LEE HEDGES PLC
Since 1852

A SMARTER SCALE OF GROWTH

ANNUAL REPORT - 2025/26

Contents

Chairman's Review

Dear Valued Shareholders,
It is my privilege to present the Annual Report of Lee Hedges PLC for the financial year ended 31 March 2026 as we prepare to convene the Company's 107th Annual General Meeting.

The year under review marks a significant milestone in the history of Lee Hedges PLC with the change in the Company's major shareholding. During the year, Lanka Realty Investments PLC, Eighth Wonder, acquired the controlling interest in Lee Hedges PLC, ushering in a new chapter of growth and transformation.

Following this transition, I was honoured to assume the role of Chairman during the leave of absence of the former Chairman. I am grateful for the confidence placed in me and look forward to working closely with the Board and management as we guide the Company through this exciting phase of its development.

The new controlling shareholders bring together extensive expertise across property investment, real estate development, property management, asset management, valuation, hospitality, retail, renewable energy, and logistics. This wealth of knowledge and industry experience provides Lee Hedges PLC with a strong strategic platform to accelerate its growth, unlock new opportunities, and create sustainable long-term value for all stakeholders.

Our strategic vision is centered on strengthening our investment portfolio through the acquisition of high-quality, income-generating assets while pursuing carefully selected development opportunities. This approach will further reinforce the Company's position as a dynamic and forward-looking real estate investment and development company. We remain committed to identifying opportunities that complement our core strengths, diversify our portfolio, and enhance shareholder returns over the long term.

Enhancing Asset Value and Tenant Experience

At Lee Hedges PLC, we recognise that the long-term success of our business depends on maintaining high-quality assets and delivering exceptional value to our tenants.

Accordingly, we have initiated a comprehensive programme of refurbishment, modernisation, and property enhancement across our portfolio. These initiatives are designed to improve operational efficiency, elevate tenant experience, strengthen occupancy levels, and preserve the long-term value of our investments.

By continuously upgrading our properties, we aim to maintain the competitiveness of our portfolio while creating attractive and sustainable environments for our tenants and business partners.

Financial Performance

Despite the challenging economic environment, Lee Hedges PLC continued to demonstrate resilience during the financial year under review. Our disciplined approach to financial management, prudent cost controls, and focus on operational excellence enabled the Company to maintain stability while positioning itself for future growth.

The Board remains committed to strengthening the Company's financial position through disciplined capital allocation, effective asset management, and the pursuit of sustainable earnings growth.

Sustainability and Responsible Development

Sustainability continues to be a fundamental pillar of our corporate philosophy. We believe that responsible business extends beyond financial performance and includes our commitment to environmental stewardship, efficient resource utilisation, sound governance, and creating positive social impact.

As we expand our operations, Environmental, Social and Governance (ESG) principles will remain embedded in our strategic decision-making. We are committed to integrating sustainable design, energy-efficient solutions, responsible resource management, and ethical business practices across our portfolio.

Through these initiatives, we seek not only to protect the long-term value of our assets but also to contribute meaningfully to the communities in which we operate.

Looking Ahead

Sri Lanka continues to show encouraging signs of economic recovery and renewed investor confidence. As market conditions improve, we believe the commercial real estate sector will present attractive opportunities for well-positioned companies with strong asset portfolios and disciplined investment strategies.

With a renewed vision, experienced leadership, and the support of our new shareholders, Lee Hedges PLC is well positioned to capitalise on these opportunities. We will continue to pursue sustainable growth through strategic acquisitions, prudent investment decisions, operational excellence, and innovation while maintaining our unwavering commitment to creating long-term value for our shareholders.

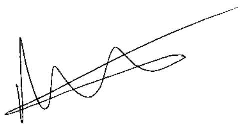
The Board remains confident that the foundations we are building today will support a stronger, more resilient, and more profitable Lee Hedges PLC in the years ahead.

Appreciation

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders for their continued confidence, trust, and unwavering support during this important period of transition.

I also wish to express my gratitude to my fellow Directors for their invaluable guidance and commitment, our management team and employees for their professionalism and dedication, and our tenants, customers, business partners, regulators, and all other stakeholders for their continued support and collaboration.

Together, we embark on a new chapter for Lee Hedges PLC with confidence, optimism, and a shared commitment to building a stronger company that delivers sustainable value for generations to come.



Archie James Buckland Warman

Chairman

Lee Hedges PLC

31st August 2026

Managing Director's Review

The year under review marks a defining milestone in the evolution of Lee Hedges PLC. In January 2026, the Company welcomed two significant shareholders, Lanka Realty Investment PLC and Eighth Wonder, ushering in a new chapter of growth and strategic direction. This transition was accompanied by the appointment of a new Board of Directors, bringing together a wealth of expertise, industry knowledge, and leadership experience to complement the existing Board.

The strengthened Board provides a solid foundation to guide the Company through its next phase of growth while maintaining the highest standards of corporate governance, transparency, and stakeholder confidence. I am confident that this enhanced leadership team will play a pivotal role in driving sustainable value creation for all stakeholders.

I am also pleased to report the successful completion of Project 353 during the year. The development is now fully operational and has been successfully leased, marking the culmination of a key strategic investment and contributing positively to the Company's recurring revenue base.

Lee Hedges PLC continues to strengthen its position as a progressive property investment and development company. Our strategy remains focused on acquiring quality income-generating assets while rationalising underperforming or low-yielding investments. This disciplined approach enables us to optimise our portfolio, improve returns, and capitalise on opportunities that align with our long-term growth objectives and enhance shareholder value.

At Lee Hedges PLC, we recognise that the long-term success of our business is closely linked to the satisfaction of our tenants and the quality of the environments we create. Accordingly, we have commenced a comprehensive refurbishment and modernisation programme across our properties. A key initiative within this programme is the enhancement of the ground floor entrance and lobby areas, designed to elevate the arrival experience for tenants and visitors while reflecting the high standards, professionalism, and quality synonymous with the Lee Hedges PLC brand.

These ongoing enhancements demonstrate our commitment to strengthening tenant relationships, preserving the competitiveness of our assets, and delivering sustainable long-term value to our shareholders.

Financial Performance

Despite a challenging operating environment, Lee Hedges PLC continued to demonstrate resilience and financial stability during the year under review. The consistent performance of our investment portfolio and stable rental income streams contributed positively to the Group's overall financial results.

Our disciplined approach to capital allocation, prudent financial management, and continued emphasis on operational excellence have enabled the Company to navigate prevailing economic conditions while preserving financial strength and creating sustainable shareholder value. A comprehensive review of the Group's financial performance is presented in the Financial Statements included in this Annual Report.

Sustainability remains an integral element of our corporate strategy and long-term business philosophy. We believe that responsible property development extends beyond financial performance to encompass environmental stewardship, efficient resource utilisation, and the creation of spaces that positively contribute to the communities in which we operate.

Our development approach continues to integrate sustainable design principles, operational efficiencies, innovation, and long-term value creation across our portfolio. Environmental, social, and governance (ESG) considerations remain embedded within our decision-making processes and investment strategies, ensuring that growth is achieved responsibly and sustainably.

Looking Ahead

As Sri Lanka continues its path towards economic recovery and greater macroeconomic stability, we remain optimistic about the long-term prospects of the commercial real estate sector.

Supported by a strengthened balance sheet, the successful completion of key strategic initiatives, an expanding investment portfolio, and an experienced leadership team, Lee Hedges PLC is well positioned to capitalise on emerging opportunities and deliver sustainable long-term growth.

Our strategic priorities remain centred on disciplined expansion, prudent investment, portfolio optimisation, and the development of high-quality assets that generate enduring value for our shareholders and all other stakeholders.

Appreciation

I also wish to express my gratitude to my fellow Directors for their invaluable guidance and stewardship, to our management team and employees for their professionalism, commitment, and dedication, and to our tenants, business partners, regulators, and all other stakeholders for their continued collaboration and support.

As we embark on the next phase of our journey, we remain committed to building on our achievements, strengthening our foundations, pursuing sustainable growth, and creating lasting value for all stakeholders.

Mohamed Hisham Jamaldeen
Managing Director
Lee Hedges PLC

31st August 2026

Profile of the Directors

MR. ARCHIE WARMAN
Chairman / Executive Director
– Lee Hedges PLC

Mr. Archie Warman is a qualified Chartered Surveyor. He has practiced in commercial & residential real estate and has been involved in investment brokerage, leasing and letting, valuations & development appraisals, property management, landlord and tenant law and asset management initially in the City and West End of London at Hexell Wylie (now Savills). Mr. Warman was the Property Director at Newbridge Capital Investments Limited, a property investment and development company, transacting directly into the UK commercial and London residential markets.

Mr. Warman achieved an MA in Property Valuation and Law at Cass Business School (City University London) and is a Member of the Royal Institute of Chartered Surveyors. He holds directorships in twenty one other companies viz: Non-Executive Director of On'ally Holdings PLC, Executive Director of Lanka Realty Investments PLC and Steradian Capital Investments (Pvt) Ltd, Chairman / Managing Director of Amtrad Limited, Non-Executive Director of 285 Darley Road (Pvt) Ltd. Alexandra Holdings (Pvt) Ltd, Almond Trees (Pvt) Ltd, Baseline Holdings (Pvt) Ltd, Crown Resorts (Pvt) Ltd, Dutch Bay Holdings (Pvt) Ltd, Hardy James (Pvt) Ltd, HJAW International (Pvt) Ltd, L & A Quarries (Pvt) Ltd, Lanka Land Realty (Pvt) Ltd, Lanka Realty Ambalangoda (Pvt) Ltd, Lanka Realty Developments (Pvt) Ltd, Lanka Realty Leisure (Pvt) Ltd, Mulberry Holdings (Pvt) Ltd, Oak Street (Pvt) Ltd, Steradian Capital Management (Pvt) Ltd and Thudella Holdings (Pvt) Ltd.

MR. M. H. JAMALDEEN
Managing Director
– Lee Hedges PLC

Mr. M. H. Jamaldeen brings over two decades of expertise in corporate finance, accounting, and strategic business development, spanning the real estate, leisure, hospitality, retail, energy, and logistics sectors. His breadth of knowledge and experience have positioned him as a respected leader in both local and international business circles, with a proven record of creating value at Board level.

Mr. Jamaldeen began his career in London's financial sector, serving as Finance Director at New bridge Capital Investments Limited. In this role, he was involved in real estate transactions exceeding USD 1.6 billion, gaining substantial experience in acquisitions, disposals, transactional analysis, financing structures, and tax planning.

Returning to Sri Lanka, he founded Steradian Capital Investments (Pvt) Ltd, which has since grown into a leading real estate advisory and investment firm, managing assets of over LKR 25 billion. His entrepreneurial vision and strategic acumen earned him recognition by Echelon magazine as a trailblazer in the investment sector.

He has also held significant Board positions in leading Sri Lankan institutions. Notably, he served as an Independent Non-Executive Director of Hayleys PLC, Sri Lanka's premier diversified conglomerate, for over a decade, contributing to the creation of long-term stakeholder value. In addition, he has twice served on the Sri Lanka Cricket Interim Committees, focusing on strengthening governance and building more robust financial structures to support the sport's development. He has further contributed nationally as a Board Member of People's Bank PLC and the Sri Lanka Atomic Energy Board, while serving the community as Treasurer of Moors Sports Club.

A Fellow of the Association of Chartered Certified Accountants (UK), Mr. Jamaldeen also holds an Engineering and Business degree from the University of Warwick, UK, equipping him with both technical and financial expertise.

He holds directorships in forty one companies viz: Executive Director of Lanka Realty Investments PLC and Steradian Capital Investments (Pvt) Ltd, Managing Director of On'ally Holdings PLC, Chairman/ Managing Director of Lanka Realty Developments (Pvt) Ltd, Non-Executive Director of 285, Darley Road (Pvt) Ltd, Alexandra Holdings (Pvt) Ltd, Alkhimi Clarity (Private) Limited, Amtrad Limited, Almond Trees (Pvt) Ltd, Baseline Holdings (Pvt) Ltd, Bravo Holdings Lanka (Pvt) Ltd, Cape Diamante Nominee (Pvt) Ltd, Core Holdings Lanka (Pvt) Ltd, Crown Resorts (Pvt) Ltd, Dutch Bay Holdings (Pvt) Ltd, Hardy James (Pvt) Ltd, HJAW International (Pvt) Ltd, HQ Colombo (Pvt) Ltd, Ilook Villa (Pvt) Ltd, Jamaldeen Fine Jewels (Pvt) Ltd, L & A Quarries (Pvt) Ltd, Laffer (Pvt) Ltd, Lanka Land Realty (Pvt) Ltd, Lanka Realty Ambalangoda (Pvt) Ltd, Lanka Realty Leisure (Pvt) Ltd, Mulberry Holdings (Pvt) Ltd, Natures Clarity (Private) Limited, Oak Street (Pvt) Ltd, Realty Business (Pvt) Ltd, Sathutu Nivahana Lanka (Pvt) Ltd, Steradian Capital Management (Pvt) Ltd, Thudella Holdings (Pvt) Ltd, W15 Lakeside (Pvt) Ltd, W15 Nuwaraeliya (Pvt) Ltd, HQ Entertainment (Pvt) Ltd, HQ Events (Pvt) Ltd, HQ Restaurants (Pvt) Ltd, Ferrutti (Pvt) Ltd, Summer Season Ltd, Summer Season Mirissa Ltd and Summer Season Residencies Ltd.

With his forward-looking perspective, strong financial discipline, and extensive leadership portfolio, Mr. Jamaldeen continues to play a pivotal role in driving growth, strengthening governance, and creating long-term value for stakeholders.

Profile of the Directors

A.R.WALPITA

Independent, Non – Executive Director

Mr Rajiv Walpita is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and an Associate Member of the Chartered Institute of Management Accountants, UK. He is also a Registered Company Secretary.

He counts over 35 years' experience in the Accounting and Company Secretarial fields. In addition to being engaged in providing company secretarial services to many clients both in Sri Lanka and overseas, he is a Director of The Centre for the Advancement of Resource Mobilisation and Country Representative of Credit Check Partners of Mumbai, India.

DR. LASANTHA WIJESINGHE (D. S. L. P. WIJESINGHE)

Senior Independent, Non – Executive Director

Prof. Dr. Lasantha Wijesinghe is a distinguished independent non executive director whose academic and professional credentials span continents. He holds three doctorates in International Business Management and Administration from Horizons University in France, Brittany University in France, and VERN University in Croatia. He further earned an MBA from the University of Western Sydney, Australia, and a BSc (Hons) in Chemical Engineering from the University of Sheffield in the United Kingdom and the University of Moratuwa in Sri Lanka. In addition, he is an accredited Lead Auditor and trainer for ISO Quality Management System Certifications under UKAS, England, with expertise in ISO 9000, ISO 14000, ISO 22000, and SA 8000 frameworks.

Alongside his corporate leadership, Prof. Dr. Wijesinghe serves as a professor at CALMP Business School in Sri Lanka and the UAE, representing EduQual, Brittany University, UK Awards, and AI Shabaka Technical Institute in the UAE. His academic contributions focus on refining undergraduates' competencies, strengthening their resilience, and preparing them for global success.

In the petroleum and petrochemical industries, Prof. Dr. Wijesinghe has extensive command over upstream, midstream, and downstream operations. His expertise includes the oversight of large scale crude carriers and commercial shipping operations, where he provides advisory and coaching services to optimise loading and unloading processes. By ensuring precise documentation and seamless deliveries, he strengthens operational efficiency and mitigates risks in crude oil transfers through major terminals and offshore facilities.

Professionally, he has held senior roles with leading international inspection and certification networks, including Intertek ITS, SGS Switzerland, Bureau Veritas, and Saybolt Core Laboratories BV in the Netherlands.

He has also provided advisory services to the Sri Lankan government and institutions in the Maldives, encompassing oil inspections, tank calibrations, and strategic consultation on hydrocarbon fuel utilisation to improve energy and power generation efficiency.

As founder and leader of multiple enterprises—including SBC Asia (Pvt) Ltd, Tradexpo (Pvt) Ltd, Inspector Lanka (Pvt) Ltd, SB Consortium (Pvt) Ltd, Superroo SBC Australia Pte Ltd, Tea SBC (Pvt) Ltd, Horamulla Tea Plantations (Pvt) Ltd, and Imperial Management Inc., Canada—he has demonstrated sustained entrepreneurial leadership and industry innovation. His recognition with the Entrepreneur of the Year 2013 Provincial Merit Award underscores his lasting impact on the inspection, certification, and energy industries.

S. S. VAMATHEVAN

Non - Independent, Non - Executive Director

Mr. S.S. Vamathevan is a non independent, non-executive director of the Company. A Management Accountant, he is currently employed with New South Wales Health in Sydney, Australia.

His career spans over 15 years in the commercial sector as a Financial Analyst for several multinational companies, including Unisys Corporation, Boral, Optus Communications and Alstom.

He is a Certified Practicing Accountant member of CPA Australia and holds a Bachelor or Commerce Degree from the University of Western Sydney.

V. V. VAMATHEVAN

Non - Independent, Non - Executive Director

Dr. V. V. Vamathevan is a non-Independent, non-Executive Director of the Company. Veronica holds a Doctorate in Chemical Engineering from the University of New South Wales in Australia. Over the last 20 years, Veronica has worked in academia, government and industry, specialising in chemical metrology and in advanced scientific instrumentation development for the biotechnology sector. She spent a significant portion of her career with the National Measurement Institute Australia, the National Institute of Standards and Technology (USA), and the LGC (UK) and thereafter at Thermo Fisher Scientific (Germany). Veronica is currently working at the Australian Genome Foundry in Sydney, Australia.

MR. R M M J RATNAYAKE

Independent Non-Executive Director

Mr Mohan J Ratnayake is a Fellow of the Chartered Institute of Management Accountants UK and has read for an MBA. He was the Chairman of the Committee which issued Sri Lanka's first internationally listed USD Bond by a corporate entity for Sri Lanka Telecom PLC (SLT), which traded on the Singapore Stock Exchange, for the expansion of SLT and Mobitel. This was when the sovereign had not been rated by International Rating Agencies.

Mr Ratnayake currently serves as the Managing Director of Colonial Motors (Ceylon) Ltd., Director of Union Investments (Pvt) Ltd., and Non-Executive Director of C M Holdings PLC. He also serves as a Senior Independent Non-Executive Director of ACL Plastics PLC. He is an Independent Non-Executive Director of Lanka Tiles PLC, Serandib Land PLC, Swisstek Ceylon PLC, UB Finance PLC, and Lanka Walltiles PLC w:e:f: 07.05.2026. Mr Ratnayake also serves on several Sub Committees.

He has served on the Board of a State-owned entity in the Export Sector and has expertise in the fields of Tea Exports, Tea Plantations, Telecommunications and the Motor Industry. He held the position of Deputy Chairman of a listed Financial Institute falling under the purview of the Central Bank of Sri Lanka and served as the Chairman of Lanka Realty Investments PLC.

