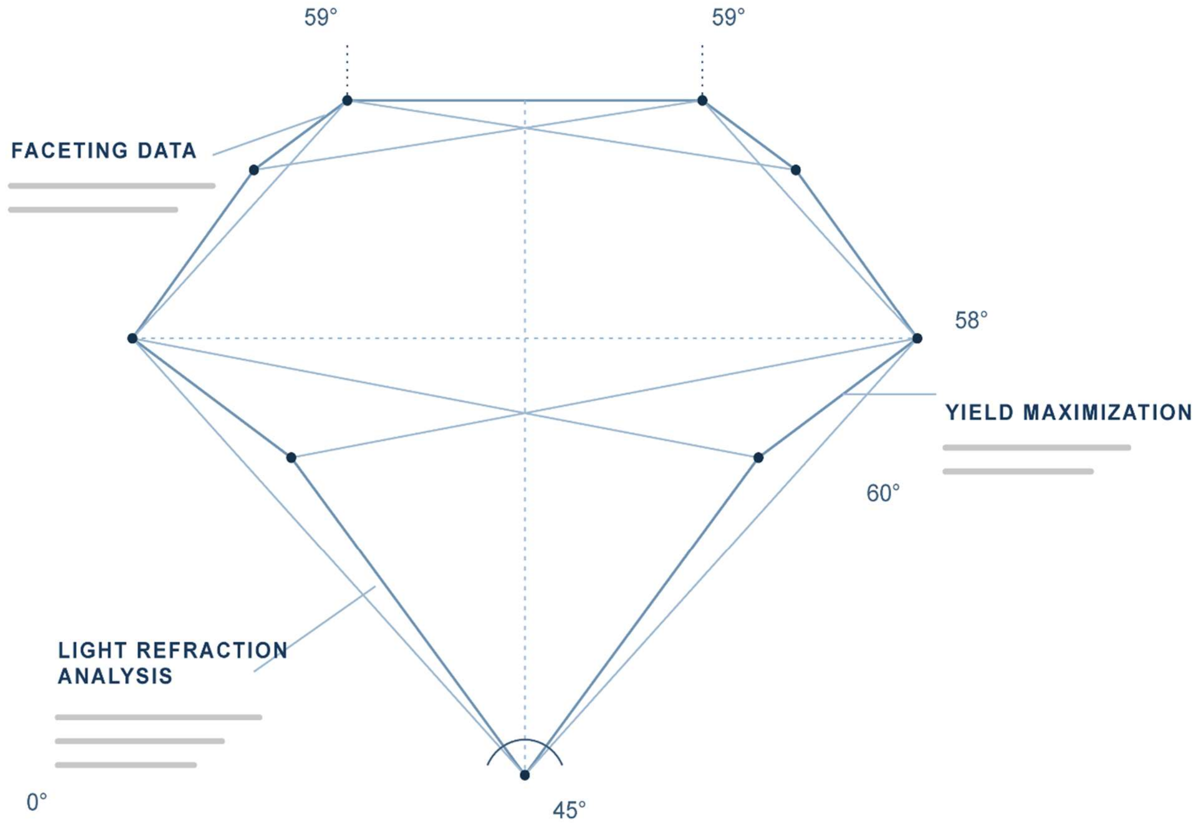
2025 - 2026

ANNUAL REPORT



RADIANT GEMS INTERNATIONAL PLC.

PRECISION & BRILLIANCE

STRAIGHTFORWARD

For over 47 years, **Radiant Gems International PLC** has been at the leading edge of the Sri Lankan Gem Cutting Industry — cutting through convention, exploring new horizons, and exceeding expectations to connect clients with cuts and services that exemplify excellence in every detail.

From our workshops in Sri Lanka, we bring together traditional craftsmanship and precision cutting technology to transform rough gem stones into brilliant. Every stone that passes through our hands is shaped with an unwavering commitment to accuracy, symmetry, and light performance, reflecting the skill of generations of master cutters.

Guided by principles of integrity, sustainability, and ethical sourcing, Radiant Gems International PLC continues to build lasting relationships with jewellers, wholesalers, and collectors around the world — delivering not just Gems tones, but a legacy of precision and brilliance.

RADIANT GEMS INTERNATIONAL PLC

ANNUAL REPORT 2025/2026

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About Us

Radiant Gems International PLC is a leading lapidary in Sri Lanka, which is a listed company on the Colombo stock exchange in Sri Lanka. We have over the past 47 years been supplying our customers around the world with the best cut precious and semiprecious Gem Stones. Radiant Gems has a specific focus towards higher value service cutting for the watch industry. We have the finest of Swiss and Israeli machines which are constantly been upgraded by our own R&D department to give the best possible product. We consider ourselves to be the best special cut lapidary in the country.

We are one of the leading lapidaries in Sri Lanka assuring its customers all over the world with reliable and quality service. We pride ourselves in maintaining our high-quality standards for the leading watch makers and jewellers of the world.

Our Past

With over 47 years of expertise in quality lapidary services, priding ourselves in quality and on time delivery at the best possible price. The company commenced operations in 1979, with foreign collaboration from Switzerland, mainly to service the watch industry. The company today is one of the biggest exporters of watch quality gem stones from Sri Lanka.

Strengths

Radiant gems have a Professional gemologist on the board of directors. The senior factory staff have been trained by the best Swiss lapidarist.

The company maintains the highest levels of integrity and ethical conduct.

CORPORATE INFORMATION

Name of the Company

Radiant Gems International PLC

Legal Form

A public quoted company with limited liability, incorporated in Sri Lanka in 1979, as Rainbow Gems Limited. The company subsequently changed its name to Radiant Gems International Limited in 1989. Under the requirement of new Companies Act No. 7 of 2007, the company has been re-registered as Radiant Gems International PLC.

Date of Incorporation	Company Registration Number	Financial Year End
1ST January 1979	PQ 197	31ST March

Board of Directors

Mr. S.H. Munasinghe	Chairman/Managing Director/CEO
Mr.S.R.D.M. Abhayawardhane	Non-Executive Director
Mr. A.D. Madushanka	Senior Independent Non-Executive Director
Mr. M.L. Munasinghe	Joint Managing Director/General Manager
Mr. A.M.T. Dinuwan	Independent Non-Executive Director

Secretaries

SSP Corporate Service (Private) Limited
101, Inner Flower Road
Colombo 03.
Email sspsec@sltnet.lk
Tel 0094 114 369 778
Fax 0094 112 573 609

External Auditors

Kreston MNS & Co
1st & 2nd Floors, Advantage Building,
74A, Dharmapala Mawatha,
Colombo 07
Sri Lanka

Bankers

Commercial Bank of Ceylon PLC.
Bank of Ceylon.

Registered Office

No.54,
Chitra lane,
Colombo 05

Factory

Dehigahapitiya,
Getahetta,
Avissawella,
Sri Lanka

Telephone: 0094 362 230 616
Fax : 0094 362 230 990
E-Mail : radiantgems@sltnet.lk
Website www.radiantgems.lk

CHAIRMAN'S MESSAGE

FINANCIAL YEAR ENDED 31 MARCH 2026

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present the Annual Report and Financial Statements of Radiant Gems International PLC for the financial year ended 31 March 2026.
The year under review was one of resilience, operational focus and steady progress for the Company. Despite challenges in the global gem and jewellery industry, including fluctuations in international demand and rising operating costs, the Company remained focused on its core expertise in specialised gem cutting and lapidary services.

Financial Performance

During the year, the Company recorded revenue of Rs. 234.59 million, compared with Rs. 222.65 million in the previous financial year, representing an increase of approximately 5.36%. This growth reflects our continued efforts to strengthen customer relationships, improve operational efficiency and maintain our position in the international gem processing industry.
The Company recorded a net loss of Rs. 8.01 million for the year. While the Company remains in a loss position, this represents a significant improvement of approximately 74% compared with the previous year. This positive development reflects management's continued efforts to improve efficiency, control costs and make better use of the Company's resources.

Operations and Industry Environment

The international gem and jewellery industry continues to operate in a rapidly changing environment, with demand influenced by global economic conditions, consumer preferences and developments in major markets. In this environment, our experience, technical expertise and commitment to quality remain important strengths.
Cost management also remained a key priority. The Company continues to review its processes and expenditure while maintaining the quality and precision expected by our customers.

Future Outlook

The Board remains cautiously optimistic about the future. The substantial reduction in the Company's loss is an encouraging indication of the progress achieved during the year.

Our key priorities going forward will be to strengthen relationships with existing international customers, develop new markets and business opportunities, improve productivity, maintain high standards of quality, manage costs prudently and strengthen the Company's financial position. Our ultimate objective remains the achievement of sustainable profitability and long-term growth.

Appreciation

On behalf of the Board, I also extend my appreciation to our employees, management and technical staff for their dedication and contribution throughout the year.
I thank my fellow Directors, auditors, professional advisers, bankers, regulatory authorities and all other stakeholders for their continued support and cooperation.
Finally, I express my sincere gratitude to our shareholders for their continued confidence, patience and support.

Thank you for your continued trust and support.

S. H. Munasinghe
Chairman
Radiant Gems International PLC
28th August 2026

BOARD OF DIRECTORS

MR. S H MUNASINGHE

Chairman / Managing Director / CEO

Mr.S.H Munasinghe is a graduate gemologist from Gemological Institute of America.

He started his career at Radiant Gems International in 1995 under his father's tutelage the past Chairman /Managing Director Mr. D S Munasinghe. He has been working at every point of production in the factory and then promoted to factory manager in 1995. He has a very good understanding of the production process at every stage of production, and is an accomplished gem cutter himself.

Mr. Munasinghe took over the chairman of Radiant Gems in 2006. He has been instrumental in company's progress in many fronts of innovation and production methods that have benefitted the company immensely.

MR. A D MADUSHANKA

Senior Independent Non-Executive Director

Mr. Madushanka was appointed to the Board of Radiant Gems International PLC on 31st October 2018.

He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and holds a Bachelor of Business Administration degree from the University of Colombo. He has further enhanced his academic and professional portfolio by completing a Master's degree in Finance from the University of Colombo, along with specialized qualifications including a Higher National Diploma in Public Procurement and Contract Administration, Diploma in ICT, and Diploma in Accounting and Finance.

With over fourteen years of extensive experience in finance, accounting, and auditing, Mr. Madushanka has served across diverse sectors including manufacturing, services, and international business, in both the public and private domains. His strong financial acumen, coupled with his exposure to corporate governance and strategic management, enables him to bring valuable insights and independent judgment to the Board.

MR. M L MUNASINGHE

Joint Managing Director/ General Manager

Mr.M.L.Munasinghe was appointed to the Board on 04th August 2021.

Appointed as Joint Managing Director with effect from 11th February 2026

Mr.M.L.Munasinghe Graduated from the University of London in Bsc Management & Digital Innovation

MR. S R D M ABHAYAWARDHANE

Non-Executive Director

Mr.S.R.D.M. Abhayawardhane was appointed to the Board in August 2018. He has completed MBA, in University of Wales, (UK)

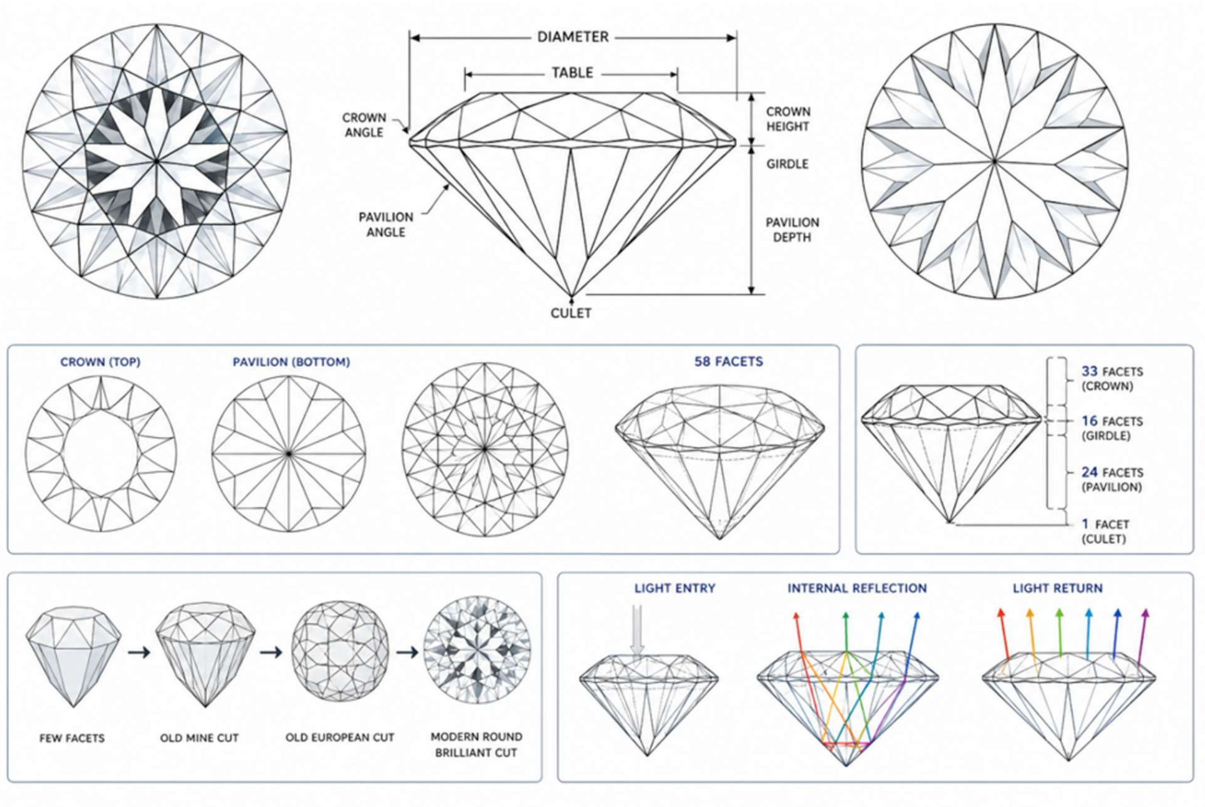
MR. A M T DINUWAN

Independent Non-Executive Director

Mr. A.M.T. Dinuwan was appointed to the Board on 28th March 2024.
He has completed BSc. (Hons) in Psychology in London Metropolitan University and EMFSS (UK) in University of London.

MANAGEMENT DISCUSSION AND ANALYSIS

Brilliant Cut



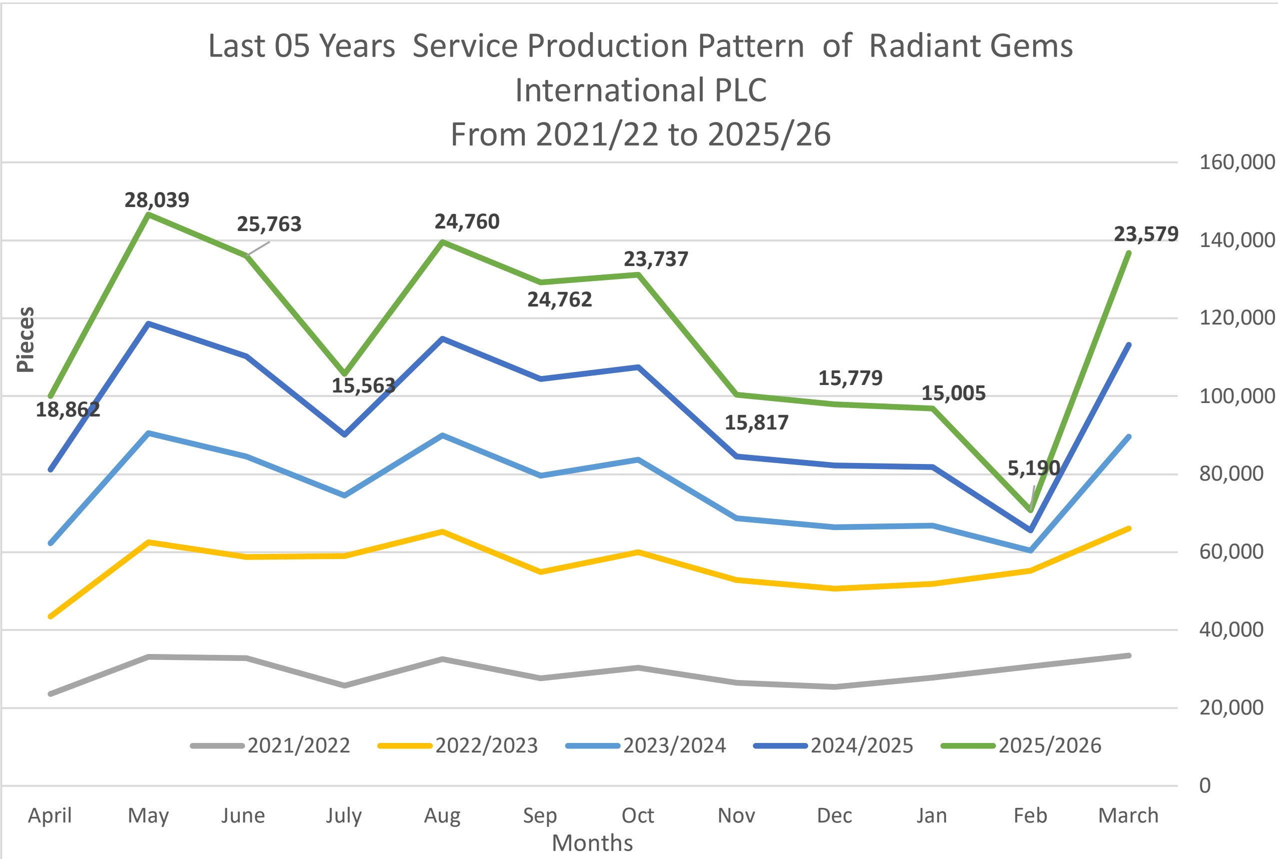
The brilliant cut is one of the most important and widely recognized gemstone cuts in the history of gem cutting. Its development was driven by the desire to maximize a gemstone's brilliance, fire, and ability to reflect light. Early diamond cuts were relatively simple, with few facets and limited attention to the precise angles needed to return light to the viewer.

The modern brilliant cut developed gradually over several centuries. During the 17th and 18th centuries, diamond cutters began introducing more facets to improve the appearance and brilliance of stones. The Old Mine Cut and later the Old European Cut were important stages in this development. These cuts had rounded outlines and larger, more irregular facets compared with modern standards.

In the early 20th century, advances in mathematics, optics, and precision cutting led to the development of the modern round brilliant cut. Marcel Tolkowsky, a Belgian diamond cutter and mathematician, published important calculations in 1919 that helped establish proportions and angles designed to achieve excellent light return. His work became highly influential in the development of modern brilliant cutting.

Today, the round brilliant cut traditionally consists of 58 facets, including the culet, carefully arranged to produce maximum brilliance and scintillation. The principles of brilliant cutting have also been adapted to many other gemstones and shapes. Modern technology, precision machinery, and computer-aided design have further improved the accuracy of facet placement and angles.

The brilliant cut remains a cornerstone of the gemstone industry because it combines careful geometry, craftsmanship, and optical principles to bring out the maximum beauty and brilliance of a gemstone.



ANNUAL REPORT OF BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY – 2025 / 2026

The Directors have pleasure in presenting herewith their Report together with the Audited Financial Statements for the year ended 31 March 2026.

01 PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS

The principal activity of the Company which remains unchanged since the previous year is cutting and polishing of coloured gems tones, heat treatment and marketing of gem stones.

02 FINANCIAL STATEMENT

The Financial Statements of the Company are given on pages 47 to 86.

03 AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on page 43 to 46.

04 ACCOUNTING POLICIES

The accounting policies and notes are given on page 51 to 67 There were no changes in the accounting policies adopted from previous financial year.

