Scaling Industry

Enabling Growth

LANKA INDUSTRIAL ESTATES LTD

ANNUAL REPORT 2025

Scaling Industry Enabling Growth

Industrial growth is built on more than physical infrastructure. It is enabled by resilient ecosystems that bring together reliable utilities, strategic investments, operational excellence, sustainability and trusted partnerships. These foundations empower businesses to expand with confidence while creating lasting value for stakeholders and the wider economy.

The theme of this year's Annual Report, "**Scaling Industry. Enabling Growth.**", reflects Lindel's role as an enabler of industrial progress. Throughout the year, we strengthened our industrial ecosystem through targeted investments in infrastructure, warehouse capacity, utilities and sustainability initiatives, enhancing the resilience and competitiveness of our estate.

VISION

To be the most admired company in the country in providing industrial space and infrastructure.

MISSION

To assist in Sri Lanka's economic progress by providing industries with excellent infrastructure facilities within an enclave that protects both the industry and the environment.

OUR VALUES

INTEGRITY
We are open and honest in all areas of work

LEARNING
We invest in continuous learning to be competent as a corporate citizen

QUALITY
We take pride in maintaining rigorous standards for all our services

TEAMWORK
We believe our best performance produced not by individuals but by a team who trust each other

ACCOUNTABILITY
At Lindel,we are individually and collectively responsible for our work,our words and our results

CONTENTS

ABOUT THIS REPORT

WELCOME TO LINDEL'S SIXTH INTEGRATED ANNUAL REPORT

The sixth Integrated Annual Report explains how Lindel's strategy, governance, performance, and future outlook contribute to value creation for stakeholders over the short, medium, and long term. It provides a clear and comprehensive view of the company's operations, its interaction with the external environment, and its approach to creating sustainable value through the effective management of Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural Capital. The report offers a detailed account of the company's strategic priorities, governance framework, capital stewardship, and financial performance. By presenting these interconnected elements in a cohesive manner, the report enables stakeholders to gain a holistic understanding of Lindel's business model, value creation process, and long-term commitment to growth, resilience, and sustainability.

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This report explains Lindel's role as an 'Integrated Operational Ecosystem Partner', going beyond the traditional role of a landlord by delivering a connected platform of infrastructure, operational support services, sustainability initiatives, technology-enabled solutions, and stakeholder collaboration. By bringing together businesses, service providers, employees, regulators, and communities within a shared operating environment, Lindel creates synergies that enhance operational efficiency, business continuity, innovation, and long-term value creation for all participants in the ecosystem.

REPORT STRUCTURE

The Annual Report covers the financial year ending 31 December 2025, reflecting a 12-month reporting cycle. Comparisons and references are made against the most recent Annual Report for the nine months ended 31 December 2024.

The Company generates value through its Business Model, which draws upon the six capitals – Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural - as key inputs. Through its core business activities, these inputs are transformed into outputs and outcomes that deliver sustainable, long-term value for its diverse stakeholders.

Lindel applies the principle of materiality to determine the information included in the Integrated Report. The content is developed around matters that are material in nature, with a focus on economic, environmental, and social dimensions. Accordingly, the report highlights the key issues, opportunities, and challenges that significantly influence the company's operations and value creation.

REPORTING GUIDELINES AND FRAMEWORK

- Integrated Reporting Framework - Integrated Reporting Council
- Companies Act No. 07 of 2007
- The Company has taken reasonable steps to ensure that the information presented in this Annual Report is accurate, complete and consistent with internal records, management information and the audited financial statements, where applicable.
- The financial reporting, including the financial statements and related notes, has been independently audited by Messrs. KPMG, Chartered Accountants, as set out on page 107 of this report.
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka, applied on a voluntary basis where relevant to the Company
- Colombo Stock Exchange Listing Rules, considered on a voluntary basis where relevant, as the Company is not presently listed on the Colombo Stock Exchange

SCOPE AND BOUNDARY

This Annual Report presents a comprehensive overview of the company's financial and non-financial performance. It includes non-financial disclosures to enhance understanding of Lindel's strategy and overall performance, in line with its commitment to transparent reporting. No prior-period figures have been restated. Certain comparative figures have, however, been reclassified to conform with the current year's presentation, as explained in Note 33 to the financial statements. Content is compiled by the respective departments, including subsidiary operations, and reflects a balanced assessment of Lindel's financial, environmental and social performance, governance framework, and risk management practices.

ASSURANCE AND INTERNAL REVIEW

Financial information included in the report is derived from the audited financial statements, which have been subject to external audit by the Company's independent auditors.

Non-financial information and disclosures, have been reviewed through internal management process and such information has not been subject to separate external assurance unless specifically stated.

ENSURING THAT THERE ARE NO MATERIAL MISSTATEMENTS

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to the future financial position and performance of Lindel's operations. Such statements inherently involve risk and uncertainty, as they are based on expectations regarding future events and conditions that may not occur as anticipated. Lindel undertakes no obligation to publicly update or revise any forward-looking statements following publication, in response to changes in its business environment.

AVAILABLE FORMAT

PDF is available on request at www.lindel.lk

Printed format is available on request.

ANY QUERIES REGARDING THIS REPORT

Any queries regarding this report should be addressed to:

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ABOUT US

WHO WE ARE

Lanka Industrial Estates Ltd (Lindel), a subsidiary of DFCC Bank PLC, is a private sector industrial estate developer incorporated in 1992 to develop, operate, and manage industrial estates in Sri Lanka. Lindel provides best-in-class infrastructure and allied services to its clients, consistently meeting and exceeding industry standards.

The Lindel Industrial Estate at Sapugaskanda was established on the site of the former State Fertilizer Manufacturing Corporation and now spans 106 acres of freehold land. The estate hosts several leading enterprises, including Fortune 500 companies, across a range of sectors such as agriculture, chemicals, FMCG, logistics, lubricants, metal fabrication, packaging, and power generation.

Lindel Industrial Laboratories Ltd was established in 1997. Lindel Industrial Laboratories Limited has developed into a recognized analytical testing facility serving a wide range of industrial and commercial sectors. The laboratory provides reliable and timely testing services across areas including water and wastewater, environmental monitoring, chemical analysis, soil, fertilizer, fuel and lubricant, microbiological, food and other industrial testing.

It was among the pioneering industrial laboratories to achieve ISO 17025 certification in 2006, reflecting its continued commitment to quality, accuracy, and technical excellence. Presently laboratory operates under a quality management system accredited to ISO/IEC 17025:2017 by the Sri Lanka Accreditation Board for chemical testing under accreditation reference TL 006-01. It is also registered with the Central Environmental Authority under Registration No. 07/LM/Lab/07/2008 to conduct environmental testing in accordance with applicable regulatory requirements.

The laboratory is led by a highly qualified and experienced Laboratory Head with extensive expertise in analytical science, laboratory quality management, and regulatory compliance. Supporting the laboratory is a multidisciplinary team of highly qualified scientists, chemists, microbiologists, environmental specialists, and technical officers, all of whom possess significant professional experience and are committed to maintaining the highest standards of analytical excellence. Continuous professional development and technical training ensure that our staff remain at the forefront of scientific and technological advancements. It is further Supported by modern analytical equipment's used for testing purposes. LILL regularly participates in local and international proficiency testing programmes to maintain the reliability and validity of its results. The laboratory continues to expand its testing capabilities in response to evolving customer, regulatory and industry requirements, while maintaining a strong focus on quality, accuracy and customer service.

Lindel ACP Renewables Ltd, a new company added to the Lindel Group as a business collaboration between Lanka Industrial Estates Ltd and ACP Renewables Pvt Ltd, was incorporated on 30th July 2024. Lanka Industrial Estates Ltd (Lindel) and ACP Renewables, a subsidiary of ACP Asset Management, have partnered to combine Lindel's expertise in industrial development with ACP Renewables' experience in renewable energy projects to provide large-scale industrial and commercial deployments of rooftop and ground-mounted solar and wind energy production. Our projects at the Lindel Industrial Park, Sri Lanka, will reduce the carbon footprint, lower energy costs for tenants, and establish Lindel as a leader in sustainable industrial operations in Sri Lanka. This will set the highest standards for future large-scale industrial and commercial projects that Lindel ACP Renewables will collaborate on in the region.

ABOUT DFCC BANK

DFCC Bank PLC, established in 1955 and listed on the Colombo Stock Exchange since 1956, is one of Sri Lanka's leading financial institutions. Regulated by the Central Bank of Sri Lanka and rated A (lka) by Fitch Ratings, the Bank offers a comprehensive portfolio of retail, corporate, and SME banking services, along with treasury, investment, and trade finance solutions.

With customer centricity and sustainable innovation at its core, DFCC Bank delivers seamless and secure banking experiences, which include digital platforms like DFCC MySpace, and through a network of 133 branches and access to over 6,000 ATMs via the LankaPay network.

A recognised leader in sustainable finance and renewable energy initiatives, DFCC Bank is committed to reducing environmental impact and fostering long-term economic resilience.

As DFCC Bank enters its eighth decade of service, it remains committed to widening economic opportunity, advancing sustainable development, and delivering innovative financial solutions that enable individuals and businesses across Sri Lanka to thrive.

REACH

Customer accessibility is enabled through an integrated physical and digital network comprising:

133 BRANCHES

40 CDMs (Cheque Deposit Machines)

132 ATM'S

104 CRMs (Cash Recycling Machines)

DFCC ONE and DFCC ONE Online Banking platforms

Portfolio

DFCC Bank's primary lines of business include:

- Consumer Banking
- SME Banking
- Corporate and Institutional Banking
- Treasury and Resource Mobilisation
- Branch Banking
- International Banking and Trade Finance
- Card Operations
- Transaction Banking
- Wealth Management and Priority Banking
- Bancassurance

MILESTONES

1992

Incorporation of Lanka Industrial Estates Limited (Lindel) as a public company.

1994

Initial development work of the site and infrastructure completed. Agreements were signed with companies such as Unilever (Ceylon) Limited, Grip Engineering (Pvt) Ltd, Shin Kwang Lanka (Pvt) Ltd and Neil Marine & Company

1996

Received approval from the Central Environmental Authority for the issuance of environmental licenses for industries located within Lindel.

Commissioned a 200 line telephone exchange for the exclusive use of the Industrial Estate.

1997

Subsidiary of Lindel, Lindel Industrial Laboratories Limited (LILL), was incorporated as a state-of-the-art industrial laboratory.

A 10 MW electric power sub station funded by Lindel was completed.

1999

Bulk urea storage building of the State Fertilizer Manufacturing Corporation was converted to a 50,000 sq. ft warehouse.

2001

Solid waste yard was converted to a proper solid waste disposal yard introducing a landfill site and converted solid waste into revenue generating source.

2003

Total number of lessees increased to 20 for the first time with 92% occupancy. These tenants included Fortune 500 companies.

2005

LILL was accredited by the Accreditation Scheme for Testing Laboratories (ASTEL) for water and fuel testing.

2006

LILL became one of the first industrial labs to obtain ISO 17025 standards.

2007

Lindel surpassed Rs. 100 Mn in revenue for the first time in its history.

2012

Chevron Lubricants Lanka PLC reached an agreement with Lindel to set up a state-of-the-art lubricant blending facility in a 4-acre block within the industrial estate.

Natural water spring at backyard of Lindel was designed and converted to a spring water treatment plant which has a drawing capacity of water up to 20,000 cbm per month.

2014

The first 20kW net metering solar project was implemented at Lindel office and followed by another two net metering projects of 20kW and 22kW capacities.

2015

Surpassed the Rs. 200 Mn in revenue for the first time.

2018

Five-acre land plot was leased out to Diesel and Motor Engineering PLC together with a 50,000 sq.ft building space.

First solar net plus project with a capacity of 432kW was commissioned at Lindel.

2019

Surpassed Rs. 300 Mn in revenue for the first time.

2020

Surpassed Rs. 200 Mn profit after tax for the first time. Another solar net plus project with a capacity of 470kW was commissioned at Lindel.

2021

Completed the renovation of igloo building with an investment of Rs. 80 Mn.

2022

Celebrated 30 years of excellence.

Completed another solar project of 544kW.

Won the Bronze award in Land and Property sector at the 56th Annual Report Awards organised by CA Sri Lanka.

2023

Won the Silver Award in Land and Property Sector of the 57th Annual Reports Awards organised by CA Sri Lanka.

ISO 17025 certification successfully renewed.

2024

Surpassed Rs. 500Mn turnover and won the Bronze Award in the Land and Property Sector at the 58th TAGS Awards organised by CA Sri Lanka.

Runner-up at National Business Excellence Awards 2024, organised by the National Chamber of Commerce. ISO 9000 Quality Management System.

2025

Achieved Rs 600Mn turnover

National Business Excellence Award 2025.

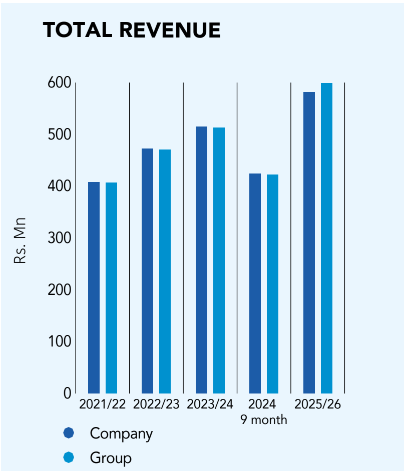
Extension of steel buildings of 24000 sq,ft

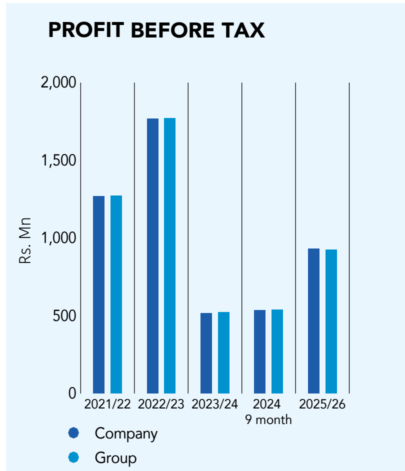
Received Greenhouse Gas Verification Opinion to comply with the requirements of ISO 14064-1-2018.

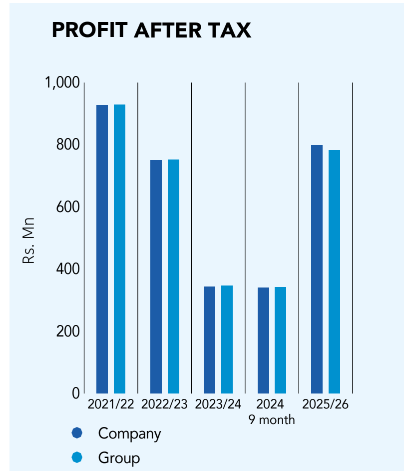
New subsidiary of the Group Lindel ACP Renewables Ltd commenced business operations in March 2025.