Appointed to the Board on 13.02.2026

Management Discussion and Analysis 2025/26

About Us

Lee Hedges PLC is a leading property development and investment company in Sri Lanka with a well-established reputation for delivering high-quality real estate assets that generate sustainable long-term value. Backed by a strong track record and extensive industry expertise, we are committed to shaping the built environment through innovation, integrity, and excellence. Our vision is to be the preferred real estate partner in Sri Lanka by combining strategic insight, sustainable business practices, and world-class project execution.

The origins of Lee Hedges PLC date back to 1852, when Mr. W.D. Lee established the company as a respected merchant and estate agent in Colombo. During its early years, the company operated from its headquarters at No. 353, Galle Road, Colombo 3, a location historically known as "Colpetty Mills."

A significant milestone in the company's history was reached in 1866 when Mr. J.R. Hedges joined the business as a partner, leading to the adoption of the name Lee Hedges & Co.

Over the years, the company diversified its operations across several sectors and successfully adapted to changing market conditions through strategic ownership changes and corporate restructuring. In 2012, the company revived the historic "Lee Hedges" brand and became a Public Limited Company (PLC), marking the beginning of a new phase of growth and transformation.

Today, Lee Hedges PLC is a publicly listed company on the Colombo Stock Exchange with a diversified portfolio comprising commercial properties, residential developments, mixed-use projects, and strategic land investments. We are committed to creating sustainable developments that generate long-term value for shareholders .

During the year under review, the company's shareholding structure underwent a significant transformation. Lanka Realty Investments PLC and Eight Wonder Limited became the major shareholders of Lee Hedges PLC, providing a strong strategic platform for future growth and value creation.

We remain committed to delivering sustainable returns to our shareholders, tenants, business partners, and other stakeholders by maintaining the highest standards of design, construction, asset management, and corporate governance while embracing Environmental, Social and Governance (ESG) principles.

Financial Review

Lee Hedges PLC delivered a strong financial performance for the year ended 31 March 2026, supported by growth in rental income, investment income, service charge recoveries, and gains arising from the revaluation of investment properties.

Revenue and Profitability

Total revenue increased by 27% to Rs259.53 million, primarily driven by higher rental income from commercial properties and improved occupancy levels. Gross profit amounted to Rs.255.54 million, reflecting disciplined cost management, operational efficiencies, and prudent financial management.

Investment Income

The revaluation of investment properties resulted in a gain of Rs. 604.01 million, highlighting the appreciation in the value of the company's property portfolio. Rental income from commercial assets, together with returns from financial investments, continued to provide stable and recurring income streams throughout the year.

Financial Performance

Net finance income increased to Rs. 126.53 million, while profit before taxation reached Rs. 849.81 million, demonstrating the company's strong operational performance, effective asset utilisation, and sound investment strategy.

Taxation and Profit After Tax

After accounting for taxation, the Company recorded a net profit of Rs. 697.84 million, reflecting its resilience and ability to generate sustainable earnings despite a challenging economic environment.

Operational Review

During the year under review, Lanka Realty Investments PLC and Eight Wonder acquired the majority shareholding of Lee Hedges PLC as a strategic long-term investment. This significant transaction marks the beginning of a new phase in the Company's growth and development.

The Company's improved financial performance was driven by increased rental income, prudent investment decisions, and disciplined asset management. Throughout the year, management maintained strong engagement with all key stakeholders, including customers, regulatory authorities, investors, employees, financial institutions, and business partners.

Our continued focus on operational excellence, governance, and stakeholder engagement has strengthened the Company's ability to create sustainable long-term value for shareholders.

Strategic Initiatives

During the year, Lee Hedges PLC continued to strengthen its investment portfolio through the acquisition of high-yielding assets while divesting selected underperforming investments. These strategic initiatives enhanced the quality of the Company's asset base, improved earnings potential, and strengthened its Net Asset Value (NAV).

The Company also continued to evaluate new investment opportunities aligned with its long-term growth strategy while maintaining a disciplined approach to capital allocation and risk management.

Risk Management

As a property development and investment company, Lee Hedges PLC is exposed to a range of business risks that are continuously monitored through a comprehensive risk management framework.

- **Market Risk:** Fluctuations in real estate demand, rental rates, property values, and interest rates may impact revenue and profitability.

- **Regulatory Risk:** Changes in land regulations, taxation policies, environmental legislation, and other regulatory requirements may affect operations and increase compliance costs.

- **Liquidity Risk:** As a capital-intensive business, access to financing and effective cash flow management remain critical to supporting operations and future investments.

- **Environmental and Social Risk:** Economic uncertainty, environmental considerations, and evolving social expectations may influence investment decisions and future business opportunities.

The Company's risk management framework ensures that these risks are regularly assessed, monitored, and mitigated through appropriate governance structures and internal controls across all business operations.

Future Outlook

Looking ahead, Lee Hedges PLC remains confident in its long-term growth prospects, supported by a strong balance sheet, a healthy acquisition pipeline, and a disciplined investment strategy.

The Company continues to identify attractive investment opportunities that are expected to generate sustainable earnings, enhance shareholder value, and further strengthen its financial performance. While macroeconomic conditions remain challenging, management is confident that its prudent capital allocation, focus on high-quality assets, and commitment to operational excellence will position the Company for sustainable long-term growth.

With the support of its new strategic shareholders, Lee Hedges PLC is well positioned to pursue new opportunities, expand its investment portfolio, and build a lasting legacy of excellence within Sri Lanka's real estate sector while delivering sustainable value to all stakeholders.

Annual Report of the Directors on the Affairs of the Company

The Board of Directors have pleasure in presenting the Annual Report for the year ended 31st March 2026 on the affairs of the Company and the Group prepared in terms of the provisions of the Companies Act No.7 of 2007.

These were approved by the Directors on 31st August 2026.

Principal Activity of the Company and its Subsidiaries

The principal activity of the Company is to act as the investment holding company for the group. Company's fully owned subsidiary Lee Hedges Investments Limited engages in renting out "Lee Hedges Towers". Pioneer Properties & Lee Hedges Limited, is a non operational subsidiary company.

Review of Operations and Financial Highlights

The Financial Statements which include the Statement of Comprehensive Income, balance sheet, statement of changes in equity and the notes to the financial statements of the company & Group for the year ended 31st March 2026 are set out on pages 35 to 71 of the Annual Report. Audited Financial Statements were signed on 31st August 2026 by two Directors on behalf of the Company in compliance with the provisions of the Companies Act No 07 of 2007.

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 Standard Act 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.51,205,460/= represented by 25,602,730 ordinary shares.

The total Capital and Reserves for the group stood at Rs 6,802.76 Mn as at 31st March 2026.

Accounting Policies and Changes

The details of the accounting policies adopted by the Company in preparation of the financial statements and the impact thereon, and changes in the Sri Lanka Accounting Standard used during the year are disclosed on pages 40 to 49 of the Annual Report.

Dividends

The Board of Directors of the Company has recommended a first and final dividend of Rs 2/-per share for the financial year ended 31st March 2026. As required by Section 56(2) of the Companies Act No.07 of 2007, the Board of Directors have certified that the company satisfies the solvency test in accordance with section 57 of the Companies Act.

Property Plant & Equipment

Capital expenditure during the year on property, plant and equipment by the Group was Rs.464.35 Mn (2025 – Rs.626.47 Mn) and by the Company was Rs.340.60 Mn (2025 – Rs.619.58 Mn). The information relating to the movement of property, plant and equipment during the year is given in Note 13 to the Financial Statement.

Investment Property

The details relating to the movement of investment property are given in note 14 to the financial statements. All investment properties are held at fair value.

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

There are no significant events that have occurred after the balance sheet date which would have any material effect on the Company that require adjustments.

Going Concern

The Directors are confident that the company has adequate resources to continue business operations. Accordingly, the Directors consider that it is appropriate to adopt the going concern basis in preparing the Financial Statements.

The company being the parent company has agreed to provide financial support to its subsidiary Pioneer Properties & Lee Hedges Limited. For this reason, company and its subsidiaries 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 and 31. to the Financial Statements.

Interest Registers

In accordance with the Companies Act No.07 of 2007, the company maintains an Interest Register and the relevant entries have been made therein. All related party transactions during the period are recoded in the 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 Directors' interest in contracts and proposed contracts with the company are also disclosed in Note 33 to the Financial Statements.

Substantial Shareholdings and Investor 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 73 to 74.

Contributions to Charity

The sum of contributions made to charities by the company during the financial year ended 31 March 2026 does not exceed Rs 100,000/-

Directors as at 31 March 2026

The Board of Directors of Lee Hedges PLC comprise of 08 Directors and 03 of them serves as Independent Non-Executive Directors. The qualification and experience of the Directors are given on pages 5 to 7. of the Report.

The names of the Directors who held office as at 31st March, 2026 are as follows:

Mr Sinnadurai Vamathevan
- Non-Independent Non-Executive Director

Mr Archie James Buckland Warman
- Non-Independent Executive Director

Mr Mohamed Hisham Jamaldeen
- Non-Independent Executive Director

Mr Samuel Sanjeeve Vamathevan
- Non-Independent Non-Executive Director

Prof. Don Sudath Lasantha Pradeep Kumara Wijesinghe
- Senior Independent Non-Executive Director

Dr Veronica Vasuki Vamathevan
- Non-Independent Non-Executive Director

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

The changes to the Directorate during the year under review and subsequent thereto are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna Walisundara
- Independent Non-Executive Director

(Resigned with effect from 12th November, 2025)

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

(Appointed with effect from 12th November, 2025)

Mr Senanayake Mudiyanselage Nanda Lalith Senanayake
- Senior Independent Non-Executive Director

(Resigned with effect from 31st January, 2026)

Mr Archie James Buckland Warman
- Non-Independent Executive Director

(Appointed with effect from 21st January, 2026)

Mr Mohamed Hisham Jamaldeen
- Non-Independent Executive Director

(Appointed with effect from 21st January, 2026)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

(Appointed with effect from 13th February, 2026)

Mr Rupert Rajeeve Spencer
- Non-Independent Non-Executive Director

(Resigned with effect from 31st March, 2026)

Mr Sinnadurai Vamathevan
- Non-Independent Non-Executive Director

(Resigned with effect from 18th June, 2026)

Mr Afzal Ahamed Marikar
- Independent Non-Executive Director

(Appointed with effect from 19th June, 2026)

Mr Noel Joseph
- Independent Non-Executive Director

(Appointed with effect from 19th June, 2026)

The names of the Directors of subsidiary companies who held office during the financial year ended 31st March 2026 are as follows.

Lee Hedges Investments Ltd.	Pioneer Properties and Lee Hedges Ltd.
S. Vamathevan	S. Vamathevan
D.S.L.P. Wijesinghe	A. J. B. Warman
S.S. Vamathevan	M. H. Jamaldeen
A. R. Walpita	R. M. M. J. Ratnayake
M.H. Jamaldeen	
R. M. M. J. Ratnayake	
A. J. B. Warman	

In terms of Article 26(6) of the Articles of Association of the Company Ms Veronica Vasuki Vamathevan retires by rotation and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

In terms of Article 26(2) of the Articles of Association of the Company Mr Ananda Rajiv Walpita retires and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

In terms of Article 26(2) of the Articles of Association of the Company Mr Mohamed Hisham Jamaldeen retires and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

In terms of Article 26(2) of the Articles of Association of the Company Mr Archie James Buckland Warman retires and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

In terms of Article 26(2) of the Articles of Association of the Company Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake retires and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

Annual Report of the Directors on the Affairs of the Company

In terms of Article 26(2) of the Articles of Association of the Company Mr Afzal Ahamed Marikar retires and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

In terms of Article 26(2) of the Articles of Association of the Company Mr Noel Joseph retires and being eligible is recommended by the Board of Directors for re-election by the Members at the Annual General Meeting for the year 2026.

All the Non-Executive Directors have submitted annual declarations regarding their independence or non independence. Brief resumes of all the Directors are given on pages 5 to 7 of the Annual Report.

In terms of Section 9.6.1 of the Corporate Governance Rules, of CSE, Chairperson shall be a Non-Executive Director and the CEO and the Chairperson shall not be held by the same individual. In the event, the Chairperson is an Executive Director, the immediate disclosures shall be made to CSE and a Senior Independent Director has to be appointed. Accordingly, the Company made a market announcement to CSE, outlining the rationale for Chairman to continue to be an Executive Director of the Company. Further in terms of Section 9.6.3 of the Corporate Governance Rules of CSE, Prof. D S L P K Wijesinghe was appointed as the Senior Independent Director of the Company in place of Mr S M N L Senanayake.

Board Sub Committees

In line with the Corporate Governance Rules of Colombo Stock Exchange following four (04) Board Sub Committees function for the group of companies. Composition and function of each Sub Committee is given on pages 24 to 29 of the corporate governance Section of this Annual Report.

1. Audit Committee
2. Remuneration Committee
3. Related Party Transactions Review Committee
4. Nominations and Governance Committee

Audit Committee

Following are the names of the Directors comprising the Audit Committee:

Mr. Ananda Rajiv Walpita
- Independent Non-Executive Director / Chairman

Mr. Don Sudath Lasantha Pradeep Kumara Wijesinghe
- Senior Independent Non- Executive Director

Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

The changes to the Members of the Audit Committee during the year under review are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna Walisundara
- Independent Non-Executive Director

(Resigned with effect from 12th November, 2025)

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

(Appointed with effect from 12th November, 2025)

Mr Senanayake Mudiyanselage Nanda Lalith Senanayake
- Senior Independent Non-Executive Director

(Resigned with effect from 31st January, 2026)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

(Appointed with effect from 13th February, 2026)

Mr Rupert Rajeeve Spencer
- Non-Independent Non-Executive Director

(Resigned with effect from 31st March, 2026)

The report of the Audit Committee on Pages 24 to 25. set out the manner of compliance by the Company in accordance with the requirements of the Rule 7.10.6 (c) of the Rules of the Colombo Stock Exchange on Corporate Governance.

Remuneration Committee

Following are the names of the Directors comprising the Remuneration Committee:

Mr. Don Sudath Lasantha Pradeep Kumara Wijesinghe
- Senior Independent Non- Executive Director / Chairman

Mr. Ananda Rajiv Walpita
- Independent Non-Executive Director

Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

The changes to the Members of the Remuneration Committee during the year under review are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna Walisundara
- Independent Non-Executive Director

(Resigned with effect from 12th November, 2025)

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

(Appointed with effect from 12th November, 2025)

Mr Senanayake Mudiyanselage Nanda Lalith Senanayake
- Senior Independent Non-Executive Director

(Resigned with effect from 31st January, 2026)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

(Appointed with effect from 13th February, 2026)

Mr Rupert Rajeeve Spencer
- Non-Independent Non-Executive Director

(Resigned with effect from 31st March, 2026)

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.

Related Party Transactions Review Committee

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

Mr. Don Sudath Lasantha Pradeep Kumara Wijesinghe
- Senior Independent Non - Executive Director/Chairman

Mr. Ananda Rajiv Walpita
- Independent Non-Executive Director

Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

The changes to the Members of the Related Party Transactions Review Committee during the year under review are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna Walisundara
- Independent Non-Executive Director

(Resigned with effect from 12th November, 2025)

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

(Appointed with effect from 12th November, 2025)

Mr Senanayake Mudiyanselage Nanda Lalith Senanayake
- Senior Independent Non-Executive Director

(Resigned with effect from 31st January, 2026)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

(Appointed with effect from 13th February, 2026)

Mr Rupert Rajeeve Spencer
- Non-Independent Non-Executive Director

(Resigned with effect from 31st March, 2026)

The committee met four times once in every quarter during the financial year 2025/2026.

The Related party transactions review committee report is given on page 28 on this Annual Report.

Non-Recurrent Related Party Transactions

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

Recurrent Related Party Transactions

All the Recurrent Related Party Transactions which in aggregate value exceeds 10% of the revenue of the Company as per audited Financial Statements of 31st March 2026 are disclosed under Note 33 on page 71 to the Financial Statements, as required by Colombo Stock Exchange listing Rule 9.14.8(2)

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 33.2 to the financial statement.

Nomination and Governance Committee

Composition of the Nomination and Governance Committee is as follows:

Mr. Ananda Rajiv Walpita
- Independent Non-Executive Director/ Chairman

Mr. Don Sudath Lasantha Pradeep Kumara Wijesinghe
- Senior Independent Non- Executive Director

Ms. Veronica Vasuki Vamathevan
- Non Independent Non-Executive Director

Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

The changes to the Members of the Nominations and Governance Committee during the year under review are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna Walisundara
- Independent Non-Executive Director

(Resigned with effect from 12th November, 2025)

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

(Appointed with effect from 12th November, 2025)

Mr Senanayake Mudiyanselage Nanda Lalith Senanayake
- Senior Independent Non-Executive Director

(Resigned with effect from 31st January, 2026)

Ms. Veronica Vasuki Vamathevan
- Non Independent Non-Executive Director

(Appointed with effect from 05th February, 2026)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

(Appointed with effect from 13th February, 2026)

The Committee met four times during the financial year and formulated the framework to assess the suitability of new directors to be appointed to the Board. Recommendations of the committee were made to the Board of Directors prior to appoint a new director.

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 31st March 2026 are as follows:

Names of Directors	Shareholding as at 31st March 2025	Shareholding as at 31st March 2026
Mr Sinnadurai Vamathevan	None	None
Prof. Don Sudath Lasantha Pradeep Kumara Wijesinghe	None	None
Mr Samuel Sanjeeve Vamathevan	None	None
Mr Rupert Rajeeve Spencer	None	N/A
Mr Walisundara Mudiyanselage Prasanna Walisundara	None	N/A
Mr Senanayake Mudiyanselage Nanda Lalith Senanayake	None	N/A
Dr Veronica Vasuki Vamathevan	None	None
Mr Ananda Rajiv Walpita	None	None
Mr Archie James Buckland Warman	None	None
Mr Mohamed Hisham Jamaldeen	None	None
Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake	N/A	1,260

As at 31st March 2026, there were 1,411 registered shareholders. The percentage of shares held by the public as per the Colombo Stock Exchange rules as at 31st March 2026 was 26.36% representing 6,749,854 ordinary shares in the company.

The Board of Directors declare 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 and successful adherence therewith;

(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 and the group do not envisage material foreseeable risks that would have adverse impact on the performance of the company.

Material issues pertaining to employees and industrial relations of the company

The Board of Directors of Lee Hedges PLC assess all the issues pertaining to employee and industrial relation which influence the performance of the group.

REMUNERATION OF DIRECTORS

Remuneration received by the Directors is set out in Note 33.2 to the Financial Statements on page 71.

DIRECTORS INTEREST IN CONTRACTS

The Directors' interest in contracts and proposed contracts with the company are disclosed in Note 33.2 to the Financial Statements.

AUDITORS' RELATIONSHIP

The fees paid to auditors are disclosed in Note 9 to the Financial Statements.

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

The Independent Auditors' Report on the Financial Statements of the company and the Group is given on pages 32 to 34.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Monday,21st September 2026 at 4.00 p.m. at the Sri Lanka Foundation. No 100, Padanam Mawatha,Independence Square, Colombo 07.

ACKNOWLEDGEMENT OF THE CONTENT 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.

Signed in accordance with the resolution of the Board of Directors.