05 STATE OF AFFAIRS

The state of affairs of the Company as at 31 March 2026 is set out in the Statement of Financial Position of the Financial Statements page no 47.

06 DIVIDEND

The Directors do not recommend a dividend for the year ended 31 March 2026.

07 DIRECTORS

The Directors of the Company as at 31 March 2026.

Mr. S.H. Munasinghe
(Chairman/Managing Director/ CEO)

Mr. M.L. Munasinghe
(Joint Managing Director/General Manager)

Mr. S.R.D.M Abhayawardhane
(Non-Executive Director)

Mr. A.D Madushanka
(Senior Independent Non-Executive Director)

Mr. A.M.T. Dinuwan
(Independent Non-Executive Director)

Mr. M.L. Munasinghe was appointed as Joint Managing Director of the Company with effect from 11th February 2026.
In terms of Article 85 and 86 of the Articles of Association of the Company, Mr. A.D. Madushanka, Director retires by rotation and being eligible offers himself for re-election which is recommended by the Board.

A resolution for the re-appointment of Mr. Sunil Rohan De Mel Abhayawardane who is over 70 years of age, will be proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Mr. Sunil Rohan De Mel Abhayawardane's re-appointment is recommended by the Directors.

08 DIRECTORS' INTEREST IN SHARES OF THE COMPANY

Directors' interests in shares of the Company were as follows:

	No. of Shares	
	31.03.2026	**31.03.2025**
Mr. S.H. Munasinghe	5,000	5,000
Mr. S.H. Munasinghe (Jointly with H. Abhayawardhane)	26,547	26,547
Mr. S.H. Munasinghe (Jointly with K.V. Munasinghe)	14,311	14,311
Mr. S.H. Munasinghe (Jointly with K.V. Abhayawardhana)	11,000	11,000
Mr. M.L.Munasinghe	4,150	4,150

09 DIRECTORS' INTERESTS IN CONTRACT OF THE COMPANY

The Directors have no direct or indirect interest in contracts of/with the Company other than those stated in the Note 29 to the financial statements. These interests in contract have been duly declared at meeting of the directors. (Page no.81)

10 DIRECTORS' REMUNERATION AND OTHER BENEFIT

Directors' remuneration in respect of the Company for the financial year ended 31 March 2026 is given in Note 29 to the Financial Statements. (Page no.81)

11 CONTRIBUTIONS

During the year the Company made no contributions for charitable or political purposes other than those disclosed under Note No 24 to the Financial Statements.

12 POST BALANCE SHEET EVENTS

No circumstances have arisen since the balance sheet date, which would require adjustments to, or disclosure in the financial statements.

13 TAXATIONS

Income Tax has been considered in accordance with the provision of Inland Revenue Act No.24 of 2017 and disclosed under the Note no 23 to the financial statements. Page 78

14 STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the Government and the employees have been made.

ANNUAL REPORT OF BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY – 2025 / 2026

15 MARKET VALUES OF THE COMPANY'S ORDINARY SHARES.

The market value of the Company's ordinary shares as at 31 March 2026 was Rs.156.25 per share (as at 31 March 2025 was Rs.71.20/-)

	31.03.2026	31.03.2025
Highest market value (Rs)	236.25	112.00
Lowest market value (Rs.)	63.00	70.10

16 INVESTOR RATIOS	31.03.2026	31.03.2025
Earnings Per Share (Rs.)	(3.34)	(13.12)
Dividend Per Share (Rs.)	-	-
Net Asset Value Per Share (Rs.)	39.10	14.63

17 RESIGNATIONS TO THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

Not applicable

18 APPOINTMENT TO THE BOARD OF THE DIRECTORS DURING THE FINANCIAL YEAR

Not applicable

19 APPOINTMENT AFTER THE CONCLUSION OF THE YEAR

Not applicable

20 RETIRED AFTER THE CONCLUSION OF THE YEAR

Not applicable

21 AUDITORS

A resolution for the re-appointment of M/s Kreston MNS & Company, Chartered Accountants will be proposed at the Annual General Meeting of the Company to be held on 29/09/2026.

22 NOTICE OF MEETING

The Annual General Meeting of the Company will be held at the Board Room of the United Tractors and Equipment Limited of No.683, Negombo Road, Mabole, Wattala on Tuesday 29th September 2026 at 10:15am.

BY ORDER OF THE BOARD OF DIRECTORS OF

Director

Director

S S P CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

STATEMENT OF DIRECTORS' RESPONSIBILITY

The following statement, which should be read in conjunction with the Auditor's Statement of their responsibilities set out in their report, is made with a view to distinguish the respect responsibilities of the Directors and of the Auditors, in relation to the financial statements.
The directors are required by the companies Act no. 07 of 2007, to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the company as at the end of the financial year and the profit and losses for the financial year. The directors are required to prepare these financial statements on going concern basis, unless it is not appropriate.
Since the Directors are satisfied that the company has resources to continue in business for the foreseeable future, the financial statements continue to be prepared on the said basis.
The Directors consider that in preparing the financial statements on pages to the company used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimated and that all accounting standards, which they considered to be applicable, are followed.

The Directors are responsible for ensuring that the company keeps the accounting records, which will disclose with reasonable accuracy the financial position of the company and which will enable them to ensure that the financial statements comply with the companies Act No. 07 of 2007.

The Directors are generally responsible for taking such steps that are reasonable for them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are confident that they discharge their responsibilities as set out in this statement. They also confirm that to the best of their knowledge all statutory payment payable by the company as at the Balance Sheet Date, are paid or where relevant, provide or it.

By order of the Board,

Mr. S H Munasinghe
Chairman / Managing Director / CEO

A.D. Madushanka
Director

CORPORATE GOVERNANCE

The Board of Directors is responsible for the Governance of the Company whilst the Shareholders role in Governance is to appoint the Directors and the Auditors and to satisfy themselves that an appropriate governance structure is in place. The Board of Directors is committed towards enhancing long term shareholder value whilst upholding the highest standards of integrity, accountability and ethical conduct.

Compliance with the Code of Best Practice and Listing Rules

The Company currently complies with key areas of the Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Rules on Corporate Governance contained in the Listing Rules of the Colombo Stock Exchange.

Board of Directors

The Board of Directors takes responsibility for good governance of the Company. The Company's Board consists of 5 Directors, the name of the members of the Board appears under Corporate Information on page 02 of this Report. One Third of Directors retire by rotation at each Annual General Meeting and those eligible are recommended for re-election.

The Board Meets to review matters of importance and also the performance of the Company. The Directors retain full and effective control of the Company and provide strategic direction to the Company, monitors operational and management performance periodically reviews the effectiveness of the Company's risk management and internal control systems and ensures that there is compliance with all relevant laws, regulations and codes of business practice.

The Board had met 04 times during the year under review.

The Directors are responsible for preparing and presenting the Financial Statements which are prepared in accordance with the Sri Lanka Accounting Standards and in accordance with the requirements of the Colombo Stock Exchange. A Statement of Directors' Responsibilities for the preparation of Financial Statements is set out on of this Report.

The Board sub-committees scrutinize and analyze the areas under their purview and ensure application of strict control over the affairs of the Company. The Sub committees make recommendations to the Board on necessary adjustments and modifications to the internal systems of the Company. The Board has constituted Sub-Committees, each of The Sub committees make Reports of the Remuneration Committee, the Audit Committee, Nomination and Governance Committee and Related Party Transactions Review Committee are set out in the page 19 to 39 of the Annual Report.

- **Remuneration Committee**

Mr.A.D.Madushanka – Chairman
Mr. S.R.D.M.Abhayawardhane – Member
Mr. A.M.T. Dinuwan – Member

- **Audit Committee**

Mr.A.D.Madushanka – Chairman
Mr. S.R.D.M.Abhayawardhane – Member
Mr. A.M.T. Dinuwan – Member

- **Related Party Transactions Review Committee**

Mr. A.M.T. Dinuwan – Chairman
Mr. S.R.D.M.Abhayawardhane – Member
Mr.A.D.Madushanka – Member

- **Nominations and Governance Committee**

Mr. A.M.T. Dinuwan – Chairman
Mr. S.R.D.M.Abhayawardhane – Member
Mr.A.D.Madushanka – Member

Company Secretaries

SSP Corporate Service (Private) Limited, provides Corporate Secretarial Services to the Company. The Company Secretaries advises the Board on matters relating to the Companies Act, the Colombo Stock Exchange regulations and other applicable rules and regulations in order to ensure that the Best Governance practices are adopted by the Board and its Committees.

Compliance with Legal Requirements

All Directors have access to the Financial and Management Information of the Company. The Directors makes every endeavor to ensure that the Company complies with Laws and Regulations and to exercise due diligence in managing the affairs of the Company. Additionally, checks and controls are in place to ensure that the policies of the Board are complied with.
The manner and the extent to which the Company has applied the principles of good Corporate Governance practices during the period under review is set out in the following table.

CORPORATE GOVERNANCE (CONT'D)

Rule No.	Subject	Requirement	Compliance Status	Details
9.9	Non-Executive Directors	At least 1/3 of the total number of Directors should be Non-executive Directors	Complied	3 out of 5 Directors are Non-executive Director
9.8.1	Board Composition	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Complied	05 Directors in the Company
9.8.2	Independent Directors	2 or 1/3 of non-executive Directors, which is higher should be independent	Complied	Three Non-executive Directors two of them are independent
9.8.5 (a)	Independent Declaration	Each Non-Executive Director should submit a declaration of independence / Non independence in the prescribed format.	Complied	Independent non-Executive Director has submitted the declarations.
9.10.4	Disclosure relating to Directors	Names of Independent Directors should be disclosed in the Annual Report.	Complied	Please refer information pertaining to the Directors and Board sub-Committees on page 07 of the Annual Report.
9.12	Remuneration Committee	A listed Company shall have a Remuneration Committee.	Complied	The board has constituted a Remuneration Committee.
9.12.6	a) Composition of the Remuneration Committee	The Remuneration Committee shall comprise of Non-executive Directors and majority of which shall be independent.	Complied	The Remuneration Committee has 3 Non-Executive Directors two of them are independent.
9.12.5	b) Functions of the Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Key Management Personnel and Executive Directors	Complied	Please refer to the Remuneration Committee Report on page 27 to 34 of the Annual Report.
9.12.8	c) Disclosure in the Annual Report relating to Remuneration Committee	The Annual Report should set out: a) Names of Directors comprising the Remuneration Committee	Complied	Please refer the Remuneration Committee Report on page 28 for a brief statement of policy.
		b) Statement of Remuneration policy	Complied	Please refer the Remuneration Committee Report on page 29 for a brief statement of policy.
		c) Aggregate Remuneration paid to Executive and Non-Executive Directors	Complied	Please refer Notes to the Financial Statements on page 81.

CORPORATE GOVERNANCE (CONT'D)

Rule No.	Subject	Requirement	Compliance Status	Details
9.13	Audit Committee	The Company shall have an Audit Committee.	Complied	The Board has constituted an Audit Committee.
9.13.3	(a) Composition of Audit Committee	a) Shall Comprise of non-executive Directors a majority of whom shall be independent.	Complied	Audit Committee consists of 3 Non- Executive Directors two of them are independent
9.13.3 (6)		b) The Chairman of the Audit Committee or one member should be a member of a Professional Accounting Body.	Complied	Chairman of the Audit Committee is a member of a Professional Accounting Body.
9.13.4	(b) Audit Committee Functions.	Should be as outlined in the section 6 of the Listing Rules.	Complied	Please refer page 19 to 26
9.13.5	(c) Disclosure in the Annual Report relating to the Audit Committee.	a) Names of the Directors comprising the Audit Committee.	Complied	Please refer Information of the Board of Directors and the Board- sub-Committees on page 19 Annual Report.
		b) The Audit Committee shall make a determination of the independence of the Auditors and disclose such determination.	Complied	Please refer to Audit Committee Report on page 22 of the Annual Report.
		c) The Annual Report shall contain a Report of the Audit Committee setting out the manner of compliance of the functions.	Complied	Please refer to Audit Committee Report on page 24 to 25 of the Annual Report.
9.7	Statement of Directors and Chief Executive Officers Share- holding.	A Statement of each Director's holding and Chief Executive Officer's holding in shares of the Company at the beginning and end of the financial year.	Complied	Please refer page no 07.

CORPORATE GOVERNANCE (CONT'D)

Rule No.	Subject	Requirement	Compliance Status	Details
9.14	Related Party Review Committee	The Company shall have Related Party Review Committee	Complied	The Board has constituted a Related Party Review Committee
9.14.2	Composition of the Related Party Transactions Review Committee (RPTRC)	The Committee should comprise a combination of non-executive directors and independent non- executive directors. The composition of the Committee may also include executive directors, at the option of the Listed Entity. One independent nonexecutive director shall be appointed as Chairman of the Committee.	Complied	The Related Party Transactions review committee has 3 Non-Executive Directors two of them are independent
9.14.8	Related Party Transactions	A declaration by the Board of Directors in the Annual Report as an affirmative statement of the compliance with these Rules pertaining to Related Party Transactions or a negative statement in the event the Entity has not entered into any Related Party Transaction/s.	Complied	Report of the Directors. Refer page no 35 to 37.
9.11	Nominations and Governance Committee	The Company shall have Nominations and Governance Committee	Complied	Report of the Directors. Refer page no 38 to 39.
9.11.4	Composition of the Nominations and Governance Committee	comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.	Complied	Report of the Directors. Refer page no 38 to 39.
9.05.1	Senior Independent Directors Report	require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest	Complied	Report of the Directors. Refer page no 40 to 42.

CORPORATE GOVERNANCE (CONT'D)

Radiant Gems International PLC Policies

Business Policy

Radiant Gems International PLC – Professional Lapidary Service Providers, we abide by various policies when we provide gem cutting service to our clients, these involve environmental awareness, equality and diversity, and overall health and safety.

The Board of Directors believe that the Health, Safety and Welfare of its employees and others affected by its operations should have equal importance to quality, cost, production and morale.

In accepting this responsibility, the Board of Directors aim, so far as is reasonably practicable, to provide a working environment that is safe and without risk to health by paying particular attention to: -

a) The provision and maintenance of plant, equipment and systems of work that are safe and without risk to any person.

b) Safe arrangements for the handling, storage and transportation of articles and substances.

c) Sufficient information, instruction, training and supervision to enable all employees to avoid hazards and contribute positively to their Health and Safety at work. Adequate communication of information, instruction and supervision will also be provided to avoid injury to any other persons likely to be affected.

d) Safe access to and egress from places of work.

The provision and maintenance of a working environment that is, so far as is reasonably practicable, adequate with regard facilities and arrangements for employee's welfare at work.

Equality and Diversity Policy

Radiant Gems International PLC is dedicated to encouraging a supportive and inclusive culture across the entire workforce. It is within our best interest to promote diversity and eliminate discrimination in the workplace. Our aim is to ensure that all employees and job applicants are given equal opportunity and that our organization is representative of all sections of society.

Each employee will be respected and valued and able to give their best as a result. This policy reinforces our commitment to providing equality and fairness to all in our employment and not provide less favourable facilities or treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, or sex and sexual orientation.

We are opposed to all forms of unlawful and unfair discrimination. All employees, no matter whether they are part-time, full-time, or temporary, will be treated fairly and with respect. When selects candidates for employment, promotion, training, or any other benefit, it will be on the basis of their aptitude and ability.

All employees will be given help and encouragement to develop their full potential and utilise their unique talents. Therefore, the skills and resources of our organisation will be fully utilised and we will maximise the efficiency of our whole workforce.

CORPORATE GOVERNANCE (CONT'D)

Environmental Policy

Radiant Gems International PLC committed to providing a quality service in a manner that ensures a safe and healthy workplace for our employees and minimize our potential impact on the environment.

We will operate in compliance with all relevant environmental legislation and we will strive to use pollution prevention and environmental best practices in all we do.
Our Policy therefore, is to:

- integrate the consideration of environmental concerns and impacts into our decision making and activities.
- minimize our waste and then reuse or recycle as much of it as is possible.
- minimize energy and water use within our buildings and processes in order to conserve supplies and minimize the consumption of natural resources.
- As far as is possible, purchase products and services that do the least damage to the environment.
- train, educate and inform our employees about environmental issues that may affect their work.
- promote environmental awareness among our employees and encourage them to work in an environmentally responsible manner.
- communicate our environmental commitment to clients, customers and the public and encourage them to support it.
- where required by legislation or where significant health, safety or environmental hazards exist, develop and maintain appropriate emergency and spill response programmes.

Charity Donation and Gift Policy

A charity policy has been put in place to ensure we achieve the maximum impact with the support we give to charities by creating structure and guidance ensuring we maximize engagement with our employees

Criteria for Charitable partnerships

- They must be a registered charity.
- They should not support any extremists, political or religious cause.
- Consideration should be given to any prominent charities that need special attention.
- Consideration should be given to charities or causes that need social care.
- All the payments, donations should be supported by an official receipt or letter of acceptance

Anti- Bribery Policy

Radiant Gems International PLC is committed to doing business without the use of bribery or other corrupt practices to obtain advantages

Bribery and corruption are morally wrong and could seriously damage the Radiant Gems International PLC reputation, Bribery is a criminal offence and any corrupt act exposes Radiant Gems International PLC and its employees to the risk of prosecution.

Radiant Gems International PLC will apply a zero-tolerance approach to acts of bribery and corruption by any of the employees, officials or third-party representatives, each a Radiant Gems International PLC management will have the primary responsibility to implementing their areas of responsibility.

Any breach of this policy will be regarded as a serious matter by Radiant Gems International PLC and will result in disciplinary action up to and including termination of employment or contract.

Anti-corruption policy and rules cover the following areas of the Company's operations:

- The Company prepares sufficient rules for implementation under the policy to prevent corruption in business operation.
- Continuous orientations and training shall be provided to the personnel to ensure their understanding of the anti-corruption policy, measures and rules.
- The Company arranges internal control system to ensure efficiency and effectiveness of the anti-corruption policy which covers financial record, accounting and other processes related to the Company's operations.
- The Company arranges monitoring system and review of compliance of the anti-corruption policy by applying appropriate rules to ensure that the policy is complete, sufficient and updated.
- The Company provides safe communication channels for the personnel and all stakeholders to seek consultations, report any incidents, provide suggestions, or file complaints related to anti-corruption issues. The rights of reporting persons shall be strictly protected.
- The Company communicates the anti-corruption policy both inside and outside the Company so that related parties can learn the policy.

Conflict of interest Policy

Article I
Definitions

1. Interested Person - Any director, principal officer, or member of committee with governing board delegated powers, who has direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest - A person has financial interest if the person has, directly or indirectly, through business, investment or family:

    a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

    b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

    c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article II
Procedures

1. Duty to Disclose - In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists - After disclosure of the financial interest and all material facts, and after any discussion with the interested person.

Human Rights Policy

Policy for Human Rights of the Employees

Radiant Gems International PLC is committed to the following policy that ensures the human rights of its employees are always respected.

1. **Prohibition of Child Labour**

   Radiant Gems International PLC shall not allow children to work. It shall not have its employees under 18 years of age engage in a job which is likely to endanger their health and safety.

   (Children as used herein shall refer to those who are under 18 years of age or those under the age of finishing the compulsory education or under the minimum age for admission to employment as stipulated in the country).

2. **Consideration for Work Hours**

   Radiant Gems International PLC shall respect the global standards and adequately work hours, holidays and vacation by observing the applicable laws and regulations of the country.

3. **Adequate Wages**

   Radiant Gems International PLC shall pay salaries to its employees by respecting all the wage-related laws stipulating the minimum wage, overtime compensation and legal benefits.