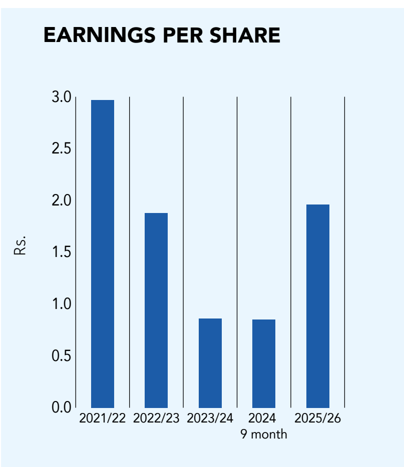
PERFORMANCE HIGHLIGHTS

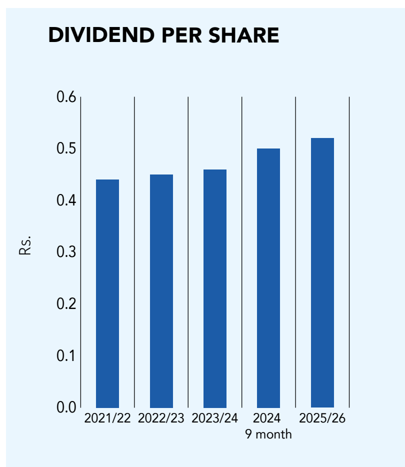
As at	Group			Company		
	31-Dec-25	31-Dec-24	Change %	31-Dec-25	31-Dec-24	Change %
	(for the year)	(for the nine months period)			(for the nine months period)	
Financial Performance						
Revenue (Rs.'000)	**599,378**	422,366	-	**581,077**	424,058	-
Other operating income (Rs.'000)	**46,459**	28,104	-	**31,221**	3,115	-
Fair value gain from investment properties	**418,153**	174,388	-	**418,153**	174,388	-
Operating profit (Rs.'000)	**861,279**	493,014	-	**866,637**	490,566	-
Profit before tax (Rs.'000)	**926,103**	537,884	-	**930,952**	534,755	-
Income tax expense (Rs.'000)	**(144,597)**	(196,235)	-	**(132,406)**	(194,530)	-
Profit after tax (Rs.'000)	**781,506**	341,649	-	**798,546**	340,225	-
Financial Position Highlights						
Stated capital (Rs.'000)	**159,692**	159,692	-	**159,692**	159,692	-
Issued shares ('000)	**399,230**	399,230	-	**399,230**	399,230	-
Reserves and retained earnings (Rs.'000)	**7,717,418**	7,147,030	7.98	**7,722,806**	7,132,858	8.27
Current liabilities (Rs.'000)	**324,604**	257,654	25.98	**300,419**	252,195	19.12
Total liabilities (Rs.'000)	**3,503,499**	3,400,853	3.02	**3,439,705**	3,391,696	1.42
Current assets (Rs.'000)	**880,010**	740,247	18.88	**835,076**	717,211	16.43
Total assets (Rs.'000)	**11,452,900**	10,707,574	6.96	**11,322,203**	10,684,246	5.97
Financial Ratios						
Earnings per share (Rs.)	**1.96**	0.86	127.91	**2.00**	0.85	-
Dividend per share (Rs.)	**-**	-	-	**0.52**	0.50	-
Operating profit margin (%)	**143.70**	116.73	23.10	**149.14**	115.68	-
Net profit margin (%)	**130.39**	80.89	61.19	**137.43**	80.23	-
Return on shareholder funds (%)	**9.92**	4.68	112.18	**10.13**	4.67	-
Return on assets (%)	**6.82**	3.19	113.86	**7.05**	3.18	75.15
Net assets per share (Rs.)	**19.91**	18.30	8.80	**19.74**	18.27	8.09
Total asset turnover (Times)	**0.05**	0.04	32.67	**0.05**	0.04	29.31
Current ratio (Times)	**2.71**	2.87	(5.64)	**2.78**	2.84	(2.26)
Quick asset ratio (Times)	**2.68**	2.84	(5.63)	**2.77**	2.83	(2.12)
Dividend payout ratio (%)	**-**	-	-	**26.00**	58.82	(43.48)
Dividend cover (Times)	**-**	-	-	**3.85**	1.70	256.48

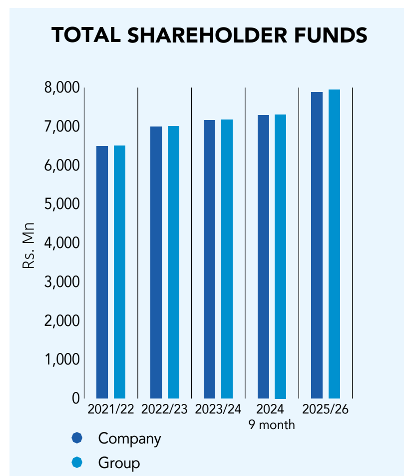


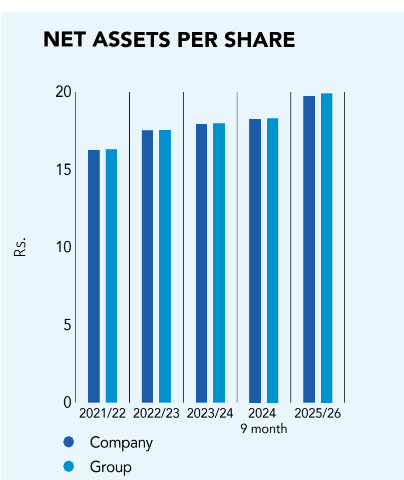


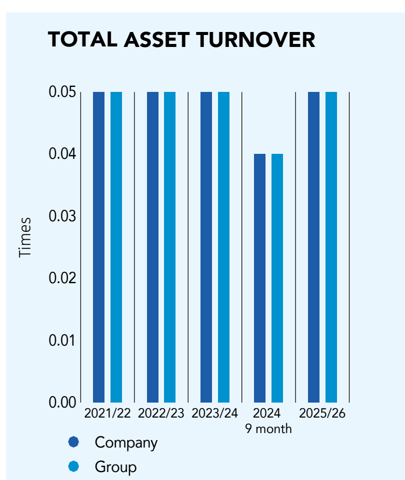


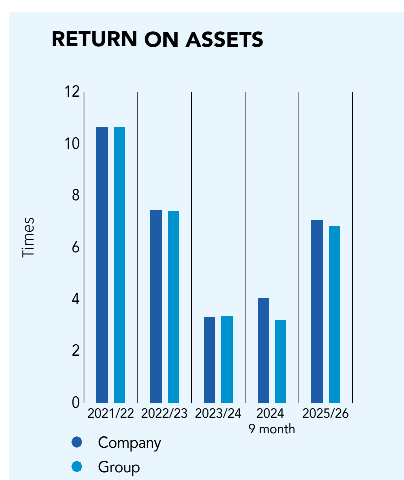












*The current reporting period covers the 12 months ended 31 December 2025. Where comparative figures for 2024 relate to the 09 period ended 31 December 2024, The performance commentary should be read in the context of the difference in reporting periods.

*Company shares were subdivided in a 1:25 ratio in December 2021.

OPERATIONAL HIGHLIGHTS

Group Turnover Records

Rs. 600 Mn

Group Total Asset Value Exceeds

Rs.11 Bn

Lindel Building Area capacity extended to

562,962 Sq. Ft.

LILL Turnover → PBT → Total Assets

Rs. 45 Mn | **Rs.14.5 Mn** | **Rs. 49 Mn**

Lindel ACP Renewables: First Year of commercial operations with a Revenue of → PBT of → Total Assets

Rs. 25.9 Mn | **Rs. 9.4 Mn** | **Rs. 238 Mn**

ISO certifications Renewed and obtained during 2025

Training Partner Recognition-University of Kelaniya

Appreciation by IT service provider- PBSS

LEADERSHIP

CHAIRMAN'S MESSAGE

> **"Good governance should not slow progress. It should ensure that progress is measured, sustainable and capable of creating value over time."**

Dear Stakeholders,
Industry does not scale on ambition alone. It needs land, power, water, logistics, safety and infrastructure that works every day.

Lindel exists to make those conditions possible.

It is in this context that I present the sixth Integrated Annual Report and Financial Statements of Lanka Industrial Estates Limited for the year ended 31 December 2025.

This year's theme, "Scaling Industry - Enabling Growth," reflects both our role and our direction. We are not simply managing an industrial estate. We are creating the conditions in which businesses can invest, expand, manufacture and compete with confidence.

Lindel has evolved into a strategic industrial infrastructure partner, bringing together facilities, utilities, warehousing, environmental services and operational support within one managed ecosystem. The measure of our success is not only the infrastructure we build, but what that infrastructure enables our tenants to build.

AN ECONOMY RETURNING TO GROWTH

Sri Lanka's economy expanded by 5.0 per cent in 2025, marking a second consecutive year of growth. More importantly for Lindel, industrial activity grew by 7.8 per cent, while manufacturing expanded by 6.2 per cent.

These numbers point to renewed activity across the economy. They also reinforce a practical reality: industrial growth requires infrastructure to keep pace.

As manufacturing recovers, exports expand and investor confidence strengthens, businesses will need more than space. They will need reliable utilities, efficient logistics, sound environmental management and the confidence that the infrastructure supporting their operations will remain dependable as they grow.

Lindel's business model is built around that requirement. Stable recurring income from long-term land leases, warehouse rentals, infrastructure services and utility-related operations provides resilience, while continued investment ensures that the estate remains relevant to the changing needs of industry.

PERFORMANCE WITH PURPOSE

Against this improving backdrop, Lindel delivered another strong financial performance.

Group revenue increased to Rs. 599 million, supported by sustained demand for industrial infrastructure and value-added services. Profit before tax reached Rs. 926 million, while profit after tax increased to Rs. 781 million. (Including the Fair value gained on the investment property)

The continued appreciation of the Group's investment property portfolio also strengthened its financial position, contributing to an increase in total assets to Rs. 11.4 billion and total equity to Rs. 7.95 billion.

These results give Lindel the capacity to invest. That matters because financial performance is not an end in itself. Its value lies in what it allows the Company to do next.

During the year, disciplined cost management and healthy cash generation enabled us to continue strengthening infrastructure, expanding industrial capacity and improving the services available to tenants. This is how financial strength becomes operational strength, and how operational strength creates lasting value for shareholders and tenants.

BUILDING CAPACITY BEFORE IT BECOMES A CONSTRAINT

Capacity without reliability is not progress. Every expansion must be supported by infrastructure capable of sustaining it.

During 2025, Lindel continued investing in the estate's core infrastructure to improve resilience, safety and operational readiness. Capital was directed towards perimeter security, standby power capacity, internal road networks and fire protection systems. Water infrastructure was also strengthened to support continuity and the evolving requirements of tenants.

Lindel also expanded its warehousing infrastructure in response to tenant demand. A total of 15,000 sq. ft. was added during the year increasing the estate's total warehouse footprint to 562,962 sq. ft.

At the same time, the Company began making better use of existing land through its first vertical expansion project. Two additional floors were constructed, creating further industrial space without requiring a corresponding expansion of the estate's physical footprint.

This is an important shift in how we think about growth. Land is finite. Our responsibility is therefore not only to expand, but to use what we have more intelligently.

ENERGY, EFFICIENCY AND INDUSTRIAL RESILIENCE

For an industrial estate, energy is both a cost and a question of continuity.

Lindel currently operates 1.5 MW of rooftop solar generation capacity. The Group plans to increase this to 3 MW, supporting greater energy self-sufficiency while reducing reliance on conventional sources.

This investment forms part of our longer-term vision for a modern eco-industrial park. It also reflects a broader principle: sustainability must be built into the operating model, not added after growth has taken place.

Our investments in renewable energy, resource efficiency and environmental management are intended to reduce operating pressure while improving the estate's long-term resilience. They also allow tenants to operate within an industrial environment that increasingly reflects the standards expected by customers, investors and international markets.

Lindel's ISO-certified management systems provide an important foundation for this work, strengthening consistency, operational discipline and stakeholder confidence.

> **"As one of Sri Lanka's successful public-private partnerships, we have shown how collaboration can attract investment, strengthen industrial capability and create long-term value for the country."**

GOVERNANCE THAT ENABLES PROGRESS

Investment decisions of this scale require more than confidence. They require discipline.

The Board remains committed to the standards of integrity, accountability and transparency expected of Lindel. Supported by risk management, internal controls and structured oversight, our governance framework enables the Company to pursue growth while remaining responsible for how that growth is achieved.

Good governance should not slow progress. It should ensure that progress is measured, sustainable and capable of creating value over time.

During the year, the Board continued to review the Company's strategy, performance, risks and investment priorities. Our focus was to ensure that each decision strengthened Lindel's operating model, protected stakeholder interests and prepared the Company for its next stage of development.

SCALING CAPABILITY, NOT SIMPLY SPACE

Sri Lanka's improving economic direction creates a meaningful opportunity for Lindel. Industrialisation, export diversification, logistics development and private investment will increase demand for professionally managed industrial environments.

CHAIRMAN'S MESSAGE

Lindel is well positioned within this landscape. But our ambition cannot be limited to filling available land or adding warehouse space.

THE NEXT PHASE MUST BE ABOUT SCALING CAPABILITY.

That means improving the reliability of essential services, creating more efficient use of land, expanding renewable energy, strengthening environmental management and ensuring that tenants have the infrastructure needed to compete in regional and global markets.

We are building more than capacity. We are building an ecosystem in which industries can grow without having to solve every infrastructure challenge alone.

For more than three decades, Lindel has also demonstrated the value of the public and private sectors working together towards a common purpose. As one of Sri Lanka's successful public-private partnerships, we have shown how collaboration can attract investment, strengthen industrial capability and create long-term value for the country. We believe this model remains just as relevant today as it was when Lindel was first established.

That is Lindel's role in Sri Lanka's industrial progress. It is also where we see our greatest opportunity to create enduring value.

A NOTE OF APPRECIATION

The achievements of 2025 were made possible by people who understood what needed to be done and carried it through with discipline.

I thank our Chief Executive Officer and the Lindel team for their professionalism and focus throughout the year. Their work ensured that the estate continued to operate reliably while important investments and expansion projects moved forward.