For and on behalf of the Board

Director

Director

Secretaries
Jacey and Company
Secretaries to Lee Hedges PLC

Colombo
31st August 2026

Statement of Directors' Responsibility for the Preparation of Financial Statement

In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, the Directors of Lee Hedges PLC (the Company) 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 and its subsidiaries as at end of each financial year and of the financial performance of the Company and its subsidiaries as at end on each financial year 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 ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the Company and the Group 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.

In terms of Section 150(1)(b) and Section 152(1)(b) of the Companies Act these Financial Statements of the Company have been certified by the Company's Chief Financial Officer, the Officer responsible for their preparation. In addition, the Financial Statements of the Company and the Group have been signed by two Directors of the Company on 31st August 2026 as required by the Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements. In terms of Section 148 (1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records which correctly record and explain the Company's transactions are maintained to facilitate proper audit of the Financial Statements. Accordingly the Directors have taken reasonable steps to ensure that the Company and the Group 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 are in agreement 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 confirm that the underlying books of accounts are in conformity with the requirements of the Sri Lanka Accounting Standards, 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 (ICASL) and the Securities and Exchange Commission of Sri Lanka (SEC).

The Directors also have taken reasonable measures to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In this 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 are also of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of Company, and all other known statutory dues as were due and payable by Company and its Subsidiaries as at the Reporting date have been paid or, where relevant, provided for.

By Order of the Board of Directors of
Lee Hedges PLC

Jacey and Company,

Secretaries to the Company,
Colombo

31st August, 2026

Corporate Governance Compliance Report

CORPORATE GOVERNANCE REPORT

The Board of Directors of Lee Hedges PLC, strive 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.

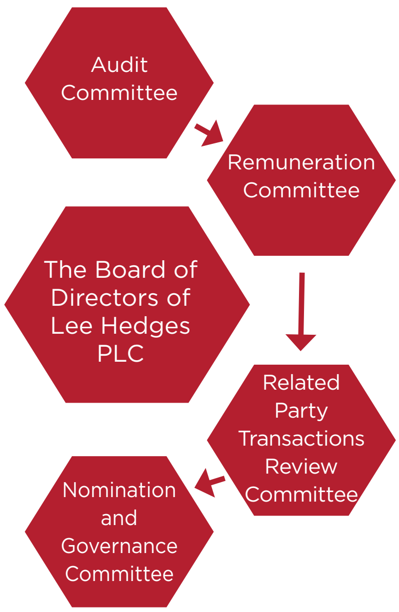
COMPLIANCE WITH THE PROVISIONS OF THE COMPANIES ACT NO 07 OF 2007

	Companies Act No. 7 of 2007	Compliance Status	Details
168(1)(a)	The nature of the business together with any change thereof	Complied with	Please refer page 10 of this report.
168(1)(b)	Signed financial statements of the Group and the company	Complied with	Please refer page 36 of this report.
168(1)(c)	Auditors' Report on financial statements	Complied with	Please refer pages 32 to 34 of this report.
168(1)(d)	Accounting policies and any changes therein	Complied with	Please refer pages 40 to 49 of this report.
168(1)(e)	Particulars of the entries made in the interests register	Complied with	All directors have made declarations as required by the Section 192(1) and (2) of the Companies Act aforesaid and all related entries were made in the Interest register during the year under review. The Interest Register is available for inspection by shareholders or their authorised representatives as required by Section 119(1) (d) of the Companies Act No.07 of 2007.
168(1)(f)	Remuneration and other benefits paid to Directors of the company	Complied with	Refer note 33.2 to the Financial Statements on page 71.
168(1)(g)	Corporate donations made by the company	Complied with	Refer page 10 of this report.
168(1)(h)	Information on Directorate of the company at the end of accounting period	Complied with	Refer page 14 of this report.
168(1)(i)	Amounts paid/payable to the External auditor as audit fees and fees for other services rendered	Complied with	Refer note 09 to the Financial Statements on page 51.

COMPLIANCE WITH THE CORPORATE GOVERNANCE RULES OF COLOMBO STOCK EXCHANGE.

In accordance with the Corporate Governance Rules of the Colombo Stock Exchange, the Board has delegated its responsibilities pertaining to specific functions by creating various committees as mandated by the CSE regulations, to assist the Board of Directors of the company. Accordingly, the main committees established are the Audit Committee, Nomination & Governance Committee, Remuneration Committee and the Related Party Transactions Review Committee.

The Company's governance structure in compliance with the Corporate Governance Code of CSE is graphically presented below.



Corporate Governance Report Levels of compliance as per the Listing Rules of the Colombo Stock Exchange

	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.1	Company shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual Report of the Entity.	LEE HEDGES's commitment to corporate governance code of CSE is detailed herein.	1st October 2023	Complied
9.2.1	Company shall establish and maintain the 12 new policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website.	Company is currently in the process of formulating these policies	1st October 2024	Complied
9.3.1 and 9.3.2	Company 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.	All 04 committees have been formed and functional.	1st October 2024	Complied
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Chairperson of the Company does not serve as the Chairman of any of the board subcommittees.	1st October 2024	Complied
9.4.1	Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the SEC.	Records of all shareholder meetings are maintained electronically by the Company Secretary. Copies of these records would be made available to CSE/SEC upon request.	1st October 2023	Complied
9.4.2	Communication and relations with shareholders and investors	Company has an on-going process to communicate with shareholders and investors. Shareholders are encouraged to raise their concerns at shareholders meetings. Annual Report provides pertinent information of the company and outlook of the company. The Senior Manager Finance and Administration and the Company Secretaries are entrusted to communicate with shareholders on matters concerning them. Details of contact persons are found in the Company's website.	1st October 2023	Complied
9.5.1	Company shall establish and maintain a formal policy governing matter relating to the Board of Directors	The Board of Directors have mutual consent regarding the board balance. Chairman holds an executive position in the company. Board conducts self-assessment of board -performance annually.	1st October 2023	Complied

Corporate Governance Compliance Report

	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.6	The Chairperson of the Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual.	Chairman of the Company is an Executive Director.	01st October 2023	Rationale for the Chairman to continue to hold Executive position in the company has been disclosed to CSE.
9.6.3	The Company shall appoint an Independent Director as the SID in the following instances: The positions of the Chairperson and CEO are held by the same individual. The Chairperson is an Executive Director. The Chairperson and CEO are Close Family Members or Related Parties	In compliance with Rule 9.6 of the Corporate Governance Code of CSE, prof. Don Sudath Lasantha Pradeep Kumara Wijesinghe has been appointed as the Senior Independent Director.	1st November 2023	Complied
9.7	Fitness of Directors and CEOs as per the criteria set out in the regulations	All the Directors have submitted written declarations confirming that they have complied with the fit and proper criteria set out in the regulations to hold their respective positions in the Company.	1st April 2024	Complied
9.8	Board Composition -Minimum of 5 Directors -minimum 2 or 1/3 of the directors whichever is high shall be independent directors	As of 31st March 2026, there are 08 directors and 03 of them are Independent Non-Executive Directors and 01 of them is a Senior Independent Non-Executive director.	1st October 2024	Complied
9.9	Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.	There are no Alternate Directors on the Board as of 31st March 2026	1st January 2024	Complied
9.10.1	Company shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold	The determination of maximum number of directorships allowed for each board member will be made at the time of formulation of policy on matters relating to the Board of Directors	1st October 2024	Complied

	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.10.2	The Company shall, upon the appointment of a new Director to its Board, or changes to the composition of board sub committees, make an immediate Market Announcement in a manner set out in the regulation.	As and when there is a new appointment to the Board, immediate market announcement is made in compliance with Rule 9.10.2	1st October 2023	Complied
9.11	The Company shall have a Nominations and Governance Committee to maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board and have a written Terms of Reference.	The Nominations and Governance Committee is in place	1st October 2024	Complied
9.12	The Company shall have a Remuneration Committee that conforms to the requirements of these regulations and shall have a written Terms of Reference	There is a Remuneration Committee in place with a written Terms of Reference	1st October 2023	Complied
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.	Currently there are two Executive Directors on the Board. The policy of Executive Directors' remuneration shall be formulated as and when the need arises. Directors' fees paid to the Non-Executive Directors are recommended to the Board by the Remuneration Committee. In determining the Board fees paid to Non-Executive Directors, the Remuneration Committee considers current market rates and the extent of contribution by each board member at board level.	1st October 2023	Complied
9.12.6	Functions and Composition of the Remuneration Committee -Comprise a minimum of 3 Directors out of which a minimum of 2 shall be independent - not consist of Executive Directors - Chairperson to be an Independent Director.	All 03 Directors of the Remuneration Committee are Independent Non-Executive Directors. Remuneration Committee Report provides required disclosures to this Annual Report.	1st October 2024	Complied
9.13	Where the Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee shall additionally perform the Risk Functions set out in the regulations. The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	The Audit Committee is entrusted with the Risk Committee Scope.	1st October 2024	Complied

Corporate Governance Compliance Report

	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.13.3	The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Where the parent and subsidiary are both listed the AC of the parent may be permitted to function as the AC of the subsidiary The Chairperson of the AC shall be a Member of a recognised professional accounting body. Provided, however this Rule shall not be applicable in respect of Risk Committees where there is a separate Risk Committee and Audit Committee.	All 03 members of the Audit Committee are Independent Non-Executive Directors out of which 01 is the SID. Audit Committee meet at least once a quarter. There were 04 Audit Committee meetings held during the financial year ended 31st March 2026. The attendance at the Audit Committee are given on Pages 24 to 25 of the Annual report. Chairman of the Audit Committee is an independent Non Executive Director of the Board. The Executive Directors attends the Audit Committee meetings by invitation. Not applicable The Chairperson of the Audit Committee is a Member of Institute of Chartered Accountants of Sri Lanka	1st October 2024	Complied
9.13.4	Functions and Annual Report Disclosures of the Audit Committee.	Functions of the Audit Committee during the financial year and the Annual Report Disclosures are given in the Report of the Audit Committee on Pages 24 to 25.	Until 1st October 2024, the Company shall at a minimum comply with previous Rules 7.10.6 (b) and (c) relating to the functions and disclosures in the Annual Report relating to the Audit Committee.	Complied

	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.14.1	Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in the regulation.	Related Party Transactions Review Committee is in place.	1st October 2023	Complied
9.14.2	The Related Party Transactions Review Committee shall consist of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee. If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.	All 3 members of the Related Party Transactions Review Committee are Independent Non-Executive Directors, out of which 01 is the SID. An Independent Non-Executive Director is the Chairman of the Related Party Transactions Review Committee Not applicable	1st October 2023 1st October 2023	Complied Complied
9.14.4	The Related Party Transactions Review Committee shall meet at least once a calendar quarter. Minutes of meetings are properly documented and communicated to the Board of Directors. The minutes of the RPTRC are tabled at the meetings of the Board of Directors on a periodic basis. Members of the RPTRC to ensure they have or have access to adequate knowledge expertise and advice. Where necessary, the RPTRC shall request the Board of Directors to approve the Related Party Transactions which are under review by the RPTRC. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. Interested Directors shall not vote on or shall not be present during the deliberations on the specific matter	There were 4 Related Party Transactions Review Committee meeting during the year. These were held in each quarter. Minutes of the Related Party Transactions Review Committee are circulated to the Board every quarter. Committee seeks expertise and professional knowledge on matters need technical assistance. Directors of the RPTRC are aware of their obligations	1st October 2023	Complied

Corporate Governance Compliance Report

	Corporate Governance Requirement	Level of compliance	Effective date of compliance	Status of compliance
9.14.5	The Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) such proposed material changes shall also be reviewed by the RPTRC prior to the completion of the transaction. The RPTRC shall be provided with all the facts and circumstances of the proposed RPT by the senior management to facilitate the review of a RPT. Directors shall not participate in discussions where there is conflict except for the express purpose of providing information. Where necessary, a special committee to be created to review a proposed RPT. If a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.	The committee reviews all RPT for each quarter. No such situations trigger during the financial year. (Please confirm) Management is conversant with their responsibility to furnish required facts and information necessary to review a RPT. Directors are fully aware of their obligations in respect of conflict of interest. RPTR committee may set out guidelines deemed necessary for ongoing RPT (if any) after assessing the nature of such transactions.	1st October 2023	Complied
9.14.6	The Company shall obtain shareholders' approval by way of a Special Resolution for the Related Party Transactions as soon as the value of the transaction exceeds threshold limits as set out in the regulations	The Company has obtained shareholders' approval by way of a Special Resolution for the Related Party Transactions	01st October 2023	Complied

In terms of Rule 9.16 of the Regulation, the Board of Directors disclose as follows:

(i) We have declared that the Company has not engaged in any activity which contravenes laws and regulations.

(ii) We have declared that 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;

(iii) We have declared the company has made all endeavors to ensure the equitable treatment of shareholders;

(iv) We have complied with best practices of Corporate Governance;

(v) We have conducted a review of internal controls covering financial, operational and compliance controls and risk management have obtained reasonable assurance of their effectiveness and successful adherence therewith;

(vi) We have declared that 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.

LEE HEDGES PLC BOARD MEETING - ATTENDANCE 2025/2026

NAME OF DIRECTOR	DATE OF MEETING							Remarks
	21st May 2025	14th August 2025	12th November 2025	07th January 2026	21st January 2026	05th February 2026	19th March 2026	
Mr. Sinnadurai Vamathevan	√	√	√	√	√	√	√	7/7
Mr. Walisundara Mudiyanselage Prasanna Walisundara	√	√	√	Resigned w.e.f. 12.11.2025				3/7
Mr. Samuel Sanjeeve Vamathevan	X	X	X	X	X	X	X	0/7
Mr. Senanayake Mudiyanselage Nanda Lalith Senanayake	√	√	√	X	√	Resigned w.e.f. 31.01.2026		4/7
Prof. Don Sudath Lasantha Pradeep Kumara Wijesinghe	√	X	√	√	X	√	√	5/7
Dr. Veronica Vasuki Vamathevan	X	X	√	√	√	√	√	5/7
Mr. Rupert Rajeeve Spencer Resigned w.e.f. 31.03.2026	X	X	X	X	X	X	X	0/7
Ananda Rajiv Walpita - Appointed w.e.f. 12.11.2025				√	√	√	√	4/7
Mohamed Hisham Jamaldeen - Appointed w.e.f. 21.01. 2026						√	√	2/7
Archie James Buckland Warman -Appointed w.e.f. 21.01. 2026						√	√	2/7
Ratnayake Mudiyanselage Mohan Joseph Ratnayake – Appointed w.e.f. 13.02.2026							√	1/7

Audit Committee Report

COMPOSITION OF THE COMMITTEE

The Audit committee comprises of three Independent Non Executive Directors with a Non Independent Non Executive Director by 31st March 2026 as given below.

Members of the Committee

Mr. Ananda Rajiv Walpita
- Independent Non-Executive Director / Chairman

Mr. Don Sudath Lasantha Pradeep Kumara Wijesinghe
- Senior Independent Non- Executive Director

Mr. Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

The changes to the Members of the Audit Committee during the year under review are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna Walisundara
- Independent Non-Executive Director

(Resigned with effect from 12th November, 2025)

Mr Ananda Rajiv Walpita
- Independent Non-Executive Director

(Appointed with effect from 12th November, 2025)

Mr Senanayake Mudiyanselage Nanda Lalith Senanayake
- Senior Independent Non-Executive Director

(Resigned with effect from 31st January, 2026)

Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake
- Independent Non-Executive Director

(Appointed with effect from 13th February, 2026)

Mr Rupert Rajeeve Spencer
- Non-Independent Non-Executive Director

(Resigned with effect from 31st March, 2026)

Brief profiles of the members of this committee are stated on pages 5 to 7 of this report.

Purpose of the Committee

The Board has established an Audit Committee, tasked with monitoring the Company's financial reporting system, selecting, and implementing accounting policies, establishing internal controls, and maintaining a suitable working relationship with external auditors.

Role of the Committee

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.
- 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.

External Audit

The External Audit function of the Company is carried out by Messrs. KPMG, 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.

However, Audit committee recommended to appoint Ernst & Young as external auditor.

Meetings

The Committee held 4 meetings during the year under review. The proceedings of the Audit Committee Meetings were reported to the Board of Directors. The attendance of members at these meetings is as follows:

AUDIT COMMITTEE – ATTENDANCE 2025/2026

Directors Name	21/05/2025	14/08/2025	12/11/2025	05/02/2026	Remarks
Mr P Walisundera (Chairman)	✓	✓	✓	Resigned w.e.f. 12.11.2025	3/4
Prof. Dr Lasantha Wijesinghe	✓	✓	×	√	3/4
Mr R R Spencer Resigned w.e.f. 31.03.2026	×	×	×	×	0/4
Mr L Senanayake	×	✓	✓	Resigned w.e.f. 31.01.2026	2/4
Mr A R Walpita (Current Chairman)				√	1/4

A. R. Walpita
Chairman-Audit Committee

Colombo
31st August 2026

Nomination and Governance Committee Report

PURPOSE OF THE COMMITTEE

This committee was established on 14th November 2023 as per the requirement of section 9.11.6 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

Mr. Ananda Rajiv Walpita - Independent Non-Executive Director/ Chairman

Mr. Don Sudath Lasantha Pradeep - Senior Independent Non- Executive Director Kumara Wijesinghe

Ms. Veronica Vasuki Vamathevan - Non Independent Non-Executive Director

Mr. Ratnayake Mudiyanselage Mohan - Independent Non-Executive Director Joseph Ratnayake

The changes to the Members of the Nominations and Governance Committee during the year under review are set out below together with the respective dates of changes:

Mr Walisundara Mudiyanselage Prasanna - Independent Non-Executive Director Walisundara *(Resigned with effect from 12th November, 2025)*

Mr Ananda Rajiv Walpita - Independent Non-Executive Director *(Appointed with effect from 12th November, 2025)*

Mr Senanayake Mudiyanselage Nanda - Senior Independent Non-Executive Director Lalith Senanayake *(Resigned with effect from 31st January, 2026)*

Ms. Veronica Vasuki Vamathevan - Non Independent Non-Executive Director *(Appointed with effect from 05th February, 2026)*

Mr Ratnayake Mudiyanselage Mohan - Independent Non-Executive Director Joseph Ratnayake *(Appointed with effect from 13th February, 2026)*

Brief profiles of each member are given on pages 5 to 7 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 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 Board's 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 reappoint Directors of the Company.

- Establish and maintain a set of criteria for the 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 the Board of Directors of the company to ensure that their responsibilities are satisfactorily discharged.

- Develop a succession plan for the Board of Directors of the of the company.

- Review the structure, size and composition of the Board and Board Committees with regard to the 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 the 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 personnel 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 the company's outlook.

MEETINGS

The Committee met 4 times during the financial year ended 31st March 2026 and the attendance record is given below.