4. **Prohibition of Inhuman Treatment**

   Radiant Gems International PLC shall prohibit sexual harassment and abuse, corporal punishment, physical and mental coercion, verbal abuse and harassment, and inhuman treatment of employees.

5. **Prohibition of Discrimination**

   Radiant Gems International PLC shall prohibit discrimination in employment and labor by reason of race, ethnicity, nationality, descent, skin color, age, sex, sexual orientation, presence/ absence of handicaps, pregnancy, religion, political orientation, marital status, family status and infection of HIV/ AIDS.

6. **Employees' Right to Organize**

   Radiant Gems International PLC respects employees' right to organize as a means of labour-management consultation on labour environment, wage levels and other relevant matters in line with local laws and regulations.

7. **Safe and Healthy Working Environment**

   Radiant Gems International PLC, based on the Safety and Health Basic Policy, shall place top priority on industrial safety and health of employees for them to work safely, and endeavor to prevent accidents and disasters as well as physical and mental diseases.

8. **Directors Remuneration**

   The total remuneration of Directors is disclosed in Note 29 to the Financial Statements. The Board has delegated powers to the Remuneration Committee to oversee implementation of policies with regard to the Remuneration of Executive Directors and Executive Employees.

   The Names of the Remuneration Committee are disclosed in page 28.

9. **Relationship with shareholders**

   The Annual Report and the Annual General Meeting form the principal means of communication with the shareholders. Quarterly Financial Statements of the company has been uploaded to the CSE web site within the stipulated time frame.

ATTENDANCE OF BOARD MEMBERS AT BOARD MEETINGS

The Board of directors meets quarterly to effectively carry out their duties and responsibilities, while special Board meetings are held whenever the necessity arises. The Board invites members of the management and external advisors to be present at Board meetings when required. A total of Four (04) Board meetings were held during the Financial Year 2025/2026. Attendances of Directors at Board and sub-committee meetings are summarized below.

Name of the Board Member	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Related Party Transaction Review Committee Meetings	Nominations and Governance Review Committee Meetings
Mr.S.H. Munasinghe	4/4	4/4 (By Invitation)	4/4 (By Invitation)	4/4 (By Invitation)	1/1 (By Invitation)
Mr. S.R.D.M. Abhayawardhane	4/4	4/4	4/4	4/4	1/1
Mr.A.D. Madushanka	4/4	4/4	4/4	4/4	1/1
Mr.M.L. Munasinghe	4/4	4/4 (By Invitation)	4/4 (By Invitation)	4/4 (By Invitation)	1/1 (By Invitation)
Mr. A.M.T. Dinuwan	4/4	4/4	4/4	4/4	1/1
Mr.Chaminda Dharmasena (Accountant)	4/4 (By Invitation)	4/4 (By Invitation)	4/4 (By Invitation)	4/4 (By Invitation)	1/1 (By Invitation)

REPORT OF THE AUDIT COMMITTEE

1. Introduction

The Audit Committee of Radiant Gems International PLC (the "Company") is pleased to present its Report for the financial year ended 31 March 2026.
The Audit Committee is an integral component of the Company's corporate governance framework and assists the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of financial reporting, internal controls, risk management, audit, compliance and the Company's overall financial governance.
In discharging its responsibilities, the Committee has operated within its Terms of Reference and with due regard to the applicable provisions of the Listing Rules of the Colombo Stock Exchange ("CSE"), including Section 9 on Corporate Governance, the requirements of the Securities and Exchange Commission of Sri Lanka ("SEC"), the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and other applicable regulatory and professional requirements.
The Committee's objective is to provide the Board with independent and objective oversight and assurance on the adequacy and effectiveness of the Company's financial reporting, internal control and risk management processes, while maintaining appropriate oversight of the Internal and External Audit functions.

2. Composition Of the Audit Committee

As at 31 March 2026, the Audit Committee comprised three Non-Executive Directors, of whom two were Independent Non-Executive Directors.

The Committee comprised:

- Mr. A.D. Madushanka - Chairman (Senior Independent Non-Executive Director)
- Mr. S. Abhayawardhana – Member (Non-Executive Director)
- Mr. A.M.T. Dinuwan – Member (Independent Non-Executive Director)

The composition of the Committee is consistent with the applicable requirements of the CSE Listing Rules, which require the Audit Committee to comprise Non-Executive Directors with a majority being Independent Directors.

The Chairman of the Audit Committee, Mr. A.D. Madushanka, is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and possesses professional experience in accounting, finance and auditing. His professional qualifications and experience provide the Committee with appropriate financial and accounting expertise.

The Board's Corporate Governance disclosure confirms that the Audit Committee comprises three Non-Executive Directors, two of whom are independent, and that the Chairman is a member of a professional accounting body.

3. Meetings And Attendance

The Audit Committee met regularly during the financial year to consider matters falling within its mandate.

Four meetings of the Audit Committee were held during the year ended 31 March 2026. The Board's attendance disclosure records the participation of the Audit Committee members as follows:

	Attendance Yes or No					
Date of Meeting Committee	Mr. A.D.Madushanka	Mr. S.R.D.M Abhayawardhane	Mr. A.M.T. Dinuwan	Mr. S.H. Munashinghe By Invitation	Mr. M.L. Munasinghe By Invitation	Mr.Chaminda Dharmasena (Accountant) By Invitation
26th May 2025	Yes	Yes	Yes	Yes	Yes	Yes
11th Aug 2025	Yes	Yes	Yes	Yes	Yes	Yes
12th Nov 2025	Yes	Yes	Yes	Yes	Yes	Yes
11th Feb 2026	Yes	Yes	Yes	Yes	Yes	Yes

The Chairman/Managing Director/CEO, Joint Managing Director/General Manager and Accountant participated in Committee proceedings as appropriate.
The Committee maintained appropriate communication with Management and the Company's assurance providers in considering matters within its remit.
The Board's attendance statement confirms four Audit Committee meetings during the year and full attendance by all three Committee members.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

4. Role of the Committee

The principal responsibilities of the Audit Committee include:

- reviewing the integrity of the Company's financial statements and financial reporting process;
- reviewing significant accounting policies, judgements and estimates;
- monitoring compliance with applicable financial reporting requirements;
- reviewing quarterly and annual financial statements prior to recommendation to the Board;
- overseeing the adequacy and effectiveness of internal controls and risk management;
- reviewing the scope and results of internal and external audit;
- monitoring the independence, objectivity and effectiveness of the External Auditor;
- reviewing the appointment, re-appointment and remuneration of the External Auditor;
- overseeing the Internal Audit function;
- reviewing significant audit findings and management responses;
- monitoring compliance with applicable laws, regulations and Listing Rules;
- considering related party matters falling within its responsibilities;
- reviewing the Company's financial risks and significant areas of judgement; and
- reporting significant matters and recommendations to the Board.

The Committee's responsibilities are designed to support the Board in maintaining effective financial governance, transparency, accountability and protection of shareholder interests.

5. Financial Reporting

During the year, the Committee reviewed the Company's financial reporting process and the quarterly and annual financial statements before their submission to the Board.
The Committee considered whether the financial statements appropriately reflected the Company's financial position, performance, cash flows and significant transactions and whether the related disclosures were consistent with the applicable financial reporting framework.
The financial statements for the year ended 31 March 2026 were prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and the requirements of the Companies Act No. 7 of 2007.
The Committee paid particular attention to significant accounting and financial reporting matters, including:

- revenue recognition;
- valuation of investment in Gems tones;
- property, plant and equipment;
- impairment and recoverability of receivables;
- borrowings and finance costs;
- taxation and deferred taxation;
- retirement benefit obligations;
- related party transactions and balances;
- fair-value measurements;
- liquidity and cash-flow management; and
- going-concern assessment.

For the year ended 31 March 2026, the Company recorded revenue of Rs.234.59 million, gross profit of Rs.120.70 million, operating profit of Rs.7.39 million, and a loss after tax of Rs.8.01 million.

The Committee also noted the improvement in operating cash generation, with net cash generated from operating activities amounting to Rs.41.55 million during the year.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

6. Significant Accounting Judgements and Estimates

The Committee reviewed significant areas involving management judgement and estimation and considered the adequacy of the related disclosures.
Particular consideration was given to the valuation of the Company's investment in Gemstones and Property Plant & Equipment. The financial statements report an investment in gems of Rs.12.85 million and Property Plant and Equipment Valuation of Rs.194.70 million at 31 March 2026, with the valuation involving market-based assessment and professional valuation input.
The Committee recognises that the valuation of Gemstones involves inherent judgement in relation to characteristics such as colour, clarity, carat and cut and therefore requires appropriate supporting evidence and professional assessment.
The Committee also considered the Company's revenue recognition policies and related controls, particularly given the significance of revenue to the Company's operating results.

7. Going Concern and Liquidity

The Committee gave particular attention to the Company's going-concern assessment.
The financial statements disclose that the Company incurred a net loss of Rs.8.01 million, accumulated losses of Rs.52.14 million, and working capital of Rs.6.55 million at 31 March 2026. The financial statements further disclose an overdue Bank of Ceylon FCBU long-term loan amounting to Rs.57.08 million.
The Committee reviewed the factors considered by Management in supporting the preparation of the financial statements on a going-concern basis, including:

- projected profitability for future financial years;
- profitability achieved subsequent to the reporting period;
- expected acquisition of new clients;
- expansion of markets and business segments; and
- the Company's continuing repayment of the Bank of Ceylon FCBU loan and intention to negotiate repayment terms with the Bank.

The Committee considers liquidity, debt servicing and sustainable profitability to be important areas requiring continued Board and Management attention.

Accordingly, the Committee will continue to monitor the Company's cash flows, working capital position, debt obligations and progress against its business and financial projections.

8. External Audit

M/s Kreston MNS & Company, Chartered Accountants, served as the Company's External Auditors for the financial year ended 31 March 2026.

The Committee maintained appropriate communication with the External Auditors concerning the audit approach, significant areas of audit attention, financial reporting matters and audit findings.
The External Auditor's Report confirms that the audit was conducted in accordance with Sri Lanka Auditing Standards and that the auditors were independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka.

The External Auditors also confirmed that they obtained the information and explanations necessary for the audit and, based on their examination, proper accounting records had been maintained by the Company.
The Committee considered the performance, competence, independence and objectivity of the External Auditors and, subject to shareholder approval, supports their re-appointment for the ensuing financial year.

9. Key Audit Matters

The Committee considered the significant matters arising from the external audit and the areas identified by the External Auditors as Key Audit Matters.

The Independent Auditor's Report identifies:

1. **Revenue recognition**
2. **Assessment of Fair Value of Property, Plant & Equipment and**
3. **Assessment of fair value of investment in Gems**

as matters requiring significant audit attention.

In relation to the investment in Gems, the External Auditors considered the involvement of an expert namely National Gem and Jewellery Authority and the judgement involved in the valuation.

The Committee considered these matters together with Management and the External Auditors and was satisfied that appropriate attention had been given to the relevant accounting treatment, valuation and disclosures.

10. External auditor Independence

The Audit Committee places significant importance on maintaining the independence, objectivity and professional integrity of the External Auditors. During the year under review, the Committee reviewed the independence of M/s Kreston MNS & Company, Chartered Accountants, the External Auditors of the Company, including the written confirmation of independence provided by the External Auditors in accordance with the applicable professional and ethical requirements.

The Committee further considered the nature and extent of services provided by the External Auditors and confirms that **no non-audit services were provided by M/s Kreston MNS & Company to the Company during the financial year ended 31 March 2026**. Accordingly, the Committee is satisfied that there were no non-audit services that could give rise to a conflict of interest or compromise the independence or objectivity of the External Auditors.

The Committee has also considered the period of the External Auditors' engagement with the Company and, based on the information available to the Committee, has determined that the External Auditors have maintained their independence and objectivity throughout the year.

Number of consecutive years M/s Kreston MNS & Company has served as External Auditors of the Company is six years including Current year 2025/2026.

Based on the above considerations, the Audit Committee is satisfied that **M/s Kreston MNS & Company, Chartered Accountants, remained independent and objective in conducting the statutory audit of the financial statements of the Company for the year ended 31 March 2026**, and the Committee has recommended their re-appointment as External Auditors, subject to the approval of the shareholders at the Annual General Meeting.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

11. Internal Audit

The Committee recognises the importance of an effective Internal Audit function in providing independent assurance over the Company's control environment, risk management and governance processes.

The Committee reviewed the Internal Audit arrangements and considered matters arising from internal assurance activities, including identified control matters and management responses.

The Committee also considered whether the scope of internal assurance appropriately covered the Company's principal financial, operational and compliance risks.

12. Internal Control and Risk Management

The Board has stated that it periodically reviews the effectiveness of the Company's risk management and internal control systems and ensures compliance with relevant laws, regulations and codes of business practice.
The Audit Committee supports the Board in this oversight process and considers the adequacy of controls over:

- financial reporting;
- cash and banking;
- revenue and receivables;
- inventory and Gems tone assets;
- capital expenditure;
- borrowings and liquidity;
- statutory and regulatory compliance;
- fraud prevention and detection;
- information systems;
- business continuity; and
- related party transactions.

The Committee considers the Company's financial and liquidity position to be an important risk area and encourages continued strengthening of financial controls, cash-flow forecasting and working-capital management.

The Committee also recognises the importance of maintaining appropriate controls in relation to information technology, cybersecurity, regulatory compliance and business continuity as the Company's operations and external environment evolve.

13. Related Party Transactions

The Audit Committee recognises the importance of ensuring that related party transactions are appropriately identified, reviewed, authorised and disclosed.

The Company has a separate Related Party Transactions Review Committee comprising Non-Executive Directors, including Independent Non-Executive Directors. The Committee reviews related party transactions in accordance with the applicable CSE Listing Rules and the Company's related party procedures.

The Company's Annual Report states that details of related party transactions are disclosed in Note 29 to the financial statements.

The Audit Committee considered related party matters relevant to financial reporting and the adequacy of their disclosure in the financial statements.

14. Compliance With Laws, Regulations and Listing Requirements

The Committee monitored the Company's compliance with applicable statutory and regulatory requirements relevant to its financial reporting and operations.

The Company's Corporate Governance Statement confirms compliance with the key areas of the CSE Listing Rules and specifically records compliance with the requirements relating to the Audit Committee under Rules 9.13, 9.13.3 and 9.13.5.

The Committee also considered compliance with:

- the Companies Act No. 7 of 2007;
- Sri Lanka Accounting Standards;
- CSE Listing Rules;
- SEC requirements;
- applicable tax legislation; and
- other statutory requirements relevant to the Company's operations.

The Directors have stated that statutory payments relating to Government and employees had been made.

15. Fraud, Anti-Bribery and Conflict of Interest

The Committee recognises the importance of an effective control environment to prevent and detect fraud, corruption and other inappropriate conduct.

The Company has established policies relating to anti-bribery and corruption and conflicts of interest. The policies require appropriate controls, reporting mechanisms and disclosure of potential conflicts.

The Company's anti-bribery policy adopts a zero-tolerance approach to bribery and corruption and provides for internal controls, monitoring and communication channels for reporting concerns.

The Committee considers these policies to be important components of the Company's governance and internal control framework and encourages their continued implementation and periodic review.

16. Financial Reporting and Disclosure Quality

The Committee reviewed the Company's financial statements and related disclosures with the objective of ensuring that shareholders and other stakeholders receive reliable, relevant and transparent financial information.

The Committee considered the consistency between the financial statements and other financial information contained in the Annual Report.

The Committee also noted the Auditor's statement that, in connection with the audit of the financial statements, the auditors had no matter to report regarding material inconsistency in the other information reviewed.

17. CEO Assurance

Rule 9.13.5 requires the Audit Committee Report to state that the Committee has received assurance from the CEO regarding the Company's operations and finances. The SEC/CSE framework specifically includes this disclosure requirement.

"The Audit Committee has obtained the required assurance from the Chief Executive Officer regarding the Company's operations and finances, including the maintenance of appropriate financial records and the adequacy and effectiveness of the Company's risk management and internal control systems."

I strongly recommend that this assurance be formally documented and retained with the Audit Committee records.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

18. Audit Charter

"The Company has a formal Audit Charter/Terms of Reference approved by the Board, which sets out the authority, responsibilities and operating procedures of the Audit Committee."

19. Assessment Of the Audit Committee Overall

Based on the work performed during the year, the information and explanations provided by Management, the financial reporting process, the work of the External Auditors and the Company's governance and control framework, the Committee is satisfied that it has effectively discharged the responsibilities assigned to it during the financial year ended 31 March 2026.

The Committee considers that appropriate attention has been given to the integrity of the Company's financial reporting, the effectiveness of internal controls, risk management, audit matters and regulatory compliance.

At the same time, the Committee recognises that the Company's financial position, negative working capital, accumulated losses and overdue long-term borrowing require continued and close monitoring.

The Committee will therefore continue to support the Board in strengthening financial discipline, liquidity management, internal controls and risk oversight.

20. Audit Committee's Opinion on Financial Reporting and Compliance

Having reviewed the financial statements and the financial reporting process, and having considered the work and communications of the External Auditors, the Audit Committee is of the opinion that:

- the financial statements for the year ended 31 March 2026 have been prepared in accordance with the applicable Sri Lanka Accounting Standards and the Companies Act No. 7 of 2007;
- appropriate accounting policies and significant accounting judgements have been considered;
- material financial reporting matters and significant disclosures have received appropriate attention;
- the Company has maintained appropriate processes for financial reporting and regulatory compliance; and
- the financial reporting and disclosure processes provide a reasonable basis for presenting the Company's financial performance and position to shareholders.

This conclusion is made in the context of the responsibilities of the Audit Committee and does not replace the independent audit opinion provided by the External Auditors.

21. Audit Committee Compliance with CSE Rule 9.13.5

The Committee has considered the disclosure requirements applicable to Audit Committees under Rule 9.13.5 of the CSE Listing Rules.

Requirement	Location in this Report
Names, Chairman and nature of directorships	Section 2
Risk management and internal control status	Section 12
CEO assurance	Section 17
Opinion on financial reporting and regulatory compliance	Sections 14 & 20
Formal Audit Charter	Section 18
Internal Audit assurance	Section 11
Effective discharge of Audit Committee functions	Section 19
External Auditor independence	Section 10
Auditor tenure and engagement partner tenure	Section 10
Non-audit services and safeguards	Section 10

The Committee considers that the above disclosures, together with the Company's Corporate Governance Statement, address the requirements applicable to the Audit Committee under the CSE Listing Rules.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

22. Acknowledgement

The Committee acknowledges the cooperation and assistance extended by the Board of Directors, Management, the Accountant, Internal Auditors, External Auditors and Company Secretaries in enabling the Committee to discharge its responsibilities during the year.

The Committee remains committed to maintaining high standards of financial reporting, governance, accountability, risk management and transparency for the benefit of the Company's shareholders and other stakeholders.

A D MADUSHANKA
CHAIRMAN – AUDIT COMMITTEE
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
RADIANT GEMS INTERNATIONAL PLC
28TH AUGUST 2026

REPORT OF THE REMUNERATION COMMITTEE

1. Introduction

The Remuneration Committee of **Radiant Gems International PLC** (the “Company”) is pleased to present its Report for the financial year ended **31 March 2026**.

The Remuneration Committee (the “Committee”) is a Board sub-committee established to assist the Board in fulfilling its responsibilities relating to the remuneration of Directors and senior management. The Committee seeks to ensure that the Company's remuneration arrangements are fair, transparent, appropriate to the responsibilities and performance of the individuals concerned, and aligned with the Company's strategic objectives and the interests of its shareholders.