I also thank my fellow members of the Board for the clarity and judgement they brought to our deliberations.
To our tenants, shareholders, business partners and other stakeholders, thank you for the confidence you continue to place in Lindel. Your partnership allows us to strengthen Sri Lanka's industrial infrastructure, support businesses as they grow and contribute to the country's economic progress.
The foundation is strong. Our responsibility now is to build on it with discipline, foresight and purpose.

Thimal Perera
Chairman

CEO'S REVIEW

"A key element of this value proposition is the Group's growing renewable energy platform through Lindel ACP Renewables Limited, which was established to expand solar energy generation within the estate. Through Lindel ACP Renewables Limited, the Group continued to strengthen its renewable energy platform and enhance the productive use of available rooftop and estate infrastructure. With 1.5 MW of rooftop solar capacity already in operation, it is expected to expand the solar capacity to 3 MW during 2026."

Dear Stakeholders,

FY2025 marked a defining year in Lindel journey as Sri Lanka's premier private sector industrial estate. As economic activity gathered momentum following a period of stabilisation, we remained focused on strengthening our operational capabilities, expanding infrastructure capacity and enhancing the services to support and enable our tenants to operate efficiently and grow sustainably.

Our theme, "Scaling Industry – Enabling Growth," reflects the progress we have made in transforming Lindel from a conventional industrial estate into an integrated industrial ecosystem that supports productivity, innovation and long-term industrial competitiveness. Throughout the year, every investment we made was guided by a single objective - to create a productive and positive environment where businesses can scale with confidence while benefiting from reliable infrastructure, operational support and sustainable resource management.

DELIVERING OPERATIONAL EXCELLENCE

I am happy to announce that Lindel continued to operate at full occupancy, reflecting the confidence our tenants place in Lindel as their preferred industrial partner. This achievement is the result of our continued commitment to delivering high service standards, maintaining reliable utilities and responding proactively to the evolving requirements of our diverse tenant base.

The company also continued to enhance the utilisation of its existing estate infrastructure in response to increasing demand for logistics, warehousing and industrial space. The company will continue to progress the recommendations of the land optimization report, with the objective of converting previously underutilized land areas into productive, leasable spaces. This will support future rental income growth, improve estate utilization and strengthen the company's ability to respond to increasing demand for industrial infrastructure.

Alongside these developments, we continued to strengthen the estate's critical infrastructure through investments in internal roads, standby power generation, boundary protection, fire water distribution systems and utility upgrades. These improvements enhance operational resilience, strengthen business continuity and reinforce the estate's reputation as a safe, reliable and professionally managed industrial environment.

Sustainability continues to be integrated into our operational decision-making rather than treated as a standalone initiative. During the year, we replaced conventional sodium vapour street lighting with energy-efficient LED systems across the estate while implementing power optimisation initiatives that reduced electricity consumption for raw water pumping by approximately 15%–20%. These initiatives contribute directly to lower operating costs, improved energy efficiency and reduced environmental impact.

CEO'S REVIEW

CREATING FINANCIAL STRENGTH

Our operational achievements during the year translated into a significant strengthening of the Group's financial performance and financial position. While the comparative period represents only nine months following the change in financial year-end, the results nevertheless demonstrate the effectiveness of our strategy, disciplined execution and resilient business model.

Group revenue increased to Rs. 599 million, driven by sustained occupancy levels, continued demand for industrial infrastructure and the expansion of our integrated utility and support services. Beyond revenue growth, the Group benefited from the continued appreciation of its investment property portfolio, resulting in a fair value gain of Rs. 418 million, reflecting the long-term value embedded within Lindel's unique industrial estate.

Profit from operations reached Rs. 861 million, while Profit Before Tax increased to Rs. 926 million, enabling the Group to record a Profit After Tax of Rs. 781 million, more than doubling the previous comparative period. These results illustrate our ability to generate sustainable earnings while carefully managing operating costs and maintaining high levels of operational efficiency. Earnings per share correspondingly improved to Rs. 1.96, reflecting enhanced value delivered to shareholders.

Our financial position also strengthened considerably during the year. Total assets increased to Rs. 11. 4 billion, supported by continued investment in infrastructure, property development and the appreciation of our investment properties, which now exceed Rs. 10.3 billion. Total equity grew to Rs. 7.95 billion, reinforcing the company's strong capital base and providing the financial flexibility required to pursue future expansion opportunities.

These financial outcomes reinforce the resilience of our integrated business model, where recurring rental income is complemented by value-added utility services, laboratory operations, renewable energy initiatives and long-term property appreciation. Together, these diversified revenue streams position Lindel to continue creating sustainable value while maintaining financial stability in an evolving economic environment.

FOCUS ON VALUE BEYOND INFRASTRUCTURE

Our role extends well beyond property management. We create value by enabling businesses to operate within an integrated industrial ecosystem that combines modern infrastructure, environmental management, laboratory services, renewable energy, utilities and responsive operational support.

A key element of this value proposition is the Group's growing renewable energy platform through Lindel ACP Renewables Limited, which was established to expand solar energy generation within the estate. Through Lindel ACP Renewables Limited, the Group continued to strengthen its renewable energy platform and enhance the productive use of available rooftop and estate infrastructure. With 1.5 MW of rooftop solar capacity already in operation, it is expected to expand the solar capacity to 3 MW during 2026.

OUR PEOPLE – OUR STRENGTH

Our people remain at the heart of Lindel's ability to deliver reliable infrastructure and exceptional service to our tenants. Despite operating with a lean workforce of just 27 employees, we continued to strengthen organisational capability through targeted investments in learning, leadership development and employee wellbeing. During the year, employees completed over 415 hours of training, while our 92% employee retention rate and zero reportable safety incidents reflect the strength of our culture, engagement and operational discipline. We also continued to advance diversity and inclusion, with female representation increasing to 33% of the workforce and 20% of senior management positions now held by females. As we prepare for the next phase of growth, we remain committed to developing a skilled, agile and future-ready workforce capable of supporting innovation, sustainability and long-term value creation for all our stakeholders.

> **"The company completed its greenhouse gas emissions assessment for 2025 in accordance with ISO 14064-1:2018 and the GHG Protocol Corporate Standard. For the year ended 31 December 2025, total greenhouse gas emissions were assessed at 414.041 tCO_2e, comprising Scope 1 emissions of 187.360 tCO_2e, Scope 2 emissions of 140.248 tCO_2e and Scope 3 emissions of 86.433 tCO_2e. The company is also working towards reducing emissions intensity and has set an internal objective of reducing emissions by 10% on a year-on-year basis through practical, operationally achievable initiatives."**

BUILDING A CLIMATE READY INDUSTRIAL ESTATE

The increasing frequency and intensity of climate-related events continue to reshape the operating environment for industrial estates. The severe weather extremities, such as Cyclone Ditwah experienced during the year, reinforced the importance of building resilience into every aspect of our operations. While our infrastructure remained robust, these events strengthened our resolve to adopt an even more proactive approach to climate preparedness, ensuring that our estate continues to provide a safe, reliable and resilient operating environment for our tenants.

Sustainability is therefore embedded within our long-term business strategy and investment decisions. The company completed its greenhouse gas emissions assessment for 2025 in accordance with ISO 14064-1:2018 and the GHG Protocol Corporate Standard. For the year ended 31 December 2025, total greenhouse gas emissions were assessed at 414.041 tCO_2e, comprising Scope 1 emissions of 187.360 tCO_2e, Scope 2 emissions of 140.248 tCO_2e and Scope 3 emissions of 86.433 tCO_2e. The company is also working towards reducing emissions intensity and has set an internal objective of reducing emissions by 10% on a year-on-year basis through practical, operationally achievable initiatives.

This approach supports Lindel's long-term ambition of transforming the estate into a modern, resource-efficient and environmentally responsible industrial park.

As we look ahead, we hope to transform Lindel into a modern, eco-friendly industrial park. Furthermore, climate resilience and environmental stewardship will remain central to our growth strategy. We will continue investing in resilient infrastructure, sustainable utilities and innovative environmental solutions that create long-term value for our stakeholders while supporting our tenants in achieving their own sustainability ambitions. Our objective is to develop Lindel as Sri Lanka's leading sustainable industrial estate, where responsible environmental management and operational excellence go hand-in-hand.

GOVERNANCE AND INTERNAL CONTROLS

The company's governance framework is supported by the Board of Directors, management, external audit, Group Internal Audit and established Board-level committees, ensuring oversight over financial reporting, risk management, internal controls and responsible business conduct. As part of this governance structure, the company continued to operate through key committees including the Audit Committee Related Party Transaction Committe and Remuneration Committe which provide focused oversight over financial reporting, internal controls, remuneration-related matters and related party transactions.

The governance framework was further supported by the internal audit process carried out by the DFCC Bank Group Internal Audit function. The 2025 Internal Audit Report assessed Lindel's overall risk level as Lower Medium, reflecting a consistent improvement from the high-risk ratings recorded in earlier years.

WAY FORWARD

The improving economic outlook presents encouraging opportunities for industrial expansion, manufacturing growth and export development. We expect demand for professionally managed industrial estates to continue increasing as businesses seek infrastructure partners capable of supporting long-term growth.

Our priorities remain clear. We will continue investing in strategic infrastructure, expanding warehousing and industrial capacity, strengthening renewable energy capabilities, enhancing operational efficiency and leveraging technology to improve service delivery.

As part of its long-term growth strategy, Lindel is exploring opportunities to acquire strategically located land for the development of a second industrial estate. This initiative reflects the company's commitment to scaling its proven industrial estate model, expanding its development footprint, and enhancing its ability to support Sri Lanka's evolving industrial sector while creating sustainable long-term value for shareholders and other stakeholders.

APPRECIATION

The achievements of the past year are the result of the dedication, professionalism and commitment of our employees, whose expertise continues to drive Lindel's success. I extend my sincere appreciation to every member of our team for their unwavering commitment to operational excellence.

I wish to extend my sincere appreciation to our Chairman and Board of Directors for their strategic guidance and continued support. I wish to place my appreciation to our longstanding tenants for their enduring partnership, and our shareholders, regulators, suppliers and all stakeholders for the trust and confidence they continue to place in Lindel.

Together, we will continue Scaling Industry – Enabling Growth while strengthening Sri Lanka's industrial landscape and creating a platform of value.

B. R. C. Cooray
Chief Executive Officer

BOARD OF DIRECTORS

MR R A DASSANAYAKE

DR K A S KEERAGALA

MR PRINS PERERA

MRS DEEPA SENEVIRATNE

MR N H T I PERERA

DR R M K RATHNAYAKE

MR A D TUDAWE

MRS J P P LIYANAGE

MR T DHARMARAJAH

BOARD OF DIRECTORS

MR THIMAL PERERA

Chairman/Non-Independent Non-Executive Director

Mr N H T I Perera was appointed to the Board of Lanka Industrial Estates Ltd in August 2022.

Mr Perera is the Director/Chief Executive Officer (CEO) (Member of the Board since July 2019 and as CEO from January 2022) of DFCC Bank PLC.

Skills and Experience

Mr Perera held the position of Deputy Chief Executive Officer from August 2017 to December 2021. He has held several senior positions in the banking sector and has over two decades of experience in the financial services and banking sector, both locally and internationally, having been with the HSBC Group, both in Sri Lanka and overseas, Commercial Bank of Qatar, Barclays Bank PLC, and at Hatton National Bank PLC. He has served as a Board member of HNB Assurance PLC, HNB General Insurance Limited, and HNB Finance Limited. He has served as a Board member of LankaPay (Pvt) Ltd., Acuity Partners (Pvt) Ltd., Acuity Stockbrokers (Pvt) Ltd., Guardian Acuity Asset Management Ltd., Lanka Ventures PLC, and LVL Energy Fund PLC. He is a Member of The Institute of Chartered Accountants of Sri Lanka and a finalist of the Chartered Institute of Management Accountants, UK.

Other Current Appointments

Listed companies: None

Other Companies

- Non-Executive Chairman of Lanka Industrial Estates Limited.
- Non-Executive Chairman of DFCC Consulting (Pvt) Limited.
- Non-Executive Director of Synapsys Limited.
- Board member of Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).
- Board member of Financial Ombudsman Sri Lanka (Guarantee) Ltd

MR PRINS PERERA

Non-Independent Non-Executive Director

Mr Prins Perera is Senior Vice President of Treasury & Investment Banking of DFCC Bank PLC. Mr Perera has held several senior positions at Commercial Bank of Ceylon PLC, with over 36 years of banking experience both locally and internationally, and retired as Senior DGM Treasury.

Mr Perera is a Fellow of Chartered Institute of Management Accountants (FCMA UK), an associate member of Chartered Global Management Accountants (CGMA-UK) and an associate member of Certified Public Accountants (CPA Australia). He holds a Master's Degree in Financial Economics from the University of Colombo, Sri Lanka, and is a Fellow Member of the Institute of Bankers - Sri Lanka (FBA).

He is a Director of National Asset Management Limited, Rockfort Advisory (Pvt) Ltd, National Advisory Board for Impact Investing, and Lanka Industrial Estates Ltd and Chairman of Lindel ACP Renewables Ltd.

MR. AMAL TUDAWE

Non-Independent Non-Executive Director

Mr Amal Tudawe was appointed to the Board of Lanka Industrial Estates Ltd., in 1992. Mr. Tudawe has over 40 years of experience in the field of Mechanical and Electrical Engineering inclusive of 5 years in the UK and 3 years in Australia. He has served Tudawe Brothers (Pvt) Ltd as Director of Engineering for over 35 years. The key strategic Business Unit responsible for the Mechanical (Heat, Ventilation, Air Conditioning, Fire Detection and Protection Systems) and Electrical Engineering of the Tudawe Group, Tudawe Engineering Services (Pvt) Ltd was established under his stewardship and he heads it currently as its Managing Director.

He has served as an Electrical Engineering Consultant for Norman Disney & Young and Barry Webb & Associates of NSW, Sydney, Australia during the period 1994 to 1996.

His qualifications include BSc (Hons) Lond, MSc (Elect.Eng.) Lond, MIEE (UK) CP Eng (Aust), MIE (Aust), MIESL, and C.Eng.

DR. R M K RATNAYAKE

Non-Independent Non-Executive Director

Dr. R. M. K. Ratnayake was appointed to the Board of Lanka Industrial Estates Limited in 2002. He is a Fellow of the United Nations University, Tokyo. He served as an Assistant Lecturer, at Colombo University, before joining the public service in 1972. He served as Director of Nutrition Policy, Ministry of Policy Planning, and concurrently Senior Assistant. He also served as Additional Secretary, Ministry of Finance and Planning, and Secretary to several Cabinet Ministers since 1994. Immediately before his retirement in 2008, he served as Secretary to the Ministry of Trade, Commerce, Consumer Affairs, Marketing Development, and Cooperatives.