NOMINATIONS AND GOVERNANCE COMMITTEE - ATTENDANCE 2025/2026

Directors Name	21/05/2025	14/08/2025	12/11/2025	05/02/2026	Remarks
Mr L Senanayake (Chairman)	✓	✓	✓	Resigned w.e.f. 31.01.2026	3/4
Mr P Walisundera	✓	✓	✓	Resigned w.e.f. 12.11.2025	3/4
Prof. Dr Lasantha Wijesinghe	✓	✓	×	✓	3/4
Mr A R Walpita (Current Chairman)			Appointed w.e.f. 12.11.2025	✓	1/4
Ms V V Vamathevan				✓ Appointed w.e.f. 05.02.2026	1/4

A. R. Walpita
Chairman

Colombo
31st August 2026

Related Party Transactions Review Committee Report

Role of the Committee

The Related Party Transactions Review Committee (RPTRC) is constituted in compliance with Section 9 of the Colombo Stock Exchange (CSE) Listing Rules and the SEC Code of Best Practice on Related Party Transactions (2017). Its mandate is to ensure that all Related Party Transactions (RPTs) of Lee Hedges PLC and its listed subsidiaries, other than those exempted under the Code, are conducted on an arm's length basis, consistent with regulatory requirements, and disclosed in a timely and transparent manner.

Composition of the Committee

As at 31 March 2026, the RPTRC comprised the following members:

- Mr. P. Walisundera – Chairman (resigned effective 12 November 2025)
- Prof. Dr. Lasantha Wijesinghe – Current Chairman (appointed effective 12 November 2025)
- Mr. R.R. Spencer – Non Executive Director (resigned effective 31 March 2026)
- Mr. L. Senanayake – Non Executive Independent Director (resigned effective 31 January 2026)
- Mr. A.R. Walpita – Non Executive Independent Director (appointed effective 12 November 2025)

The Company Secretaries functioned as Secretary to the Committee.

Meetings and Attendance

During the financial year from 1 April 2025 to 31 March 2026, the Committee convened four meetings. Attendance is summarised below:

LEE HEDGES PLC RELATED PARTY TRANSACTIONS REVIEW COMMITTEE – ATTENDANCE 2025/2026

Director's Name	21 May 2025	14 Aug 2025	12 Nov 2025	05 Feb 2026	Remarks
Mr. P. Walisundera (Chairman)	✓	✓	✓	–	Resigned w.e.f. 12 November 2025 – 3/4
Prof. Dr. Lasantha Wijesinghe (Current Chairman – Appointed effective 12 November 2025)	✓	✓	×	✓	3/4
Mr. R.R. Spencer	×	×	×	×	Resigned w.e.f. 31 March 2026 – 0/4
Mr. L. Senanayake	✓	✓	✓	–	Resigned w.e.f. 31 January 2026 – 3/4
Mr. A.R. Walpita (Appointed effective 12 November 2025)	–	–	✓	–	1/4

Duties and Responsibilities

In line with the CSE Listing Rules on Related Party Transactions and the SEC Code, the Committee discharged the following responsibilities:

- Reviewing all transactions involving the transfer of resources, services, or obligations between the Company and related parties, irrespective of whether a price was charged.
- Determining whether transactions required prior approval of the Board of Directors.
- Ensuring that transactions were conducted on an arm's length basis, whether recurrent or non recurrent in nature.
- Approving transactions either at duly convened meetings or by circulation.
- Identifying related parties through declarations obtained from Directors, Key Management Personnel (KMP), and their close family members, with information shared with the Company Secretaries to fulfill regulatory requirements.
- Establishing criteria for identifying KMPs across the Company and its subsidiaries, thereby enhancing transparency and governance.

Committee Review and Observations

All related party transactions during the financial year were reviewed by the Committee. Observations and recommendations were communicated to the Board to ensure compliance with the SEC Code and CSE Listing Rules, thereby reinforcing shareholder confidence in the governance framework.

Governance Commentary

The Committee continues to play a pivotal role in strengthening the Company's governance framework by ensuring that related party transactions are subject to rigorous scrutiny and transparent disclosure. By adhering to the principles of the SEC Code and the CSE Listing Rules, the RPTRC safeguards shareholder interests, promotes accountability, and reinforces confidence in the integrity of the Board's decision making processes. This oversight contributes directly to the protection of minority shareholders and the long term sustainability of Lee Hedges PLC.

On behalf of the Board Related Party Transactions Review Committee

Prof. Dr. Lasantha Wijesinghe.
Chairman – Related Party Transactions Review Committee

Colombo
31st August 2026

Remuneration Committee Report

Role of the Committee

The Remuneration Committee is constituted in compliance with the Colombo Stock Exchange (CSE) Listing Rules and the SEC Code of Best Practice on Corporate Governance (2017). Its mandate is to recommend to the Board a fair and transparent framework for remuneration packages, ensuring that compensation levels are sufficient to attract and retain Executive Directors and senior management while safeguarding shareholder interests.

Composition of the Committee

As at 31 March 2026, the Remuneration Committee comprised the following members:

- Mr. P. Walisundera – Chairman (resigned effective 12 November 2025)
- Prof. Dr. Lasantha Wijesinghe – Current Chairman (appointed effective 12 November 2025)
- Mr. R.R. Spencer – Non Executive Director (resigned effective 31 March 2026)
- Mr. L. Senanayake – Senior Independent Non Executive Director (resigned effective 31 January 2026)
- Mr. A.R. Walpita – Non Executive Independent Director (appointed effective 12 November 2025)
- Mr. Ratnayake (appointed w.e.f. 13th February 2026)

The Company Secretaries functioned as Secretary to the Committee.

Meetings and Attendance

During the financial year from 1 April 2025 to 31 March 2026, the Committee convened four meetings. Attendance is summarised below:

LEE HEDGES PLC REMUNERATION COMMITTEE – ATTENDANCE 2025/2026

Director's Name	21 May 2025	14 Aug 2025	12 Nov 2025	05 Feb 2026	Remarks
Mr. P. Walisundera (Chairman)	✓	✓	✓	–	Resigned w.e.f. 12 November 2025 – 3/4
Prof. Dr. Lasantha Wijesinghe (Current Chairman – Appointed effective 12 November 2025)	✓	✓	×	✓	3/4
Mr. R.R. Spencer	×	×	×	×	Resigned w.e.f. 31 March 2026 – 0/4
Mr. L. Senanayake	✓	✓	✓	–	Resigned w.e.f. 31 January 2026 – 3/4
Mr. A.R. Walpita (Appointed effective 12 November 2025)	–	–	✓	–	1/4

Duties and Responsibilities

In line with the CSE Listing Rules and the SEC Code, the Committee discharged the following responsibilities:

- Making recommendations to the Board on the Company's framework of remuneration packages for Board Members.
- Recommending contracts of employment or related agreements with Executive Directors on behalf of the Company.
- Determining terms of compensation packages in the event of early termination of Executive Director contracts.
- Ensuring remuneration levels remained competitive and sufficient to attract and retain Executive Directors and senior management.

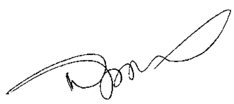
Committee Review and Observations

The Committee reviewed remuneration structures and policies during the year, ensuring alignment with shareholder expectations, regulatory requirements, and best practice standards. Recommendations were communicated to the Board to maintain transparency and fairness in compensation decisions.

Governance Commentary

The Remuneration Committee continues to play a critical role in reinforcing the Company's governance framework by ensuring that executive compensation is fair, transparent, and aligned with performance. By adhering to the principles of the SEC Code and CSE Listing Rules, the Committee safeguards shareholder interests, promotes accountability, and strengthens confidence in the Board's stewardship. This oversight contributes directly to the long term sustainability and reputation of Lee Hedges PLC.

On behalf of the Board Remuneration Committee



Prof. Dr. Lasantha Wijesinghe
Chairman – Remuneration Committee

Colombo.
31st August 2026

Senior Independent Director's Report

The Senior Independent Director of Lee Hedges PLC is mandated under the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange (CSE), and the Securities and Exchange Commission of Sri Lanka (SEC) Code of Best Practice on Corporate Governance (2017) to provide impartial oversight, safeguard minority shareholder interests, and reinforce the independence and integrity of the Board.

1. Board Independence and Governance Assurance

In accordance with Section 187 of the Companies Act and CSE Listing Rule 7.10, the composition and functioning of the Board were reviewed to ensure that non executive oversight remained effective and independent. Specific focus was placed on:

- Evaluating the balance between executive and non executive participation in strategic decision making.
- Ensuring that related party transactions were subject to rigorous scrutiny in compliance with CSE Listing Rule 9.
- Supporting the Chairman in fostering a culture of transparency, accountability, and constructive debate.

1A. Activities During the Year

During the year under review, the Board underwent significant changes in ownership and composition, with the induction of several new Independent Directors. From the previous Board, only one Independent Director together with the Senior Independent Director continued, while the remainder were newly appointed and had not yet completed a sufficient tenure to gain a comprehensive understanding of the Company's activities for the year.

Accordingly, a formal meeting of the Non Executive Independent Directors was not convened. This decision was taken to ensure that discussions on corrective and preventive measures against any adverse or disruptive matters would be properly informed and meaningful once the new Independent Directors had acquired adequate familiarity with the Company's operations.

Nevertheless, unplanned and informal encounters with Independent Directors were maintained, and guidance was provided to the Chairman as necessary. The Chairman and the Board were apprised of the suggestions, opinions, and perspectives of the Independent Directors through these channels.

2. Shareholder Engagement and Minority Protection

Consistent with the SEC Code's principles of equitable treatment, accessibility to shareholders, particularly minority investors, was ensured to address concerns and provide assurance that their voices were represented at Board level. This included:

- Participation in the Annual General Meeting and investor forums.
- Responding to shareholder queries with impartiality and fairness.
- Reinforcing confidence in the governance framework by ensuring that minority shareholder rights were respected and upheld.

3. Risk Oversight and Compliance Monitoring

In collaboration with the Audit and Risk Committees, a review of the Company's risk management framework and compliance with statutory obligations was undertaken. Key areas of oversight included:

- Monitoring the integrity of financial reporting in line with Section 150 of the Companies Act.
- Assessing enterprise risk exposures across trading, investment, and operational divisions.
- Ensuring adherence to disclosure requirements under the CSE Listing Rules and SEC governance principles.

4. Future Outlook

Commitment remains toward strengthening Board independence, enhancing shareholder engagement, and upholding the highest standards of governance. With the recent induction of new Independent Directors, adequate time will be allowed for them to acquire a comprehensive understanding of the Company's operations and governance framework.

Formal meetings of the Non Executive Independent Directors will be resumed once the new members have completed a sufficient tenure to contribute meaningfully to discussions on corrective and preventive measures. This will ensure that deliberations are well informed, constructive, and aligned with the Company's long term interests.

Stewardship will continue to be guided by the statutory provisions of the Companies Act, the SEC Code of Best Practice, and the CSE Listing Rules, with the objective of ensuring sustainable value creation and protecting the reputation of Lee Hedges PLC.

Prof. Dr. Lasantha Wijesinghe
Senior Independent Director

Lee Hedges PLC.
31st August 2026.

FINANCIAL STATEMENTS

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHAREHOLDERS OF LEE HEDGES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lee Hedges PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 35 to 71.

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 of 31st 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 Auditor's 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment property

Refer to significant accounting policies in Note 3.6 and explanatory Note 14.

Risk Description

The fair value of the Group's and Company's investment property amounted to Rs. 6,321 Mn and Rs. 2,700 Mn respectively as at 31st March 2026. The Group carries its investment property at fair value. Management's assessment of fair value of this investment property is based on valuations performed by a qualified independent property valuer in accordance with recognised industry standards.

Valuation of investment property is considered as a key audit matter due to the significance of the carrying amount and the subjective nature of property valuation categorised as level 3 as per fair value hierarchy, with unobservable inputs, that depends on the nature of the property, its location and expected future net rental values, market yields, capitalisation rates and comparable market transactions. A change in key assumptions will have a significant impact to the valuation.

Our audit procedures included,

- Assessing the competence, independence and objectivity of the independent external valuer engaged by the management.
- Engaging our own internal valuation specialists to assess the reasonableness of key assumptions such as market values, expected rental values, property outgoings, discount rates applied, and the appropriateness of the methodology used and conclusions reached in deriving the fair value of the Investment Property.
- Assessing the reasonableness of the market values used by the valuer in the valuation, by comparing the same with evidence of current market values.
- Assessing the adequacy of disclosures made in relation to the valuation of investment property in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used in the estimates in accordance with Sri Lanka Accounting Standards.

Other Information

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

Our opinion on the financial statements does not cover the other information and we 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor’s report is 5113.

Chartered Accountants
Colombo

31st August 2026

Statement of Profit or Loss and Other Comprehensive Income

	Note	Group		Company	
		2026	2025	2026	2025
		Rs '000	Rs '000	Rs '000	Rs '000
Revenue	5	259,529	204,498	57,020	3,040
Cost of Sales		(3,987)	(4,143)	(401)	-
Gross Profit		255,542	200,355	56,619	3,040
Other Income	6	19,765	190	65,801	46,351
Net gain arising from changes in fair value of Investment properties	14	604,007	319,371	(420,938)	141,815
Administrative Expenses		(156,029)	(135,566)	(150,754)	(160,607)
Other Expenses	7	-	(5,207)	-	(5,207)
Results from operating activities		723,285	379,143	(449,272)	25,392
Finance Income		139,729	193,938	69,576	122,552
Finance Cost		(13,203)	(11,595)	(19,443)	(12,547)
Net Finance Income	8	126,526	182,343	50,133	110,005
Profit/(Loss) before Taxation	9	849,811	561,486	(399,139)	135,397
Income Tax Expense	10	(151,975)	(162,580)	104,632	(64,116)
Profit for the year		697,836	398,906	(294,507)	71,281
Other Comprehensive Income					
Items that will never be reclassified to profit or loss					
Actuarial Gain/(Loss) on Retirement Benefit Obligation	24	354	(346)	354	(346)
Changes in the fair value of equity investments at fair value through other comprehensive income		-	2,123	-	2,123
Deferred Tax on other Comprehensive Income	16.1	(106)	104	(106)	104
Total Comprehensive income for the year		698,084	400,787	(294,259)	73,162
Profit for the year attributable to;					
- Equity holders of the parent		697,836	398,906	(294,507)	71,281
-Non controlling Interests		-	-	-	-
		697,836	398,906	(294,507)	71,281
Total Comprehensive Income for the year attributable to;					
-Equity holders of parent		698,084	400,787	(294,259)	73,162
-Non Controlling Interests		-	-	-	-
Total Comprehensive Income for the year		698,084	400,787	(294,259)	73,162
Basic Earnings per Share (Rs.)	11	27.26	15.58	(11.50)	2.78

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 40 to 71.

Statement of Financial Position

	Note	Group		Company	
		2026	2025	2026	2025
		Rs '000	Rs '000	Rs '000	Rs '000
ASSETS					
Non Current Assets					
Property, Plant and Equipment	13	149,729	852,501	45,551	845,653
Right-of-use assets	28.1	-	-	103,301	70,035
Investment Property	14	6,320,500	4,616,850	2,700,000	2,021,295
Investments in subsidiary	15	-	-	1,775,420	1,775,420
Financial Assets at Amortised Cost	19.1	1,314,319	483,575	147,039	134,227
		7,784,548	5,952,926	4,771,311	4,846,630
Current Assets					
Trade and Other Receivables	17	211,493	188,415	184,313	154,067
Amounts due from Subsidiaries	18	-	-	-	6,844
Financial Assets at Amortised Cost	19.2	131,888	1,531,264	20,823	673,036
Income Tax Receivable		27,045	-	27,045	8,868
Cash and Cash Equivalents	20	40,821	16,568	105	2,527
		411,247	1,736,247	232,286	845,342
Total Assets		8,195,795	7,689,173	5,003,597	5,691,972
EQUITY AND LIABILITIES					
Equity					
Stated Capital	21	51,205	51,205	51,205	51,205
Capital Reserves	22	553,231	553,231	553,231	553,231
Other Reserves	23	6,198,321	5,538,641	3,750,948	4,083,612
Total Equity attributable to Equity holders of the Parent		6,802,757	6,143,077	4,355,384	4,688,048
Non-controlling interests		-	-	-	-
Total equity		6,802,757	6,143,077	4,355,384	4,688,048
Non Current Liabilities					
Lease Liability	28.2	-	-	60,814	51,381
Retirement Benefit Obligation	24	15,855	15,542	15,824	15,542
Security Deposit	25	78,790	43,764	30,230	-
Deferred Tax Liabilities	16	920,435	807,932	289,450	400,263
		1,015,080	867,238	396,318	467,186
Current Liabilities					
Other Payables	26	224,173	247,145	81,508	102,911
Lease Liability - Current	28.2	-	-	38,078	11,410
Income Tax Payable		21,476	9,296	-	-
Bank Overdrafts	27	132,309	422,417	132,309	422,417
		377,958	678,858	251,895	536,738
Total Liabilities		1,393,038	1,546,096	648,213	1,003,924
Total Equity and Liabilities		8,195,795	7,689,173	5,003,597	5,691,972
Net Asset Value per Share (Rs.)		265.70	239.94	170.11	183.11

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 40 to 71.

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

T. Thayalan
Senior Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and behalf of the board,

M. H. Jamaldeen
Director

A. R. Walpita
Director

31st August 2026
Colombo

Statement of Changes in Equity

Group	Attributable to the Equity holders of the Parent						Total Equity
	Stated Capital	Capital Reserves	Financial Assets FVOCI Reserve	Other Reserves		Total	
				General Reserves	Retained Earning		
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1st April 2024	51,205	553,231	(8,053)	81,786	5,102,525	5,780,694	5,780,694
Total comprehensive income for the year							
Profit for the year	-	-	-	-	398,906	398,906	398,906
Actuarial loss on retirement benefit obligation (Note 24)	-	-	-	-	(346)	(346)	(346)
Net change in equity investments at fair value through other comprehensive income	-	-	2,123	-	-	2,123	2,123
Transfer of cumulative gain upon disposal	-	-	5,930	-	(5,930)	-	-
Deferred Tax on other Comprehensive Income (Note 16.1)	-	-	-	-	104	104	104
Total comprehensive income for the year	-	-	8,053	-	392,734	400,787	400,787
Dividend Paid* (Note 12)	-	-	-	-	(38,404)	(38,404)	(38,404)
Balance as at 31st March 2025	51,205	553,231	-	81,786	5,456,855	6,143,077	6,143,077
Balance as at 1st April 2025	51,205	553,231	-	81,786	5,456,855	6,143,077	6,143,077
Total comprehensive income for the year							
Profit for the year	-	-	-	-	697,836	697,836	697,836
Actuarial gain on retirement benefit obligation (Note 24)	-	-	-	-	354	354	354
Deferred Tax on other Comprehensive Income (Note 16.1)	-	-	-	-	(106)	(106)	(106)
Total comprehensive income for the year	-	-	-	-	698,084	698,084	698,084
Dividend Paid* (Note 12)	-	-	-	-	(38,404)	(38,404)	(38,404)
Balance as at 31st March 2026	51,205	553,231	-	81,786	6,116,535	6,802,757	6,802,757

Statement of Changes in Equity

Company	Stated Capital	Capital Reserves	Financial Assets FVOCI Reserve	Other Reserves General Reserves	Other Reserves Retained Earning	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1st April 2024	51,205	553,231	(8,053)	81,786	3,975,121	4,653,290
Total comprehensive income for the year						
Profit for the year	-	-	-	-	71,281	71,281
Actuarial loss on retirement benefit obligation (Note 24)	-	-	-	-	(346)	(346)
Net change in equity investments at fair value through other comprehensive income	-	-	2,123	-	-	2,123
Transfer of cumulative gain upon disposal	-	-	5,930	-	(5,930)	-
Deferred Tax on other Comprehensive I income (Note 16.1)	-	-	-	-	104	104
Total comprehensive Income for the year	-	-	8,053	-	65,109	73,162
Dividend Paid* (Note 12)	-	-	-	-	(38,404)	(38,404)
Balance as at 31st March 2025	51,205	553,231	-	81,786	4,001,826	4,688,048
Balance as at 1st April 2025	51,205	553,231	-	81,786	4,001,826	4,688,048
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(294,507)	(294,507)
Actuarial gain on retirement benefit obligation (Note 24)	-	-	-	-	354	354
Deferred Tax on other Comprehensive Income (Note 16.1)	-	-		-	(106)	(106)
Total comprehensive income for the year	-	-	-	-	(294,259)	(294,259)
Dividend Paid* (Note 12)	-	-	-	-	(38,405)	(38,405)
Balance as at 31st March 2026	51,205	553,231	-	81,786	3,669,162	4,355,384

* Dividend per share is disclosed in Note 12 to the Financial Statements.