In discharging its responsibilities during the year, the Committee operated within its Terms of Reference and with due regard to the applicable requirements of the Listing Rules of the Colombo Stock Exchange (“CSE”), including Section 9.12 on Remuneration Committees, the applicable corporate governance requirements of the Securities and Exchange Commission of Sri Lanka (“SEC”), the Code of Best Practice on Corporate Governance issued by CA Sri Lanka, and other applicable legal and regulatory requirements.

2. Role And Responsibilities of The Committee

The principal role of the Committee is to establish and maintain an appropriate framework for the remuneration of Executive Directors and senior management and to make recommendations to the Board in accordance with its Terms of Reference.

During the year, the Committee's responsibilities included:

- reviewing and recommending the remuneration payable to Executive Directors and the Chief Executive Officer or equivalent senior executive positions, where applicable;
- reviewing the remuneration framework applicable to senior management;
- reviewing the Company's remuneration policy and recommending appropriate changes to the Board;
- considering the balance between fixed remuneration and performance-related remuneration;
- considering the responsibilities, qualifications, experience, performance and contribution of Executive Directors and senior management in remuneration decisions;
- considering appropriate remuneration levels having regard to prevailing market and industry practices;
- reviewing remuneration arrangements for Non-Executive Directors in accordance with the principle of non-discriminatory remuneration and preservation of their independence;
- considering succession, retention and leadership requirements insofar as they relate to remuneration;
- ensuring that remuneration arrangements are consistent with the Company's governance framework and applicable regulatory requirements; and
- reporting its recommendations and deliberations to the Board for appropriate consideration and final determination.

In accordance with CSE Rule 9.12.7, the Committee's recommendations concerning Executive Directors' remuneration are submitted to the Board, which retains the authority for the final determination. The Committee also recognises the requirement that **no Director should participate in determining his or her own remuneration**.

REPORT OF THE REMUNERATION COMMITTEE (CONT'D)

3. Composition Of the Remuneration Committee

As at 31 March 2026, the Remuneration Committee comprised three Non-Executive Directors:

NAME	POSITION	NATURE OF DIRECTORSHIP
Mr. A.D. Madushanka	Chairman	Senior Independent Non-Executive Director
Mr. S.R.D.M. Abhayawardhane	Member	Non-Executive Director
Mr. A.M.T. Dinuwan	Member	Independent Non-Executive Director

The Committee therefore comprised the minimum required number of Directors, with two of its three members being Independent Directors and no Executive Director serving on the Committee.

The Chairman of the Committee is a Senior Independent Non-Executive Director.

The above composition is consistent with the requirements of CSE Rule 9.12.6. The Company's Corporate Governance disclosures identify the same three Directors as members of the Remuneration Committee.

4. Meetings and Attendance

The Remuneration Committee held four meetings during the financial year ended 31 March 2026.

The meetings were held on:

Date of Meeting Committee	Attendance Yes or No					
	Mr A.D.Madushanka	Mr. S.R.D.M Abhayawardhane	Mr. A.M.T. Dinuwan	Mr. S.H. Munasinghe by Invitation	Mr. M.L. Munasinghe By Invitation	Mr. Chaminda Dharmasena (Accountant) By Invitation
26th May 2025	Yes	Yes	Yes	Yes	Yes	Yes
11th Aug 2025	Yes	Yes	Yes	Yes	Yes	Yes
12th Nov 2025	Yes	Yes	Yes	Yes	Yes	Yes
11th Feb 2026	Yes	Yes	Yes	Yes	Yes	Yes

Members of Management and other officers participated in meetings by invitation where their input was considered necessary.

5. Terms Of Reference

The Committee operates in accordance with Terms of Reference approved by the Board of Directors, which define its scope, authority, responsibilities and procedures.

The Terms of Reference provide the framework within which the Committee considers remuneration matters and makes recommendations to the Board.

The Committee periodically reviews the adequacy of its Terms of Reference to ensure that its responsibilities remain consistent with applicable regulatory requirements and the evolving corporate governance framework.

REPORT OF THE REMUNERATION COMMITTEE (CONT'D)

6. Remuneration Policy

The Company's remuneration policy is designed to provide a fair, transparent and appropriate framework for remunerating Directors and senior management while supporting the Company's ability to attract, retain and motivate individuals with the skills and experience required to achieve its strategic objectives.

The principal considerations underlying the remuneration framework include:

- the responsibilities and scope of the relevant position;
- qualifications, experience and expertise;
- individual performance and contribution;
- Company and business performance;
- prevailing market and industry remuneration practices;
- affordability and sustainability of remuneration arrangements;
- retention of key personnel; and
- the interests of shareholders and other stakeholders.

The Committee seeks to maintain an appropriate balance between remuneration that reflects the responsibilities of the position and remuneration that recognises performance and contribution.

The Company's policy is also intended to ensure that remuneration arrangements do not encourage inappropriate risk-taking or conduct inconsistent with the Company's values, governance standards or long-term interests.

7. Remuneration Of Executive Directors and Senior Management

The Committee reviews remuneration arrangements for Executive Directors and senior management having regard to their responsibilities, performance, experience, contribution and prevailing market conditions.
Where applicable, remuneration may comprise fixed remuneration and performance-related elements.

The Committee's approach is intended to ensure that:

- remuneration is appropriate to the level of responsibility;
- performance is appropriately recognised;
- remuneration remains competitive within the relevant market;
- the interests of management are appropriately aligned with those of the Company and its shareholders; and
- remuneration arrangements support the Company's long-term sustainability.

The Committee also recognises that the Company's financial performance and financial position are relevant considerations when assessing remuneration arrangements.

For the year ended 31 March 2026, the Company recorded revenue of **Rs.234.59 million**, gross profit of **Rs.120.70 million**, operating profit of **Rs.7.39 million**, and a loss after tax of **Rs.8.01 million**.

Accordingly, the Committee considers the Company's overall financial performance, financial position and sustainability when reviewing remuneration recommendations.

REPORT OF THE REMUNERATION COMMITTEE (CONT'D)

8. Remuneration Of Non-Executive Directors

The Committee recognises that remuneration of Non-Executive Directors should be structured in a manner that does not compromise their independence.

Accordingly, remuneration of Non-Executive Directors is considered on a consistent and non-discriminatory basis, having regard to:

- responsibilities associated with Board membership;
- Committee responsibilities;
- time commitment;
- attendance and participation;
- prevailing market practices; and
- the Company's circumstances.

The Committee seeks to ensure that Non-Executive Directors are not remunerated in a manner that could create a conflict between their remuneration and their independent judgement.

This approach is consistent with CSE Rule 9.12.4, which requires Non-Executive Director remuneration to be based on a policy adopting non-discriminatory pay practices so that independence is not impaired.

9. Performance and Remuneration Alignment

The Committee considers performance to be an important factor in determining remuneration recommendations for Executive Directors and senior management.
Performance considerations may include, as relevant:

- achievement of financial and operational objectives;
- individual performance and contribution;
- achievement of strategic priorities;
- operational efficiency;
- leadership and management effectiveness;
- compliance with applicable policies and regulations; and
- contribution to the Company's long-term sustainability.

The Committee seeks to maintain an appropriate balance between short-term performance and long-term value creation.

Given the Company's relatively modest operating profitability and continuing financial pressures during the year, the Committee has also considered affordability and sustainability when reviewing remuneration arrangements.

REPORT OF THE REMUNERATION COMMITTEE (CONT'D)

10. DIRECTORS' REMUNERATION

The aggregate remuneration paid to Executive and Non-Executive Directors for the financial year ended 31 March 2026 is disclosed in Note 29 to the Financial Statements.

The Committee considers the disclosure of aggregate remuneration in the financial statements, together with this Report on the Company's remuneration policy and governance framework, to provide shareholders with appropriate transparency regarding Directors' remuneration.

This disclosure addresses the requirement under CSE Rule 9.12.8(c) for the Annual Report to disclose the aggregate remuneration of Executive and Non-Executive Directors. Recent benchmark reports similarly cross-reference the financial statement note rather than unnecessarily reproducing the amounts in the Committee report.

11. Governance and Control over Remuneration Decisions

The Committee recognises that remuneration decisions should be made through a transparent and appropriately controlled process.

Accordingly:

- remuneration recommendations are considered by the Committee before submission to the Board, where applicable;
- no Director should participate in determining his or her own remuneration;
- remuneration of Non-Executive Directors is considered on a consistent and non-discriminatory basis;
- remuneration decisions are made with regard to the Company's financial capacity and performance;
- relevant market information may be considered where appropriate; and
- the Committee may obtain independent professional advice where the Committee considers such advice necessary.

These principles are consistent with CSE Rule 9.12.3, which requires a formal and transparent procedure for developing remuneration policy and fixing individual Directors' remuneration and expressly prohibits a director from being involved in fixing his or her own remuneration.

12. Use of External Advisers

During the financial year ended 31 March 2026, the Company did not engage or obtain the services of any external remuneration consultant or independent remuneration adviser for remuneration assessment, benchmarking, incentive structures or other remuneration-related matters.
The Remuneration Committee considered remuneration matters within its mandate based on the information and advice available to the Committee and Management, having regard to the responsibilities, performance, experience and contribution of the relevant Directors and senior management, as well as the Company's circumstances and applicable governance requirements.

13. Remuneration And Long-Term Value Creation

The Committee seeks to ensure that remuneration arrangements support sustainable value creation rather than encouraging excessive focus on short-term results.

In considering remuneration matters, the Committee takes into account the Company's:

- financial performance;
- operational performance;
- business prospects;
- financial sustainability;
- human capital requirements;
- governance standards; and
- long-term strategic objectives.

The Committee will continue to assess whether remuneration structures appropriately support the Company's future requirements while remaining affordable and aligned with shareholder interests.

14. Review Of Remuneration Framework

During the year, the Committee reviewed the Company's remuneration framework and its continuing relevance to the Company's circumstances.

The Committee recognises that remuneration policies should evolve in response to:

- changes in the Company's business and financial circumstances;
- market remuneration trends;
- regulatory developments;
- talent and succession requirements; and
- changing expectations regarding responsible corporate governance.

The Committee will continue to review the remuneration framework periodically and recommend appropriate amendments to the Board where necessary.

15. Compliance With CSE Listing Rules

The Committee confirms that it has discharged its responsibilities with due regard to the applicable requirements of Section 9.12 of the CSE Listing Rules.

In particular:

CSE Rule	Requirement	Compliance / disclosure
9.12.2	Remuneration Committee to be maintained	The Company has a Remuneration Committee.
9.12.3	Formal and transparent remuneration procedure; no Director involved in determining own remuneration	Addressed in Sections 6 and 11.
9.12.4	Non-discriminatory remuneration for Non-Executive Directors	Addressed in Section 8.
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Addressed in Section 5.
9.12.6	Minimum three Directors; minimum two Independent Directors; no Executive Directors; Independent Chairperson	Addressed in Section 3.
9.12.7	Functions of the Remuneration Committee	Addressed in Section 2.
9.12.8(a)	Names, Chairperson and nature of directorships	Addressed in Section 3.
9.12.8(b)	Statement regarding remuneration policy	Addressed in Section 6.
9.12.8(c)	Aggregate Executive and Non-Executive Director remuneration	Addressed in Section 10 / Note 29.

REPORT OF THE REMUNERATION COMMITTEE(CONT'D)

15. Compliance With CSE Listing Rules (CON'D)

The Company's Corporate Governance Statement also identifies compliance with the Remuneration Committee disclosure requirements under Rule 9.12.8, including the names of Committee members, remuneration policy and aggregate Director remuneration.

16. Committee Effectiveness

The Committee considers that it effectively discharged its responsibilities during the financial year ended 31 March 2026.

The Committee's effectiveness was supported by:

- four meetings during the year;
- full attendance by all Committee members;
- appropriate engagement with Management;
- consideration of remuneration policy and remuneration matters within its mandate;
- oversight by Non-Executive Directors, including Independent Directors; and
- reporting and making recommendations to the Board on matters within its remit.

The Committee will continue to review its effectiveness and the adequacy of its Terms of Reference as part of the Company's broader governance framework.

17. Priorities For 2026/27

During the financial year ending 31 March 2027, the Committee will continue to focus on:

- maintaining an appropriate and sustainable remuneration framework;
- ensuring alignment between remuneration and Company performance;
- maintaining appropriate remuneration differentiation based on responsibility, performance and contribution;
- reviewing remuneration competitiveness where appropriate;
- supporting retention of key personnel;
- maintaining non-discriminatory remuneration practices for Non-Executive Directors;
- strengthening the transparency of remuneration governance;
- ensuring continued compliance with the CSE Listing Rules and applicable SEC and corporate governance requirements; and
- reviewing the remuneration framework in light of the Company's financial performance, business prospects and long-term strategic objectives.

The Committee will continue to seek an appropriate balance between rewarding performance, retaining key talent and protecting the long-term interests of shareholders.

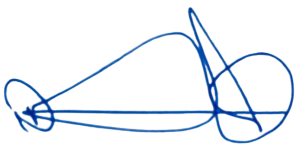
REPORT OF THE REMUNERATION COMMITTEE(CONT'D)

18. Conclusion

The Remuneration Committee is satisfied that it has appropriately discharged its responsibilities during the year ended 31 March 2026 within the authority delegated to it by the Board.

The Committee remains committed to maintaining remuneration practices that are **fair, transparent, responsible and aligned with the Company's strategic objectives, financial capacity and long-term interests of shareholders**.

The Committee acknowledges the support provided by the Board, Management and other stakeholders in enabling it to discharge its responsibilities during the year.



A D MADUSHANKA
CHAIRMAN – REMUNERATION COMMITTEE
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
RADIANT GEMS INTERNATIONAL PLC
28TH AUGUST 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

1. Introduction

In accordance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka, the Board has established the Related Party Transactions Review Committee. This Committee oversees all related party transactions to ensure compliance with regulatory requirements, maintain good governance practices, and protect the interests of shareholders and stakeholders.

2. Committee Composition and Meetings

The Related Party Transactions Review Committee comprises the following directors:

Chairman	A.M.T. Dinuwan	(Independent Non-Executive Director)
Member	S.R.D.M. Abhayawardhana	(Non-Executive Director)
Member	A.D. Madushanka	(Senior Independent Non-Executive Director)

The Committee held the following meetings during the financial year ended 31st March 2026:

Date of Meeting Committee	Attendance Yes or No					
	Mr A.D.Madushanka	Mr. S.R.D.M. Abhayawardhane	Mr. A.M.T. Dinuwan	Mr.S.H. Munasinghe By Invitation	Mr. M.L. Munasinghe By Invitation	Mr.Chaminda Dharmasena (Accountant) By Invitation
26th May 2025	Yes	Yes	Yes	Yes	Yes	Yes
11th Aug 2025	Yes	Yes	Yes	Yes	Yes	Yes
12th Nov 2025	Yes	Yes	Yes	Yes	Yes	Yes
11th Feb 2026	Yes	Yes	Yes	Yes	Yes	Yes

3. Purpose of the Committee

The primary purpose of the Related Party Transactions Review Committee is to:

- Oversee all related party transactions of the Company.
- Ensure compliance with the Listing Rules and the Code of Best Practice.
- Review and approve or recommend for Board approval all related party transactions.
- Protect shareholder interests and prevent misuse of management positions.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (CONT'D)

4. Scope of the Committee

The Committee's scope includes:

Reviewing all proposed related party transactions before they are executed, or, if applicable, before the transaction is finalized.

- Requesting any necessary information from management, employees, or external parties regarding related party transactions.
- Reviewing and updating policies and procedures related to related party transactions.
- Ensuring directors with conflicts of interest do not participate in discussions or decisions regarding their related party transactions.
- Determining whether transactions require Board or shareholder approval.
- Ensuring timely and accurate market disclosures and annual report disclosures as per the Listing Rules.

5. Policies and Procedures

The Committee obtains self-declarations from directors and key management personnel to identify related parties. For the year ended 31st March 2026, the Committee reviewed related party transactions based on these declarations and the Company's database.

6. Related Party Transactions for the Year Ended 31st March 2026

The Committee reviewed all related party transactions conducted during the financial year. The key observations were:

- **Compliance and Arm's Length Basis:** All recurrent and non-recurrent related party transactions were conducted at arm's length and in compliance with relevant rules and regulations.
- **Nature of Transactions:** Recurrent related party transactions were of revenue or trading nature, necessary for the day-to-day operations of the Company. These transactions were conducted on terms not more favorable than those offered to third parties.
- **Recommendations**: The Committee recommended to the Board that the recurrent related party transactions for the year ended 31st March 2026 should not fall within the ambit of the Related Party Transactions Rules as per Section 9.14.5 of the Listing Rules. The Board approved this recommendation at its meeting held on 11/08/2025.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (CONT'D)

7. Disclosure

Details of all related party transactions are disclosed in the Annual Report of the Board of Directors, specifically under Note 29 of the financial statements, in accordance with Rule 9.14.8 of the Listing Rules.

The Related Party Transactions Review Committee remains committed to upholding the highest standards of transparency and governance. We ensure that related party transactions are conducted fairly and in the best interests of the Company and its shareholders.

A M T DINUWAN
CHAIRMAN – RELATED PARTY TRANSACTION REVIEW COMMITTEE
RADIANT GEMS INTERNATIONAL PLC
INDEPENDENT NON-EXECUTIVE DIRECTOR
28TH AUGUST 2026

REPORT OF NOMINATIONS AND GOVERNANCE COMMITTEE

INTRODUCTION

The Nominations and Governance Committee has been established by the board in compliance with Section 9.11 of the Listing Rules of the Colombo Stock Exchange (CSE) and in line with the principles set out in the Code of Best Practice on Corporate Governance issued by the Securities and Exchange Commission of Sri Lanka. The Committee is responsible for assisting the Board in maintaining high standards of corporate governance and ensuring that the Board has the appropriate balance of skills, knowledge, experience, diversity, and independence. Its mandate includes overseeing the process of appointing and re-electing Directors and Key Management Personnel, evaluating the performance of the Board and its Committees, and reviewing governance policies. The Committee ensures the Company maintains strong governance, accountability, and transparency in safeguarding shareholder and stakeholder interests.

SCOPE OF THE COMMITTEE

The scope of the Committee encompasses reviewing and recommending candidates for Board appointments and Board Committees, monitoring the structure, size, and composition of the Board to ensure effectiveness, and overseeing succession planning for the Board and senior management. The Committee also evaluates the independence of Non-Executive Directors in accordance with regulatory requirements, assesses the suitability of Directors seeking re-election, and ensures that Directors are regularly updated on governance, regulatory, and industry developments.

POLICIES AND PROCEDURES

The Committee has established documented policies and procedures to support effective governance and transparency in all Board-related matters. These include processes for identifying, evaluating, and appointing Directors and Key Management Personnel, with emphasis on merit, integrity, and diversity across skills, experience, gender, and age. Structured procedures are implemented to provide orientation for newly appointed Directors, while existing Directors receive regular updates on changes to Corporate Governance rules and other relevant regulatory requirements. The Committee also oversees regular performance evaluations of the Board and its Committees while monitoring emerging risks, overall risk limits, and key governance issues to ensure that the Board remains well-informed and capable of fulfilling its responsibilities.

REPORT OF NOMINATIONS AND GOVERNANCE COMMITTEE (CONT'D)

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Nominations and Governance Committee was appointed by the Board of Directors, with its composition fully complying with all applicable regulatory requirements of CSE rule Section 9.11.04, Committee is comprised of the following Directors:

Chairman – A.M.T.Dinuwan (Independent Non – Executive Director)

Member – S.R.D.M. Abhayawardhana (Non – Executive Director)

Member – A.D.Madushanka (Senior Independent Non-Executive Director)

The dates of the Nominations and Governance Committee meetings held and the participation of members are given in bellow table.