Dr. Ratnayake was appointed as a member of the Presidential Commission on Cooperatives. He was a Commissioner of the Commission. He served as a Director on the Boards of the People's Bank, National Savings Bank, and Sanasa Development Bank. He also served as the Chairman of Strike, Riot and Civil Commotion and Terrorism (SRCC&T) Fund and National Wealth Corporation. He was the Chairman of CWE, Lanka Sathosa, and the Consumer Affairs Authority. He is also a Director of SANASA Campus and SANASA International Ltd.

MR. R A DASSANAYAKE

Non-Independent Non-Executive Director

Mr. R A Dassanayake was appointed to the Board of Lanka Industrial Estates Limited in 2019. Mr. Dassanayake is the Vice President of Strategic Investments and Subsidiaries of DFCC Bank PLC. He counts over 30 years of experience in banking, accounting, auditing, consulting, and advisory services. He is a director of several subsidiaries. He is the Chairman of Lindel Industrial Laboratories Limited and associate companies of DFCC and is also a member of several management committees.

He has held positions as the Head of Budgeting and Planning of DFCC Vardhana Bank PLC, Chief Executive Officer and Chief Risk and Operations Officer of Lankaputhra Development Bank, and Partner, Audit Assurance and Consulting of BDO Partners Sri Lanka. He holds his Masters from PIM, University of Sri Jayewardenepura, and his first degree in Accountancy from the same university. He is also a Fellow Member of CA Sri Lanka and an Associate of CIMA UK.

He holds Director positions at National Asset Management Ltd, Lindel Industrial Laboratories Ltd, Synapsys, DFCC Consulting (Pvt) Limited, and Rokfort Advisories Pvt Lt.

DR. K A S KEERAGALA

Independent Non-Executive Director

Dr. K A S Keeragala was appointed to the Board of Lanka Industrial Estates Ltd., in February 2022. Dr. Keeragala has served in all parts of Sri Lanka in the capacities of Assistant Government Agent Secretary, Divisional Secretary, Provincial Secretary, Additional Secretary of line Ministries such as and Indegenious Health(2013-2015), and Secretary of the State Ministry of Finance in 2018. The last position held by Dr. Keeragala was as State Secretary, of Ministry of National Policies & Economics Affairs Secretary in 2019, and the State Ministry of Finance in 2019.

Meanwhile he served as Executive Chairman of Sri Lanka Insurance Corporation Ltd from 218-2019.

Also he has served as member of Board of Directors of several Public Sector Enterprises including Sri Lanka Telecom PLC in 2024.

Dr. Keeragala holds a Professional Doctorate in Management from the Global University, California USA, and a Master of Arts (Economics) Specialized in Financial Markets, at the University of Colombo Sri Lanka. Dr Keeragala has also followed an MBA Program at PGIA, University of Peradeniya, and an M.Sc. (Management) Program at the University of Sri Jayewardenepura. He also holds a Bachelor of Science (Public Administration) Special Degree from the University of Sri Jayewardenepura and is an Attorney-at-Law of the Supreme Court of Sri Lanka. Dr Keeragala has completed Licenciate Level of Institute of Chartered Accountants of Sri Lanka (CASL)and a member of Association of Accounting Technicians of Sri Lanka (AAT).

MR. T DHARMARAJAH

Independent Non-Executive Director

Mr.T. Dharmarajah was appointed to the Board of Lanka Industrial Estates Ltd., in December 2021. Mr. Dharmarajah is the Senior Partner (Audit & Assurance) of M/S Amerasekera & Company and serves as a Director of Renuka City Hotels PLC, Cargo Boat Development Company PLC, Raigam Wayamba Salterns PLC, Raigam Southern Salterns (Private) Limited, Hapugastenne Plantations PLC & Udapussellawa Plantations PLC, Management Applications (Pvt) Limited, and DHS Medical Group (Private) Limited.

He is a Member of the Council of the University of the Visual and Performing Arts, the Postgraduate Institute of Indigenous Medicine, and the Standing Committee on Management Studies of the University Grants Commission. He was a Director of DFCC Bank PLC and DFCC Vardhana Bank, a Member of the Board of Management Postgraduate Institute of Management and Curriculum Development Committee of the National Institute of Education. He was also a Member of the Council of the Institute of Chartered Accountants of Sri Lanka and University of Sri Jayewardenepura. He is also a former president of the Association of Accounting Technicians of Sri Lanka.

Mr. Dharmarajah holds a BSc. Management (Sp) Degree of the University of Sri Jayewardenepura and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Association of Accounting Technicians of Sri Lanka, and Institute of Public Finance & Development.

MRS. DEEPA SENEVIRATNE

Independent Non-Executive Director

Mrs. Deepa Seneviratne was appointed to the Board of Lanka Industrial Estates Ltd., in December 2021. Mrs. Seneviratne is a retired Director of the Central Bank of Sri Lanka and a member of Tax Default Advisory Commission – Inland Revenue Department.

Mrs. Seneviratne has 32 years at the Central Bank of Sri Lanka in various capacities and under numerous departments holding diversified responsibilities as Deputy Director of

BOARD OF DIRECTORS

Statistics, Additional Superintendent of Employees' Provident Fund, Superintendent of Public Debt, Director of Information Technology, and Superintendent of Currency. She was also a Director of Sri Lanka Export Credit Insurance Cooperation and Canwill Holding (Pvt) Limited.

Mrs. Seneviratne holds a BSc. of Arts degree in Statistics and Development Studies from the University of Sri Jayewardenepura and a Master in Economics from Ohio University, (USA).

MS. J.P.P. LIYANAGE

Non-Independent Non-Executive Director

Ms. J P P Liyanage was appointed to the Board of Lanka Industrial Estates Ltd in November 2024 as the representative of the General Treasury. She currently serves as a Director of the Department of Public Enterprises at the General Treasury of Sri Lanka, a position she has held since January 2011, bringing over two decades of extensive experience in public enterprise management, financial analysis, and policy development.

She holds a Master of Arts in Financial Economics from the University of Colombo and a First Class Honours Bachelor of Commerce degree from the University of Peradeniya. Her professional qualifications include the APMG International Certified PPP (Public-Private Partnership) Professional (CP3P) certification, Licentiate II of the Institute of Chartered Accountants of Sri Lanka, and membership in the Association of Accounting Technicians of Sri Lanka. She has also completed specialized training in company secretarial practice through CIMA.

In her current capacity, Ms. Liyanage is actively involved in overseeing the financial performance and governance of state-owned enterprises (SOEs), including the formulation of policy guidelines and circulars. She also contributes to public procurement processes, particularly Public-Private Partnership (PPP) initiatives, serving as a senior project officer at the National Agency for Public-Private Partnership. In addition, she plays a key role in monitoring and evaluating post-privatization activities under the relevant legislative framework.

Before joining the General Treasury, she served as a senior manager at the Public Enterprises Reform Commission (PERC) from 1997 to 2010, where she led major public-sector reform programs, including privatization, restructuring, and post-transaction monitoring of state enterprises.

Ms. Liyanage has represented the General Treasury on the Boards of several State-Owned Enterprises, including Lanka Coal Company Ltd, Lanka Phosphate Ltd, and the Telecommunications Regulatory Commission of Sri Lanka. She has also previously served on the Boards of Chilaw Plantations Ltd, Canwill Holdings Ltd, Sino Lanka Hotels & Spa Ltd, Colombo Commercial Fertilizer Ltd, Sri Lanka Tea Board, and Paranthan Chemical Company Ltd, among others.

SENIOR MANAGEMENT

Mr B R C Cooray
Chief Executive Officer

Mr U J Senanayake
Chief Operating Officer

Mr Lakmal Rodrigo
Head of Finance and Compliance

Ms W P C Withanage
Finance Manager

Mr S D Jayasuriya
Deputy General Manager

MR B R C COORAY

Chief Executive Officer

Mr. B R C Cooray is a highly experienced and accomplished professional with a career spanning over 32 years, during which he has held key leadership roles in diverse industries. He earned his MBA from the prestigious Cardiff Metropolitan University in the UK and is a distinguished member of the Certified Management Accountant (CMA) Australia, where he also serves as an executive committee member of the local institute. Additionally, he holds certifications from the Sri Lanka Institute of Marketing and the Asian Institute of Marketing, further showcasing his expertise and commitment to excellence.

Mr. Cooray's career journey began in 1994 as a trainee at HLB Edirisinghe & Co. and then moved to Hemas Garment (Pvt) Ltd, where he laid the foundation of his professional success. Subsequently, he joined the National Prawn Company (NPC) in Saudi Arabia, a significant player in the desert coastal shrimp cultured project and the world's largest vertically integrated venture of its kind. In 2000, he moved to MacBertan (Private) Limited, a prominent conglomerate in Sri Lanka and the pioneer in heat insulation manufacturing in the country. There, he contributed significantly to the company's growth and achievements during his successful eight-year tenure. Following his impactful stint at MacBertan, he assumed the role of Head of Finance at McLarens Lubricants cluster, where he had the opportunity to work with renowned global entities like Exxon Mobil and Sinopec Corporation. During this period, Mr. Cooray played a vital role in several turnaround initiatives and garnered multiple accolades for the McLarens Lubricants cluster.

Before becoming the CEO of Lindel, he served as the General Manager at McLarens Property cluster, showcasing his adaptability and proficiency in diverse business domains. He was appointed as Director of LILL with effect from 1st February 2024.

Mr Cooray is the current CEO of Lindel and Executive Director and CEO of LILL. Inaddition Mr Cooray is a Director of Lindel ACP Renewables Ltd. He continues to leverage his wealth of experience, strategic acumen, and dynamic leadership to steer the company toward unprecedented growth and success.

MR U J SENANAYAKE

Chief Operating Officer

Mr. Upul Senanayake started his professional career as an Assistant Engineer at the National Water Supply and Drainage Board and also worked as a civil/site engineer at several engineering companies before joining Lindel in 1999. As the Senior Operations Manager and Chief Operating Officer with more than 27 years of experience working at Lindel, Mr. Senanayake handles engineering related operational and management functions, infrastructure development and maintenance, project implementation and management, marketing of lands and buildings, and other related corporate management functions.

Mr. Senanayke has a bachelor's degree in Mechanical Engineering from the University of Peradeniya and a National Diploma in Technology in Civil Engineering from the University of Moratuwa.

SENIOR MANAGEMENT

He completed his MBA in Business Administration from the University of Colombo and is a lifetime member of the MBA Alumni of Colombo University. He is currently reading for his Ph.D. in Business Administration and is an associate member of the Doctor of Business Administration Alumni of Kelaniya University (DBAAKU).

MR LAKMAL RODRIGO

Head of Finance and Compliance

Mr. Lakmal Rodrigo serves as the Head of Finance and Compliance at Lanka Industrial Estates Limited from May 2025 onwards. He is an experienced professional in Capital Markets/Finance/Compliance and Auditing for more than 24 years. After completion of CA Sri Lanka training requirements, Mr. Rodrigo commenced his professional career at Abans Limited and subsequently served at Colombo Stock Exchange and LOLC Securities Limited. Before joining Lanka Industrial Estates Limited, he played a pivotal role at LOLC Securities Limited for 14 years since its inception, holding several key positions, including Senior Manager Finance and Senior Manager Compliance. He was actively involved in Financial Management, Regulatory Compliance, System Implementation, Legal and Governance matters, strategic planning, and process development activities during the said period.

Mr. Rodrigo holds a Bachelor of Commerce (Special) degree from the University of Sri Jayewardenepura. He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and an Associate Member of the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka).

MS CHANDANI WITHANAGE

Finance Manager

Ms. Chandani Withanage serves as the Finance Manager of Lanka Industrial Estates Ltd, providing strategic leadership in financial management, governance, and business performance since October 2022. With over 21 years of progressive experience across leading manufacturing and service sector organizations in Sri Lanka, she brings a strong blend of financial expertise, operational insight, and strategic leadership to the company. She is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and holds a BSc in Business Administration (Special) as well as an MBA in Finance from the University of Sri Jayewardenepura.

Ms. Withanage commenced her professional career at Ceylon Cold Stores PLC, a subsidiary of John Keells Holdings PLC, where she gained extensive exposure to finance and accounting functions across multiple subsidiaries within the Group over a span of ten years. She subsequently joined Lanka Canneries (Pvt.) Ltd as Financial Accountant, contributing significantly to financial reporting, budgeting, financial controls, and operational finance management.

Before joining Lanka Industrial Estates Ltd, she served as Manager – Internal Audit at Cantec Printing and Packaging (Pvt) Ltd, where she played a key role in strengthening internal controls, governance frameworks, and risk management practices.

Throughout her career, Ms. Withanage has developed extensive expertise in financial accounting, management accounting, financial management, taxation, auditing, internal controls, and corporate governance. Further, she has immensely contributed to the success of ERP implementation, application, and automation of critical accounting and financial processes of current and preceding organizations. Her strong professional background, combined with her commitment to operational excellence and sustainable value creation, continues to support the company's long-term financial stability and strategic growth initiatives.

MR S D JAYASURIYA

Deputy General Manager-Lindel Industrial Laboratories Limited.

Mr. Sulakshana Jayasuriya is Heading the operations in Lindel Industrial Laboratories Limited (LILL). He has over 18 years of experience in the industry. Mr. Jayasuriya joined LILL in 2010 and was promoted to his current position in 2024.

He holds a Bachelor's degree in Chemistry from the College of Chemical Science (Ceylon) and Post Graduate Diploma in Analytical Chemistry from the University of Colombo. He is the current Vice President of the Sri Lanka Association of Testing Laboratories (SLATL).

Mr. Jayasuriya is a Qualified Technical Assessor in ISO 17025 and ISO 17043 in Sri Lanka Accreditation Board (SLAB).

MIDDLE MANAGEMENT

Mr K G U S Kumarasiri
Assistant Accountant

Mr S A A G Senarathna
Technical and Quality Manager

Ms K G Galagedara
Service Engineer

VALUE CREATION REPORT

OPERATING ENVIRONMENT

ECONOMIC RECOVERY CREATING NEW OPPORTUNITIES FOR INDUSTRIAL DEVELOPMENT

Sri Lanka's operating environment in 2025 represented a transition from macroeconomic stabilisation towards a more sustainable growth trajectory. The gradual restoration of economic stability, easing inflationary pressures, improving foreign exchange liquidity and continued structural reforms strengthened business confidence and created a more favourable environment for industrial investment and private sector expansion.

For industrial estate developers such as Lindel, the improving macroeconomic landscape translated into renewed tenant confidence, increasing industrial activity and stronger demand for quality industrial infrastructure. The gradual recovery in manufacturing, logistics, exports and investment supported occupancy levels while creating opportunities for future estate expansion.