The Group has no Non-Controlling Interests.

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 40 to 71.

Statement of Cash Flows

	Group		Company	
	2026	2025	2026	2025
For the year ended 31st March	Rs '000	Rs '000	Rs '000	Rs '000
Cash Flows from Operating Activities				
Profit before Taxation	849,811	561,486	(399,139)	135,397
Adjustments for :				
Finance Income (Note 8)	(139,729)	(193,938)	(69,576)	(122,552)
Finance Costs (Note 8)	13,203	11,595	19,443	12,547
Dividend Income (Note 6)	-	(190)	(46,161)	(46,351)
Depreciation on Property, Plant and Equipment (Note 13)	41,271	20,464	14,852	20,386
Amortisation of Right-of-use assets (Note 28.1)	-	-	14,246	13,662
Provision for Retirement Benefit Obligation (Note 24)	2,318	2,630	2,287	2,630
Net Gain on Disposal / Exchange of Property, Plant and Equipment (Note 6)	(19,640)	5,207	(19,640)	5,207
Gain on Revaluation of Investment Property (Note 14)	(604,007)	(319,371)	420,938	(141,815)
Provision for impairment on amounts due from subsidiaries (Note 18.1)	-	-	41,659	34,090
Operating Profit / (Loss) before Working Capital Changes	143,227	87,883	(21,091)	(86,799)
Increase in Trade and Other Receivables	(23,078)	(92,601)	(30,246)	(84,234)
Increase in Amounts due from subsidiaries	-	-	(34,815)	(7,313)
Increase/(Decrease) in Other Payables	12,052	(179,100)	8,828	(183,171)
Cash generated from / (Used in) Operations	132,201	(183,818)	(77,324)	(361,517)
Interest Received	18,024	114,009	13,110	37,696
Interest Paid (Note 8)	(13,203)	(11,595)	(19,444)	(12,547)
Income Taxes Paid	(54,443)	(90,585)	(24,464)	(41,679)
Retirement Benefits Paid	(1,651)	(3,820)	(1,651)	(3,820)
Net Cash Flows generated from / (Used in) Operating Activities	80,928	(175,809)	(109,773)	(381,867)
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment (Note 13)	(464,351)	(626,469)	(340,601)	(619,575)
Proceeds from Sale of Property, Plant and Equipment	45,849	29,322	45,849	29,322
Proceeds from Disposal of Equity Securities / (Investment in Shares)	-	8,206	-	8,206
Dividend Received (Note 6)	-	190	46,161	46,351
Disposal in Short term Investments	690,338	165,388	695,864	504,764
Net Cash Flows generated from / (Used in) Investing Activities	271,836	(423,363)	447,273	(30,932)
Cash Flows from Financing Activities				
Dividend Paid (Note 12)	(38,404)	(38,404)	(38,404)	(38,404)
Repayment of Long-term Lease Liabilities (Note 28.4)	-	-	(11,410)	(17,028)
Net Cash Flows Used in Financing Activities	(38,404)	(38,404)	(49,814)	(55,432)
Net Increase / (Decrease) in Cash and Cash Equivalents	314,361	(637,576)	287,686	(468,231)
Cash and Cash Equivalents at beginning of the Year	(405,849)	231,727	(419,890)	48,341
Cash and Cash Equivalents at end of the year (Note A)	(91,488)	(405,849)	(132,204)	(419,890)
Note A				
Analysis of Cash and Cash Equivalents				
Cash and Bank Balances (Note 20)	40,821	16,568	105	2,527
Bank Overdrafts (Note 27)	(132,309)	(422,417)	(132,309)	(422,417)
	(91,488)	(405,849)	(132,204)	(419,890)

Figures in brackets indicate deductions.

The Financial Statements are to be read in conjunction with the related notes, which form a part of the Financial Statements of the Group set out on pages 40 to 71.

Notes to the Financial Statements

1. REPORTING ENTITY

Lee Hedges PLC is a Company incorporated and domiciled in Sri Lanka. The address of the Company's Registered Office is No.353, Kollupitiya Road, Colombo 03. The Company's Financial Statements of Lee Hedges PLC (Previously referred as Shaw Wallace and Hedges PLC) for the year ended 31st March 2026 comprises the Company and its fully owned Subsidiaries, Pioneer Properties & Lee Hedges Limited and Lee Hedges Investments Limited. (Together referred to as the "Group").

The staff strength of the Company and Group as at 31st March 2026 is 1 (2025 - 9).

The Group is in the business of development of property, administration & maintenance.

The Parent Company is Lanka Realty Investments PLC

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group and separate Financial Statements of the Company, which comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes 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. Further, the statements comply with the requirements of the Companies Act No 7 of 2007. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements.

2.2 Approval of Financial Statements by Directors

The Group's Financial Statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 31st August 2026

2.3 Basis of Measurement

The financial statements have been prepared on a historical cost basis and accounting policies are applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following material items in the statement of financial position;

- Investment properties are measured at cost at the time of acquisition and subsequently at fair value as explained in note 14.
- The liability for defined benefit obligation is recognised as the present value of the defined benefit obligation.

2.4 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional currency. All financial information presented in Sri Lankan Rupees has been rounded up to the nearest rupee, unless stated otherwise.

2.5 Presentation of Financial Statements

The assets and liabilities of the Group presented in its Statement of Financial Position are grouped by nature and listed in an order that reflects their liquidity and maturity pattern.

Assets and liabilities are offset and the net amount is reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss and Other Comprehensive Income unless required or permitted by an Accounting Standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

2.6 Use of Estimates and Judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

2.6.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Financial Statements are described in the following notes.

- Note 30 – Contingent Liabilities

2.6.2 Assumption and estimation uncertainties

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

- Note 14 – Investment Properties
- Note 24 – Measurement of Defined Benefit Obligation

2.7 Going concern basis of accounting

These financial statements have been prepared on the basis that the Group would continue as a going concern for the foreseeable future.

2.8 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial Instruments

3.1.1 Recognition and initial measurement

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

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

3.1.2 Financial Assets

3.1.2.1 Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss.

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

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

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

This assessment in referred to as the SPPI test and it is performed at an instrument level. The Group's financial assets classified under amortised cost includes trade and other receivable, short term investments and cash and cash equivalents.

3.1.2.2 Business model assessment

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

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

3.1.2.3 Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

3.1.2.4 Subsequent measurement and gains and losses

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

Notes to the Financial Statements

3.1.2.5 Impairment

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.1.2.6 Presentation of allowance for ECL in the statement of financial position

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

3.1.2.7 Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

3.1.3 Financial Liabilities

3.1.3.1 Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

3.2 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.

A Fair value measurement requires an entity to determine all the following:

1. The particular asset or liability that is the subject of the measurement
2. For a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use)
3. The principal (or most advantageous) market for the asset or liability
4. The valuation technique(s) appropriate for the measurement, considering the availability of data with which to develop inputs that represent the assumptions that market participants would use when pricing the asset or liability and the level of the fair value hierarchy within which the inputs are categorised.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same, to estimate the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

When an asset is acquired or a liability is assumed in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). In contrast, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price).).

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

3.2.1 Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumption and other risks affecting the specific instrument.

- Level 1 - Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 - Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 - Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the charge has occurred.

3.3 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Directors have concluded that the Group controls all subsidiaries as it has majority control and voting rights over its subsidiaries.

Set out below are the group's principal subsidiaries as at 31st March 2026.

Name of entity	Place of business	% of Ownership interest held by the group	Principal Activities
Lee Hedges Investments Ltd	Colombo/ Sri Lanka	100%	The Company is in the business of development of property, administration & maintenance of property.
Pioneer Properties & Lee Hedges Ltd	Colombo/ Sri Lanka	100%	The entity is currently dormant.

Loss of control

When a loses control over a subsidiary, it derecognises the asset and liabilities of the subsidiary and any related NCI (If applicable) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Accounting for Investment in subsidiaries

When separate financial statements are prepared, investments in subsidiaries are accounted for using the cost method. Investments in subsidiaries are stated in the Company's Statement of Financial Position at cost less accumulated impairment losses.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except for land and building which are subsequently measured at revalued amount.

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 asset to a working condition for their intended use.
- and the costs of dismantling and removing the items and restoring the site on which they are located.

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

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

Notes to the Financial Statements

3.4.2 Subsequent Costs

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

3.4.3 De-recognition

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

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 derecognised. Major inspection costs are capitalised. At each such capitalisation, the remaining carrying amount of the previous cost of inspection is derecognised.

3.4.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

	Years
Motor Vehicles	4
Office Equipment	5
Computer Equipment	5
Name Boards	5
Furniture and Fittings	5
Staff Healthcare Equipment	5
Exhibition Items	5

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.5 Identification and Measurement of Impairment

3.5.1 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 such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, 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 indication exists, the Group makes an estimate of recoverable amount.

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 periods. Such reversal is recognised in the Statement of Profit and loss and other Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

3.6 Investment Property

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale on the ordinary course of business, use in production, or supply of goods and services, or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. The carrying amount 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 costs of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Statement of Profit or Loss. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year.
The fair values are based on open market value, being the estimated amount for which a property could be exchanged

on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Investment properties are derecognised when either they have been disposed of or when the Investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Profit or Loss in the year of retirement or disposal.

When an item or property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss arising in this manner is recognised in profit or loss immediately.

If an investment property becomes owner occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Profit or Loss. When an Investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.7 Liabilities and Provisions

3.7.1 Dividend payable

Provision for final dividends is recognised at the time the dividend recommended and declared by the Board of Directors, is approved by the shareholders. Interim dividends payable is recognised when the Board approves such dividend in accordance with the Companies Act No. 7 of 2007.

3.7.2 Provisions

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

3.8 Stated Capital - Ordinary Shares

The Company's stated capital comprises of ordinary shares, which are classified as equity.

3.9 Cash & Cash Equivalents

Cash and cash equivalents comprise cash balances, demand deposits and short term highly liquid investments readily convertible to know amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the statement of cash flows.

3.10 Employee Benefits

3.10.1 Defined Benefit Plan

Defined Benefit Plan is a post-employment benefit plan other than defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the statement of financial position date. The Company uses an internally developed method which uses projected unit credit method to calculate the liability of retirement benefits obligation as at the reporting date in accordance with Sri Lanka Accounting Standard (LKAS 19). The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the note 24 to the Financial Statements.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and expenses related to defined benefit plans in staff expenses in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. Further, the liability is not externally funded.

3.10.2 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 recognised as an expense in the statement of comprehensive income, as incurred.

(a) Employees' Provident Fund

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

(b) Employees' Trust Fund

The Group contributes 3% of the salary of each employee to the Employees' Trust Fund. The total amount recognised as an expense to the Group for contribution to ETF and EPF is disclosed in the Note 9 to the financial statements.

3.11 Commitments and Contingencies

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 reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

3.12 Revenue

Rental income is recognised in Profit or Loss for the year as it accrues.

Gains and losses on the disposal of Property, Plant and Equipment determined by reference to the carrying value have been accounted for in Profit or Loss for the year.

3.13 Expenditure

All expenditure incurred in running of the business and in maintaining the capital assets in a state of efficiency has been charged to Revenue in arriving at the profit for the year.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

3.14 Net Finance Income

Interest income is recognised in the Profit or Loss for the year as it accrues. Finance cost is recognised as an expense in the year in which it is incurred except to the extent where financing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset that takes a substantial period of time to get ready for its intended use is capitalised as part of the asset.

3.15 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/ decisions of the other, irrespective of whether a price is being charged.

3.16 Taxation

Current tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to Income taxes including, uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

3.16.1 Current taxes

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of previous years.

The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto, including any amendments legislated by Inland Revenue (Amendment) Act N0.45 of 2022.

3.16.2 Deferred Taxation

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax asset are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16.3 Offsetting of Tax Assets and Liabilities

Current and deferred tax assets and liabilities are offset only to the extent that they relate to income taxes imposed by the same taxation authority, there is a legal right and intentions to settle on a net basis and it is allowed under the tax law.

3.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

3.17.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises 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 re-measurements of the lease liability. Right of use asset relate to lease of office space.

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 various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, 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.

Short-term leases and leases with low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, if any. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.17.2 As a Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Rental income."

3.18 Earnings per Share

The Group presents basic and diluted 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 period.

3.19 Statement of Cash Flows

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. Cash and cash equivalents include notes and coins on hand, balances with banks, money at call and short notice with less than three months maturity from the date of acquisition.

3.20 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 providing office premises on rental business of the Group 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.

Notes to the Financial Statements

3.21 Comparative Information

The Comparative Information is reclassified where ever necessary to confirm with the current year's presentation in order to provide a better presentation

3.22 New/Amendments to Accounting standards issued but not effective as at reporting date

The Institute of Chartered Accountants of Sri Lanka has issued the following amendments to Sri Lanka Accounting Standards (SLFRs/LKAs) which will become applicable for financial periods beginning after 1st April 2025.

Accordingly, the Group has not applied these amendments in preparing these financial statements. The following amendments are not expected to have significant impact on the company`s financial statements

- General Requirements for Disclosure of Sustainability-related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

4. FINANCIAL RISK MANAGEMENT

4.1 Introduction and Overview

The Group has exposure to the following risks from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Capital Management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

4.2 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board consists of Directors with wide financial and commercial knowledge and experience.

The Board discharges its governance responsibility through the Board of Directors and the Audit Committee. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures.

4.3 Credit Risk

Credit risk is the risk of financial loss to the Group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from tenants.

Trade and other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant.

The Board of Directors has established a credit policy under which each new tenant is analysed individually for creditworthiness. The Group's review includes review of financial position and bank references.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

4.4 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

4.5 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4.6 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 behaviour. 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 authorisation 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

4.7 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year. The Group wishes to raise additional capital to invest in more diversified investments to mitigate the future operational risk.

Notes to the Financial Statements

5 REVENUE

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Lee Hedges PLC - Rental Income	57,020	3,040	57,020	3,040
Lee Hedges Investments Ltd	220,509	219,458	-	-
	277,529	222,498	57,020	3,040
Intra-Group Adjustments	(18,000)	(18,000)	-	-
	259,529	204,498	57,020	3,040
5.1 **Gross Revenue**				
Rent Income	277,529	222,498	57,020	3,040
	277,529	222,498	57,020	3,040

6 OTHER INCOME

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Gain on Disposal/exchange of Property, Plant and Equipment	19,640	-	19,640	-
Dividend Income	-	190	46,161	46,351
Sundry Income - Solar Electricity Income	125	-	-	-
	19,765	190	65,801	46,351

7 OTHER EXPENSES

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Loss on Disposal/exchange of Property, Plant and Equipment	-	5,207	-	5,207
	-	5,207	-	5,207

8 NET FINANCE INCOME

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Finance Income				
Interest Income	139,729	193,938	69,576	122,552
Finance Costs				
Interest on Lease (Note 28.2)	-	-	(6,589)	(972)
Interest Costs - Bank Overdraft	(13,203)	(11,595)	(12,854)	(11,575)
	(13,203)	(11,595)	(19,443)	(12,547)
	126,526	182,343	50,133	110,005

9 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging all expenses including the following ;

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Directors' Fees	3,900	2,700	3,900	2,700
Directors' Remuneration - Executive Director(s)	36,862	33,848	36,862	33,848
Other Benefits to Key Management Personnel	3,608	4,250	3,608	4,250
Auditors' Remuneration				
Audit and Audit Related Fees	2,100	1,629	1,200	1,073
Depreciation on Property Plant and Equipment (Note 13)	41,271	20,464	14,852	20,386
Amortisation of Right-of-use assets (Note 28.1)	-	-	14,246	13,662
Legal Fees	2,957	1,798	1,999	1,798
Personnel Costs				
Salaries	8,105	18,528	8,105	18,528
Defined Contribution Plan Cost - EPF and ETF	4,562	5,021	4,562	5,021
Defined Benefit Plan Cost - Retiring Gratuity (Note 24.1)	2,318	2,630	2,287	2,630
Provision for Impairment amount due from subsidiaries	-	-	41,659	34,090

10 INCOME TAX EXPENSES

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Current Tax Expense (Note 10.1)	33,289	33,431	-	1,929
Under provision in respect of previous years	(638)	6,767	(638)	6,767
Dividend Tax	6,925	11,455	6,925	11,455
	39,576	51,653	6,287	20,151
Deferred Tax Expenses				
(Origination)/ Reversal of deductible temporary differences (Note 16.1)	(11,119)	(15,901)	(11,112)	(15,901)
Origination/ (Reversal) of taxable temporary differences (Note 16.1)	123,518	126,828	(99,807)	59,866
	112,399	110,927	(110,919)	43,965
	151,975	162,580	(104,632)	64,116
10.1 **Reconciliation of Accounting Profit and Taxable Income**				
Accounting Profit before Tax	849,811	561,486	(399,139)	135,397
Income not liable for Tax	(597,990)	(319,605)	401,298	(142,050)
Interest Income	(180,540)	(227,560)	(69,576)	(122,552)
Dividend Income	(46,161)	(46,351)	(46,161)	(46,351)
Disallowable Expenses	155,310	116,820	86,773	82,269
Allowable Deductions	(207,587)	(140,997)	(75,665)	(22,836)
Exempt Amount	(49,658)	(59,915)	-	-
Adjusted loss from business	(76,815)	(116,122)	(102,471)	(116,122)
Interest Income	180,540	227,560	69,576	122,552
Tax Loss Claimed	(69,576)	(116,122)	(69,576)	(116,122)
Dividend Income	46,161	46,351	46,161	46,351
Exempt Amount	-	(190)	-	(190)
Income Subject to Final WHT	(46,161)	(46,161)	(46,161)	(46,161)
Taxable Income	110,964	111,438	-	6,430
Income Tax at 30% (2025 - 30%)	33,289	33,431	-	1,929

10.2 Accumulated Tax Losses

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Tax Loss brought forward	2,080	487,449	-	-
Tax Losses Expired	(464)	(485,369)		
Current Year Tax Loss	76,815	116,122	102,471	116,122
Tax Loss set off during the year	(69,576)	(116,122)	(69,576)	(116,122)
Tax Loss carried forward	8,855	2,080	32,895	-

The Subsidiary, Lee Hedges Investments Limited, is exempt from income tax for a period of 9 years, commencing from the year of assessment not later than two years from the commencement of commercial operations as per the agreement signed between the Subsidiary and the Board of Investments of Sri Lanka on 6th March 2014 in terms of the Inland Revenue Act No 10 of 2006 as amended by the Inland Revenue (amendment) Act No 8 of 2012(Sec 17A) & the Inland Revenue Act No 24 of 2017. The Company commenced the operations on 1st March 2018. Accordingly, the Company is exempt from income tax up to Y/A 2028/29 on its profit from operation.