Date of Meeting Committee	Attendance Yes or No					
	Mr A.D.Madushanka	Mr. S.R.D.M. Abhayawardhane	Mr. A.M.T. Dinuwan	Mr.S.H. Munashinghe By Invitation	Mr. M.L. Munasinghe By Invitation	Mr.Chaminda Dharmasena (Accountant) By Invitation
11th Feb 2026	Yes	Yes	Yes	Yes	Yes	Yes

Pursuant to Section 8 of the Listing Rules of the Colombo Stock Exchange, we write to inform you that the Board of Directors of Radiant Gems International PLC on 11th February 2026 appointed Mr. M.L. Munasinghe, Executive Director as Joint Managing Director of the Company with effect from 11th February 2026.

The Corporate Governance requirements stipulated under the CSE Listing Rules have been met. Further, the Independent Directors have met the criteria for determining independence in terms of Section 9.8.3 of the CSE Listing Rules.

A M T DINUWAN
CHAIRMAN – NOMINATIONS AND GOVERNANCE COMMITTEE
RADIANT GEMS INTERNATIONAL PLC
INDEPENDENT NON – EXECUTIVE DIRECTOR
28TH AUGUST 2026

SENIOR INDEPENDENT DIRECTOR'S REPORT

Serving as the Senior Independent Non-Executive Director of Radiant Gems International PLC has been both a privilege and a responsibility. I remain committed to supporting a Board culture characterised by independent judgement, constructive challenge, accountability and transparency, while ensuring that the interests of shareholders and other stakeholders are appropriately considered in the Board's deliberations.

Dear Stakeholders,

As the Senior Independent Non-Executive Director of **Radiant Gems International PLC**, I have discharged my responsibilities with due diligence during the financial year ended **31st March 2026**. In carrying out my responsibilities, I have been guided by the Board Charter and the Terms of Reference applicable to the Senior Independent Director, the requirements of the Colombo Stock Exchange Listing Rules, and the principles of the Code of Best Practice on Corporate Governance.

The role of the Senior Independent Non-Executive Director is particularly important in supporting an effective balance of authority within the Board and providing an independent channel for communication where appropriate. The Board Charter provides for the functions and powers of the Senior Independent Director, including powers equivalent to those of the Chairperson in circumstances involving a conflict of interest.

During the year under review, I continued to discharge this responsibility through the following areas:

Independent Board Oversight

I continued to promote independent and objective judgement in Board deliberations and encouraged the Non-Executive Directors to contribute actively and constructively to discussions on matters affecting the Company. In particular, I sought to ensure that Board discussions were conducted in an environment where differing views could be expressed openly and considered objectively.

The Board comprises five Directors, including three Non-Executive Directors, of whom two are Independent Non-Executive Directors, thereby maintaining the applicable requirements relating to Board composition and independence.

Board Effectiveness and Governance

During the year, I continued to contribute to the effectiveness of the Board and its Committees through active participation, constructive challenge and independent oversight. I also worked with fellow Directors in considering matters relating to Board effectiveness, governance practices, succession and the continuing development of the Company's governance framework.

The Company's Nominations and Governance Committee continued to oversee matters relating to the appointment and suitability of Directors, independence, Board performance and governance practices. I served as a member of this Committee during the year, alongside the Chairman and other Non-Executive Directors.

Performance and Leadership Oversight

In my capacity as Senior Independent Non-Executive Director, I continued to provide independent oversight of the leadership and performance of the Board and senior management. This included contributing to discussions concerning the effectiveness of the Chairman and executive leadership, having regard to the Company's strategic direction, operational performance, governance responsibilities and the interests of shareholders.
The appointment of Mr. M.L. Munasinghe as Joint Managing Director with effect from 11th February 2026 was an important development in the Company's executive leadership structure. I also continued to support appropriate consideration of leadership continuity and succession within the Company's governance framework.

SENIOR INDEPENDENT DIRECTOR'S REPORT (CONT'D)

Contribution through Board Committees

In addition to my responsibilities as Senior Independent Non-Executive Director, I contributed to the Company's governance framework through my participation in key Board Committees.

I served as **Chairman of the Audit Committee and Chairman of the Remuneration Committee**, while also serving as a member of the Nominations and Governance Committee and the Related Party Transactions Review Committee.

Through these roles, I continued to contribute to effective oversight of financial reporting, internal controls, risk management, remuneration matters, Board composition and succession, and related party transactions.

The Audit Committee, of which I served as Chairman, met regularly during the year and reviewed matters including financial reporting, internal controls, risk management and the performance and independence of the external auditor.

Similarly, the Remuneration Committee continued to provide independent oversight of remuneration policies and practices, with particular attention to performance alignment, talent retention, succession planning and appropriate remuneration structures.

Availability to Directors and Stakeholders

I have remained available to fellow Directors for confidential discussions on matters concerning the functioning of the Board, governance and any concerns that may require independent consideration. I believe that maintaining such an avenue for confidential and constructive dialogue is an important element of the role of the Senior Independent Director.

I have also continued to encourage an appropriate balance between executive leadership and independent oversight, ensuring that the Board benefits from the experience and perspectives of its Non-Executive and Independent Non-Executive Directors.

Governance and Independence

The Company has continued to maintain its governance framework in accordance with the applicable requirements of the Colombo Stock Exchange Listing Rules. The Annual Report confirms that the Independent Non-Executive Directors have satisfied the criteria for determining independence under Section 9.8.3 of the Listing Rules.

I remain satisfied that the role of the Senior Independent Non-Executive Director provides an important additional safeguard in promoting balanced Board deliberations, independent oversight and effective corporate governance.

I further confirm that, in accordance with the applicable provisions governing the role of the Senior Independent Non-Executive Director, I hold a casting vote at meetings of Independent and Non-Executive Directors. No occasion arose during the year under review requiring the exercise of such casting vote.

SENIOR INDEPENDENT DIRECTOR’S REPORT(CONT'D)

Conclusion

I remain committed to supporting the Board of Radiant Gems International PLC in maintaining high standards of corporate governance, accountability and transparency. As the Company continues to navigate its operating environment and pursue sustainable growth, effective independent oversight, constructive Board engagement and sound governance will remain essential to protecting and enhancing long-term stakeholder value.

I wish to place on record my appreciation to the Chairman, fellow Directors, Management and the Company's professional advisers for their cooperation and commitment to maintaining effective governance throughout the year.

A D MADUSHANKA
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR
RADIANT GEMS INTERNATIONAL PLC
COLOMBO, SRI LANKA
28TH AUGUST 2026

INDEPENDENT AUDITOR'S REPORT

KRESTON SRI LANKA

Kreston MNS & Co
Chartered Accountants
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TO THE SHAREHOLDERS OF RADIANT GEMS INTERNATIONAL PLC
Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **RADIANT GEMS INTERNATIONAL PLC** (the Company), which comprise the Statement of Financial Position as at 31st March 2026, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including material accounting policy information exhibited on pages 47 to 86.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2026, and of its 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 Company in accordance with Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Partners
S Rajanathan FCA, FCMA (UK) | N K Atukorala FCA, ACMA | Ms. H D S C A Tillekeratne FCA, ACCA (UK), ACMA | K I Skandadasan B.Sc. (Madras), FCA, ACMA | R L R Balasingham FCA, ACCA (UK), ACMA | N K G V Bandara B.Sc.(Acc) Sp, FCA, ACCA (UK), ACMA | Ms.S. Sawumiya BBA (Acc) Sp. FCA, ACCA (UK) | P. Dharshan ACA, ACCA (UK), | M.F.M. Mujahid BBA (Col), MBA (PIM-SJP), FCA, CISA, ACCA (UK) | P. Vinoth ACA, MAAT, CTA - SL

Branches
Anuradhapura, Badulla, Batticaloa, Hatton, Jaffna, Kandy, Negombo, Nuwara Eliya,Trincomalee

INDEPENDENT AUDITOR'S REPORT(CONT'D)

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition The revenue of the Company for the year ended 31 March 2026 was Rs.234,586,312/- This was a key audit matter due to the following: - - Service revenue recognition is based on contractual terms. - There are no formal agreements signed with the customers even though business continues based on the understanding in the past. - Judgements are used in determining the point at which the revenue should be recognized.	**Key Audit procedures performed:** • We gained an understanding of the process adopted in providing the service, billing and recording the transactions. • We assessed the design and operating effectiveness of the key controls in respect of the Company's revenue recognition process. • We inspected the invoices raised to customers on a sample basis, to ensure revenue is measured and recognized in accordance with the Company's accounting policies. • We tested the revenue cut-off around the year-end date. • We assessed the adequacy of Financial Statement disclosures.
Assessment of Fair Value of Property, Plant and Equipment The carrying value of the Property Plant and Equipment (PPE) of the Company as at 31.03.2026 was Rs. 194,705,691/-. This was a key audit matter due to the following:- - Materiality of the reported PPE which represented 69% of the total assets as of reporting date. - Degree of assumptions, judgements and estimation uncertainties associated with the fair valuation of PPE such as reliance on comparable market transactions and consideration of current market conditions.	**Key Audit procedures performed:** • We assessed the objectivity, independence, competence and qualifications of the external valuer engaged by the Company. • We obtained and inspected the valuation report prepared by the external valuer. • We assessed the key assumptions applied by the external valuer in deriving the fair value of PPE and comparing the same with evidence of current market values. • We assessed the adequacy of Financial Statement disclosures.
Assessment of fair value of Investment in Gems The Investment in Gems of the Company as at 31 March 2026 was Rs.12,845,835/-. This was a key audit matter due to the following: - - Fair value assessment has been carried out with the involvement of an expert namely "National Gem and Jewellery Authority". - Valuation is inherently subjective and requires the exercise of significant judgement and estimations.	**Key Audit procedures performed:** • We assessed the objectivity, independence competence and qualifications of the external valuer engaged by the Company. • We obtained and inspected the valuation report prepared by the external valuer. • We attended and observed the physical verification of gem stones conducted by the external valuer. • We assessed the adequacy of Financial Statement disclosures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31st March 2026, 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 and fair presentation of financial statements in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT(CONT'D)

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 5333.

Kreston MNS KL

CHARTERED ACCOUNTANTS
COLOMBO
28TH AUGUST 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH	Notes	2026 Rs.	2025 Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	194,705,691	142,574,664
Capital Work in Progress	4.1	682,111	-
Investment in Gems	4.2	12,845,835	12,724,755
Right of Use Assets	4.3	2,674,716	5,349,432
		210,908,353	160,648,851
Current Assets			
Inventories	5	882,171	1,041,539
Trade and Other Receivables	6	21,648,163	22,671,759
Cash at Bank & In Hand	8	45,693,474	13,578,980
		68,223,808	37,292,278
Total Assets		279,132,161	197,941,129
EQUITY AND LIABILITIES			
Stated Capital	9	24,000,000	24,000,000
Revaluation Reserve	10	121,976,295	59,925,660
Accumulated Loss		(52,136,542)	(48,814,857)
Total Equity		93,839,753	35,110,803
Non-Current Liabilities			
Retirement Benefit Obligation	11	17,659,845	14,394,598
Long Term Borrowings payable after one year	12	47,598,517	47,277,980
Lease Creditor Payable after one year	13	25,040,901	25,703,516
Deferred Tax Liability	16	20,214,625	12,844,871
		110,513,888	100,220,965
Current Liabilities			
Trade and Other Payables	14	28,873,019	22,827,878
Amount Due to Directors	7	4,543,726	6,040,000
Long Term Borrowings payable in the ensuing year	12	10,810,700	10,307,032
Lease Creditor Payable in the ensuing year	13	9,937,831	8,503,344
Income Tax Payable	15	3,441,283	-
Bank Overdraft	8	17,171,961	14,931,107
		74,778,520	62,609,361
Total Equity and Liabilities		279,132,161	197,941,129

The Accounting Policies and Notes to the Financial Statements on pages 51 to 86 form an integral part of these Financial Statements.

I certify that the above Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

....
Chief Accounting Officer

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

....

Chairman / Managing Director **Director**

28th August 2026

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH	Notes	2026 Rs.	2025 Rs.
Revenue	18	234,586,312	222,650,395
Cost of Sales		(113,889,524)	(131,368,455)
Gross Profit		120,696,788	91,281,940
Other Operating Income	19	832,922	810,980
Administrative Expenses		(111,861,776)	(106,804,674)
Distribution Expenses		(1,894,027)	(2,189,264)
Other Expenses		(383,157)	(2,312,098)
Profit / (Loss) from Operation		7,390,750	(19,213,116)
Finance Income	20	187,171	214,881
Finance Cost	21	(10,294,978)	(11,230,794)
Other Financial Items	22	(2,840,163)	(68,526)
Loss Before Taxation	24	(5,557,220)	(30,297,555)
Taxation	23	(2,449,072)	(1,192,678)
Loss for the year		(8,006,292)	(31,490,233)
Other Comprehensive Income			
Other Comprehensive Income / (Expense) not to be reclassified to profit or loss in the subsequent period (net of tax)			
Actuarial Gain / (Loss) on Retirement Benefit Obligation		(1,455,839)	(628,094)
Deferred Tax effect on Actuarial Gain / (Loss) on Retirement Benefit Obligation		218,376	87,237
Revaluation Gain on Investment in Gems		121,080	553,635
Deferred Taxation Attributable to Revaluation of Investment in Gems		(36,324)	(166,090)
Revaluation Gain on Property, Plant & Equipment		76,450,683	-
Deferred Tax Effect on Revaluation of Property Plant and Equipment		(8,562,734)	(9,760,098)
		66,735,242	(9,913,410)
Other Comprehensive Income to be reclassified to profit or loss in the subsequent period (net of tax)		-	-
Total Other Comprehensive Income / (Expense) for the year, net of tax		66,735,242	(9,913,410)
Total Comprehensive Income / (Expense) for the Year (net of tax)		58,728,950	(41,403,643)
Earnings / (Loss) per Share (Rs.) - Basic / Diluted	25	(3.34)	(13.12)
Net Asset per Share (Rs.)		39.10	14.63

The Accounting Policies and Notes to the Financial Statements on pages 51 to 86 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Accumulated Loss Rs.	Revaluation Reserve Rs.	Total Rs.
Balance as at 01st April 2024	24,000,000	(93,301,394)	145,815,840	76,514,446
Loss for the year	-	(31,490,233)	-	(31,490,233)
Other Comprehensive Income	-	(540,857)	(9,372,553)	(9,913,410)
Total Comprehensive Income	-	(32,031,090)	(9,372,553)	(41,403,643)
Transfers from Revaluation Reserve on account of depreciation	-	76,517,627	(76,517,627)	-
Balance as at 31st March 2025	24,000,000	(48,814,857)	59,925,660	35,110,803
Loss for the year	-	(8,006,292)	-	(8,006,292)
Other Comprehensive Income / (Expense)	-	(1,237,463)	67,972,705	66,735,242
Total Comprehensive Income / (Expense)	-	(9,243,755)	67,972,705	58,728,950
Transfers from Revaluation Reserve on account of depreciation	-	5,922,070	(5,922,070)	-
Balance as at 31st March 2026	**24,000,000**	**(52,136,542)**	**121,976,295**	**93,839,753**

The Accounting Policies and Notes to the Financial Statements on pages 51 to 86 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH	Notes	2026 Rs.	2025 Rs.
Cash Flows from Operating Activities			
Loss Before Taxation		(5,557,220)	(30,297,555)
Adjustments for:			
Depreciation	4	25,595,597	25,229,163
Amortization of Right of Use Asset	4.3	2,674,716	2,674,715
Gratuity Provision	11	2,644,908	2,347,370
Finance Cost	21	10,294,978	11,230,794
Finance Income	20	(187,171)	(214,881)
Write back of other payable	19	-	(6,709)
Exchange (gain)/loss related to borrowings	12	2,966,255	(665,467)
Provision for fall in inventory value	5	-	1,090,000
Provision for Impairment of Trade Receivables	6(a)	-	632,121
Trade Debtors Written Off	24	279,793	-
Reversal of previousely recognised revaluation loss	19	(767,922)	-
Written off of Advance for Spare parts	24	-	1,212,348
Loss On Property Plant & Equipment Written Off	24	383,157	-
Net Profit from operations before changes in working capital		38,327,091	13,231,899
Net Changes in Working Capital			
(Increase) / Decrease in:			
Change in Inventories	5	159,368	134,390
Change in Trade and Other Receivables		743,803	(14,312,866)
Increase / (Decrease) in:			
Change in Amount due to Directors	7	(1,496,274)	6,040,000
Change in Trade and Other Payables	14	6,045,141	7,867,881
Cash Generated from Operations		43,779,129	12,961,304
Interest Paid	21	(1,564,459)	(1,663,176)
Interest Received	20	187,171	214,881
WHT Paid	15	(18,717)	-
Gratuity Paid	11	(835,500)	(233,000)
Net Cash Flows from Operating Activities		41,547,624	11,280,009
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	4	(891,176)	(18,413,473)
Investment in Capital Work in Progress	4.1	(682,111)	-
Net Cash used in Investing Activities		(1,573,287)	(18,413,473)
Cash Flows from Financing Activities			
Repayment of Interest-Bearing Borrowings	12	(2,546,224)	(2,641,201)
Finance Lease obtained during the year		9,004,267	-
Payment of Lease Installments / Advance Payments	13	(14,474,928)	(13,855,150)
Interest Paid		(2,083,812)	(2,901,122)
Net Cash used in Financing Activities		(10,100,697)	(19,397,473)
Net Increase / (Decrease) in Cash and Cash Equivalents		29,873,640	(26,530,937)
Cash and Cash Equivalents at the beginning of the year	8	(1,352,127)	25,178,810
Cash and Cash Equivalents at the end of the year	8	28,521,513	(1,352,127)

The Accounting Policies and Notes to the Financial Statements on pages 51 to 86 form an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1 - GENERAL

1.1 Corporate Information

Name of the Company	:	Radiant Gems International PLC.
Registered Office	:	No 54, Chitra Lane, Colombo 05.
Domicile and Legal form	:	Incorporated and domiciled in Sri Lanka and listed in the Colombo Stock Exchange and registered as a Board of Investment Company.
Nature of the Business	:	The Principal activity of the Company is processing of Stones which involve cutting, polishing, and setting of gemstones according to buyers' requirement and buying & selling of gem stones

1.2 Basis of Preparation

1.2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

1.2.2 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements.

1.2.3 Overall Consideration

The significant accounting policies that have been used in the preparation of these Financial Statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

1.2.4 Foreign Currency Transactions

The Financial Statements are presented in Sri Lanka rupees, which is the Company's functional and presentation currency.
The Functional currency is the currency of the primary economic environment in which the Company operate.

All foreign exchange transactions are converted to Sri Lanka Rupees, at the rates of exchange prevailing at the time the transactions are effected.

Monetary assets and liabilities denominated in foreign currency are retranslated to Sri Lanka Rupee equivalents at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resulting gains and losses are accounted for in the Income Statement.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
NOTE 1 - GENERAL (CONT'D)

1.2.5 Events after the Reporting Date

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

1.2.6 Going Concern

The Company has incurred a net loss of Rs. 8,006,292/- during the financial year 2025/2026, and it has reported an accumulated loss of Rs. 52,136,542/- as at 31st March 2026.

The Company's current liabilities exceed the current assets by Rs. 6,554,712/- which shows a negative working capital status of the Company as at 31st March 2026.

Further, the Company has a long-term loan obtained from Bank of Ceylon (FCBU) amounting to Rs. 57,083,467/- as detailed in Note No. 12 (a), which is overdue as at the reporting date.