GLOBAL OPERATING ENVIRONMENT

The global economy expanded by approximately 3% during 2025, although growth remained uneven across regions. Inflation moderated significantly compared with previous years, yet major central banks maintained relatively high interest rates to contain persistent inflationary pressures.

Global manufacturers continued to diversify supply chains, strengthen regional production networks and improve operational resilience amid ongoing geopolitical uncertainties. These trends increased the importance of strategically located industrial parks capable of offering reliable infrastructure, operational efficiency and sustainable utilities.

Meanwhile, global sustainability expectations continued to reshape industrial development. Greater emphasis was placed on renewable energy, resource efficiency, green infrastructure and climate resilience, encouraging industrial estate operators to integrate environmental considerations into long-term development strategies.

LOCAL OPERATING ENVIRONMENT

Sri Lanka continued its economic recovery during 2025, supported by prudent monetary policy, fiscal reforms and the continued implementation of the IMF-supported economic programme. Inflation declined to low single-digit levels, while tourism, worker remittances and improving foreign exchange inflows strengthened external sector stability.

Economic activity expanded steadily, led by the services sector, while industrial production gradually recovered alongside improving domestic demand and increasing investor confidence. Although construction activity remained below historical levels, the sector showed signs of stabilisation as financing conditions improved and private sector investment gradually resumed.

These developments created a more supportive environment for industrial real estate, warehousing, logistics facilities and manufacturing investments.

INDUSTRIAL PROPERTY MARKET

The recovery in economic activity was accompanied by renewed momentum in Sri Lanka's property market, particularly within commercial and industrial land segments.

The continued appreciation of industrial land values reflects increasing demand for well-serviced industrial locations offering reliable infrastructure, accessibility and operational efficiencies. This trend is particularly significant for Lindel, whose extensive industrial land holdings and infrastructure assets position the Company to benefit from both asset appreciation and future development opportunities.

The gradual recovery of the construction sector, combined with renewed industrial investment and warehouse development, further strengthened demand for industrial premises and value-added estate services. While construction costs remained relatively elevated, improving financing conditions and stronger business confidence supported a gradual increase in private sector investment activity.

MANUFACTURING AND LOGISTICS

Manufacturing activity showed continued recovery during the year as export-oriented industries adjusted to evolving global demand patterns and domestic operating conditions improved. Greater focus on supply chain resilience, operational efficiency and sustainability encouraged manufacturers to consolidate operations within integrated industrial estates capable of providing dependable infrastructure and utility services.

The logistics sector also benefited from higher tourism, improving trade flows and the gradual normalisation of imports, particularly following the relaxation of vehicle import restrictions. These developments supported demand for warehousing, storage facilities and industrial support services, creating new opportunities for industrial estate operators.

INFRASTRUCTURE AND UTILITIES

Reliable infrastructure remained a key competitive differentiator for industrial estates during the year. Businesses increasingly prioritised locations capable of providing uninterrupted utility services, efficient transport connectivity, environmental compliance and integrated operational support.

Industrial estate operators continued investing in internal road networks, renewable energy solutions, water management systems, wastewater treatment facilities, security infrastructure and digital monitoring systems to improve operational resilience while supporting tenant productivity.

Growing environmental expectations also accelerated investments in energy-efficient infrastructure, water recycling, waste management and climate adaptation initiatives, reinforcing the long-term sustainability of industrial developments.

SUSTAINABILITY AND INDUSTRIAL DEVELOPMENT

Environmental sustainability continued to gain prominence within industrial development strategies. Increasing regulatory expectations, customer requirements and investor focus encouraged businesses to reduce carbon emissions, improve resource efficiency and strengthen environmental stewardship.

Industrial estates capable of supporting renewable energy generation, circular resource management and environmentally responsible infrastructure are increasingly viewed as strategic partners in enabling sustainable industrial growth. These trends align closely with Lindel's continued investments in renewable energy, environmental monitoring, wastewater treatment, recycling initiatives and sustainable estate infrastructure.

INDUSTRIAL PROPERTY MARKET

The improving macroeconomic environment was reflected in the continued appreciation of land values across Sri Lanka's commercial and industrial property market during 2025. Rising investor confidence, easing inflation, improving financing conditions and the gradual recovery in economic activity contributed to renewed demand for strategically located land suitable for industrial, logistics and commercial developments.

According to the Central Bank of Sri Lanka's Land Valuation Indicator (LVI) for the Colombo. On a sequential basis, land values continued to appreciate, indicating sustained market momentum despite a more moderate pace of growth. The overall LVI reached 261.9, representing its highest level since the index was introduced (base period: 2017 H1 = 100).

Growth was evident across all property categories, although movements varied according to land use:

Land Category	Annual Growth (2025 H2)	Index Value
Residential	12.4%	273.1
Commercial	11.3%	260.6
Industrial	8.0%	251.9
Overall Land Valuation Indicator	10.6%	261.9

Land Category	Indicator Value – H2 2024	Indicator Value – H2 2025	Annual Growth
Residential land	242.9	273.1	12.40%
Commercial land	234.1	260.6	11.30%
Industrial land	233.2	251.9	8%
Overall Land Valuation Indicator	236.8	261.9	10.60%

Source: Central Bank of Sri Lanka, Land Valuation Indicator – Second Half of 2025

Industrial land values, while recording comparatively moderate growth of 8.0%, continued their steady upward trajectory, increasing from an index value of 233.2 in the second half of 2024 to 251.9 by the second half of 2025. Commercial land values increased more rapidly, reflecting renewed business activity, stronger investor confidence and growing demand for strategically located commercial properties.

The continued appreciation of industrial land is particularly significant for Lindel. As one of Sri Lanka's established industrial estates with strategically located land, purpose-built factories, warehousing facilities and supporting infrastructure, the Group benefits not only from the increasing intrinsic value of its property portfolio but also from stronger long-term demand for industrial accommodation. Rising replacement costs of industrial land and infrastructure further reinforce the strategic value of Lindel's existing estate and create opportunities for future expansion, redevelopment and value enhancement.

WAY FORWARD

Sri Lanka enters the next phase of its recovery with stronger macroeconomic fundamentals, improving investor confidence and renewed industrial activity. Continued economic reforms, infrastructure development and digital transformation are expected to support greater private sector investment over the medium term.

For Lindel, these developments create favourable conditions to strengthen its position as a leading industrial estate developer by expanding industrial infrastructure, enhancing tenant services and delivering sustainable long-term value. Rising industrial land values, improving manufacturing activity and growing demand for high-quality industrial facilities position the Company to capitalise on emerging opportunities while continuing to enable sustainable industrial growth.

RISK MANAGEMENT

OVERVIEW

Risk is associated with the overall operation of a business entity. These are things that impair its ability to provide investors and stakeholders with adequate returns. Therefore, risk management is vital for any entity irrespective of in which industry it operates. As per the Corporate Governance Framework, the Board is responsible for ensuring an effective risk management process and a sound system of internal controls to safeguard shareholders' investments and the company's assets. Lindel is committed to continuously rectifying and strengthening the risk management framework to reflect changing elements in the operating environment and to ensure alignment with the company's business strategy.

As a property management company, Lindel saw a significant rise in risks over the last year and adapted to the changes in the environment. Lindel always believed that managing risk is an evolving process that needs to be relooked with the changes in the operating environment. The success of the entity depends on how fast it can adapt to the changes by mitigating the new risks evolving from time to time.

KEY RISKS IDENTIFIED DURING THE YEAR

1. Price Risk

- Price increase of maintenance and construction materials
- Price increases in service providers

2. Default Risk

- Tenants may default their payments due to adverse economic conditions

3. Sri Lankan Economic Context

Sri Lanka continued to strengthen its post-crisis recovery during 2025, supported by improved macroeconomic stability, continued policy reforms and renewed confidence across key sectors of the economy. The economy recorded real GDP growth of 5.0% during the year, marking the second consecutive year of expansion following the severe economic contraction experienced during the crisis period.

External sector conditions also improved, supported by strong workers' remittances, services inflows and tourism-related activity. The current account recorded a surplus for the third consecutive year, amounting to 1.6% of GDP in 2025. Foreign exchange reserves continued to strengthen, supported by improved inflows and foreign exchange purchases by the Central Bank, although the Sri Lankan rupee recorded a modest depreciation under the flexible exchange rate regime..

4. Sri Lanka's Road to Recovery

Sri Lanka's economy continued its gradual recovery during 2025, supported by improved macroeconomic stability, continued policy reforms and the restoration of business confidence following the economic crisis. The year marked an important phase in the country's stabilisation journey, with stronger economic activity, low inflation, improved external sector conditions and continued progress under the reform framework.

Fiscal consolidation and debt sustainability remained central to the recovery process. Continued implementation of reforms under the IMF-supported programme, together with progress in revenue mobilisation and expenditure management, supported improvements in fiscal performance. These measures are expected to remain important in sustaining macroeconomic stability and restoring investor confidence over the medium term.

While the recovery has gained momentum, Sri Lanka's economic outlook remains subject to several risks, including global economic uncertainty, external demand pressures, energy price volatility, climate-related disruptions and the need for continued policy consistency. Therefore, the country's road to recovery requires sustained reforms, disciplined fiscal management, investment promotion and continued strengthening of institutional and governance frameworks..

RISK MANAGEMENT PROCESS

The Risk Management Process of Lindel has been designed to ensure the identification of any incident or circumstance that would negatively affect the accomplishment of the company's objectives. Further, Risk Management Process provides reasonable assurance regarding the achievement of financial and nonfinancial strategic objectives of the company. Fanatical and adequate identification, evaluation, and management of risks are crucial in the sustainable value creation process of the Group which assures continuity of operations and achievement of financial, operational, and social objectives of the entity.

1. Identification of Risks

Identifying possible issues before they occur assures that risk-mitigation activities are planned and initiated when essential to mitigate negative impacts that hamper the continuity of a business and prevent it from achieving its objectives. Therefore, identifying the correct risks is the fundamental requirement of the Risk Management Process.

2. Risk Assessment

After identifying the risks, company assesses the entity's exposure to those risks that could impact its day-to-day operations and estimates the damage those events could have on an organisation's revenue and reputation. Effectively assessing an organisation's risks help protect assets, improve decision making and optimize operational efficiency across the board to save money, time, and resources.

3. Risk Mitigation Plan

This is also referred to as Risk Response Planning. After identifying and assessing the risks, Lindel sets out a plan to treat or modify these risks to achieve acceptable risk levels. To do this, Lindel creates risk mitigation strategies, preventive plans, and contingency plans in this step and also adds risk treatment measures for the highest ranking or most serious risks to the Project Risk Register.

4. Implementation and Monitoring

Selected plans and actions are then implemented within the company. Senior Management will be responsible for ensuring that resources are provided, that the proposed actions are taken, and that they are having the desired effect.

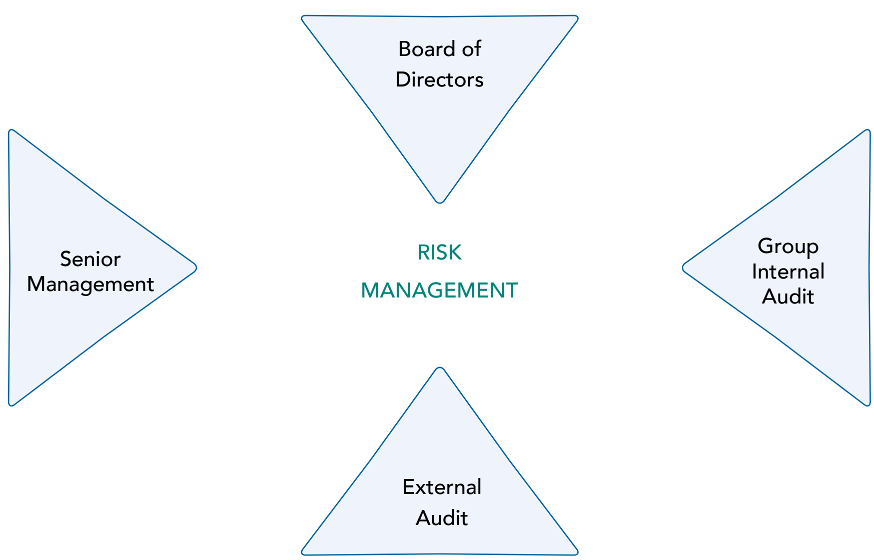
5. Review and Update Risk Plan

As the final step, the company follows up, reviews and updates the Risk Plan. Risk analysis results and management plans are updated periodically to check the previously selected security controls are still applicable and effective and to evaluate the possible risk level changes in the business environment.

RISK GOVERNANCE

The Board is responsible for risk management of the Group and is assisted by internal auditors of DFCC Bank PLC who conduct risk-based audits annually and submit reports which include risk assessments and an evaluation of the strategies implemented to identify, measure, monitor, manage and mitigate risks. Additionally, the Senior Management team monitors the risk landscape for emerging risks and communicates the same to the Board of Directors.

Internal and external audits are pivotal in the Risk Management Process. Reports of these audits are reviewed by the Board of Directors and action is taken to manage and mitigate any risks that have been identified. Significant audit findings by the auditors are immediately reviewed by the Board of Directors. The company's system of internal controls covers all policies and procedures, enabling significant strategic and operational risks to be managed. The Internal Audit team communicates with the finance department regularly to exchange information and perspectives. Issues identified at these discussions as being a potential risk are immediately subjected to a fuller investigation.