The taxable profit of the Company and subsidiaries are liable for current tax rate of 30% (2025:30%) in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017 and amendments thereto. including any amendments legislated by Inland Revenue (Amendment) Act No 45 of 2022.

11 EARNINGS PER SHARE

11.1 Basic Earnings per Share

The calculation of basic earnings per share is based on the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary Shares outstanding during the year.

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
Profit for the year (Rs.'000)	697,836	398,906	(294,507)	71,281
Weighted Average Number of Ordinary Shares ('000)	25,603	25,603	25,603	25,603
Basic Earnings per Share (Rs.)	27.26	15.58	(11.50)	2.78

11.2 Diluted Earnings per Share

There were no dilutive potential Ordinary Shares outstanding at any time during the year.

12 DIVIDEND PER SHARE

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Dividend Paid (Rs.'000)	38,404	38,404	38,404	38,404
Weighted Average Number of Ordinary Shares ('000)	25,603	25,603	25,603	25,603
Dividend per ordinary share	1.50	1.50	1.50	1.50

13 Property, Plant and Equipment

Group	Motor Vehicles Rs.'000	Office Equipment Rs.'000	Computer Equipment Rs.'000	Name Boards Rs.'000	Furniture and Fittings Rs.'000	Exhibition Items Rs.'000	Solar Grid Tied System Rs.'000	Capital work in progress Rs.'000	Total Rs.'000
Cost									
Balance as at 1st April 2024	123,450	1,465	865	2,246	7,305	1,500	-	220,684	357,515
Additions	29,055	180	108	121	-	-	6,894	590,111	626,469
Disposals	(85,217)	-	-	-	-	-	-	-	(85,217)
Balance as at 31st March 2025	67,288	1,645	973	2,367	7,305	1,500	6,894	810,795	898,767
Balance as at 1st April 2025	**67,288**	**1,645**	**973**	**2,367**	**7,305**	**1,500**	**6,894**	**810,795**	**898,767**
Additions	**175,296**	**-**	**207**	**-**	**-**	**-**	**-**	**288,848**	**464,351**
Disposals	**(62,940)**	**(556)**	**(237)**	**-**	**(471)**	**-**	**-**	**-**	**(64,204)**
Transfer to Investments Property	**-**	**-**		**-**	**-**	**-**		**(1,099,643)**	**(1,099,643)**
Balance as at 31st March 2026	**179,644**	**1,089**	**943**	**2,367**	**6,834**	**1,500**	**6,894**	**-**	**199,271**
Accumulated depreciation									
Balance as at 1st April 2024	**63,522**	**1,292**	**638**	**2,241**	**7,297**	**1,500**	**-**	**-**	**76,490**
Charge for the year	**20,229**	**97**	**76**	**7**	**6**	**-**	**49**	**-**	**20,464**
Disposals	**(50,688)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(50,688)**
Balance as at 31st March 2025	**33,063**	**1,389**	**714**	**2,248**	**7,303**	**1,500**	**49**	**-**	**46,266**
Balance as at 1st April 2025	**33,063**	**1,389**	**714**	**2,248**	**7,303**	**1,500**	**49**	**-**	**46,266**
Charge for the year	**39,688**	**82**	**97**	**24**	**1**	**-**	**1,379**	**-**	**41,271**
Disposals	**(36,832)**	**(550)**	**(143)**	**-**	**(470)**	**-**	**-**	**-**	**(37,995)**
Balance as at 31st March 2026	**35,919**	**921**	**668**	**2,272**	**6,834**	**1,500**	**1,428**	**-**	**49,542**
Carrying amount									
Balance as at 31st March 2026	143,725	168	275	95	-	-	5,466	-	149,729
Balance as at 31st March 2025	34,225	256	259	119	2	-	6,845	810,795	852,501

Notes to the Financial Statements

Company	Motor Vehicles Rs.'000	Office Equipment Rs.'000	Computer Equipment Rs.'000	Name Boards Rs.'000	Furniture and Fittings Rs.'000	Exhibition Items Rs.'000	Capital work in progress Rs.'000	Total Rs.'000
Cost								
Balance as at 1st April 2024	123,450	1,015	865	-	65	1,500	220,684	347,579
Additions	29,055	180	108	121	-	-	590,111	619,575
Disposals	(85,217)					-	-	(85,217)
Balance as at 31st March 2025	67,288	1,195	973	121	65	1,500	810,795	881,937
Balance as at 1st April 2025	67,288	1,195	973	121	65	1,500	810,795	881,937
Additions	51,546	-	207	-	-	-	288,848	340,601
Disposals	(62,940)	(535)	(237)			-	-	(63,712)
Transfer to Investments Property	-	-	-	-	-	-	(1,099,643)	(1,099,643)
Balance as at 31st March 2026	55,894	660	943	121	65	1,500	-	59,183
Accumulated depreciation								
Balance as at 1st April 2024	63,522	861	638	-	65	1,500	-	66,586
Charge for the year	20,229	79	76	2	-	-	-	20,386
Disposals	(50,688)					-	-	(50,688)
Balance as at 31st March 2025	33,063	940	714	2	65	1,500	-	36,284
Balance as at 1st April 2025	33,063	940	714	2	65	1,500	-	36,284
Charge for the year	14,650	81	97	24	-	-	-	14,852
Disposals	(36,832)	(529)	(143)			-	-	(37,504)
Balance as at 31st March 2026	10,881	492	668	26	65	1,500	-	13,632
Carrying amount								
Balance as at 31st March 2026	45,013	168	275	95	-	-	-	45,551
Balance as at 31st March 2025	34,225	255	259	119	-	-	810,795	845,653

13.1 Fully-Depreciated Assets

The initial cost of fully-depreciated Property, Plant and Equipment which were in use as at 31st March 2026 are as follows:

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	**2026 Rs '000**	2025 Rs '000
Motor Vehicles	293	2,533	293	2,533
Office Equipment	795	1,184	367	750
Computer Equipment	535	532	535	532
Name Boards	2,246	2,246	-	-
Furniture Fittings & Equipment	6,834	7,274	65	65
Exhibition Items	1,500	1,500	1,500	1,500
	12,203	15,269	2,760	5,380

14 Investment Property

	Leasehold Land Rs.'000	Freehold Land Rs.'000	Building Rs.'000	As at 31.03.2026 Total Rs.'000	As at 31.03.2025 Total Rs.'000
Group					
Opening Balance	960,760	2,021,295	1,634,795	4,616,850	4,297,479
Fair Value Gain on Land	412,740	(139,939)		272,801	228,376
Transfer from Property,Plant & Equipment	-	-	1,099,643	1,099,643	-
Fair Value Gain on Building		-	331,206	331,206	90,995
Writeoff During the Year			-	-	-
Closing Balance	1,373,500	1,881,356	3,065,644	6,320,500	4,616,850
Company					
Opening Balance	-	2,021,295	-	2,021,295	1,879,480
Fair Value Gain on Land	-	(139,939)		(139,939)	141,815
Transfer from Property,Plant & Equipment		-	1,099,643	1,099,643	-
Fair Value Gain on Building	-	-	(280,999)	(280,999)	-
Closing Balance	-	1,881,356	818,644	2,700,000	2,021,295

14.1 Revaluation of Investment Property

The value of the investment property of the Company and Group situated at No.349 and 353 Galle Road Colombo 03 was determined by Mr. S.Sivaskantha (F.I.V), an external , independent professional valuer/assessor having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Company's and Group's investment property. A revaluation gain of Rs.604,007,000/- (2025:Rs.319,370,000/-) was recognised in profit or loss during the year ended 31st March 2026.

Revaluation of Investment Property of the Company

Fair value loss amounting to Rs. 420,938,000/- (2025: Gain of Rs.141,815,000/-) was recognised in the Profit or Loss during the year ended 31st March 2026.

Revaluation of Investment Property of the Subsidiary

Valuation of the subsidiary's leasehold land and freehold building were made on the basis of the income approach and the revaluation gain of Rs. 1,024,945,000/- for the year ended 31st March 2026 (2025: Rs. 177,555,000/-) was recognised in the Profit or Loss.

The fair value change for the year in primarily related to the increase in rental income due to revisions to the agreement during the year ended 31st March 2026.

Rental income earned from investment property and the direct operation costs incurred by the company and the group are as follows.

For the year ended 31st March	Group		Company	
	2026 **Rs '000**	2025 Rs '000	**2026** **Rs '000**	2025 Rs '000
Rental Income	**259,529**	204,498	**57,020**	3,040
Direct Operation Costs	**(25,126)**	(17,150)	**-**	-
	234,403	187,348	**57,020**	3,040

The Company has not incurred any direct operating expenses in the current year as well as in previous year in connection with the investment property.

Notes to the Financial Statements

14.2 Measurement of Fair Values

14.2.1 Fair Value Hierarchy

The fair value measurement for the Investment property have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Description	Address	Extent	Name of the Valuer	Date of Valuation	Fair Value at 31st March 2026	No of Buildings	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment Property - Company									
Freehold Land - Colombo	No.353, Galle Road, Kollupitiya	97.39 P	Mr. S. Sivaskantha	31st March 2026	1,881,356	-	Market Approach *	Market value per perch: Rs. 15,000,000 to Rs. 29,000,000	The estimated fair value would increase (decrease) if: Market value per perch was higher (lower)
Building			Mr. S. Sivaskantha	31st March 2026	818,644	1		A rate of Rs. 15,000 per Sq. ft.	
Investment Property - Subsidiary									
Leasehold Land	No.349, Galle Road, Kollupitiya	51.8 P	Mr. S. Sivaskantha	31st March 2026	1,373,500	-	Income Approach **	Repair -10 % (2025: 10%) Management & Insurance -7.5% (2025:10%) Annual Rates -35%; (2025: 35%) Capitalisation -5%; (2025: 5%) Income per Square Foot- According to agreements with tenants and value per perch. Market price per perch ranges between Rs. 15,000,000 to Rs. 29,000,000	The estimated fair value would increase / decrease if Voids rate was lower / higher, Capitalisation rate was higher / lower, Annual outgoings, rates, insurance was lower / higher and Cost per square feet was higher / lower, Market price per perch was higher/ lower.
Building		103,848 sq ft.	Mr. S. Sivaskantha	31st March 2026	2,247,000	1			

*The market approach is a method of determining the value of an asset based on the selling price of similar assets.

**The net income generated by the property is used in conjunction with certain factors to calculate its fair value.

14.3 Lease as a Lessor

The Group leases out its investment property. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during the year ended 31st March 2026 was Rs. 259.52 Mn (2025: Rs. 204.49 Mn). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group		**Company**	
As at 31 March	**2026 Rs '000**	2025 Rs '000	**2026 Rs '000**	2025 Rs '000
Less than one year	**202,182**	204,413	**109,322**	N/A
One to two years	**161,779**	160,630	**109,322**	N/A
Two to three years	**55,672**	129,570	**112,055**	N/A
Three to four years	**16,500**	64,841	**114,788**	N/A
Four to five years	**-**	28,116	**57,394**	N/A
More than five years.	**-**	9,680	**-**	N/A

15 INVESTMENTS IN SUBSIDIARIES

For the year ended 31st March	No. of Shares	Holding %	Cost 2026 Rs '000	Cost 2025 Rs '000
Subsidiary - Unquoted				
Pioneer Properties & Lee Hedges Ltd.	2,500,000	100	25,000	25,000
Less: Provision for Impairment on Investment			(25,000)	(25,000)
			-	-
Subsidiary - Unquoted				
Lee Hedges Investments Limited	177,542,017	100	1,775,420	1,775,420
			1,775,420	1,775,420

As Pioneer Properties and Lee Hedges Limited does not carry out any operations and as the Company is in a negative net asset position, the investment in the subsidiary was fully impaired.

16 DEFERRED TAX LIABILITIES

	Group					
	Assets		Liabilities		Net	
For the year ended 31st March	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Property, plant and equipment	(11)	-	-	79	(11)	79
Right-of-use assets	-	-	30,990	21,011	30,990	21,011
Lease Liability	(29,668)	(18,838)	-	-	(29,668)	(18,838)
Investment Property	-	-	923,880	810,342	923,880	810,342
Retirement Benefit Obligation	(4,756)	(4,662)	-	-	(4,756)	(4,662)
Net Deferred Tax (Assets) / Liabilities	(34,435)	(23,500)	954,870	831,432	920,435	807,932

	Company					
	Assets		Liabilities		Net	
For the year ended 31st March	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Property, plant and equipment	(11)	-	-	80	(11)	80
Right-of-use assets	-	-	30,990	21,011	30,990	21,011
Lease Liability	(29,668)	(18,838)	-	-	(29,668)	(18,838)
Investment Property	-	-	292,886	402,673	292,886	402,673
Retirement Benefit Obligation	(4,747)	(4,662)	-	-	(4,747)	(4,662)
Net Deferred Tax (Assets) / Liabilities	(34,426)	(23,500)	323,876	423,764	289,450	400,264

Notes to the Financial Statements

16.1 Movement in Deferred Tax balances during year;

For the year ended 31st March	Group							
	2026				2025			
	Balance as at 01st April Rs.'000	Recognised in Profit or Loss Rs.'000	Recognised in OCI Rs.'000	Balance as at 31st March Rs.'000	Balance as at 01st April Rs.'000	Recognised in Profit or Loss Rs.'000	Recognised in OCI Rs.'000	Balance as at 31st March Rs.'000
Property, plant and equipment	79	(90)	-	(11)	26	53	-	79
Right-of-use assets	21,011	9,979	-	30,990	3,743	17,268	-	21,011
Lease Liability	(18,838)	10,830	-	(29,668)	(2,580)	(16,258)	-	(18,838)
Investment Property	810,342	113,538	-	923,880	700,835	109,507	-	810,342
Retirement Benefit Obligation	(4,662)	(200)	106	(4,756)	(4,915)	357	(104)	(4,662)
As at 31st March	807,932	134,057	106	920,435	697,109	110,927	(104)	807,932

For the year ended 31st March	Company							
	2026				2025			
	Balance as at 01st April Rs.'000	Recognised in Profit or Loss Rs.'000	Recognised in OCI Rs.'000	Balance as at 31st March Rs.'000	Balance as at 01st April Rs.'000	Recognised in Profit or Loss Rs.'000	Recognised in OCI Rs.'000	Balance as at 31st March Rs.'000
Property, plant and equipment	79	(91)	-	(11)	26	53	-	80
Right-of-use assets	21,011	9,979	-	30,990	3,743	17,268	-	21,011
Lease Liability	(18,838)	(10,830)	-	(29,668)	(2,580)	(16,258)	-	(18,838)
Investment Property	402,673	(109,787)	-	292,886	360,128	42,545	-	402,673
Retirement Benefit Obligation	(4,662)	(191)	106	(4,747)	(4,915)	357	(104)	(4,662)
As at 31st March	400,264	(110,920)	106	289,450	356,402	43,965	(104)	400,264

16.2 Reconciliation of deferred tax liabilities and deferred tax assets

	Group			
	2026		2025	
	Taxable Deductible Temporary Difference Rs '000	Tax Effect Rs '000	Taxable Deductible Temporary Difference Rs '000	Tax Effect Rs '000
Property, plant and equipment	(35)	(11)	263	80
Right-of-use assets	103,301	30,990	70,037	21,011
Lease Liability	(98,892)	(29,668)	(62,793)	(18,838)
Investment Property	3,079,601	923,880	2,701,140	810,342
Retirement Benefit Obligation	(15,855)	(4,756)	(15,540)	(4,662)
Net Amount	3,068,120	920,435	2,693,107	807,932

	Company			
	2026		2025	
	Taxable Deductible Temporary Difference Rs '000	Tax Effect Rs '000	Taxable Deductible Temporary Difference Rs '000	Tax Effect Rs '000
Property, Plant and Equipment	(35)	(11)	263	80
Right of use assets	103,301	30,990	70,035	21,011
Lease liabilities	(98,892)	(29,668)	(62,793)	(18,838)
Investment Property	976,288	292,886	1,342,244	402,673
Retirement Benefit Obligation	(15,824)	(4,747)	(15,540)	(4,662)
Net Amount	964,838	289,450	1,334,209	400,264

16.3 The Group and the Company has not recognised the following deferred tax assets since it is not probable that future taxable profits will be available against which the group can utilise the benefit there from.

	2026		2025	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Group	Rs '000	Rs '000	Rs '000	Rs '000
On Accumulated Tax Losses-Subsidiaries	8,855	2,657	2,081	624
	8,855	2,657	2,081	624

Deferred tax is calculated at the effective rate of 30%.

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Value Added Tax Recoverable	159,340	113,504	149,818	102,789
Other Receivables	293,155	266,886	275,593	249,902
Deposits and Prepayments	8,900	57,927	8,804	51,278
	461,395	438,317	434,215	403,969
Provision for impairment (Note 17.1)	(249,902)	(249,902)	(249,902)	(249,902)
	211,493	188,415	184,313	154,067

17.1 Provision for impairment

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Opening balance	249,902	-	249,902	-
Transferred from other payables	-	249,902	-	249,902
Closing balance	249,902	249,902	249,902	249,902

18 AMOUNTS DUE FROM SUBSIDIARIES

	Company	
For the year ended 31st March	2026	2025
	Rs '000	Rs '000
Pioneer Properties & Lee Hedges Ltd.		
Current Account	475,132	433,473
Less: Provision for impairment (Note 18.1)	(475,132)	(433,473)
	-	-
Lee Hedges Investments Limited		
Current Account	-	6,844
	-	6,844
	-	6,844

18.1 Provision for impairment

	Company	
For the year ended 31st March	2026	2025
	Rs '000	Rs '000
Opening balance	433,473	399,383
Add: provision for the year	41,659	34,090
Closing balance	475,132	433,473

19 FINANCIAL ASSETS AT AMORTISED COST

19.1 Non Current Financial Assets held at Amortised Cost

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Investments in Fixed Deposits	1,314,319	483,575	147,039	134,227
	1,314,319	483,575	147,039	134,227

Non current financial assets held at amortised cost include fixed deposits with maturities more than 365 days.

19.2 Current Financial Assets held at Amortised Cost

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Investments in Fixed Deposits	131,888	1,531,264	20,823	673,036
	131,888	1,531,264	20,823	673,036

Current financial assets held at amortised cost include fixed deposits with maturities less than 365 days.