Even though, these factors indicate that the Company will not be able to continue as a going concern, the Directors of the Company are of the opinion that the Company will be able to continue as a going concern due to the following mitigating factors: -

a) As per the budgeted financial statements prepared, the Company expects to generate a sum of Rs. 4,402,025/-, Rs. 5,150,447/- and Rs. 6,028,995/- as net profit for the financial years 2026/2027, 2027/2028 and 2028/2029 respectively.

b) The Company has recorded a net profit of Rs. 1,289,971/- for the period from 1st April 2026 to 30th June 2026 based on the accounts (unaudited) prepared by the management.

c) The Company intends to keep a steady growth in the profitability in the years to come by getting new clients and expanding the market and business segments.

d) During the financial year 2025/2026, the Company has continued to repay the Bank of Ceylon (FCBU) Long Term Loan in equal monthly installments at USD 1,100 each (inclusive of interest) and the Company intends to negotiate the repayment terms with the bank.

1.2.7 Tax

a. Current Tax

As per the Inland Revenue Act No. 24 of 2017, the gains and profits earned or derived by any person from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka on or after January 1, 2020, shall be exempt from Income Taxes upto 31.03.2025 and w.e.f 01.04.2025 this income is liable to tax at the rate of 15%. Further income earned in local currency is taxable at the rate of 30%.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
NOTE 1 - GENERAL (CONT'D)

b. Deferred Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

As referred to in note 1.2.7 (a) above, w.e.f 01.04.2025 the Company's gains and profits earned or derived from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka is liable at the rate of 15%. Accordingly deferred tax liability in relation to company's business operation is computed at 15%. while deferred tax liability on revaluation gain of investment in gems is computed at 30%.

1.2.8 Use of Estimates and Judgements

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires Management to make judgements, estimates and assumptions that affect the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgemental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT

2.1 Property, Plant and Equipment

Assets are initially recognised at acquisition cost or construction cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequent to the initial recognition as an asset at cost, revalued property, plant and equipment are carried at revalued amounts, less any subsequent depreciation thereon. The Company applies the Revaluation Model to the entire class of assets. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognized as an expense. In these circumstances, the increase is recognized as income to the extent of the previous write down. When an asset carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to the retained earnings on retirement or disposal of the asset.

Subsequent Expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item, when the cost is incurred, if it is probable that the future economic benefits embedded in the item will flow to the company and the cost of the item can be measured reliably. All other costs are recognized in the income statement as an expense incurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

Depreciation

Depreciation is recognized in Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment.

The following principal annual rates used,

Asset	Years
Building	20 years
Furniture and Fittings	up to 10 years
Plant and Machinery	2 – 10 years
Office Equipment	up to 10 years
Motor Vehicle	4 - 10 years
Tools and Equipment	up to 10 years
Software	4 - 5 years
Solar Panel	5 - 10 years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal, Company that is classified as held for sale) and the date that the asset is derecognized.

Material residual value estimates and estimates of useful life are updated as required but at least annually.

Gains or losses arising on the disposal of Property, Plant and Equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Impairment of assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash- generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All other individual assets or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash generating units carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in- use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

Impairment of assets (Cont'd)

Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment loss is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds it carrying amount.

2.1.1 Capital work-in-progress

Capital work-in-progress is stated at cost less any accumulated impairment losses. These are expenses of capital nature, awaiting capitalisation. The expenditure incurred in the course of construction of Property, Plant and Equipment during the year is presented in Note 4.1. Capital work- in-progress would be transferred to the asset when it is available for use.

2.2 Investment in Gems

Investment in gems were introduced by the promoters at the inception of the business. These gems are not used in the main business function of the company which is specialized service cutting of gem stones for international buyers.

Instead, these stones are used as exhibits at gem exhibitions and professionally valued every year. Revaluation gain/(loss) is accounted under Reserves via Other Comprehensive Income.

Valuation is carried out by an independent Valuer.

2.3 Leases

Right of Use Assets

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

Lease Liabilities

Lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

2.4 Financial Instruments

a) Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

b) Classification and subsequent measurement of financial assets.

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- debt instruments at amortised cost
- debt instruments at fair value through other comprehensive income (FVTOCI)
- debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met.

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables, loans and other financial assets.

Debt instruments at FVTOCI

A financial asset is measured at FVTOCI if both the following conditions are met.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

Debt instruments at FVTOCI (Cont'd)

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments, derivatives and equity instruments at FVTPL

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of SLFRS 9 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

In case of equity instrument classified as FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

2.4 Financial Instruments (Cont'd)

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset expires or the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or the Company neither transfers nor retains substantially all the risks and rewards of the asset, but transfers control of the asset.

When the Company transfers a financial asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d) Impairment of financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECLs) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Definition of default

The company considers a financial instrument as defaulted for ECL calculations in all cases when the customer becomes 180 days due from the date of delivery of services.

As a part of a qualitative assessment of whether an individually significant customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the company carefully considers whether the event should result in treating the customer as defaulted for ECL calculations.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

2.4 Financial Instruments (Cont'd)

Definition of default (Cont'd)

Such events include:

- Reasonable and supportable forecasts of future economic conditions show a direct negative impact on the performance of a customer.
- Company is unable to contact or reach the customer even after sending three email reminders and customer has not responded calls for more than 6 months from date of delivery of services.

Write-offs

Financial assets are written off either partially or in their entirety only when the entity has stopped pursuing the recovery. The entity has a policy of writing off the gross carrying amount when the financial asset is due for one (01) year, based on historical experience on recovery of similar assets.

e) Classification and subsequent measurement of financial liabilities

The Company classifies financial liabilities as described below:

- Financial liabilities at fair value through profit or loss (FVTPL)
- Financial liabilities at amortised cost

The subsequent measurement of financial liabilities depends on their classification.

Financial liabilities at FVTPL

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

The Company has not designated any financial liability as at fair value through profit and loss.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 - VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

2.4 Financial Instruments (Cont'd)

Financial liabilities at amortised cost

The financial liabilities which are not designated at FVTPL are classified as financial liabilities at amortised cost.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

f) Reclassification of financial assets and liabilities

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company changes its objective of the business model for managing such financial assets which may include the acquisition, disposal or termination of a business line.

Financial liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5 Inventories

Inventories are stated at lower of cost or net realizable value at the reporting date in the Financial Statements.

2.6 Cash & Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of bank overdrafts. In the Statement of financial position, bank overdrafts are included in current liabilities.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 2 – VA LUATION OF ASSETS AND THEIR BASES OF MEASUREMENT (CONT'D)

2.7 Fair Value Measurement

The Company uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market

NOTE 3 – EQUITY, LIABILITY, INCOME AND EXPENSES

3.1 Equity, Reserve and Dividend Payments

The total amount received by the Company or due and payable to the Company in respect of the issue of shares are referred to as “Stated Capital”.

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company’s residual assets.

3.2 Post Employment Benefits

Post Employment Benefit Plan

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay a further amount.

Obligations for contributions to defined contribution plans are recognized as expense in the Statement of Comprehensive Income in the period during which related services are rendered by employees.

Employees’ Provident Fund

The Company and Employees contribute 12% & 8% respectively on the salary of each employee respectively. The said provident fund is being managed by the Central Bank of Sri Lanka.

Employees' Trust Fund

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund. Contributions to defined contribution plans are recognized as an expense in the Statement of Comprehensive Income as incurred.

Defined Benefit Plan – Gratuity

Provision has been made in the Financial Statements for retiring gratuities which may fall due for payment under the Payment of Gratuity Act No. 12 of 1983 in respect of all employees including those who have less than 5 years continued service.

However, as per the Payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

The entity's obligation for defined benefit plan is calculated by actuarial valuation using the projected unit credit method, to make a reliable estimate of the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods and discounting that benefit to determine its present value to determine the amount to be shown in the statement of financial position.

The interest expense, current service cost, any past service cost and gain or loss on settlement on the defined benefit liability are recognized in profit or loss during the period in which they occur.

The entity recognises the actuarial gains and losses on defined benefit liability in respect of the plan in other comprehensive income during the same period.

The liability was not externally funded.

3.3 Provision for Contingent Assets and Contingent Liabilities

Provision is recognised it as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote.

All contingent assets are disclosed where inflow of economic benefits is probable.

3.4 Basic Earnings Per Share (EPS)

The Financial Statements present basic earnings per share (EPS) data for its ordinary shareholders.

The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
NOTE 3 – EQUITY, LIABILITY, INCOME AND EXPENSES (CONT'D)

3.5 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. The Company applies the revenue recognition criteria set out below to each separately identifiable contracts with customers.

Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

Cutting Charges
The principal activity of the Company is to provide the service of cutting and polishing gem stones. The revenue is recognized, when the amount of cutting charge can be reliably measured and performance obligation of the order is satisfied.

Sale of Goods
Sale of Goods are recognized on delivery of products to the customer, the customer has accepted the products and collectability of related receivables is reasonably assured.

Interest Income
Interest income and expenses are reported on an accrual basis using the effective interest method.

Other Income
Other income is recognized on an accrual basis. Net losses of a revenue nature arising from the disposal of Property, Plant and Equipment and other non- current assets, including investments, are accounted for in the Statement of Comprehensive Income, after deducting from the proceeds from disposal, the carrying amount of such assets and the related selling expenses.

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

3.6 Operating Expenses

All expenditure incurred in running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to the Statement of Comprehensive Income. For the purpose of presentation of Statement of Comprehensive Income, the Directors are of the opinion that function of expense method present fairly the elements of the enterprise's performance, hence such presentation method is adopted.

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.

Repairs and renewals are charged to Statement of Comprehensive Income in the year in which the expenditure is incurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 3 – EQUITY, LIABILITY, INCOME AND EXPENSES (CONT'D)

3.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. Borrowing Cost include foreign exchange differences to the extent that such differences are regarded as an adjustment to interest cost as permitted by the accounting standards.

3.8 Finance Income & Finance Cost

Finance income comprises interest income on funds invested, gains on the disposal of investments. Interest income is recognized as it accrues in the Statement of Comprehensive Income, using the effective interest method.

Finance cost comprises interest expenses on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of investments, impairment losses recognized on financial assets (other than trade receivables).

3.9 Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Impairment of non-financial assets**

  In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
NOTE 3 – EQUITY, LIABILITY, INCOME AND EXPENSES (CONT'D)

3.9 Significant Management Judgement in Applying Accounting Policies and Estimation Uncertainty (Cont'd)

- **Useful lives of depreciable assets**

  Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

- **Inventories**

  Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

- **Impairment of trade receivables**

  Management estimates historically observed default rates and adjust them for forward looking estimates in calculating impairment of trade receivables. Estimation uncertainty relates to actual default rates being different to such estimates.

- **Fair value of financial Instruments**

  Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transactions at the reporting date.

- **Investment in Gems and Property Plant & Equipment (PPE)**

  Management estimates the Fair value of gem stones and PPE using independent experts. The future realisation of these may be affected by future market driven changes that may occur.

- **Defined Benefit Plan – Gratuity**

  The cost of gratuity is determined using projected unit credit method. This method involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and staff withdrawals. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

NOTE 3 – EQUITY, LIABILITY, INCOME AND EXPENSES (CONT'D)

3.10 New Accounting Standards issued but not Effective as at the Reporting Date

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments / improvements to existing standards. These new standards/ amendments are set to become effective in the coming years. Early application of these standards are allowed, but the Company has not early adopted any of the new or amended standards in the preparation of these financial statements.

1. SLFRS 18 Presentation and Disclosure in Financial Statement

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

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations, and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to use the Company information in the financial statements.

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

2. Classification and Measurement of Financial Instruments-Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in Financial Reporting, and respond to emerging market developments.
These amendments are effective for annual reporting periods beginning on or after 01 January 2026. Early application is permitted.The amendments are not expected to have a material impact on the Company's financial Statements.

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

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

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

Cost / Valuation	As at 01.04.2025 Rs.	Additions during the year Rs.	Transfers Rs.	Written Off during the year Rs.	Transfer On Revaluation Rs.	Revaluation Gain Rs.	As at 31.03.2026 Rs.
Land	32,197,500	-	-	-	-	12,802,500	45,000,000
Building	31,451,225	-	-	-	(5,110,824)	8,659,599	35,000,000
Plant & Machinery	23,758,720	-	(21,750)	(22,000)	(15,394,134)	17,308,164	25,629,000
Furniture & Fittings	1,368,884	-	49,250	(105,350)	(710,963)	961,929	1,563,750
Office Equipment	7,291,365	891,176	(39,500)	(685,087)	(4,457,553)	2,990,725	5,991,126
Motor Vehicles	84,603,700	-	-	-	(42,988,133)	32,709,433	74,325,000
Tools & Equipment	1,559,339	-	12,000	-	(918,219)	726,880	1,380,000
Software	540,000	-	-	(190,000)	(284,375)	284,375	350,000
Solar Panel	7,000,000	-	-	-	(2,275,000)	775,000	5,500,000
	189,770,733	**891,176**	**-**	**(1,002,437)**	**(72,139,201)**	**77,218,605**	**194,738,876**

Depreciation and Impairment	As at 01.04.2025 Rs.	Depreciation Charge for the year Rs.	Depreciation on Written Off Rs.	Transfers Rs.	Transfer On Revaluation Rs.	As at 31.03.2026 Rs.
Land	-	-	-	-	-	-
Building	3,538,263	1,572,561	-	-	(5,110,824)	-
Plant & Machinery	10,724,654	4,703,781	(19,376)	(14,925)	(15,394,134)	-
Furniture & Fittings	516,933	229,555	(77,803)	42,278	(710,963)	-
Office Equipment	3,565,453	1,340,706	(382,893)	(32,528)	(4,457,553)	33,185
Motor Vehicles	26,353,143	16,634,990	-	-	(42,988,133)	-
Tools & Equipment	632,040	281,004	-	5,175	(918,219)	-
Software	290,583	133,000	(139,208)	-	(284,375)	-
Solar Panel	1,575,000	700,000	-	-	(2,275,000)	-
	47,196,069	**25,595,597**	**(619,280)**	**-**	**(72,139,201)**	**33,185**

Written Down Value	As at 31.03.2026 Rs.	As at 31.03.2025 Rs.
Land	45,000,000	32,197,500
Building	35,000,000	27,912,962
Plant & Machinery	25,629,000	13,034,066
Furniture & Fittings	1,563,750	851,951
Office Equipment	5,957,941	3,725,912
Motor Vehicles	74,325,000	58,250,557
Tools & Equipment	1,380,000	927,299
Software	350,000	249,417
Solar Panel	5,500,000	5,425,000
	194,705,691	**142,574,664**

NOTES TO FINANCIAL STATEMENTS (CONT'D)

4.a Revaluation of Property Plant & Equipment

The Company uses the revaluation model of measurement for all the assets. The Company engaged independent expert valuers to determine the fair value of its property plant and equipment.

The fair values of Property Plant & Equipment were determined by means of revaluation during the financial year 2025/2026 by K.R.N. Jayawardana, Independent Chartered Valuer (Fellow Member of Institute of Valuers of Sri Lanka).

The results of such revaluation were incorporated in these Financial Statements from its effective date which was 31.03.2026. The gain amounted to Rs.77,218,605/- and out of which Rs.767,922/- had been credited to income Statement as reversal of Previously recongized revaluation loss.

The property is situated at Dehigahapitiya, Getahetta, Sri Lanka.

4.b Description of Significant Unobservable Inputs on Valuation of Property Plant and Equipment

Property	Area	Method of Valuation	Inputs used for measurement	Range	Valuation (As at 31.03.2026) Rs.	Sensitivity of fair value to unobservable input
Land	Extent A0-R3-P08.79	Market Approach	Per Perch Rate	Rs.350,000/- per perch	45,000,000	Positively Correlated
Building	8,905 Sq.ft (01 Building)	Depreciation Replacement Cost Approach	Per Sq.ft. Rate	Rs.2,500/ to Rs.5,000/- per Sq.ft.	35,000,000	Positively Correlated
Plant & Machinery	-	Market Approach	Fair Value of the Assets - Unit	-	25,629,000	Positively Correlated
Furniture & Fittings	-	Market Approach	Fair Value of the Assets - Unit	-	1,563,750	Positively Correlated
Office Equipment	-	Market Approach	Fair Value of the Assets - Unit	-	5,099,950	Positively Correlated
Motor Vehicles	-	Market Approach	Fair Value of the Assets - Unit	-	74,325,000	Positively Correlated
Tools & Equipment	-	Market Approach	Fair Value of the Assets - Unit	-	1,380,000	Positively Correlated
Software	-	Cost Approach	Fair Value of the Assets - Unit	-	350,000	Negatively Correlated
Solar Panel	-	Cost Approach	Fair Value of the Assets - Unit	-	5,500,000	Positively Correlated

4.c The carrying amount of revalued assets of the Company that would have been included in the financial statements had that been carried at cost less depreciation

Class of Asset	Cost Rs.	Cumulative Depreciation If assets were carried at cost Rs.	Net Carrying Amount 31.03.2026 Rs.	Net Carrying Amount 31.03.2025 Rs.
Land	1,175,594	-	1,175,594	1,175,594
Building	12,000,203	10,400,054	1,600,149	1,704,497
Plant & Machinery	30,993,649	30,213,900	779,749	937,082
Furniture & Fittings	2,908,657	1,911,241	997,416	1,152,226
Office Equipment	13,626,026	8,011,924	5,614,102	5,524,289
Motor Vehicles	83,111,976	44,990,742	38,121,234	51,811,203
Tools & Equipment	1,968,788	956,013	1,012,775	1,209,654
Software	578,265	555,598	22,667	30,667
Solar Panel	5,995,000	5,995,000	-	-
	152,358,158	103,034,472	49,323,686	63,545,212

4.d Cost of fully depreciated assets as at 31st March 2026 was Rs. Nil (2025: Rs.505,400/-)

	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 4.1 - CAPITAL WORK IN PROGRESS		
Building		
Balance on 01st April	-	-
Additions during the year	682,111	-
Balance on 31st March	682,111	-
NOTE 4.2 - INVESTMENT IN GEMS		
Balance on 01st April	12,724,755	12,171,120
Revaluation gain	121,080	553,635
Balance on 31st March	12,845,835	12,724,755

Revaluation of Gems was carried out by National Gems and Jewellery Authority on 31st March 2026 and details of such valuation are given below: -

Assets	Quantity	Method of Valuation	Inputs used for measurement	Valuation Rs.	Valuer Details	Sensitivity of fair value to unobservable input
Gems	66,720 Pcs (19,798.49 ct)	Market Basis Valuation	Colour, Clarity Carat, Cut	12,845,835/-	National Gem and Jewellery Authority	Positively correlated

NOTE 4.3 - RIGHT OF USE ASSETS	31.03.2026 Rs.	31.03.2025 Rs.
Balance on 01st April	5,349,432	8,024,147
Additions	-	-
Amortization for the year	(2,674,716)	(2,674,715)
Balance on 31st March	2,674,716	5,349,432
NOTE 5 – INVENTORIES		
Gems		
Balance on 01st April	1,450,000	1,450,000
Purchased during the year	-	-
	1,450,000	1,450,000
Provision for fall in value	(1,090,000)	(1,090,000)
	360,000	360,000
Diamond Powder	522,171	499,357
Fuel Stock - Diesel	-	182,182
Balance on 31st March	882,171	1,041,539
NOTE 6 – TRADE AND OTHER RECEIVABLES		
Financial Assets		
Trade Receivables	8,356,196	14,903,914
Less: Provision for Impairment - Note 6(a)	-	(632,121)
	8,356,196	14,271,793
Other Receivables	840,000	869,550
	9,196,196	15,141,343
Non Financial Assets		
VAT Recoverable	1,582,923	1,463,355
Other Receivables	-	67,623
Advances & Prepayments	10,869,044	5,999,438
	12,451,967	7,530,416
	21,648,163	22,671,759
NOTE 6(a) – PROVISION FOR IMPAIRMENT		
Balance on 1st April	632,121	-
Provision made during the year	-	632,121
Amount Written Off During the year.	(632,121)	
Balance on 31st March	-	632,121

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 7 - AMOUNT DUE TO DIRECTORS

	31.03.2026 Rs.	31.03.2025 Rs.
Mr.S.H.Munasinghe	4,543,726	5,800,000
Mr.M.L.Munasinghe	-	240,000
	4,543,726	6,040,000

NOTE 8 - CASH AT BANK & IN HAND

Favourable Cash & Bank Balances		
Cash at Bank	45,268,474	13,153,980
Cash in Hand	425,000	425,000
	45,693,474	13,578,980
Unfavorable Bank Balance		
Bank overdraft	(17,171,961)	(14,931,107)
	(17,171,961)	(14,931,107)
	28,521,513	(1,352,127)

NOTE 9 - STATED CAPITAL

	31.03.2026	31.03.2025
Number of Ordinary Shares issued & fully paid	2,400,000	2,400,000

	31.03.2026 Rs.	31.03.2025 Rs.
Stated Capital as at 31st March	24,000,000	24,000,000

The total amount received by the Company or due and payable to the Company in respect of the issue of shares are referred to as "Stated Capital".