Material Risks

High-Risk

- Risk from Economic Recession
- Political Instability

Moderate Risk

Competitor risk
- Credit risk
Environmental risk
- Regulatory risk
- Price risk
- Socioeconomic risk
- Fire and natural disaster risk

Low Risk

- Fraud risk
- IT and Cyber risk
- Liquidity risk
- Compliance risk
- Human resources risk
- Reputation risk
- Investment risk

RISK MANAGEMENT

Risk	Risk Assessment	Impact	Mitigation Actions
Competitor risk		Loss of new businesses due to competition and new entrants	Improving service accessibility and expanding customer reach. Increased marketing Diversifying business operations to look for new income sources Steps were taken to build a long-lasting relationship with the customers by entering into long term agreements. Have a good rapport with the tenants and respond positively to their requests.
Credit risk		Debtors defaulting payments	Undertake comprehensive customer evaluation before taking a tenant on board. Obtaining security deposits from tenants. Continuous and close follow up with debtors Impose penal interest on late payments
Liquidity risk		Inability to meet financial commitments	Planned capital investments to ensure working capital requirements are met Surplus cash is invested in fixed deposits only with licensed commercial banks Maintaining a healthy rapport with banks to finance urgent funding requirements
Fraud risk		Financial frauds due to inadequate internal controls	Regular review of controls and changes are being made to the processes. Internal audits are carried out periodically and share the findings with the Board of Directors on any significant deviations of controls. Incorporate stringent Delegation of Authority. Follow Standard Operating Procedures.
IT and Cyber risk		Potential loss of data due to a cyber attack	Continuous monitoring of potential threats to the information system by a dedicated 3rd party supplier. Deploying the latest cyber security software to prevent any cyber-attack. Making staff aware of any threats and maintaining information security.
Regulatory risk		The risk from changes in laws and regulations can impact the business operations	Maintaining a sound corporate governance practice to keep with industry's best standards Continuous reviewing of changes in laws and regulations Monthly compliance report sent to Board of Directors for review
Environmental risk		Adverse impact on the environment from entity's operations	Making awareness among employees on minimizing the impact on the environment Strictly adhering to the waste disposal guidelines imposed by relevant authorities

Risk	Risk Assessment	Impact	Mitigation Actions
Price risk	▶	An increase in general price levels will result in higher costs	Securing low prices through long term relationships with suppliers Calling for competitive quotations
Compliance risk	▶	Environmental and other laws disrupt operations	Complying with all the laws applicable and closely monitoring any deviations throughout the year
Human resources risk	▶	Loss of employees for better career aspects	Continuous engagement and hosting social and welfare events. Training and development opportunities provided for the employees Open door policy for employees to express their concerns to their superiors Remuneration packages are benchmarked to ensure that they remain competitive, including incentive arrangements where appropriate Regular staff meetings are arranged to convey key management decisions to keep the employees informed on significant changes.
Socio economic risk	▶	Political and economic policies may hurt revenue and new businesses	Continuous review of prices and negotiations with clients to ensure minimal impact on the revenue Pre-budget any possible adverse policy changes and account for the impact on the business.
Reputation risk	▶	Negative impact on corporate image and brand which will ultimately lead to loss of business	Maintenance of highest ethical conduct in all business activities Maintaining a strong relationship with key stakeholders and ensuring their needs are satisfied. Engage in various activities to develop the well-being of the surrounding communities. Application for Trade Mark Registration.
Investment risk	▶	Failure of major investments to give expected returns	Conduct feasibility studies and obtain Board approval for all the major investments. Making accurate project estimates using expert advice.
Fire and natural disaster risk	▶	Fire or natural disasters can affect the company's properties and assets	Obtaining comprehensive insurance policies covering all assets Fire training and fire drills. Follow fire evacuation plan and awareness among the employees and security staff. Ensure fire hydrant system is in operation 24 hours, 7 days.

▶ High ▶ Moderate ▶ Low

STAKEHOLDER ENGAGEMENT

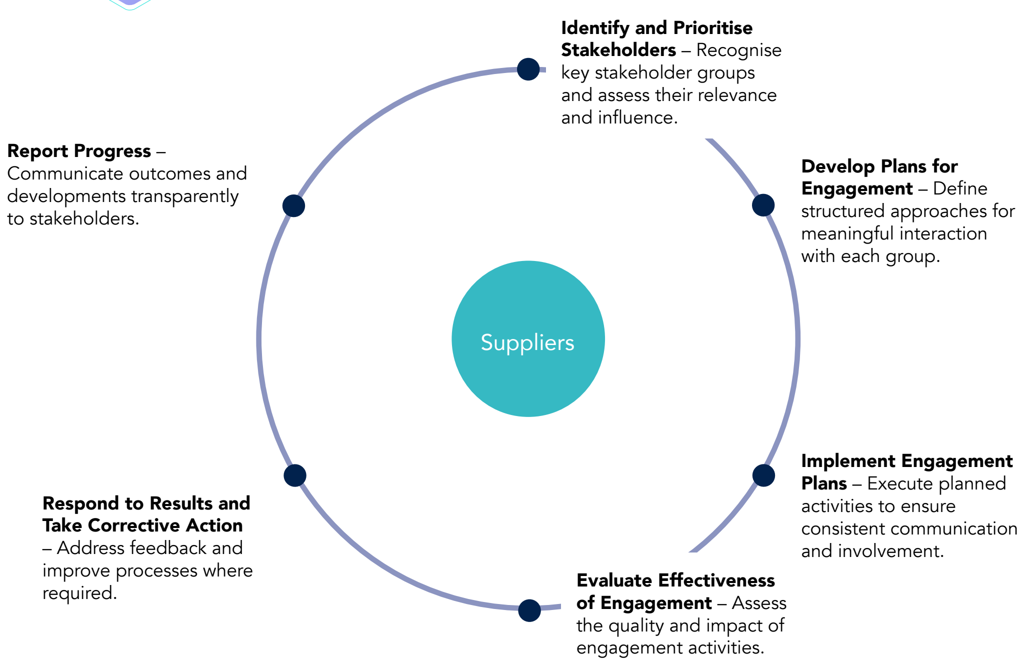
Stakeholder engagement is a critical component of Lindel's operating model as an integrated industrial estate developer. It ensures that the interests, expectations, and concerns of all relevant parties – shareholders, tenants, employees, regulators, suppliers, and surrounding communities – are systematically understood, and addressed.

Effective engagement supports operational efficiency by aligning estate infrastructure and services with tenant requirements, enhancing day-to-day operations, and enabling timely responsiveness to emerging needs. It also strengthens compliance and risk management by maintaining ongoing dialogue with regulatory bodies and ensuring adherence to environmental, health, and safety standards.

From a strategic perspective, stakeholder engagement enhances transparency and trust, which are essential in a multi-tenant industrial environment, where shared resources and proximity can amplify both opportunities and risks. It further contributes to long-term value creation by fostering collaboration, encouraging responsible business practices, and supporting sustainable development outcomes across the estate ecosystem.

Stakeholders

STAKEHOLDER ENGAGEMENT PROCESS



SHAREHOLDERS 7 Shareholders	CUSTOMERS 42 Tenants	EMPLOYEES 27 Employees
Relevance to Business	**Relevance to Business**	**Relevance to Business**
Provide capital and expect sustainable returns.	Occupy estate facilities and drive operational demand.	Deliver operational capability and innovation.
Expected Outcomes	**Expected Outcomes**	**Expected Outcomes**
Financial stability, dividend growth, and long-term value creation.	Reliable infrastructure, service quality, and long-term occupancy satisfaction.	Productivity, retention, training and development, and organisational resilience.
REGULATORY BODIES 10 Regulatory Bodies	**SUPPLIERS 250 Suppliers**	**COMMUNITY 4 Community Projects**
Relevance to Business	**Relevance to Business**	**Relevance to Business**
Ensure compliance with laws and standards.	Enable continuity of operations through goods and services.	Provide social relevance and local support.
Expected Outcomes	**Expected Outcomes**	**Expected Outcomes**
Legal compliance, reduced risk, and licence to operate.	Supply chain reliability and cost efficiency	Reputational strength, reduced conflict, and sustainable coexistence.

Power & Influence	LOW — Interest & Involvement	HIGH — Interest & Involvement
HIGH	**CONSULT** Shareholders, Regulatory Bodies	**INVOLVE** Customers, Employees
LOW	**MONITOR** Media, General Public	**COLLABORATE** Suppliers, Community

STAKEHOLDER ENGAGEMENT STRATEGY

Quality of Engagement

- • No existing relationship
- •• Relationship established and its quality has not significantly improved
- ••• Relationship established and adds value to both parties, with room for improvement
- •••• Good quality, mutually beneficial relationship with room for improvement
- ••••• Strong, mutually beneficial relationships

SHAREHOLDERS

Quality of Engagement •••••

Engagement Mode	Focus Areas	Responses and Outcomes
Annual Report Frequency of Engagement Annually	Return on investment	Corporate Governance Pages 78-94
Annual General Meeting Frequency of Engagement Annually	Ethical corporate conduct and good governance	Financial Capital Pages 42-47
Management Accounts Frequency of Engagement Monthly	Prudent risk management	Risk Management Pages 28-31
Company Website Frequency of engagement ongoing		

STAKEHOLDER ENGAGEMENT

CUSTOMERS AND TENANTS

Quality of Engagement ••••

Engagement Mode	Focus Areas	Responses and Outcomes
Customer Survey Frequency of Engagement Annually	High levels of security	Social and Relationship Capital Pages 66-73
Company Website Frequency of Engagement Ongoing	Uninterrupted services	Intellectual Capital Pages 60-65
Meetings Frequency of Engagement as required	High quality facilities - Value for money	Manufactured Capital Pages 48-51
Visits to Monitor Frequency of engagement as required	Improvement of facilities and upgrades	

EMPLOYEES

Quality of Engagement •••••

Engagement Mode	Focus Areas	Responses and Outcomes
Staff Meetings Frequency of Engagement as required	Skills development and career progress	Human Capital Pages 52-59
Performance Appraisals Frequency of Engagement Annually	Job security	
Memos Frequency of Engagement as required	Attractive reward schemes	

SUPPLIERS

Quality of Engagement •••

Engagement Mode	Focus Areas	Responses and Outcomes
Meetings Frequency of Engagement as required	Prompt settlement of payments	Social and Relationship Capital Pages 66-73
Written Communications Frequency of Engagement Annually	Maintaining longstanding partnerships	

REGULATORY BODIES

Quality of Engagement •••

Engagement Mode	Focus Areas	Responses and Outcomes
Meetings Frequency of Engagement as required	Prompt settlement of payments	Financial Capital Pages 42-47
Written Communications Frequency of Engagement Annually	Maintaining longstanding partnerships	Natural Capital Pages 74-77 Corporate Governance Pages 78-94

COMMUNITY

Quality of Engagement •••

Engagement Mode	Focus Areas	Responses and Outcomes
Meetings Frequency of Engagement as required	Minimised impact on the environment	Social and Relationship Capital Pages 66-73
CSR Initiatives Frequency of Engagement Annually	Job opportunities Supporting growth, progress and health	Natural Capital Pages 74-77

MATERIALITY ASSESSMENT

Lindel identifies material matters based on their potential to influence the company's ability to create value over the short, medium, and long term. This determination is made through a structured materiality assessment that incorporates a comprehensive evaluation of the operating environment, emerging trends, business priorities, and stakeholder expectations.

Once material topics are identified, Lindel continuously monitors and reviews these areas to ensure that associated risks and opportunities are managed within the organisation's defined risk appetite. This approach enables the company to develop strategies that support sustainable value creation for both the business and its stakeholders, while enhancing organisational resilience and the long-term sustainability of operations.

The process adopted by Lindel to identify, prioritise, and respond to material matters, together with the corresponding action plans, is outlined below.

IDENTIFY ISSUES THAT HAVE A MATERIAL IMPACT ON THE COMPANY'S ABILITY TO CREATE VALUE FOR ITS STAKEHOLDERS	EVALUATE THE SIGNIFICANCE OF EACH IDENTIFIED MATTER TO THE COMPANY AND ITS STAKEHOLDERS	RANK AND PRIORITISE EACH MATTER BASED ON ITS OVERALL SIGNIFICANCE	DISCLOSE AND REPORT ON MATERIAL TOPICS TO THE BOARD AND STAKEHOLDERS	REVIEW AND EVALUATE PROGRESS TO IDENTIFY AREAS FOR IMPROVEMENT

Lindel prioritises material issues based on their potential impact on operations, corporate reputation, commercial viability, goals, and stakeholder relationships to develop a more focused and efficient strategy. To determine the topic's level of materiality to the business and its stakeholders, the following dimensions are considered.

Importance or Scale of Impact to Company's Daily Operations

Assesses the extent to which an issue influences the company's operational efficiency, and ability to achieve its strategic objectives.

Frequency of Occurrence

Evaluates how often an issue is likely to arise or affect the organisation, helping to determine its significance and the level of management attention required.

Implications for Meeting Compliance and Regulatory Requirements

Considers the potential impact of an issue on the company's ability to comply with applicable laws, regulations, standards, and industry requirements.

Potential Risk to Stakeholders

Assesses the possible consequences of an issue on stakeholders, including customers, employees, investors, regulators, suppliers, and the wider community, their interests and expectations.

MATERIALITY ASSESSMENT

MATTER	GRI INDEX NUMBER	RELEVANT SDG'S
ECONOMIC		
1. Economic Performance	201	
2. Market Presence	202	
3. Indirect Economic Impacts	203	
4. Procurement Practices	204	
5. Anti-Corruption	205	
6. Anti-Competitive Behaviour	206	
7. Tax	207	

MATTER	GRI INDEX NUMBER	RELEVANT SDG'S
ENVIRONMENT		
8. Materials	301	
9. Energy	302	
10. Water and Effluents	303	
11. Bio-diversity	304	
12. Emissions	305	
13. Waste	306	
14. Environmental Compliance	307	
15. Supplier Environmental Assessment	308	

MATTER	GRI INDEX NUMBER	RELEVANT SDG'S
SOCIAL		
16. Employment	401	
17. 18. Labour/Management Relations	402	
19. Training and Education	404	
20. Diversity and Equal Opportunity	405	
21. Non-Discrimination	406	
22. Freedom of Association and Collective Bargaining	407	
23. Child Labour	408	
24. Forced or Compulsory Labour	409	
25. Security Practices	410	
26. Local Communities	413	
27. Public Policy	415	
28. Customer Health and Safety	416	
29. Customer Privacy	418	
30. Socio-Economic Compliance	419	

DEGREE OF IMPACT

- HIGH
- MODERATE
- LOW

High			1, 2, 3, 4, 12, 13, 7, 14, 19, 21, 10, 16, 18, 26, 28, 17, 27
Moderate		5, 9, 15, 20, 25	
Low	6, 8, 23, 22, 24, 11		
	Low	**Moderate**	**High**

VALUE CREATION AT LINDEL

Delivering its stakeholders value for their input is one of Lindel's main goals. Lindel use its capitals in order to create value for stakeholders. Lindel strives to allocate its six capitals and other resources effectively and efficiently to assure that it continues to increase the value for all stakeholders.

