.K. JAYARATHNA	290,000	0.11%
16	DIALOG FINANCE PLC/A. THUVARAKAN	700,000	0.26%	MRS. B.R.R. PERERA	275,000	0.10%
17	MR. R.A.L.S. RANASINGHE	615,201	0.23%	MR. M.W. ABEYWARDENA	204,490	0.08%
18	MR. R. SENTHILNATHAN	547,643	0.20%	MR. V.P. WIJAYAPALA	167,285	0.06%
19	MR. D.G.D. JAYASINGHE	525,000	0.19%	MR. D.F.H.K. PERERA	156,885	0.06%
20	PMF FINANCE PLC/M.R.M.RIKAZ	516,375	0.19%	MR. H. G SASIKA PRADEEP	143,859	0.05%
	OTHERS	28,290,898	10.76%	Others	5,593,509	2.06%
	TOTAL	271,250,000	100.00%	TOTAL	271,250,000	100.00%

The Company had not issued any nonvoting shares as at 31st March 2026.
Total Number of Shareholders of the company is 2,083. (2025-808)

STATED CAPITAL

The total Stated Capital as at 31st March 2026 was Rs.450,000,000/- comprising 271,250,000 Ordinary Shares. There was no change in the Stated Capital during the year.

STOCK EXCHANGE LISTING

The Stock Exchange Code for Luminex PLC shares is “LUMX.N0000”.
The Total number of Ordinary Shares after the listing is 271,250,000 number of shares.

Public Holding

The shares that are held publicly account for 24.55% (2025-13.49%) of the total number public shareholders 2,078 (2025-803)shareholders comprising of shares as at 31st March 2026.

The float adjusted market capitalisation of the Company was Rs.566,137,179/=. The float adjusted market capitalization of the company complied with Minimum Public Holding Requirements prescribed under the Continuous Listing Rules set out under the Option 2 of Rule 7.13.1 (b) of the listing rules of the Colombo Stock Exchange, which requires an entity listed on the Diri Savi Board with a Float Adjusted Market Capitalization of less than 1Billion to maintain a minimum public holding of 10% with a minimum of 200 public shareholders.

DIVIDEND

The directors do not recommend a dividend for the year ending 31st March 2026.

SHAREHOLDERS INFORMATION

DISTRIBUTION OF SHAREHOLDERS

No of Shares held	as at 31st March 2026			as at 31st March 2025		
	No of Shareholders	Total Holding	Holding %	No of Shareholders	Total Holding	Holding %
1-1,000	992	252,510	0.0931	400	100,562	0.0371
1,001-10,000	625	2,953,626	1.0889	230	1,041,305	0.3839
10,001-100,000	382	11,615,026	4.2820	151	3,617,903	1.338
100,001-1,000,000	73	19,631,859	7.2376	21	7,084,030	2.6116
1,000,001 & Above	11	236,796,979	87.2984	6	259,406,200	95.63
		271,250,000	100.00		271,250,000	100.00

CATEGORIES OF SHAREHOLDERS AS AT 31ST MARCH 2026	No. of Shareholders	No. of Shares	%
Local Individuals	1,997	260,739,444	96.1251
Local Institutions	80	10,460,053	3.8562
Foreign Individuals	6	50,503	0.0186
Foreign Institutions	-	-	-
Total	2,083	271,250,000	100.00

MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY	01.04.2025 to 31.03.2026		01.04.2024 to 31.03.2025	
Share Information	2025/2026	Date	2024/2025	Date
Highest Price (Rs.)	12.80	06-FEB-2026	7.80	03-FEB-2025
Lowest Price (Rs.)	5.60	22-MAY-2025	6.00	27-MAR-2025
Last traded Date (Rs.)	8.50	31-MAR-2026	6.20	28-MAR-2025
Turnover	1,388,765,938		45,115,459	
Share Vol.	166,325,087		6,715,527	
Days Trades	241		228	

NOTICE OF MEETING

Notice is hereby given that the Twentieth Annual General Meeting of Luminex PLC will be held on Tuesday, 25th August 2026 at 3.00 p.m. as a Virtual Meeting for the following purposes.

1. To receive, consider the Annual Report of the Directors on the affairs of the Company together with Audited Financial Statements for the financial year ended 31st March 2026 and the Report of the Auditors thereon.