NOTE 10 – REVALUATION RESERVE

Balance on 01st April	59,925,660	145,815,840
Revaluation gain on Investment in Gems	121,080	553,635
Revaluation Gain on Property Plant and Equipment	76,450,683	-
Deferred Taxation Attributable to Revaluation of Investment in Gems	(36,324)	(166,090)
Deferred Tax effect on Revaluation of Property Plant and Equipment	(8,562,734)	(9,760,098)
Transfers from Revaluation Reserve on account of Depreciation	(5,922,070)	(76,517,627)
Balance on 31st March	**121,976,295**	**59,925,660**

This represents the revaluation gain accounted on Property, Plant and Equipment and Investment in Gems.

NOTE 11 - RETIREMENT BENEFIT OBLIGATION

	31.03.2026 Rs.	31.03.2025 Rs.
Movements in the present value of the Retirement Benefit Obligation are as follows: -		
Balance as at 01st April	14,394,598	11,652,134
Current Service Cost	1,205,448	949,114
Interest Cost	1,439,460	1,398,256
Benefits paid	(835,500)	(233,000)
Actuarial Loss/(Gain)	1,455,839	628,094
Balance as at 31st March	17,659,845	14,394,598

11(a) - The Amounts Recognized in Statement of Comprehensive Income are as follows.

Amounts recognized in Income Statement		
Current Service Cost	1,205,448	949,114
Interest Cost	1,439,460	1,398,256
	2,644,908	2,347,370
Amount recognized in Other Comprehensive Income		
Actuarial loss / (gain) on Obligation	1,455,839	628,094
	1,455,839	628,094

11(b) - Actuarial & Management Consultants (Pvt) Limited, Actuaries, carried out an actuarial valuation of the defined benefit obligation on 31.03.2026. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The principal assumptions used were as follows.	**2025/26**	**2024/25**
Discounted Rate	9.80%	10%
Expected Salary Increment Rate	5%	5%
Staff Turnover	19% up to age 54 and thereafter zero	19% up to age 54 and thereafter zero
Retirement Age	60 Years	60 Years

11(c) - Sensitivity Analysis

Assumptions relating to discount rate, salary increment rate and staff turnover rate have a significant effect on the amounts recognised in the statement of comprehensive income and statement of financial position.

The following table demonstrates the sensitivity of possible reasonable changes in such assumptions, in the defined benefit obligation as at the end of the reporting date. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant.

The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

	Effect on Employee Benefit Liability Increase/ (Reduction)		Effect on Comprehensive Income Increase/ (Reduction)	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Increase/ decrease in discount rate				
+1%	(603,259)	(506,255)	603,259	506,255
-1%	643,243	540,612	(643,243)	(540,612)
Increase/ decrease in salary increment rate				
+1%	745,567	627,507	(745,567)	(627,507)
-1%	(709,421)	(596,155)	709,421	596,155

NOTES TO FINANCIAL STATEMENTS (CONT'D)

	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 11 - RETIREMENT BENEFIT OBLIGATION (Contd.)		
11(d) Maturity Analysis of Payments		
Years From the Current year		
Within the next 12 months	3,810,805	3,663,208
Between 1 and 2 years	2,735,940	2,038,289
Between 3 and 5 years	8,949,506	7,330,210
Between 6 and 10 years	1,755,638	1,094,495
Beyond next 10 years	407,956	268,396
	17,659,845	14,394,598
Weighted Average Duration of Defined Benefit Obligation (Years)	3.80	3.90

NOTE 12 - LONG TERM LOAN

	31.03.2026 Rs.	31.03.2025 Rs.
Bank of Ceylon - Note 12 (a)	57,083,467	55,322,062
Commercial Bank PLC - Note 12 (b)	1,325,750	2,262,950
	58,409,217	57,585,012
Amount Payable within one year	10,810,700	10,307,032
Amount Payable after one year	47,598,517	47,277,980

NOTE 12(a) - Bank of Ceylon

	31.03.2026 Rs.	31.03.2025 Rs.
Balance on 1st April	47,516,944	49,886,412
Loans obtained during the year	-	-
	47,516,944	49,886,412
Repayments during the year	(1,609,024)	(1,704,001)
Exchange (gain)/loss	2,966,255	(665,467)
Balance on 31st March	48,874,175	47,516,944
Interest payable on Loan	8,209,292	7,805,118
	57,083,467	55,322,062
Loan Repayable within one year	9,873,500	9,369,832
Loan Repayable after one year	47,209,967	45,952,230

Agreement No.	75537737 & 75537754
Purpose	To Finance the Export Bill
Amount Obtained	USD 204,213
Interest rate	4% per annum & 2% per annum on outstanding capital amounts
Terms of repayment	These loans are overdue and the Company intends to negotiate the repayment terms with the Bank. Since these loans are classified as 'nonperforming' category by the bank, the monthly installments paid by the Company are being apportioned between interest and capital at the ratio of 60:40 respectively against the outstanding balances as per the guidelines issued by the Central Bank of Sri Lanka.
Security	None

NOTES TO FINANCIAL STATEMENTS (CONT'D)

	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 12(b) - Commercial Bank PLC – 2696491		
Balance on 1st April	2,262,950	3,200,150
Loans obtained during the year	-	-
	2,262,950	3,200,150
Repayments during the year	(937,200)	(937,200)
Balance on 31st March	1,325,750	2,262,950
Loan Repayable within one year	937,200	937,200
Loan Repayable after one year	**388,550**	**1,325,750**

Agreement No.	2696491
Purpose	To purchase and install solar panels on rooftop of the business premises
Amount Obtained	Rs. 5,621,250/-
Interest rate	8.5% p.a fixed for first five years and thereafter AWPLR + 3% reviewed monthly
Terms of repayment	Repayable in 71 equal monthly installments of Rs. 78,100/- each and a final installment of Rs. 76,150/- plus interest.
Security	Refer Note 30

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 13 - LEASE LIABILITY

NOTE 13.1 - LEASE LIABILITY - MOTOR VEHICLES

Lessor	**LB Finance PLC**	**LB Finance PLC**	**LB Finance PLC**		
Agreement No	**VL260350672E02**	**VV2304NRP02725**	**VL2405NRP29820**		
Description of Assets	**LI 8522 (Motor Car)**	**CAS 8782 (Motor Car)**	**LJ 5776 (Motor Car)**		
Capital obtained	**Rs.12,500,000/-**	**Rs.15,000,000/-**	**Rs.18,000,000/-**		
Monthly Installment	**Rs.303,976**	**Rs.467,038**	**Rs.431,899**		
Period	**5 Years**	**5 Years**	**5 Years**		
	Rs.	**Rs.**	**Rs.**	**31.03.2026 Rs.**	**31.03.2025 Rs.**
Lease Liability					
As at 01st April	7,068,059	17,280,406	21,594,450	45,942,915	33,644,725
Re-Lease obtained during the year	14,742,827	-	-	14,742,827	26,153,340
Rebate On Early Settlement	(191,949)	-	-	(191,949)	-
Lease Installments Paid	(3,687,684)	(5,604,456)	(5,182,788)	(14,474,928)	(13,855,150)
As at 31 March	17,931,253	11,675,950	16,411,662	46,018,865	45,942,915
Interest In Suspense					
As at 01st April	1,043,714	5,790,437	5,906,654	12,740,805	11,597,286
On Re-Lease obtained during the year	5,738,560	-	-	5,738,560	8,153,340
Transferred to Income Statement	(1,043,714)	(2,885,707)	(2,305,077)	(6,234,498)	(7,009,821)
As at 31 March	5,738,560	2,904,730	3,601,577	12,244,867	12,740,805
Net Balance	12,192,693	8,771,220	12,810,085	33,773,998	33,202,110
Installments due within one year	1,774,074	3,585,708	3,373,315	8,733,097	8,503,344
Installments payable after one year	10,418,619	5,185,512	9,436,770	25,040,901	24,698,766

NOTE 13.2 - LEASE LIABILITY - OTHERS

Balance on 01st April	1,004,750	837,963
Additions	-	-
Interest charged for the year	199,984	166,787
Payment made during the year	-	-
Balance on 31st March	1,204,734	1,004,750
Lease Instalments payable in the ensuing year	1,204,734	-
Lease Instalments payable after one year	-	1,004,750
	1,204,734	1,004,750

The company has obtained an office permises on lease for 4 years period from 01.04.2023 to 31.03.2027 for which total amount payable is Rs. 11,400,000/- & the present value is Rs. 10,698,863/-. As per the lease agreement, Rs.10,000,000/- has been paid by the Company for renovating the property. This amount has been considered as rent advance and will be set off against future lease rentals falling due out of which Rs. 8,100,000/- relates to the lease rentals for the period from 01.04.2023 to 31.03.2026.

Lease Liability Payable within one year - Note 13.1 & 13.2	9,937,831	8,503,344
Lease Liability Payable after one year - Note 13.1 & 13.2	25,040,901	25,703,516
	34,978,732	34,206,860

	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 14 - TRADE AND OTHER PAYABLES		
Financial Liabilities		
Other payables	10,847,815	13,199,192
	10,847,815	13,199,192
Non Financial Liabilities		
Other Payables	960,033	910,376
Advance Received from Customer	17,065,171	8,718,310
	18,025,204	9,628,686
	28,873,019	22,827,878

NOTE 15 - INCOME TAX PAYABLE

Balance on 1st April	-	-
Add: Provision for the year	3,460,000	-
	3,460,000	-
Less: W.H.Tax Paid	(18,717)	-
Payments made during the year	-	-
Balance on 31st March	3,441,283	-

NOTE 16 - DEFERRED TAX LIABILITY

Balance on 1st April	12,844,871	1,813,242
Deferred Tax Charged / (Reversed) to the Income Statement	(1,010,928)	1,192,678
Deferred Tax Charged / (Reversed) to the Statement of Other Comprehensive Income	8,380,682	9,838,951
Balance on 31st March	20,214,625	12,844,871

Deferred tax liability and asset relate to the following

(a) Deferred Tax Liability		
Revaluation Gain on Investment in Gems	2,015,656	1,979,332
Accelerated depreciation for tax purposes	21,165,673	12,817,474
Net of Right to use Asset and Lease Liability	220,497	651,703
	23,401,826	15,448,509
(b) Deferred Tax Assets		
Retirement benefit obligations	(2,648,977)	(2,159,190)
Debtors provision for impairment	-	(94,818)
Provision for fall in inventory value	(163,500)	(163,500)
Disallowed Finance Cost Carried forward	(374,724)	(186,130)
	(3,187,201)	(2,603,638)
Net deferred tax liability / (asset)	20,214,625	12,844,871

As referred to in Note 23, w.e.f 01.04.2025, the Company's gains and profits earned or derived from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka is liable at the rate of 15%. Accordingly deferred tax liability relating to company's business operation is computed at 15%, while deferred tax liability on investment in gems is computed at 30%.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 17 - FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of Financial Assets and Financial Liabilities in each category are as follows.

	Note	Debt Instruments, Derivatives and Equity Instruments at FVTPL	Debt Instruments at FVTOCI	Debt Instruments at Amortised Cost	Total
		Rs.	Rs.	Rs.	Rs.
31st March 2026					
Financial Assets					
Trade & Other Receivables	6	-	-	9,196,196	9,196,196
Cash at Bank & In Hand	8	-	-	45,693,474	45,693,474
		-	-	54,889,670	54,889,670

	Note	Liabilities at FVTPL	Liabilities at Amortised Cost	Total
		Rs.	Rs.	Rs.
Financial Liabilities				
Trade & Other Payables	14	-	10,847,815	10,847,815
Long Term Borrowings	12	-	58,409,217	58,409,217
Lease Creditor	13	-	34,978,732	34,978,732
Amount Due to Directors	7	-	4,543,726	4,543,726
Bank Overdraft	8	-	17,171,961	17,171,961
		-	125,951,451	125,951,451

	Note	Debt Instruments, Derivatives and Equity Instruments at FVTPL	Debt Instruments at FVTOCI	Debt Instruments at Amortised Cost	Total
		Rs.	Rs.	Rs.	Rs.
31st March 2025					
Financial Assets					
Trade & Other Receivables	6	-	-	15,141,343	15,141,343
Cash at Bank & In Hand	8	-	-	13,578,980	13,578,980
		-	-	28,720,323	28,720,323

	Note	Liabilities at FVTPL	Liabilities at Amortised Cost	Total
		Rs.	Rs.	Rs.
Financial Liabilities				
Trade & Other Payables	14	-	13,199,192	13,199,192
Long Term Borrowings	12	-	57,585,012	57,585,012
Lease Creditor	13	-	34,206,860	34,206,860
Amount Due to Directors	7	-	6,040,000	6,040,000
Bank Overdraft	8	-	14,931,107	14,931,107
		-	125,962,171	125,962,171

NOTES TO FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 18 – REVENUE		
Service Income - Export	234,586,312	219,535,646
Sale of Gems - Export	-	3,114,749
	234,586,312	222,650,395
NOTE 19 – OPERATING INCOME		
Solar Income	-	9,197
Miscellaneous Income	65,000	795,074
Reversal of previousely recognised revaluation loss	767,922	-
Write Back of Other Payables	-	6,709
	832,922	810,980
NOTE 20 - FINANCE INCOME		
Interest Income on Savings	187,171	214,881
	187,171	214,881
NOTE 21 - FINANCE COST		
Overdraft Interest	1,564,459	1,663,176
FCBU Loan Interest	2,328,193	2,155,509
Term Loan Interest	159,793	235,501
Interest on Lease	6,242,533	7,176,608
	10,294,978	11,230,794
NOTE 22 - OTHER FINANCIAL ITEMS		
Exchange (Gain) / Loss	2,840,163	68,526
	2,840,163	68,526
NOTE 23 - TAX EXPENSES		
Current Income Tax		
Current Tax Expenses on Ordinary Activities for the year	3,460,000	-
Deferred Taxation Charge / (Reversal)	(1,010,928)	1,192,678
	2,449,072	1,192,678

As per the Inland Revenue Act No. 24 of 2017 and subsequent amendments, the gains and profits earned or derived by any person from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka on or after January 1, 2020, shall be exempt from Income Taxes upto 31.03.2025 and w.e.f 01.04.2025 this income is liable to tax at the rate of 15%. Further income earned in local currency is taxable at the rate of 30%.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 23.1 - RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSES		
Loss before Taxation	(5,557,220)	(30,297,555)
Expenses Disallowed for Tax Purposes	41,353,729	38,827,999
Expenses Allowable for Tax Purposes	(12,915,886)	(12,135,149)
Assessable Loss Brought Forward	-	(8,339,353)
Loss Claimed	-	3,919,020
Tax Loss Expired	-	4,205,452
Exempt Loss	-	3,819,586
Assessable Income	22,880,623	-
Less: Qualifying Payment	-	-
Taxable Income	22,880,623	-
Income Tax Payable	3,460,169	-
Total Income Tax Provision	3,460,000	-
NOTE 23.2 - DEFERRED TAXATION CHARGE/(REVERSAL)		
Accelerated depreciation for tax purposes	(214,535)	3,057,376
Net of Right to use Asset and Lease Liability	(431,206)	651,703
Retirement benefit obligation	(271,411)	(2,071,953)
Debtors provision for impairment	94,818	(94,818)
Provision for fall in inventory value	-	(163,500)
Disallowed Finance Cost Carried forward	(188,594)	(186,130)
	(1,010,928)	1,192,678

NOTES TO FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED	31.03.2026 Rs.	31.03.2025 Rs.
NOTE 24 - PROFIT / (LOSS) BEFORE TAXATION		
Is stated after charging all expenses including the following:		
Depreciation	25,595,597	25,229,163
Amortization of Right of Use Assets	2,674,716	2,674,715
Audit Fee	548,119	489,181
Directors Remuneration	15,367,918	16,677,984
Staff Cost including EPF & ETF	113,972,425	125,624,757
Provision for Gratuity	2,644,908	2,347,370
Charity & Donations	420,000	475,000
Consultancy Fee	250,000	530,000
Provision for fall in inventory value	-	1,090,000
Provision for Impairment of Trade Receivables	-	632,121
Trade Debtors Written Off	279,793	-
Travelling & Transport Expenses	4,482,634	784,405
Vehicle Running Cost	29,089,102	25,515,889
Loss On Property, Plant & Equipment Written Off	383,157	-
Advance for Spare Parts Written Off	-	1,212,348

NOTE 25 - EARNINGS/(LOSS) PER SHARE

NOTE 25(a) - BASIC EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per ordinary share has been done based on net profit/(loss) attributable to ordinary shareholders divided by weighted average number of ordinary shares in issue as at the reporting date and calculated as follows:

	31.03.2026	31.03.2025
Net profit/(loss) attributable to ordinary shareholders (Rs.)	(8,006,292)	(31,490,233)
Weighted average number of ordinary shares in issue (Nos)	2,400,000	2,400,000
Basic earnings / (loss) per ordinary share (Rs.)	(3.34)	(13.12)

NOTE 25(b) - DILUTED EARNIGNS / (LOSS) PER SHARE

As at 31st March 2026 and as at 31st March 2025 there were no dilutive potential ordinary shares. Hence, diluted earnings per share is same as basic earnings per share.

NOTE 26 - EVENTS AFTER THE REPORTING DATE

No circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

NOTE 27 - CONTINGENT LIABILITIES

There are no contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

NOTE 28 - CAPITAL COMMITMENTS

There are no material capital commitments which would require adjustments to or disclosure in the Financial Statements.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 29 - RELATED PARTY TRANSACTIONS

Transactions with Key Managerial Persons.

Key Managerial Persons represent all executive and non-executive directors and all members of the senior management team of the Company.

During the year Mr. S.H. Munasinghe (Chairman / Managing Director), Mr. S. R. D.M. Abhayawardhane, Mr. A. D. Madushanka, Mr.M.L.Munasinghe and Mr. A.M.T Dinuwan were directors of the Company throughout the year.