20 CASH & CASH EQUIVALENTS

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Cash in hand	100	100	100	100
Cash at bank	40,721	16,468	5	2,427
	40,821	16,568	105	2,527
Bank Overdrafts (Note 27)	(132,309)	(422,417)	(132,309)	(422,417)
Cash and Cash Equivalents for the Statement of Cash Flows	(91,488)	(405,849)	(132,204)	(419,890)

21 STATED CAPITAL

For the year ended 31st March	Company	
	2026 Rs '000	2025 Rs '000
At the Beginning of the year - 25,602,730 (1st April, - 25,602,730)	51,205	51,205
At the end of the year - 25,602,730 (31st March, - 25,602,730)	51,205	51,205

Par Value of shares at the date of issue was Rs. 2 per share.

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

22 CAPITAL RESERVES

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Others	553,231	553,231	553,231	553,231
	553,231	553,231	553,231	553,231

Capital Reserves consist of revaluation gains/losses on land and building prior to 2011 and other reserve transfers amounting to Rs. 49.2Mn since 2011 to 2024 for gains on revaluation. This is a non - distributable reserve.

23 OTHER RESERVES

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
General Reserves (Note 23.1)	81,786	81,786	81,786	81,786
Retained Earnings	6,116,535	5,456,855	3,669,162	4,001,826
	6,198,321	5,538,641	3,750,948	4,083,612

23.1 General Reserve is a Revenue Reserve represents the amounts set aside by the Directors for general application.

24 RETIREMENT BENEFIT OBLIGATIONS

For the year ended 31st March	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Opening Balance	15,542	16,386	15,542	16,386
Interest Cost		23	-	23
Current Service Cost	2,318	2,607	2,287	2,607
Actuarial (Gain) / Loss on for the year	(354)	346	(354)	346
Benefits Paid during the year	(1,651)	(3,820)	(1,651)	(3,820)
Closing Balance	15,855	15,542	15,824	15,542

		Group		Company	
		2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
24.1	**(a) Amount Recognised in the Statement of Comprehensive Income**				
	Current Service Cost	2,318	2,607	2,287	2,607
	Interest Cost	-	23	-	23
		2,318	2,630	2,287	2,630
	(b) Amount Recognised in the Statement of Other Comprehensive Income				
	Actuarial (Gain) / Loss on for the year	(354)	346	(354)	346

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
(c) Actuarial Assumptions				
The following are the principal actuarial assumptions at the reporting date				
Retirement Age (Years)	60 years	60 years	60 years	60 years
Rate of Discount	9.00%	10.00%	9.00%	10.00%
Salary Increment Rate	10.00%	10.00%	10.00%	10.00%
Staff Turnover Rate	11.76%	11.76%	11.76%	11.76%

The Company used an internally developed method which uses projected unit credit method to calculate the liability of retirement benefits obligation as at the reporting date in accordance with Sri Lanka Accounting Standard 19 (LKAS 19) "Employee Benefits".

Present value of the defined benefit plan is calculated using a discount rate determined by reference to long-term interest rate. Accordingly, a decrease in the long-term interest rate will increase plan liability. The expected future working life time of employee is 7 years.

Maturity profile of the defined benefit obligation

The distribution of the timing of undiscounted benefit payments is as follow:

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Less than 1 year	14,748	13,907	14,748	13,907
Between 1-2 years	-	132	-	132
Between 2-5 years	109	363	-	363
Over 5 years	-	20,771	-	20,771
	14,857	35,173	14,748	35,173

Sensitivity of Assumptions Employed in Actuarial Valuation

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affect the defined benefit obligation by the amounts shown below.

Change in Assumption

	31st March 2026		31st March 2025	
	Increase	Decrease	Increase	Decrease
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Discount Rate (Change by 1%)	-	-	(206)	220
Salary Increment Rate (Change by 1%)	-	-	218	(207)

25 SECURITY DEPOSIT

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Security Deposits	66,341	37,698	21,543	-
Deferred Interest - Non Current	12,449	6,066	8,687	-
	78,790	43,764	30,230	-

26 OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Deferred Interest - Current	5,851	3,617	2,021	-
Accrued Expenses	37,698	91,406	34,224	87,580
Value Added Tax Payable (Note 26.1)	96,968	96,069	-	-
ESC Payable	2,100	2,100	-	-
SSC Levy Payable	2,063	1,597	686	-
APIT / PAYE Payable	126	108	126	108
Other Payables	79,367	52,248	44,451	15,223
	224,173	247,145	81,508	102,911

26.1 The Group's Value Added Tax Payable of Rs. 96,968,000/-includes a provisions of Rs.92,514,357/- recognised by Pioneer Properties and Lee Hedges Limited in respect of the VAT assessment received.

27 BANK OVERDRAFTS

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Bank Overdrafts (Secured)	132,309	422,417	132,309	422,417
	132,309	422,417	132,309	422,417

28 LEASES

Information about leases for which the Company is lessee is presented below. The company leases office space.

28.1 Right of Use Assets

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 1 April	-	-	70,035	12,477
Additions	-	-	47,512	71,220
Depreciation	-	-	(14,246)	(13,662)
Balance as at 31 March	-	-	103,301	70,035

28.2 Lease Liability

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Balance as at 1 April	-	-	62,791	8,599
Additions	-	-	47,512	71,220
Interest expense	-	-	6,589	972
Payments (Note 28.4)	-	-	(18,000)	(18,000)
Balance as at 31 March	-	-	98,892	62,791
Lease liabilities included in the statement of financial position as at 31 March				
Current	-	-	38,078	11,410
Non current	-	-	60,814	51,381
	-	-	98,892	62,791

During the year ended 31st March 2026,the Company entered into an agreement with its subsidiary Lee Hedges Investments Limited to lease a portion of the building owned by the subsidiary for development purposes. This lease is expected to mature in 2028.

28.2 Lease Liability (Contd,)

	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Maturity analysis - contractual undiscounted cash flows				
Less than one year	-	-	45,240	18,000
One to five years	-	-	72,240	63,000
More than five years	-	-	-	-
Total undiscounted liabilities as at 31 March	-	-	117,480	81,000

28.3 Amounts Recognised in Profit or Loss

	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Depreciation of right-of -use assets	-	-	14,246	13,662
Interest expense on the lease liabilities	-	-	6,590	972
	-	-	20,836	14,634
28.4 Amounts Recognised in statement of Cash Flows				
Interest repayment	-	-	6,590	972
Capital repayment	-	-	11,410	17,028
	-	-	18,000	18,000

29 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arise principally from the Group's receivables from customers.

The maximum exposure to credit risk at the reporting date was as follows;

Carrying value

	Group		Company	
	2026 Rs '000	2025 Rs '000	2026 Rs '000	2025 Rs '000
Trade & Other Receivables	293,155	266,886	275,593	249,902
Cash & Cash Equivalents(Excluding Cash in Hand)	40,721	16,468	5	2,427
Investment in Fixed deposits	1,446,207	2,014,839	167,862	807,263
Amounts due from Subsidiaries	-	-	-	6,844
	1,780,083	2,298,193	443,460	1,066,436

Management of Credit Risk

Trade & Other Receivables

The Group has a well-established credit control policy & process to minimise credit risk. Group has established policies & procedures to ensure that transactions will only commence when the Group receives the security deposit from the customers.

Cash & Cash equivalents

The Group held cash and cash equivalents of Rs. 40.821Mn at 31st March 2026 (2025-Rs. 16.568Mn), which represents its maximum credit exposure on these assets.

The cash and cash equivalents are held with banks, which are rated A+ to AA- (lka), based on fitch ratings.

Corporate Guarantee

The Company has obtained overdraft facility for the working capital requirement of the Company.

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. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest.

The maturity analysis of Liabilities-Entity and Investee:

Non derivative financial liabilities

As at 31st March 2026	Carrying Value	Group			
		Current	Non Current		
		Upto 1 year	Upto 2 years	Upto 5 years	Above 5 years
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Bank Overdrafts	132,309	132,309	-	-	-
Other Payables	117,065	117,065	-	-	-
Refundable deposits	84,641	10,581	24,494	49,566	-
	334,015	259,955	24,494	49,566	-

As at 31st March 2025	Carrying Value	Group			
		Current	Non Current		
		Upto 1 year	Upto 2 years	Upto 5 years	Above 5 years
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Bank Overdrafts	422,417	422,417	-	-	-
Other Payables	143,654	143,654	-	-	-
Refundable deposits	47,381	3,617	15,004	26,500	2,260
	613,452	569,688	15,004	26,500	2,260

Notes to the Financial Statements

Non derivative financial liabilities

As at 31st March 2026	Carrying Value	Company			
		Current	Non Current		
		Upto 1 year	Upto 2 years	Upto 5 years	Above 5 years
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Bank Overdrafts	132,309	132,309	-	-	-
Other Payables	78,675	78,675	-	-	-
Lease Liability	98,892	38,078	36,371	24,443	-
	309,875	249,062	36,371	24,443	-

As at 31st March 2025	Carrying Value	Company			
		Current	Non Current		
		Upto 1 year	Upto 2 years	Upto 5 years	Above 5 years
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Bank Overdrafts	422,417	422,417	-	-	-
Other Payables	102,803	102,803	-	-	-
Lease Liability	62,791	11,410	12,730	39,651	-
	588,011	536,630	12,730	39,651	-

Interest Rate Risk

The Group and Company are not subject to the interest rate risk as the entities do not have variable interest rates borrowings/ Investments. Group and Company does not engage in any foreign currency transactions.

Capital Management

The Group'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. The Group monitors the return on capital, which the Group defines as Results from Operating Activities divided by Total Shareholders' Equity. The Group also monitors the level of dividends to ordinary shareholders.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows.

	Group		Company	
	2026	2025	2026	2025
	Rs '000	Rs '000	Rs '000	Rs '000
Total liabilities	1,393,038	1,546,096	600,723	1,003,924
Less: cash and cash equivalents	40,821	16,568	105	2,527
Net debt	1,352,217	1,529,528	600,618	1,001,397
Total equity	6,802,757	6,143,077	4,355,384	4,688,048
Net debt to equity ratio at 31 March	0.20	0.25	0.14	0.21

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

Accounting Classification and Fair Values

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

	Note	Group								
		Carrying Amounts (Rs.'000)					Non Current			
		AC Rs.'000	FVOCI Rs.'000	FVTPL Rs.'000	OFL Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
31st March 2026										
Financial Assets Not Measured at Fair Value										
Financial Assets at Amortised Cost	19	1,446,207	-	-	-	1,446,207	-	-	-	-
Trade and Other Receivables *	17	293,155	-	-	-	293,155	-	-	-	-
Cash and Cash equivalents	20	40,821	-	-	-	40,821	-	-	-	-
		1,780,183	-	-	-	1,780,183	-	-	-	-
Financial Liabilities Not Measured at Fair Value										
Security deposits	25	84,641	-	-	-	84,641	-	-	-	-
Other Payables	26	79,366	-	-	-	79,366	-	-	-	-
Bank Overdraft/(Secured)	27	132,309	-	-	-	132,309	-	-	-	-
		296,316	-	-	-	296,316	-	-	-	-
31st March 2025										
Financial Assets Not Measured at Fair Value										
Financial Assets at Amortised Cost	19	2,014,839	-	-	-	2,014,839	-	-	-	-
Trade and Other Receivables*	17	266,886	-	-	-	266,886	-	-	-	-
Cash and Cash equivalents	20	16,468	-	-	-	16,468	-	-	-	-
		2,298,193	-	-	-	2,298,193	-	-	-	-
Financial Liabilities Not Measured at Fair Value										
Security deposits	25	43,764	-	-	-	43,764	-	-	-	-
Other Payables	26	52,248	-	-	-	52,248	-	-	-	-
Bank Overdraft/(Secured)	27	422,417	-	-	-	422,417	-	-	-	-
		518,429	-	-	-	518,429	-	-	-	-

AC-Amortised Cost
FVOCI - Fair Value through Other Comprehensive Income
FVTPL - Fair Value through Profit or Loss

*Excludes pre-payments and Government receivables
** Excludes Amounts payable to Government

Notes to the Financial Statements

	Note	Company								
		Carrying Amounts (Rs.'000)					Non Current			
		AC Rs.'000	FVOCI Rs.'000	FVTPL Rs.'000	OFL Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
31st March 2026										
Financial Assets Not Measured at Fair Value										
Financial Assets at Amortised Cost	19	167,862	-	-	-	167,862	-	-	-	-
Cash and Cash equivalents	20	105	-	-	-	105	-	-	-	-
		167,967	-	-	-	167,967	-	-	-	-
Financial Liabilities Not Measured at Fair Value										
Security deposits	25	30,230	-	-	-	30,230	-	-	-	-
Other Payables**	26	44,451	-	-	-	44,451	-	-	-	-
Bank Overdraft/(Secured)	27	132,309	-	-	-	132,309	-	-	-	-
		206,990	-	-	-	206,990	-	-	-	-
31st March 2025										
Financial Assets Not Measured at Fair Value										
Financial Assets at Amortised Cost	19	807,263	-	-	-	807,263	-	-	-	-
Trade and Other Receivables*	17	249,902	-	-	-	249,902	-	-	-	-
Cash and Cash equivalents	20	2,527	-	-	-	2,527	-	-	-	-
		809,790	-	-	-	809,790	-	-	-	-
Financial Liabilities Not Measured at Fair Value										
Security deposits	25	-	-	-	-	-	-	-	-	-
Other Payables**	26	15,223	-	-	-	15,223	-	-	-	-
Bank Overdraft/(Secured)	27	422,417	-	-	-	422,417	-	-	-	-
		437,640	-	-	-	437,640	-	-	-	-

AC-Amortised Cost
FVOCI - Fair Value through Other Comprehensive Income
FVTPL - Fair Value through Profit or Loss

*Excludes pre-payments and Government receivables
** Excludes Amounts payable to Government

30 CONTINGENT LIABILITIES

There are no contingent liabilities which require disclosure in the financial statements as at reporting date other than the following.

30.1 Pioneer Properties & Lee Hedges Limited (Subsidiary)

(a) The Inland Revenue Department (IRD) has required the subsidiary Pioneer Properties & Lee Hedges Limited to pay Rs. 92,514,357 as taxes arising from the cancellation of the BOI Agreement on 20th February 2013. This issue was submitted to the Court of Appeal in March 2014. As per the Writ Application No C.A. 24/2017, the Commissioner General of IRD has agreed to hear and determine the appeal on the basis that the appeal will be treated as having duly received on a date determined by the Court of Appeal. Date of appeal was decided to be 09.01.2018. Accordingly, the appeal shall be agreed to or determined by the Commissioner General within two years (09.01.2020) from the date on which such petition of appeal is received by the Commissioner General. However, there has not been any hearing of the appeal during the year. Though a higher claim was made by IRD, as it was contrary to legal provisions as determined by the lawyers, the Management has recorded a provision of Rs. 92,514,357 (Note 27) in respect of the above case based on the initial assessment notice they received in 2018. However, the Company subsequently received a default assessment of Rs. 455,774,694/- on 5th September 2023, followed by another default assessment of Rs. 251,326,886/- on 19th March 2025. On both occasions, the Company responded to the Inland Revenue Department of Sri Lanka, outlining the determination issued by the Court of Appeal. Accordingly, management remains confident that their position will prevail.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. Accordingly, no additional provision has been made in the Financial Statements.

30.2 Lee Hedges Investments Limited (Subsidiary)

(a) Lee Hedges Investments Limited has received four VAT assessments for the 2017/18 year of assessment. Although the Company is eligible to claim input VAT under the BOI exemption, these claims were not reflected in the RAMIS system, which led to the assessments being issued. Therefore, the Company has filed appeals and submitted objections against the default notices, which relate solely to penalty charges totaling Rs. 7,107,037/-.

As resolution is pending for these cases, no provision has been recorded in the financial statements. Instead, the potential exposures have been disclosed as contingent liabilities.

30.3 Lee Hedges PLC (Company)

(a) The Company has received a determination on the income tax appeal dated 12.03.2024 in respect of the assessment year 2012/13. The tax amount is Rs. 666 Mn with a penalty amount of Rs. 333 million. The appeal has been dismissed, and the bank guarantee amounting to Rs 249.9 Mn has been released from the bank for this case on 04.04.2024. The case has now been escalated to the Court of Appeal by the Company on 29.05.2024 and the management is confident of a favorable outcome based on its interpretation of the tax legislation and prior experience. Accordingly, no provision has been recognised in the financial statements.

The bank guarantee claimed by IRD amounts to Rs. 249.9 Mn as at 31st March 2025. The Board of directors recognised a provision for this amount during the year ended 31st March 2024. However, after evaluating the time of possible recoverability of Rs.249 Mn which was recovered by Inland Revenue Department utilising the bank guarantee provided by the Company on account of this income tax assessment, and considering the time expected to take for the recovery of such balance, the Group has recognised a provision for impairment in full for bank guarantee claimed by Inland Revenue Department as at 31st March 2025.

(b) The Company received three corporate income tax assessments from the Department of Inland Revenue for the years of assessment 2015/16, 2016/17, and 2017/18. Although the required Withholding Tax (WHT) had been properly deducted and reported in the respective tax returns, these credits were not reflected in the IRD's system, which led to the issuance of the assessments.

The Company has filed appeals against these assessments and submitted objections to the subsequent default notices. Based on the assessments issued, the total potential exposure amounts to Rs. 35,041,030, which includes a penalty of Rs. 18,076,562/-.

As the matters remain unresolved as at the reporting date, no provision has been recorded in the financial statements, and the potential exposure has been disclosed as a contingent liability.

The uncertain tax treatment relates to the interpretation of how the tax legislation applies to the groups arrangements.

Due to the uncertainty involved, there is a possibility the outcome of the tax review is significantly different from the amount currently recognised. The management has used a single best estimate of the tax amount to be provided.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

31 COMMITMENTS

31.1 The subsidiary Lee Hedges Investments Limited has entered into a contract which gives rise to annual expenses Rs. 20,000/- renewable every year for the next 88 years as nominal ground rent.

31.2 Purchase of shares in Lanka Developments (Pvt) Ltd. (LRD)

The Board of directors of the Company on 19th March 2026 has resolved to purchase 100% shares in LRD for a consideration of Rs.3,157Mn.

This was subsequently approved by the shareholders at the extra ordinary general meeting held on 28th April 2026. Payment terms are as per the notice dated 22nd June 2026 published in the Colombo Stock Exchange.

There are no other commitment as at the reporting date which would require disclosure to the financial statements, other than those disclosed above.

32 EVENTS OCCURRING AFTER THE REPORTING DATE

32.1 Dividend declaration

Directors have recommended a payment of a final dividend of Rs.2/- per share for the year ended 31st March 2026, which requires the approval of the shareholders at AGM to be held on 21st September 2026.

32.1 Sale of Investment property owned by the company.

Pursuant to the decision taken by the Board of Directors of the company on 25th June 2026, Land and building identified as Investment Property was disposed for Rs.2,700,000,000/-to Amãna Bank PLC. Since the decision to dispose this property was taken subsequent to the year, this property was continued to be reported as an investments property as at 31st March 2026.

32.2 Acqusition of 50.886% shares in On’Ally Holdings PLC

The Board of Directors of the company at its meeting held on 21st July 2026 resolved to purchase 50.886% shares in On`Ally Holdings PLC for a total consideration of Rs.2,262Mn.

There are no other material events that occurred after the reporting date, which would require adjustments to or disclosure in the Financial Statements, other than the stated above.