OUR INPUTS

Financial Capital
- Total equity of **Rs. 7,949 Mn**
- Net operating cash flow of **Rs. 373 Mn**

Manufactured Capital
- Warehousing facilities of over 500,000 sq ft
- Water and waste water treatment plants
- Buildings and other assets

Intellectual Capital
- Knowledge, loyalty and skills of employees
- Ethics and values
- Backing of a strong parent company

Natural Capital
- Over 106 acres of land
- Renewable energy sources

Human Capital
- Long serving employees
- Engagement with employees
- Continuous training opportunities
- Employee health and safety measures

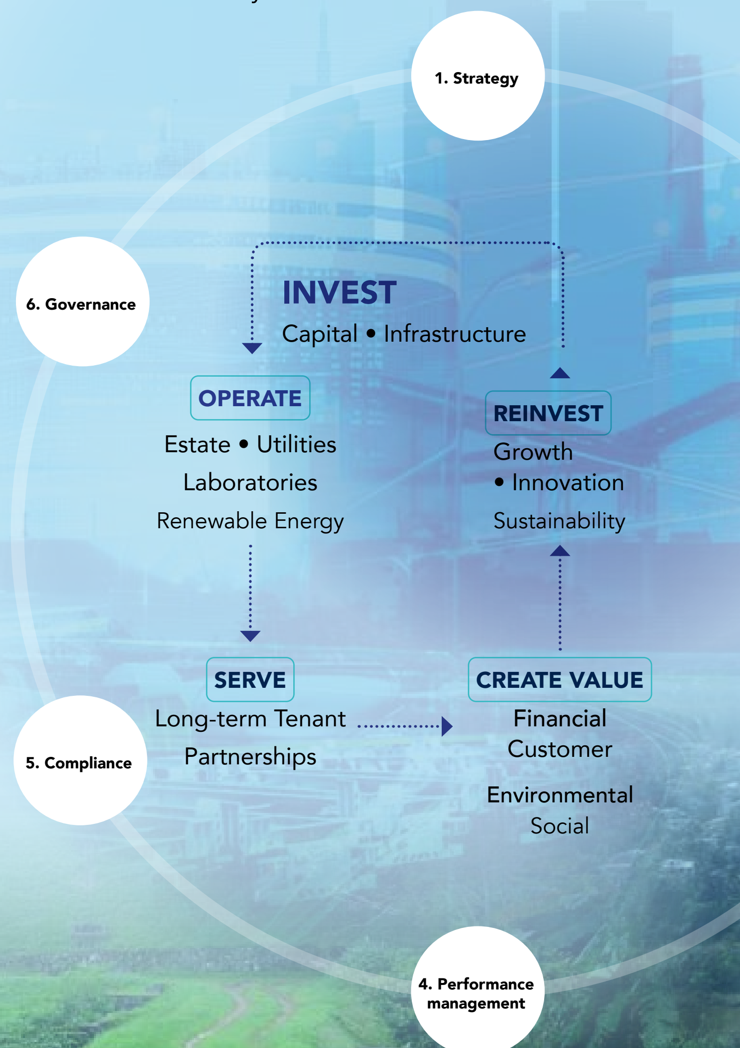
Social and Relationship Capital
- Customer and supplier engagement
- Contribution to communities
- Communication with shareholders

VISION

To be the most admired company in the country in providing industrial space and infrastructure.

MISSION

To assist in Sri Lanka's economic progress by providing industries with excellent infrastructure facilities within an enclave that protects both the industry and the environment.



2. Risk management

3. Ethics

OUTPUT

Financial Capital
- Increased shareholder value
- Financial stability and growth
- Increased returns

Manufactured Capital
- Increased asset base
- Cost reduction

Intellectual Capital
- Strong brand name
- New service lines
- Reaffirmed accreditations

Natural Capital
- Environmental sustainability
- Efficient resource management

Human Capital
- Higher retention ratio
- Employee satisfaction
- Improved productivity

Social and Relationship Capital
- Higher customer satisfaction rate
- Community development
- Consistency in the supply chain

VALUE DELIVERED

Shareholders	-	Dividend paid – **Rs. 207.6 Mn** Earnings per share - **Rs. 1.96** Dividend per share - **Rs. 0.52**
Customers	-	Warehouses with improved facilities - **500,000 sq ft**
Suppliers	-	Payments to suppliers **Rs. 235 Mn**
Government	-	Taxes paid **Rs. 197 Mn**
Employees	-	Salaries and other payments made **Rs. 79 Mn**
Community	-	Donations made **Rs. 0.6 Mn**

STRATEGY AND RESOURCE ALLOCATION

Lindel's strategic framework provides a clear roadmap for delivering sustainable value creation by balancing financial performance with operational resilience, customer excellence, responsible environmental stewardship and long-term growth. The company adopts a disciplined approach to resource allocation, investing in infrastructure, technology, people, sustainability and business diversification to strengthen competitive advantage and support future expansion. These strategic priorities are aligned with the company's value creation model and are reviewed regularly to respond to evolving market conditions, stakeholder expectations and emerging risks and opportunities. Through this approach, Lindel seeks to build a resilient industrial ecosystem that supports the success of its tenants while delivering sustainable returns to shareholders.

Strategic Pillar	Strategic Focus	Key Strategic Priorities	Capitals Impacted	SDGs Aligned	Strategic Outcomes	Illustrative KPIs
1. Financial Resilience & Disciplined Growth	Maintain stable earnings while creating diversified and sustainable revenue streams.	• Strengthen recurring rental and lease income • Enhance cash flow and profitability • Expand laboratory and renewable energy businesses • Maintain prudent capital allocation • Improve shareholder value	Financial Capital Manufactured Capital Intellectual Capital	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Sustainable earnings, stronger financial resilience, improved returns and long-term value creation.	• Revenue growth • Recurring income ratio • Profit before tax • Operating cash flow • Return on Equity • Revenue contribution from subsidiaries
2. Customer & Tenant Service Excellence	Deliver a safe, reliable and value-added industrial ecosystem that strengthens tenant success and retention.	• Maintain quality infrastructure • Responsive customer service • Utility reliability • Technical support through laboratory services • Long-term tenant engagement	Social & Relationship Capital Manufactured Capital Intellectual Capital	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Higher tenant satisfaction, improved occupancy, stronger customer loyalty and enhanced reputation.	• Occupancy rate • Tenant retention • Customer satisfaction • Response time to service requests • Number of laboratory clients
3. Operational Excellence & Infrastructure Resilience	Maintain reliable infrastructure and operational continuity through proactive asset management and risk mitigation.	• Preventive maintenance • Infrastructure upgrades • Fire safety and emergency preparedness • Security management • Regulatory compliance • Business continuity	Manufactured Capital Financial Capital Natural Capital	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	Reliable estate operations, reduced downtime, improved safety and asset longevity.	• Infrastructure availability • Utility reliability • Preventive maintenance completion • Safety incidents • Compliance levels

Strategic Pillar	Strategic Focus	Key Strategic Priorities	Capitals Impacted	SDGs Aligned	Strategic Outcomes	Illustrative KPIs
4. Business Diversification & Innovation	Expand complementary businesses that create new revenue streams and strengthen long-term competitiveness.	• Expand environmental laboratory capabilities • Grow renewable energy business • Explore new industrial estate developments • Evaluate strategic investment opportunities	Financial Capital Manufactured Capital Intellectual Capital	7 8 9	Diversified income, stronger competitive positioning and new avenues for sustainable growth.	• Revenue from new businesses • Renewable energy generation • Number of new services introduced • Return on investments
5. Sustainability & Responsible Resource Management	Transform Lindel into an environmentally responsible and resource-efficient industrial park.	• Improve energy efficiency • Expand renewable energy • Enhance water management • Waste reduction • Climate risk integration • Develop Eco-Industrial Park roadmap • Align with SLFRS S1 & S2	Natural Capital Manufactured Capital Financial Capital Social & Relationship Capital	6 7 12 13	Reduced environmental footprint, improved climate resilience and enhanced ESG performance.	• Renewable energy generation • Water recycled • Energy intensity • Waste recycled • GHG emissions • Environmental compliance
6. People, Governance & Organisational Capability	Build a high-performing organisation supported by strong governance, capable people and effective oversight.	• Employee development • Talent retention • Workplace safety • Governance excellence • Risk management • Performance management • Sustainability governance	Human Capital Social & Relationship Capital Intellectual Capital Financial Capitall	3 4 8 16	Strong organisational capability, accountable governance, engaged employees and effective execution of strategy.	• Employee engagement • Training hours • Staff turnover • Lost Time Injury Frequency Rate • Governance compliance • Strategy execution milestones

STRATEGIC VALUE CREATION

The six strategic pillars are mutually reinforcing and collectively support Lindel's long-term objective of becoming Sri Lanka's leading sustainable industrial estate developer and operator. Financial resilience provides the resources required to invest in infrastructure, diversification and sustainability. Operational excellence and customer service strengthen tenant satisfaction and recurring revenue, while innovation and diversification create new growth opportunities. Sustainability initiatives enhance resource efficiency, environmental stewardship and climate resilience, supported by strong governance and capable people who ensure effective execution of strategy. Together, these strategic priorities create sustainable value for shareholders, tenants, employees, regulators, communities and the broader economy.

FINANCIAL CAPITAL

Financial capital represents the foundation that enables Lindel to invest in industrial infrastructure, maintain high-quality estate services, support business expansion, and deliver sustainable returns to shareholders. The Group's financial strength is built upon a resilient recurring income model supported primarily by lease rentals, floor rentals, infrastructure services, laboratory operations and renewable energy generation.

OVERVIEW

During the year under review, Lindel continued to strengthen its financial position despite operating in a dynamic economic environment. Revenue growth, disciplined cost management, prudent capital allocation and a strong balance sheet enabled the Group to generate healthy profitability while continuing to invest in strategic infrastructure and business expansion. The Group also maintained strong liquidity and low financial leverage, providing the flexibility required to pursue future growth opportunities while preserving financial resilience.

FINANCIAL CAPITAL DASHBOARD

	Group		Company	
For the year ended 31 st December	**2025**	**2024 Nine months**	**2025**	**2024 Nine months**
Revenue	599,378.00	422,366.00	581,077.00	424,058.00
Other operating income	46,459.00	28,104.00	31,221.00	3,115.00
Fair value gain on investment property	418,153.00	174,388.00	418,153.00	174,388.00
Staff expenses	78,964.00	43,434.00	57,543.00	31,639.00
Net finance income	64,824.00	44,870.00	64,315.00	44,189.00
Profit before tax	926,103.00	537,884.00	930,952.00	534,755.00
Profit after tax	781,506.00	341,649.00	798,546.00	340,225.00

Major product / service lines	Group		Company	
	2025	2024 Nine months	2025	2024 Nine months
Lease rentals	176,279	179,041	176,279	179,041
Floor rentals	336,166	180,123	343,721	181,758
Treated water sales	45,271	32,322	45,340	32,379
Solid waste disposal	6,938	3,484	6,938	3,484
Pressurised water	1,245	1,321	1,245	1,321
Common wastewater treatment	2,088	1,069	2,088	1,069
Solar power	31,391	25,006	5,465	25,006
Total revenue	599,378	422,366	581,077	424,058

figures for 2024 relate to the nine-month period ended 31 December 2024, while the current reporting period covers the twelve months period ended 31 December 2025. Accordingly, the performance commentary should be read in the context of the difference in reporting periods.)

Value Derived

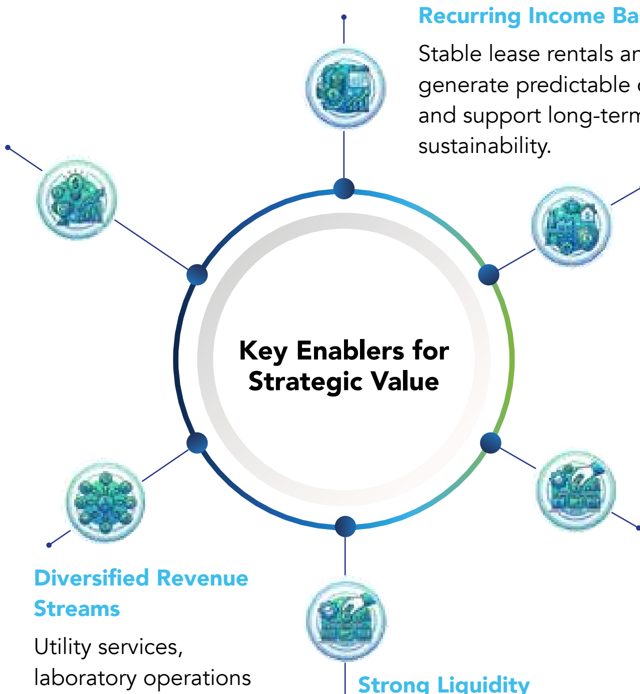
Revenue increased to **Rs.599 million**, reflecting continued growth across rental and infrastructure-related services.

Profit before tax increased to **Rs.926 million**, supported by recurring income, fair value appreciation and disciplined financial management.

Cash generated from operating activities increased significantly, strengthening internal funding capacity.

Total equity increased to **Rs.7.95 billion**, reinforcing the Group's strong capital base.

Low gearing and healthy liquidity improved financial resilience and investment capacity.



Recurring Income Base

Stable lease rentals and floor rentals generate predictable cash flows and support long-term financial sustainability.

Asset-backed Business Model

High-value investment properties provide recurring income while appreciating in value over time.

Disciplined Capital Allocation

Financial resources are directed towards infrastructure enhancement, tenant services, laboratory capabilities and renewable energy investments that strengthen long-term competitiveness.

Strong Liquidity Position

Healthy cash reserves and short-term investments provide financial flexibility while supporting future investments.

Diversified Revenue Streams

Utility services, laboratory operations and renewable energy reduce dependence on a single income source.

FINANCIAL CAPITAL

MANAGEMENT STRATEGY

Financial stewardship remains central to Lindel's long-term value creation strategy. The Group continues to maintain a conservative financial management approach that balances profitability, liquidity, operational investment and long-term shareholder returns. This strategy enables Lindel to preserve financial stability while investing in opportunities that enhance future earnings and strengthen the industrial estate ecosystem.

The Group's business model is anchored on a highly predictable recurring income stream generated primarily from long-term lease rentals and floor rentals. These revenue streams provide a stable financial foundation that supports ongoing operations while reducing exposure to short-term market volatility. Complementing these are revenues generated from treated water, wastewater treatment, solid waste management, laboratory services and renewable energy, further diversifying the Group's income profile.

Maintaining a strong balance sheet continues to be a strategic priority. During the year, total assets exceeded Rs.11.4 billion, largely supported by investment properties valued at more than Rs.10.3 billion, reflecting the significant underlying asset base that underpins shareholder value. These strategically located industrial properties continue to appreciate while generating sustainable recurring income, reinforcing the resilience of Lindel's Financial Capital.

Capital allocation decisions are guided by long-term strategic priorities, focusing on investments that strengthen operational efficiency, improve tenant experience and expand future revenue opportunities. Financial resources continued to be directed towards infrastructure development, utility services, laboratory operations and renewable energy investments through Lindel Industrial Laboratories Limited and Lindel ACP Renewables Limited. These investments not only enhance service capabilities but also diversify future earnings while supporting sustainable industrial development.