2. To re-elect Mr. G R P Fernando who retires at the Annual General Meeting as a Director, in terms of Section 210 of the Companies Act No. 07 of 2007. The notice having been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution :

   "Resolved that Mr. G R P Fernando who has reached the age of 75 years be and hereby re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. G R P Fernando"

3. To re-elect Mr. A.A.C De Alwis who retires at the Annual General Meeting as a Director, in terms of Section 210 of the Companies Act No. 07 of 2007. The notice having been given pursuant to Sections 210 and 211 of the Companies Act No. 07 of 2007 of the intention to propose the following resolution as an ordinary resolution:

   "Resolved that Mr. A.A.C De Alwis who has reached the age of 76 years be and hereby re-elected as a Director of the Company and it is specifically declared that the age limit specified in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. A.A.C De Alwis"

4. To re-elect Mr. Suranjith Swaris who retires by rotation in terms of Article 79(i) of the Articles of Association.

5. To appoint Messrs. Nihal Hettiarachchi & Co., Chartered Accountants as Auditors of the Company as set out in Section 154(1) of the Companies Act No. 07 of 2007 and to authorize the Directors to fix their remuneration.

6. To authorize the Directors to determine donations for the year 2026/2027 not exceeding Rs. 2,000,000/-.

By Order of the Board of
LUMINEX PLC

R N H Holdings (Private) Ltd
Company Secretaries
Colombo, this 31st Day of July 2026

NOTICE OF MEETING

Note:

1. A shareholder who is unable to attend the meeting is entitled to appoint a proxy to attend and vote in his/her place and a proxy need not be a shareholder of the Company.

2. A Form of Proxy accompanies this Notice.

3. Shareholders are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the form of proxy.

4. The complete form of proxy should be deposited at Luminex PLC, No: 24, New Galle Road, Moratuwa, not less than 36 hours before the time appointed for the holding of the Meeting.

5. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and his/her Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

6. Instructions as to attending the virtual Meeting are attached.

7. Notice of Meeting, Circular to the Shareholders, Proxy form, Guidelines and Registration process for the Annual General Meeting (AGM) via online meeting platform, are available on the Corporate website of the Company https:// www.luminexpl.com/Finance and the website of the Colombo Stock Exchange (CSE) https://www.cse.lk/pages/ company-profile/company-profile.component.html?symbol=LUMX.N0000.

8. Shareholders may also access the Annual Report and Financial Statements on their mobile phones by scanning the following QR code.

FORM OF PROXY

I/We,.....

(NIC NO)..... of.....

.....

being a member/members of LUMINEX PLC, hereby appoint :.....

.....of.....(or failing him)

Mr. I. B. Lionel	of Colombo (or failing him)
Mr. G. R. P. Fernando	of Colombo (or failing him)
Mr. A. A. C. De Alwis	of Colombo (or failing him)
Mr. S. M. S. Sanjaya Bandara	of Colombo (or failing him)
Mr. Suranjith Swaris	of Colombo (or failing him)
Mr. Upul Ranjith Lekamge	of Colombo (or failing him)
Mr. H. M. D. Palitha Herath	of Colombo

as my/our Proxy to represent and speak and vote for me/us* and on my/our behalf at the Annual General Meeting of the Company to be held on 25th August 2026 and at any adjournment thereof and at every poll which may be taken in consequence thereon.

I/We* the undersigned, hereby direct my/our* proxy to speak and vote for me/us and on my/our behalf on the resolution set out in the Notice convening the meeting, as follows:

		For	Against
1.	To receive and consider the Annual Report of the Directors on the affairs of the company and the Audited Financial Statements for the year ended 31st March 2026 and Report of the Auditors thereon.	☐	☐
2.	To re-elect Mr. G. R. P. Fernando who retires by rotation in terms of Section 210 of the Companies Act No.07 of 2007.	☐	☐
3.	To re-elect Mr A. A. C. De Alwis who retires by rotation in terms of Section 210 of the Companies Act No.07 of 2007.	☐	☐
4.	To elect Mr Suranjith Swaris as a director who retires in terms of Article 79 of the Articles of Association	☐	☐
5.	To appoint Messrs, Nihal Hettiarachchi & Company the retiring Auditors and authorize the Directors to fix their remuneration.	☐	☐
7.	To authorize the Directors to determine donations not exceeding Rs.2,000,000/=	☐	☐

In witness my/our* hands this.....day of.....Two Thousand and Twenty-Six.

.....
Signature

Notes:* Instructions as to completion appear below. Please indicate with and "x" in the space provided, how your Proxy is to vote on the Resolutions. If no indication is given, the Proxy in his discretion will votes as he thinks fit.

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM ARE NOTED ON THE REVERSE

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

2. The complete form of proxy should be deposited at Luminex PLC, No: 24, New Galle Road, Moratuwa, not less than 36 hours before the time appointed for the holding of the Meeting.

3. If you wish to appoint a person other than the Chairman or a Director of the Company, please insert the relevant details at the space provided (above the names of the Board of Directors) on the Proxy Form.

4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed form of proxy for registration, if such Power of Attorney has not already been registered with the Company.

5. If the appointer is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.

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LUMINEX PLC

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