33 RELATED PARTY DISCLOSURE

33.1 Transactions with related parties

The Company has related party relationships with its Parent Company, Subsidiary Companies and with its Directors.

Following transactions have taken place with related parties during the year under review, which are under normal commercial terms

Name of Company	Relationship	Nature of Transaction	Amount (Rs'000)				Balance as at (Rs'000)	
			2026	RPT as a % of Net Revenue/ Income	2025	RPT as a % of Net Revenue / Income	31.03.2026	31.03.2025
Pioneer Properties and Lee Hedges Limited-(PPLH)	Subsidiary - 100%	Funds borrowed	914	0.35	563	0.28	475,132	433,473
		Interest	40,745	15.70	33,527	16.39	-	-
		Provision for impairment	(41,659)	16.05	34,090	16.67	(475,132)	(433,473)
Lee Hedges Investment Limited.	Subsidiary - 100%	Rental Payments	18,000	6.94	18,000	8.80	-	6,844
		Rental Paid	(18,000)	(6.94)	(18,000)	(8.80)	-	-
		Dividend Declared (Gross)	46,161	17.79	46,161	22.57	-	-
		Dividend Received (Gross)	(46,161)	(17.79)	(46,161)	(22.57)	-	-
		Advance	-	-	6,750	3.30	-	-
		Interest	66	0.03	94	0.05	-	-
		Interest Paid	160	0.06	-	-	-	-

The transactions between the related parties have been carried out based on the ordinary course of business on an "arms length" basis.

33.2 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard LKAS 24 - 'Related Party Disclosures', Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) of that entity.

The following directors are directors of Lee Hedges PLC.

Mr. S. Vamathevan
Prof. Dr.D.S.L.P. Wijesinghe
Mr. S. S. Vamathevan
Mr.R. R. Spencer
Dr. V.V. Vamathevan
Mr A. R. Walpita
Mr.M.H. Jamaldeen
Mr A. J. B. Warman
Mr R. M. M. J. Ratnayake

Key Management personnel include members of the board of directors of the company. Following transactions have been entered into with the key management personnel.

For the year ended 31st March	Amount (Rs'000)	
	2026 Rs '000	2025 Rs '000
Directors' Remuneration - Executive Director(s)	36,862	33,848
Directors' Fees - Non-Executive Directors	3,900	2,700
Other Benefits to Key Management Personnel	3,608	4,250
Total compensation to Key Management Personnel	44,370	40,798

Ten Year Summary

Year Ended 31st March,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
	Rs.`000	Rs.`000	Rs.`000	Rs.`000	Rs.`000	Rs.`000	Rs.`000	Rs.`000	Rs.`000	Rs.`000
TRADING RESULTS										
Revenue	**259,529**	204,498	195,413	170,456	156,438	169,987	168,830	84,542	9,669	7,060
Profit/(Loss) before Taxation	**849,811**	561,486	457,822	857,060	319,621	207,608	295,422	348,123	629,122	214,994
Income Tax Reversal/(Expense)	**(151,975)**	(162,580)	(193,488)	(425,316)	(30,778)	(26,153)	(58,369)	(119,318)	(67,890)	(53,862)
Profit/(Loss) after Taxation	**697,836**	398,906	264,334	431,744	288,843	181,455	237,053	228,805	561,232	161,132
STATEMENT OF FINANCIAL POSITION										
Assets										
Property, Plant & Equipment	**149,729**	852,501	281,025	114,593	83,053	169,445	187,368	163,085	150,264	209,018
Investment Property	**6,320,500**	4,616,850	4,297,479	3,999,590	3,583,313	3,418,885	3,418,885	3,360,974	3,136,805	2,079,285
Investments in Subsidiaries	**-**	-	-		-	-	-	-	-	-
Finance Assets at Amortised Cost	**1,314,319**	483,575	-	-	-	-	-	-	-	-
Deferred Tax Assets	**-**	-	-		-	-	-	-	-	-
	7,784,548	5,952,926	4,578,504	4,114,183	3,666,366	3,588,330	3,606,253	3,524,059	3,287,069	2,288,303
Current Assets	**411,247**	1,736,247	2,524,096	2,331,657	1,922,655	1,771,698	1,569,683	1,402,124	1,536,893	1,820,582
Total Assets	**8,195,795**	7,689,173	7,102,600	6,445,840	5,589,021	5,360,028	5,175,936	4,926,183	4,823,962	4,108,885
EQUITY AND LIABILITIES										
Stated Capital	**51,205**	51,205	51,205	51,205	51,205	51,205	51,205	51,205	51,205	51,205
Capital Reserves	**553,231**	553,231	553,231	553,231	553,231	582,011	581,247	581,247	576,829	522,803
Revenue Reserves	**6,198,321**	5,538,641	5,184,311	4,946,075	4,540,104	4,237,802	4,082,023	3,870,555	3,667,262	3,111,755
Financial Assets FVOCI Reserve	**-**	-	(8,053)	(11,517)	(13,174)	(18,419)	-	-	-	-
Total Equity attributable to Equity holder of the Parent	**6,802,757**	6,143,077	5,780,695	5,538,994	5,131,367	4,852,600	4,714,475	4,503,007	4,295,296	3,685,763
Non Control Interests	**-**	-	-	-	-	-	-	-	-	20,452
	6,802,757	6,143,077	5,780,695	5,538,994	5,131,367	4,852,600	4,714,475	4,503,007	4,295,296	3,706,216
Current Liabilities	**377,958**	678,858	564,657	268,291	189,610	262,439	228,610	240,189	470,781	391,093
Non Current Liabilities	**1,015,081**	867,238	757,248	638,555	268,045	244,990	232,851	182,987	57,885	11,577
Total Equity and Liabilities	**8,195,795**	7,689,173	7,102,600	6,445,840	5,589,022	5,360,029	5,175,936	4,926,183	4,823,962	4,108,885
RATIOS AND STATISTICS										
Return on Capital Employed (Times)	**0.13**	0.08	0.07	0.14	0.06	0.04	0.06	0.07	0.15	0.06
Return on Shareholders' Funds (%)	**10.11**	6.49	4.57	7.79	5.63	3.74	5.03	5.08	13.07	4.37
Current Ratio (Times)	**1.09**	2.56	4.47	8.69	10.14	6.75	6.87	5.84	3.26	4.66
Quick Assets Ratio (Times)	**1.09**	2.56	4.47	8.69	10.14	6.75	6.87	5.84	3.26	4.66
Debt/Equity Ratio (%)	**20.48**	25.17	22.87	16.37	8.92	10.46	9.79	9.40	12.31	10.93
Equity to Total Assets (%)	**98.69**	79.89	81.39	85.93	91.81	90.53	91.08	91.41	89.04	89.70
Dividend Pay out ratio (Times)	**0.04**	0.10	0.10	0.06	0.09	0.14	0.11	0.11	0.05	0.17
Net Assets Per Share (Rs.)	**265.70**	239.94	225.78	216.34	200.42	189.53	184.14	175.88	167.77	143.96

Shareholder Information

TWENTY MAJOR SHAREHOLDERS AS AT 31ST MARCH 2026

	Name of Shareholder	No. of share	%
1	Pan Asia Banking Corporation PLC/ Lanka Realty Investments PLC	13,057,595	51.00
2	Eighth Wonder	5,243,832	20.48
3	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	2,284,272	8.92
4	Hatton National Bank PLC/Dawi Investment Trust (Pvt) Ltd	248,592	0.97
5	Mr. L.G. Byatt (Deceased)	227,810	0.89
6	People`s Leasing And Finance PLC/Nagoya Ceylon Trading (Pvt) Ltd	152,905	0.60
7	LOLC Finance PLC/R.C.J.Goonewardene	141,000	0.55
8	Commercial Bank of Ceylon PLC/ H.G. Balasuriya	130,000	0.51
9	Seylan Bank PLC/Mohamed Mushtaq Fuad	94,081	0.37
10	LOLC Finance PLC/R.Magdon Ismail	88,600	0.35
11	Guardian Equity Limited	86,000	0.34
12	Mrs. L.K. Goonewardene	80,918	0.32
13	Mr. R.J. Grewar (Deceased)	79,985	0.31
14	People`s Leasing And Finance PLC/S.P.Perera	78,500	0.31
15	Mr. R.L. Vincent	75,935	0.30
16	Mrs. P. Mansell	75,935	0.30
17	Mr. P. Bois	75,935	0.30
18	Bank Of Bermuda Ltd.	75,935	0.30
19	Invenco Capital (Private) Limited Account No. 03	75,000	0.29
20	People's Leasing & Finance PLC / Dr.H.S.D.Soysa & Mrs.G.Soysa	69,975	0.27
	Total of the Twenty Major Shareholders	22,442,805	87.68
	Shares held by the balance Shareholders	3,159,925	12.32
	Total	25,602,730	100.00

The Company had not issued any nonvoting shares as at 31st March 2026.

TWENTY MAJOR SHAREHOLDERS AS AT 31ST MARCH 2025

	Name of Shareholder	No. of share	%
1	Lee Hedges & Company Limited	13,057,600	51.0000
2	Pioneer Homes (Private) Limited	5,243,832	20.4815
3	Hatton National Bank PLC/Dawi Investment Trust (Pvt) Ltd	855,777	3.3400
4	Mr. R. Magdon Ismail	730,000	2.8500
5	Mr. D.G. Wijemanna	665,533	2.6000
6	Mr. S.R.S. De Saram	515,000	2.0100
7	Mr. R.P. Weerasooriya	480,009	1.8700
8	Mr. L.G. Byatt (Deceased)	227,810	0.8898
9	Guardian Equity Limited	221,618	0.8700
10	Mr. R.C.J. Goonewardene	154,747	0.6000
11	Mrs. L.K. Goonewardene	151,118	0.5900
12	Guardian Insurance Brokers (Pvt) Ltd	135,000	0.5300
13	Mrs. T.T.A. De Silva Weerasooria	101,881	0.4000
14	Mr. R.J. Grewar (Deceased)	79,985	0.3100
15	Mr. R L Vincent	75,935	0.3000
16	Mrs. P Mansell	75,935	0.3000
17	Mr. P Bois	75,935	0.3000
18	Bank of Bermuda Ltd.	75,935	0.3000
19	Mr. K.S.N. Hirdaramani	73,985	0.2900
20	Peoples Leasing & Finance Plc/Dr.H.S.D.Soysa & Mrs.G.Soysa	69,975	0.2700
	Total of the Twenty Major Shareholders	23,067,610	90.09
	Shares held by the balance Shareholders	2,535,120	9.91
	Total	25,602,730	100.00

Shareholder Information

STATED CAPITAL

The total Stated Capital as at 31stMarch 2026 was Rs.51, 205,460/- comprising of 25,602,730 Ordinary Shares. There was no change in the Stated Capital during the year.

STOCK EXCHANGE LISTING-

The issued Ordinary Shares of Lee Hedges PLC is listed on the Colombo Stock Exchange.

The Stock Exchange Code for Lee Hedges PLC shares is "SHAW.N0000".

MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

Share Information	2025/26	Date	2024/25	Date
Highest Price (Rs.)	315	25-Feb-2026	100.75	04-Apr-2024
Lowest Price (Rs.)	98	21-May-2025	60.40	23-Sep-2024
Last traded Date (Rs.)	210.25	31-Mar-2026	92.20	28-Mar-2025

Trading Statistics	2025/26	2024/25
No. of transactions	8,950	1,008
No. of shares traded	24,835,783	515,422
Share turnover (Rs.)	5,347,807,184.55	43,183,997.70
Day Traded	230	121

PUBLIC HOLDING

The shares that are held publicly account for 26.36% of the total shareholding consisting of 1,408 shareholders comprising of 6,749,854 shares as at 31st March 2026. (2025-28.52% consisting of 982 public shareholders comprising of 7,301,298 shares.)

The float adjusted market capitalisation of the Company was Rs.1,419,156,803.50 The float adjusted market capitalisation of the Company falls under option five of Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

DIVIDEND

A Final Dividend of Rs.2/- per share has been proposed for payment on 09th October 2026. (2025 – Rs.1.50 per share)

DISTRIBUTION OF SHAREHOLDERS

There were 1,411 registered Shareholders as at 31st March 2026 (984 as at 31st March 2025), distributed as follows:

For the year ended 31st March	as at 31st March 2026			as at 31st March 2025		
	No of Share holders	Total Holding	Holding %	No of Share holders	Total Holding	Holding %
1-1,000	1,029	197,342	0.77	713	122,783	0.48
1,001-10,000	303	1,088,639	4.25	183	636,870	2.49
10,001-100,000	72	2,274,643	8.88	75	2,303,152	9.00
100,001-1,000,000	4	1,179,957	4.61	11	4,238,493	16.55
1,000,001-& Above	3	20,862,149	81.48	2	18,301,432	71.48
	1,411	25,602,730	100.00	984	25,602,730	100.00

Notice of Meeting

NOTICE IS HEREBY GIVEN that 107th Annual General Meeting of Lee Hedges PLC will be held at the Sri Lanka Foundation, No. 100, Padanam Mawatha, Independence Square, Colombo 07 on Monday, 21st September 2026 at 4.00 p.m for the purpose of conducting the following business:

AGENDA

1. To receive and consider the Annual Report of the Directors on the affairs of the Company and the Audited Financial Statements for the financial year ended 31st March 2026 and the Report of the Auditors.
2. To declare a First and Final dividend of Rs 2/- per share for the year ended 31st March 2026, as recommended by the Directors.
3. To re-elect Ms Veronica Vasuki Vamathevan who retires by rotation in terms of Article 26(6) of the Articles of Association.
4. To elect Mr Ananda Rajiv Walpita who retires in terms of Article 26(2) of the Articles of Association.
5. To elect Mr Mohamed Hisham Jamaldeen, who retires in terms of Article 26(2) of the Articles of Association.
6. To elect Mr Archie James Buckland Warman, who retires in terms of Article 26(2) of the Articles of Association.
7. To elect Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake, who retires in terms of Article 26(2) of the Articles of Association.
8. To elect Mr Afzal Aamed Marikar, who retires in terms of Article 26(2) of the Articles of Association.
9. To elect Mr Noel Joseph, who retires in terms of Article 26(2) of the Articles of Association.
10. To authorise the Directors to determine and make donations for the year 2026/2027 not exceeding Rs.250,000/-.
11. To appoint Messrs Ernst & Young, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
12. To transact any other business of which notice has been duly given.

By Order of the Board of
LEE HEDGES PLC

Jacey and Company
Company Secretaries

Colombo
28th August 2026

Note:
A shareholder who is unable to attend the meeting is entitled to appoint a proxyholder to attend and vote in his/her place. A proxyholder need not be a member of the Company. A Form of Proxy accompanies this Notice.

Notes

Form of Proxy

I/We...

name of Shareholder)(National Identity Card Number /Company Registration Number) ....of

....being

a shareholder/s of Lee Hedges PLC hereby appoint ....(name of

Proxyholder)(National Identity Card Number..) of..

....or failing him

Mr Archie James Buckland Warman	(or failing him)
Mr Mohamed Hisham Jamaldeen	(or failing him)
Prof. D S Lasantha Pradeepkumara Wijesinghe	(or failing him)
Mr Samuel Sanjeeve Vamathevan	(or failing him)
Dr Veronica Vasuki Vamathevan	(or failing him)
Mr Ananda Rajiv Walpita	(or failing him)
Mr R M Mohan Joseph Ratnayake	(or failing him)
Mr Afzal Aamed Marikar	(or failing him)
Mr Noel Joseph	

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 Monday, 21st September,2026 at 4.00 p.m. 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 resolutions 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 the Report of the Auditors thereon.		
2.	To declare a First and Final dividend of Rs2/-per share for the year ended 31st March 2026, a recommended by Directors		
3.	To re-elect Ms Veronica Vasuki Vamathevan who retires by rotation in terms of Article 26(6) of the Articles of Association.		
4.	To elect Mr Ananda Rajiv Walpita who retires in terms of Article 26(2) of the Articles of Association.		
5.	To elect Mr Mohamed Hisham Jamaldeen, who retires in terms of Article 26(2) of the Articles of Association.		
6.	To elect Mr Archie James Buckland Warman, who retires in terms of Article 26(2) of the Articles of Association.		
7.	To elect Mr Ratnayake Mudiyanselage Mohan Joseph Ratnayake, who retires in terms of Article 26(2) of the Articles of Association.		

Form of Proxy

		For	Against
8.	To elect Mr Afzal Aamed Marikar, who retires in terms of Article 26(2) of the Articles of Association.		
9.	To elect Mr Noel Joseph, who retires in terms of Article 26(2) of the Articles of Association.		
10.	To authorise the Directors to determine and make donations for the year 2026/2027 not exceeding Rs.250,000/-		
11.	To appoint Messrs. Ernst & Young, Chartered Accountants, to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
12.	To transact any other business of which notice has been duly given.		

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

....
Signature

Notes:*
Instructions as to completion appear herein.-Please indicate with and "x" in the space provided, how your Proxyholder is to vote on the Resolutions. If there is in the view of the Proxyholder a doubt (by reason of the way in which the instructions contained in the Form of Proxy have been completed) as to the way in which the Proxyholder should vote, the Proxyholder shall vote as he thinks fit.

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name, address and the National Identity Card number and by signing in the space provided and filling in the date of signature.

2. To be valid this Form of Proxy must be deposited at the Secretaries Office of the Company at No.9/5, Thambiah Avenue, Colombo 07 not less than 48 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 relative Power of Attorney should accompany the Form of Proxy for registration if such Power of Attorney has not already been registered with the Company.

5. If the appointor is a company/ incorporated body this Form must be executed in accordance with the relevant Articles of Association/ Statute.

Corporate Information

Name of the Company
Lee Hedges PLC

Legal Form
A public quoted Company with limited liability incorporated under the provisions of Companies Act No 7 of 2007.

Company Registration Number
PQ 152

Directors
A. J. B. Warman *(Chairman)*
M.H. Jamaldeen *(Managing Director)*
D.S.L.P. Wijesinghe
A. R. Walpita
R. M. M. J. Ratnayake
A. A. Marikar
N. Joseph
S.S. Vamathevan
V.V. Vamathevan

Senior Executive Officer
T. Thayalan

Secretaries
Jacey and Company.
No.9/5, Thambiah Avenue, Colombo 07
Tel : +94 11-4335159- 62
Fax : +94 11-2692677
Email : emalshi@juliusandcreasy.com
Website : www.juliusandcreasy.com

Registered Office
No. 353, Kollupitiya Road, Colombo 03. Sri Lanka.
Tel : +94 11-2301035, 2301732
Fax : +94 11-2574636
E-mail : accounts@leehedges.lk
Website : www.leehedgesplc.com

Subsidiary Companies
Lee Hedges Investments Limited
Pioneer Properties & Lee Hedges Limited

Auditors
M/s KPMG, Chartered Accountants
32A, Sir Mohamed Macan Marker Mawatha,
P.O.Box 186, Colombo 03.
Tel : +94 11 -5426426
Fax : +94 11- 244 5872, 2446058
Website : www.lk.kpmg.com/lk

Bankers
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Nations Trust Bank PLC
Amana Bank PLC

LEE HEDGES PLC