(I) Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of the business and are at arm's length. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

(II) Key Management Personnel Compensation

	2025/2026 Rs.	2024/2025 Rs.
Short Term Benefits	15,367,918	16,677,984

(III) Directors Interest in Contracts

a) The Company has entered in to a contract with its Chairman / Managing Director of the Company to obtain a vehicle on rent. According to the agreement, Rs.284,977/- should be paid as monthly rental and all maintenance / insurance expenses of vehicle should be borne by the Company. The Company has paid Rs. 3,419,724/- as rental and incurred Rs. 7,300,704/- for maintenance, Insurance & fuel during the year ended 31st March 2026.

b) The Company has entered in to a contract with its Chairman / Managing Director of the Company to obtain a House space on rent for Executive Director/ General manager for a period of one year. According to the agreement, Rs.300,000/- should be paid as monthly rental and utility bills of house should be borne by the Company. The Company has paid Rs.3,600,000/- as house rent and incurred Rs. 508,572/- for utilities during the year ended 31st March 2026.

c) The Company has entered into a contract with its Chairman / Managing Director of the Company to obtain an office space on rent for 4 years for the period commencing from 01.04.2023 to 31.03.2027. According to the agreement, Rs.250,000/- should be paid as monthly rental for the year 2025/2026 and utility bills of office should be borne by the Company. As per the agreement, the Company has incurred Rs.10,000,000/- for renovation of this premises during the year 2023/2024 and the same has been considered as rent advance and will be set off against future lease payments. Rs.3,000,000/- being the rental for the year 2025/2026 has been set off against this advance and incurred Rs.949,638/- for utilities during the year ended 31st March 2026.

d) The Company has entered in to a contract with its Executive Director Mr.M.L.Munasinghe to obtain a vehicle on rent for one year. According to the agreement Rs.341,100/- should be paid as monthly rental by the Company. The Company has paid Rs. 4,093,200/- during the financial year ended 31st March 2026.

e) The Company has given foreign travelling advance of Rs. 1,745,090/- to Executive Director Mr.M.L.Munasinghe during the financial year ended 31st March 2023 and the balance remains as outstanding as at 31st March 2026 was Rs.1,645,090/-.

f) The Company has given salary advance Rs. 225,865/- to Executive Director Mr.M.L.Munasinghe during the financial year ended 31st March 2026 and same remains as outstanding as at 31st March 2026.

g) The Company has obtained interest free advances from its Chairman / Managing Director Mr.S.H.Munasinghe and Executive Director Mr.M.L.Munasinghe during the financial year ended 31st March 2025. The balance remain outstanding as at 31st March 2026 is disclosed in Note 7 to these Financial Statements.

h) The Company has paid Rs.250,000/- as consultancy fee to its Non-Executive Director Mr.S.R.D.M. Abhayawardhane during the year 2025/2026.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 29 - RELATED PARTY TRANSACTIONS (CONT'D)

(iv) Recurrent Related Party Transactions

There are no recurrent transactions that have been entered in to with Related Parties during the year which are more than 10% of the income as specified in section 9.14.8 of the Listing Rules of Colombo Stock Exchange that require disclosure to this Annual Report.

(v) Non-Recurrent Related Party Transactions

There are no non-recurrent transactions that have been entered in to with Related Parties during the year which are more than 10% of the Equity or 5% of the total assets whichever is lower as specified in Section 9.14.8 of the Listing Rules of Colombo Stock Exchange that require disclosure to this Annual Report.

NOTE 30 - SECURITIES GIVEN FOR BANKING FACILITIES

Bank	-	Commercial Bank of Ceylon PLC
Facilities	-	Overdraft facility Term Loan under Biz loan scheme
Securities	-	Floating primary mortgage bond No. 1017 dated on 02/02/2017 for Rs. 12,100,000/- executed over property situated at Diurumpitiya, Avissawella owned by the Company.
	-	Floating secondary mortgage bond No. 1560 dated 07/07/2020 for Rs. 2,500.000/- executed over the above property.
	-	Floating tertiary mortgage bond no 6095 dated 09/02/2021 for Rs. 5,650,000/- executed over the above property.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 31 – FINANCIAL RISK MANAGEMENT

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in note 17. The main types of risks are foreign currency risk, interest risk, market risk, credit risk and liquidity risk.

The Company's risk management is in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

(a) Foreign currency risk

Exposures to currency exchange rates arise from the Company's overseas sales, purchases and foreign currency loan which are primarily denominated in US dollars (USD).

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated into Sri Lankan Rupees at the closing rate:

	Short-term exposure USD Rs.	Long-term exposure USD Rs.
31st March 2026		
Financial assets	40,973,465	-
Financial liabilities	(9,873,500)	(47,209,967)
Total exposure	31,099,965	(47,209,967)
31st March 2025		
Financial assets	23,772,936	-
Financial liabilities	(9,369,832)	(45,952,230)
Total exposure	14,403,104	(45,952,230)

Currency risk is managed by the management that monitors foreign currency cash inflows and outflows and its closing position on a daily basis. The company uses the exchange rate published by Central Bank of Sri Lanka to convert year end foreign currency denominated amounts.

Below are the spot exchange rates used by the Company as at 31 March 2026 and the date of signing financial statements

	As at Reporting Date Rs.	As at Signing Date Rs.
USD	315.19	328.61

The following table demonstrates the sensitivity of profit / (loss) before taxation to a reasonably possible change of underlining foreign currency (USD) exchange rate against LKR in relation to assets & liabilities denominated in USD as at the reporting date, with all other variables held constant.

Foreign Currency	Change in exchange rate	Effect on Profit / (Loss) Before Tax	
		31.03.2026	31.03.2025
USD	+ 5%	(805,500)	(1,577,456)
	+10%	(1,611,000)	(3,154,913)
	- 5%	805,500	1,577,456
	- 10%	1,611,000	3,154,913

NOTE 31 – FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial instruments

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as AWPLR.

Increase / (decrease) in basis points	Effect on Profit / (Loss) Before Tax 31.03.2026 Rs.	Effect on Profit / (Loss) Before Tax 31.03.2025 Rs.
+ 1000 basis points	60,324	(10,305)
- 1000 basis points	(60,324)	10,305
+ 500 basis points	30,162	(5,152)
- 500 basis points	(30,162)	5,152

(c) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The company is exposed to this risk for various financial instruments, for example by receivables from customers and placing deposits. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

	31.03.2026 Rs.	31.03.2025 Rs.
Classes of financial assets - carrying amounts:		
Cash at Bank & In Hand	45,693,474	13,578,980
Trade and other receivables	9,196,196	15,141,343
	54,889,670	28,720,323

The Company continuously monitors defaults of customers and other counterparties, identified by individually and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties, and the management considers that all the above financial assets that are not impaired or past due for each of the 31 March reporting dates under review are of good credit quality.

The following table shows the credit quality of trade receivables as at 31th March:

	31.03.2026 Rs.	31.03.2025 Rs.
Not more than 3 months	8,356,196	13,415,164
More than 3 months but not more than 6 months	-	856,629
More than 6 months but not more than 1 year	-	-
More than one year	-	-
	8,356,196	14,271,793

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high-quality external credit ratings.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

NOTE 31 – FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecasted cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands. Net cash requirements are compared to available borrowing facilities in order to determine excess or any shortfalls.

	Current		Non-Current	
	Within 6 months Rs.	6 – 12 months Rs.	1 – 5 years Rs.	Later than 5 years Rs.
31st March 2026				
Trade and Other payables	10,847,815	-	-	-
Long Term Borrowings	5,405,350	5,405,350	17,030,629	30,567,888
Lease Creditor	7,217,478	8,617,478	31,583,909	-
Amount Due to Director	2,271,863	2,271,863	-	-
Bank Overdraft	17,171,961	-	-	-
	42,914,467	16,294,691	48,614,538	30,567,888
31st March 2025				
Trade and Other payables	13,199,192	-	-	-
Long Term Borrowings	5,153,516	5,153,516	16,972,882	30,305,098
Lease Creditor	7,237,464	7,237,464	32,867,987	-
Amount Due to Director	3,020,000	3,020,000	-	-
Bank Overdraft	14,931,107	-	-	-
	43,541,279	15,410,980	49,840,869	30,305,098

(e) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (especially due to currency risk and interest rate risk). The objective of market risk management is to manage and control market risk exposures within the acceptable parameters while optimising the return.

(f) Capital Management

Capital includes equity attributable to the equity holders of the company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026.

NOTES TO FINANCIAL STATEMENTS (CONT'D)

NOTE 32 - FAIR VALUE HIERARCHY

Non-Financial Assets

Level 1 - Quoted (unadjusted) Market prices in active markets for identical assets or liabilities

Level 2 - Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 - Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market.

AS AT 31ST MARCH	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Asset measurement at fair value						
Property, Plant and Equipment	-	-	194,705,691	142,574,664	-	-
Investment in Gems	-	-	-	-	12,845,835	12,724,755

SHARE HOLDERS' INFORMATION

LIST OF 25 MAJOUR SHARE HOLDERS' ANALYSIS OF SHARE HOLDERS

	Name	2026		2025	
		No. of Shares	Percentage %	No. of Shares	Percentage %
1	YG Holding SA	244,300	10.18	244,300	10.18
2	Mr.D.P. Navaratnam	188,454	7.85	205,000	8.54
3	Mr.E Naftule	183,010	7.63	183,010	7.63
4	Mr.N Naftule	183,009	7.63	183,009	7.63
5	Mr.K.E.H.De Alwis	173,755	7.24	192,592	8.02
6	Mr.R Naftule	156,866	6.54	156,866	6.54
7	Orava (Pvt)Ltd	116,566	4.86	116,566	4.86
8	Senkadagala Finance PLC / S.M.D.N.P. Banda	91,239	3.80	0	0
9	Mrs.A G N Kulartnepategay / G N Kularathne / Miss.A G N Kularatne	80,000	3.33	80,000	3.33
10	Assetline Finance PLC / Mr.K.E.H. De Alwis	48,784	2.03	174,031	7.25
11	Mr. W P Fernando	32,930	1.37	32,930	1.37
12	Mr.L Kadirgamar	29,900	1.25	29,900	1.25
13	Mr. B.R.M.S. Gnanarathne	27,876	1.16	12,477	0.52
14	Mr.H Abhayawardhana / Mrs.K Munasinghe	26,548	1.11	26,548	1.11
15	Mr.H Abhayawardhana / Mr. S H Munasinghe	26,547	1.11	26,547	1.11
16	Mr.H Abhayawardhana / Ms.R V Munasinghe	26,547	1.11	26,547	1.11
17	Mr.H Abhayawardhana / Mr.N V Munasinghe	26,547	1.11	26,547	1.11
18	Hatton National Bank PLC / Ravindara Erle Rambukwelle	22,000	0.92	40,966	1.71
19	Mr. W.R. Dharmasena	20,764	0.87	0	0
20	Mr.R. Naftule	20,000	0.83	20,000	0.83
21	Mrs..D. Martenstyn	19,825	0.83	19,825	0.83
22	Mrs. K.V. Munasinghe / Mr.S. Munasinghe	14,311	0.60	14,311	0.60
23	Mrs. K.V. Munasinghe / Miss.R.V. Munasinghe	14,311	0.60	14,311	0.60
24	Mrs. K.V. Munasinghe / Miss.N.V. Munasinghe	14,311	0.60	14,311	0.60
25	Mr. S.I.M. Riswan	14,211	0.59	0	0
		1,802,611	**75.15**	**1,840,594**	**76.73**

ANALYSIS OF SHARE HOLDERS AS AT 31ST MARCH 2026

Shareholdings	Resident			Non-Resident			Total		
	No.of Share Holders	No. of Shares	%	No.of Share Holders	No. of Shares	%	No.of Share Holders	No. of Shares	%
1 to 1,000	915	148,622	6.19	7	1,461	0.06	922	150,083	6.25
1,001 to 10,000	112	356,608	14.86	1	1,111	0.05	113	357,719	14.91
10,001 to 100,000	23	534,988	22.29	3	111,250	4.64	26	646,238	26.93
100,001 to 1,000,000	3	478,775	19.94	4	767,185	31.97	7	1,245,960	51.91
Over 1,000,000	0	0	0	0	0	0	0	0	0
	1,053	**1,518,993**	**63.28**	**15**	**881,007**	**36.72**	**1,068**	**2,400,000**	**100.00**

Categories of Shareholders	No. of Shareholders	No. of Shares
Individual	1,026	1,823,003
Institutional	42	576,997
	1,068	**2,400,000**

MARKET AND OTHER INFORMATION

	2026	2025
Earnings/(Loss) per share (LKR)	(3.34)	(13.12)
Net assets value per share (LKR)	39.10	14.63
Market value per share		
- Highest value (LKR)	236.25	112.00
- Lowest value (LKR)	63.00	70.10
- Value as at the end of financial year (LKR)	156.25	71.20
Number of trades	5317	444
Total number of shares traded	818,695	41,394
Total turnover (LKR)	126,592,897.65	3,498,004.90
Percentage of shares held by the public	85.12%	85.11%
Number of public shareholders	1059	811
Float adjusted market capitalization	**375,000,000**	**170,880,000**

Number of shares representing the stated capital as at 31st March 2026 was 2,400,000.

The percentage of shares held by the public as at 31st March 2026 was 85.12% of Issued Share Capital.

Float adjusted market capitalization as at 31st March 2026 was Rs. 375,000,000/-

The applicable option under CSE Rule 7.13.1 on minimum public holding is option 5. Number of Public Shareholders as at 31st March 2026 was 1068.

FIVE YEARS SUMMERY

Trading Results Year Ended

Trading Results Year Ended	31-Mar 2026 LKR	31-Mar 2025 LKR	31-Mar 2024 LKR	31-Mar 2023 LKR	31-Mar 2022 LKR
Turnover	234,586,312	222,650,395	234,414,752	241,290,868	105,741,750
Profit / (Loss) Before Taxation	(5,557,220)	(30,297,555)	(220,508)	42,063,292	(19,950,567)
Income Tax Expenses	(2,449,072)	(1,192,678)	-	-	-
Profit / (Loss) for the Year	(8,006,292)	(31,490,233)	(220,508)	42,063,292	(19,950,567)

Balance Sheet As At	31-Mar 2026 LKR	31-Mar 2025 LKR	31-Mar 2024 LKR	31-Mar 2023 LKR	31-Mar 2022 LKR
Non - Current Assets					
Property, Plant & Equipment	194,705,691	142,574,664	131,390,354	119,215,785	52,284,058
Capital Work in Progress	682,111	-	-	-	-
Investment in Stock of Gem Stones	12,845,835	12,724,755	12,171,120	11,788,215	10,925,525
Right of Use Assets	2,674,716	5,349,432	8,024,147	-	-
Current Assets	68,223,808	37,292,278	52,029,214	51,036,810	24,273,250
	279,132,161	197,941,129	203,614,835	182,040,810	87,482,833
Equity and Liabilities					
Stated Capital	24,000,000	24,000,000	24,000,000	24,000,000	24,000,000
Retained Earnings	(52,136,542)	(48,814,857)	(93,301,394)	(100,422,544)	(150,673,292)
Other Component of Equity	121,976,295	59,925,660	145,815,840	151,745,777	101,081,387
Non-Current Liabilities	110,513,888	100,220,965	82,384,980	78,655,447	77,213,955
Current Liabilities	74,778,520	62,609,361	44,715,409	28,062,130	35,860,783
	279,132,161	197,941,129	203,614,835	182,040,810	87,482,833
Market price per share as at 31st March	156.25	71.20	84.00	28.30	19.00
Highest price per share during the Year (Rs.)	236.25	112.00	154.50	37.50	35.00
Lowest price per share during the Year (Rs.)	63.00	70.10	24.20	15.70	18.00

S S P CORPORATE SERVICES (PRIVATE) LIMITED

NOTICE OF MEETING

RADIANT GEMS INTERNATIONAL PLC

NOTICE IS HEREBY GIVEN THAT THE 37TH ANNUAL GENERAL MEETING OF RADIANT GEMS INTERNATIONAL PLC WILL BE HELD AT UNITED TRACTOR AND EQUIPMENT LIMITED, NO. 683, NEGOMBO ROAD, WATTALA ON TUESDAY, 29TH SEPTEMBER 2026 AT 10.15 A.M.

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Agenda

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

2. To re-elect Mr. A.D. Madushanka, Director who retires by rotation in terms of Article 85 and 86 of the Articles of Association of the Company.

3. To consider and if thought fit to pass the following Ordinary Resolution pertaining to the re-appointment of Mr. Sunil Rohan De Mel Abhayawardhane as a Director who is 70 years of age, in compliance with Section 211 of the Companies Act No.07 of 2007 and whose re-appointment has been recommended by the Board of Directors.

Ordinary Resolution

That the age limit of 70 years referred to Section 210 of the Companies Act No.7 of 2007 shall not apply to Mr. Sunil Roha De Mel Abhayawardhane, a Director, who is 72 years of age (having reached 70 years of age on 18th December 2023) and accordingly that Mr. Sunil Rohan De Mel Abhayawardhane be and is hereby re-appointed as a Director of the Company in terms of Section 211 of the Companies Act No.7 of 2007.

4. To re-appoint M/s. Kreston MNS & Company, Chartered Accountants as Auditors to the Company and authorise the Directors to determine their remuneration.

5. To authorize the Directors to determine contribution to charities.

By Order of the Board of Directors of
RADIANT GEMS INTERNATIONAL PLC

S S P CORPORATE
SERVICES (PRIVATE) LIMITED

Secretaries

S S P CORPORATE SERVICES (PRIVATE) LIMITED SECRETARIES
Colombo
28th August 2026

NOTES:

1) A shareholder of the Company is entitled to appoint a Proxy to attend and vote on his or her behalf.
A Proxy need not be a shareholder.

2) A Proxy form that is enclosed should be sent with the Registration Form 48 hours before the meeting.
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RADIANT GEMS INTERNATIONAL PLC

FORM OF PROXY

I/We... (NIC No ....)

Being shareholder/shareholders of Radiant Gems International PLC hereby appoint.

.... (NIC No……………………) or failing him

Mr. S.H. Munasinghe	of Colombo or failing him
Mr. M.L. Munasinghe	of Colombo or failing him
Mr. S.R. De Mel Abhayawardhane	of Colombo or failing him
Mr. A.D. Madushanka	of Colombo or failing him
Mr. A.M.T. Dinuwan	of Colombo

as my/our* Proxy to represent me/us* on my/our behalf at the Annual General Meeting of the Company to be held on 29th September 2026 and at any adjournment thereof and at every place which may be taken in consequence of the aforesaid meeting and to vote as indicated below:

	FOR	AGAINST
1. To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company and the Audited Accounts for the year ended 31st March 2026 with the Report of the Auditors there on.	☐	☐
2. To re-elect Mr.A.D. Madushanka, Director who retires by rotation at the Annual General Meeting in terms of Article 85 and 86 of the Articles of Association.	☐	☐
3. To re-appoint Mr. S.R. De Mel Abhayawardhane who is 70 years of age as a Director of the Company by passing the Ordinary Resolution set out in the Notice of Meeting.	☐	☐
4. To re-appoint M/s Kreston MNS & Company, Chartered Accountants as Auditors and to authorize the directors to determine their remuneration.	☐	☐
5. To authorise the Directors to determine contributions to charities.	☐	☐

As witness my/our* hand this ……………………day of....................... Two Thousand and Twenty-Six.

Signature: ………………….……..

Note:

1. Please delete the inappropriate words.
2. Instructions as to completion are noted on the reverse.

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name and address, and your instructions as to voting, by signing in the space provided and filling in the date of signature.

2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given or if there is any doubt as to how the Proxy should vote by reason of the manner in which the instructions are carried out, the proxy in his/her discretion may vote as he/she thinks fit.

3. The completed Form of Proxy should be sent with the Registration Form to the email address provided in the Circular to Shareholders 48 hours before the time appointed for holding the meeting.

4. If an attorney signs the Form of Proxy, the relative power of attorney should accompany the completed form of proxy for registration, if such power of attorney has not already been registered with the Company.

Note:

If the shareholder is a Company or body corporate, Section 138 of the Companies Act No. 7 of 2007 applies to corporate shareholders of Radiant Gems International PLC. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of the Act or not, may, where it is a shareholder of another Corporation, being a Company within the meaning of the Act, by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company. A person authorised as aforesaid shall be entitled to exercise the same power on behalf of the Corporation which it represents as that Corporation could exercise if it were an individual shareholder of that other Company.