Liquidity management remains another important component of the Group's financial strategy. Strong operating cash flows together with healthy cash balances and short-term investments provide sufficient financial flexibility to fund capital expenditure, meet operational commitments and respond to emerging investment opportunities without placing undue reliance on external borrowings.

The Group also maintains a conservative funding structure characterised by low levels of interest-bearing debt relative to its substantial equity base. This prudent approach reduces financial risk, strengthens resilience against changing market conditions and enhances the Group's capacity to finance future expansion from internally generated funds.

Disciplined cost management continues to support profitability. While Lindel continues investing in infrastructure improvements, employee capability and service quality, expenditure remains carefully managed to ensure operational efficiency and sustainable margins. This balanced approach enables the Group to generate consistent financial returns while preserving its ability to invest for future growth.

REVENUE

The Group recorded revenue of Rs. 599.4 million during the year ended 31 December 2025 compared with Rs. 422.4 million reported for the nine-month comparative period ended 31 December 2024. While the two reporting periods are not directly comparable due to the change in the financial year, the increase reflects the continued expansion of the Group's core operations and the strengthening of its recurring income model.

Lease rentals and floor rentals remained the primary contributors to revenue, jointly accounting for over 85% of total Group revenue. Floor rental income recorded a notable increase following the expansion of warehouse facilities and higher utilisation of industrial space, while lease rental income continued to provide a stable and predictable revenue stream supported by long-term tenant relationships. Estate utility services, including treated water supply, wastewater treatment, solid waste disposal and pressurised water services, also recorded improved contributions, demonstrating growing demand for Lindel's integrated infrastructure services. Renewable energy operations continued to diversify the Group's income base through increased solar power generation. Together, these revenue streams reinforce the resilience and sustainability of Lindel's business model.

OTHER OPERATING INCOME

Other operating income amounted to Rs. 46.5 million, compared with Rs. 28.1 million recorded during the comparative nine-month period. The increase reflects higher contributions from ancillary operating activities that complement the Group's principal business operations. These income streams continue to strengthen overall profitability while demonstrating management's focus on optimising value from existing assets and operational capabilities beyond traditional rental income.

FAIR VALUE GAIN ON INVESTMENT PROPERTY

The Group recognised a fair value gain of Rs. 418.2 million on its investment property portfolio compared with Rs. 174.4 million during the comparative period. The increase reflects the continued appreciation of the Group's strategically located industrial property portfolio together with ongoing investments in estate infrastructure and property enhancements. Beyond its positive impact on profitability, the fair value adjustment demonstrates the underlying strength of Lindel's asset base and the long-term value created through prudent management of its investment properties.

STAFF EXPENSES

Staff expenses amounted to Rs. 79.0 million, compared with Rs. 43.4 million in the comparative period. The increase reflects the longer reporting period as well as salary revisions and the resources required to support expanded estate operations, laboratory activities and renewable energy operations. Despite these investments, Lindel continued to maintain a lean organisational structure while strengthening the technical capabilities necessary to support sustainable business growth.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation amounted to Rs. 19.2 million for the twelve-month period, compared with Rs. 17.1 million for the nine-month comparative period. The relatively modest increase, despite the longer reporting period and continued investment in operational assets, reflects the revision of the estimated useful economic lives of certain property, plant and equipment with effect from 1 February 2025. Depreciation continues to be recognised on a straight-line basis.

OTHER OPERATING EXPENSES

Other operating expenses increased to Rs. 104.6 million from Rs. 71.3 million reported during the comparative period. The increase reflects higher maintenance expenditure, utility operations, estate management costs and administrative expenses associated with expanded business activities. These expenditures support the continued delivery of high-quality infrastructure services while preserving the operational standards expected within the industrial estate.

PROFIT FROM OPERATIONS

Profit from operations amounted to Rs. 861.3 million, compared with Rs. 493.0 million during the comparative period. The improvement was driven by stronger recurring revenue, increased contributions from estate services, higher other operating income and the appreciation in investment property values. This performance demonstrates the resilience of Lindel's asset-backed business model and its ability to translate operational investments into sustainable financial returns.

NET FINANCE INCOME

Net finance income increased to Rs. 64.8 million, compared with Rs. 44.9 million in the comparative period. This reflects effective treasury management and higher interest income generated from cash balances and short-term investments. The continued generation of finance income further strengthened profitability while preserving financial flexibility to support future investment requirements.

PROFIT BEFORE TAX

The Group reported a profit before tax of Rs. 926.1 million, compared with Rs. 537.9 million in the nine-month comparative period. The increase reflects higher revenue, stronger operating performance, improved treasury income and significant appreciation of the Group's investment property portfolio. Collectively, these factors demonstrate the strength of Lindel's diversified income model and disciplined financial management.

INCOME TAX EXPENSE

Income tax expense amounted to Rs. 144.6 million, compared with Rs. 196.2 million during the comparative period. The movement reflects the combined impact of current and deferred taxation, particularly the accounting treatment associated with investment property valuations. Lindel continues to maintain full compliance with applicable tax regulations while managing its tax obligations prudently.

PROFIT AFTER TAX

Profit after tax increased to Rs. 781.5 million, compared with Rs. 341.6 million reported during the comparative nine-month period. This outcome reflects the strength of Lindel's recurring income streams, disciplined cost management, effective treasury operations and the continued appreciation of investment properties. The strong earnings generated during the year further enhanced retained earnings and strengthened the Group's financial capacity to support future growth initiatives.

EARNINGS PER SHARE

Basic earnings per share increased to Rs. 1.96, compared with Rs. 0.86 recorded during the comparative period. While the comparative figures relate to a shorter reporting period, the improvement reflects the enhanced profitability attributable to shareholders and the continued ability of the Group to generate sustainable returns from its high-quality asset base.

FINANCIAL POSITION

Lindel continued to maintain a robust financial position during the year, underpinned by a high-quality asset portfolio, strong equity base and prudent financial management. As at 31 December 2025, the Group's total assets increased to Rs. 11.45 billion, primarily reflecting the continued appreciation of investment properties, strategic investments in estate infrastructure and strengthened liquidity. Investment properties remained the Group's largest asset, representing the long-term value embedded within the industrial estate and providing a

FINANCIAL CAPITAL

sustainable platform for recurring rental income and future capital appreciation.

The Group maintained healthy levels of cash and short-term investments, providing the financial flexibility required to fund operational requirements, undertake capital expenditure and pursue future growth opportunities without placing undue reliance on external financing. The overall financial position reflects Lindel's disciplined approach to capital preservation while supporting strategic investment and sustainable business expansion.

EQUITY AND CAPITAL STRUCTURE

Lindel's capital structure continued to be characterised by a strong equity base and conservative financial leverage. Total equity increased to Rs. 7.95 billion, supported by retained earnings generated during the year and the appreciation of investment properties.

Interest-bearing borrowings remained relatively low in comparison to the Group's asset and equity base, with borrowings primarily associated with renewable energy investments. This conservative funding approach reduces exposure to financing risk, enhances financial stability and preserves borrowing capacity for future strategic investments. The Group's strong equity position also provides confidence to investors, tenants and other stakeholders regarding the long-term sustainability of the business.

RETURN ON CAPITAL EMPLOYED

Lindel continued to generate healthy returns from its capital base through the effective utilisation of its investment properties, infrastructure assets and operational resources. The Group's capital employed is predominantly invested in long-term income-generating assets that deliver stable recurring cash flows while appreciating in value over time.

During the year, improved operating profitability, higher recurring revenues and continued appreciation in investment properties contributed to stronger returns on capital employed. This reflects management's disciplined approach to capital allocation, where investments are directed towards projects that enhance tenant value, strengthen operational capability and generate sustainable long-term returns. The continued expansion of warehouse facilities, infrastructure upgrades and renewable energy investments demonstrates the Group's commitment to deploying capital into assets that support both financial performance and future growth.

LIQUIDITY AND FINANCIAL RESILIENCE

Maintaining strong liquidity remains a key element of Lindel's financial strategy. As at 31 December 2025, the Group held Rs. 397.4 million in cash and cash equivalents together with Rs. 287.3 million in short-term investments, providing adequate liquidity to meet operational commitments and support strategic investments.

The Group's recurring rental income, together with revenues generated from utility services, laboratory operations and renewable energy activities, provides a stable and diversified cash flow profile. This recurring income model, supported by long-term tenant relationships, enhances resilience against economic volatility while ensuring sufficient internally generated funds are available for reinvestment in estate infrastructure and business expansion.

CAPITAL ALLOCATION

Capital allocation decisions continue to be guided by long-term value creation objectives. Financial resources are prioritised towards investments that strengthen the industrial estate, improve tenant experience, enhance operational reliability and diversify future income streams.

During the year, capital was deployed towards warehouse developments, estate-wide infrastructure improvements, utility network enhancements and through Lindel ACP Renewables Limited, a subsidiary company of Lindel. These investments not only improve the quality and competitiveness of the estate but also strengthen the Group's ability to generate sustainable recurring income while supporting the long-term appreciation of its strategic asset portfolio. Through disciplined capital allocation, Lindel continues to balance growth opportunities with financial prudence, ensuring that capital is deployed efficiently to maximise stakeholder value.

FUTURE OUTLOOK

Looking ahead, Lindel will continue to strengthen its financial capital by expanding recurring revenue streams, optimising asset utilisation, enhancing operational efficiencies and investing selectively in projects that create sustainable long-term value. Supported by a robust balance sheet, healthy liquidity and prudent financial governance, the Group remains well positioned to support industrial growth while delivering enduring returns to shareholders.

As at 31 December	Group 2025	Group 2024	Company 2025	Company 2024
Assets				
Property, plant and equipment	249,217	194,715	82,916	187,423
Investment properties	10,314,376	9,763,315	10,314,376	9,763,315
Investment in subsidiary			80,538	7,000
Investment in debentures	9,297	9,297	9,297	9,297
Total non-current assets	10,572,890	9,967,327	10,487,127	9,967,035
Current Assets				
Inventories	9,664	7,797	4,103	4,170
Trade and other receivables	185,679	170,860	166,358	161,699
Short-term investments	287,252	471,995	278,745	461,996
Amount due from related party			2,938	1,624
Cash and cash equivalents	397,415	89,595	382,932	87,722
Total current assets	880,010	740,247	835,076	717,211
Total assets	11,452,900	10,707,574	11,322,203	10,684,246
Equity and liabilities				
Stated capital	159,692	159,692	159,692	159,692
Reserves	7,717,418	7,147,030	7,722,806	7,132,858
Non-controlling interest	72,291			
Total equity	7,949,401	7,306,722	7,882,498	7,292,550
Non Current Liabilities				
Deferred taxation	2,970,170	2,976,161	2,967,235	2,978,725
Refundable deposits	156,983	149,815	156,983	149,815
Employee benefits	24,627	17,223	15,068	10,961
Interest-bearing borrowings	27,115			
Total non-current liabilities	3,178,895	3,143,199	3,139,286	3,139,501
Current Liabilities				
Accruals, deposits and advances received	205,316	161,988	198,841	159,503
Other liabilities	62,501	40,358	51,790	39,157
Current taxation	54,702	55,308	49,789	53,535
Interest-bearing borrowings	2,085			
Total current liabilities	324,604	257,654	300,420	252,195
Total liabilities	3,503,499	3,400,853	3,439,705	3,391,696
Total equity and liabilities	11,452,900	10,707,574	11,322,203	10,684,246

MANUFACTURED CAPITAL

Manufactured Capital is central to Lindel's value creation, as it forms the physical foundation on which all operations depend. The estate's purpose-built factory building, warehouses and utility infrastructure directly enable rental income and sustained high occupancy. Essential systems such as water treatment, wastewater management, fire safety networks, internal roads, and power supply via 10 MW CEB substation/gantry setup ensure uninterrupted industrial activity and safe multi-tenant operations. Lindel also possesses 200 SLT direct telephone lines and existing rooftop solar panels with a cumulative output of 1.5 MW of renewable energy production.

Continuous investment in these assets enhances efficiency, resilience, and service reliability while reducing operational risks. It also strengthens Lindel's competitive position as a fully serviced industrial estate. In effect, Manufactured Capital is both the operational backbone and the key enabler of future expansion and growth.

Relevant SDGs	Material Topics	Impacted Stakeholders
Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation. Ensure sustainable consumption and production patterns. Ensure availability and sustainable management of water and sanitation for all.	**Economic Performance (GRI 201):** Tracking financial growth and stability. **Indirect Economic Impacts (GRI 203):** Assessing the wider economic benefits and implications. **Materials (GRI 301):** Efficient use and management of raw materials. **Energy (GRI 302):** Optimisation of energy use and promoting renewable energy sources. **Water and Effluents (GRI 303):** Sustainable water management practices. **Waste (GRI 306):** Effective waste management and reduction strategies.	**Customers:** Enhanced service quality and reliability. **Employees:** Safe, productive, and innovative work environment. **Community:** Positive social and environmental contributions. **Shareholders:** Increased value and sustainable returns.

LINDEL AS AN ECO-INDUSTRIAL PARK

Lindel functions as an eco-industrial park by integrating sustainable infrastructure, resource efficiency, and collaborative operations within a shared industrial ecosystem. The park promotes efficient energy and water use, responsible waste management, environmental stewardship, and synergies among tenants to minimise environmental impacts while enhancing operational performance. Through its commitment to sustainability and innovation, Lindel creates long-term value for businesses, communities, and the environment. Humanity, after centuries of treating industry and nature as irreconcilable adversaries, occasionally discovers that cooperation is cheaper than repair.

CREATING VALUE THROUGH MANUFACTURED CAPITAL

Manufactured Capital refers to the physical assets that support value creation, including buildings, infrastructure, machinery, and systems. These resources form the operational foundation of an organisation, enabling efficient processes, reliable service delivery, and sustained productivity.

Stronger Operational Performance
Upgraded machinery and integrated systems improve process flow, reduce delays, and increase overall productivity.

Consistent Service Delivery
Reliable infrastructure and well-maintained assets ensure stable, uninterrupted services for customers and partners.

VALUE CREATION

Scalable Growth Capability
Strategic investment in physical and technological assets enables Lindel to expand operations without diluting quality.

Improved Cost Efficiency
Automation and disciplined asset management reduce waste, minimise breakdowns, and lower long-term operating costs.

Stakeholders	Value Derived
Tenants	Benefit from well-maintained facilities, reliable utilities and services, and professionally managed environments that support their own business continuity and growth.
Employees	Benefit from safer, better-equipped workplaces and streamlined systems that improve productivity and reduce unnecessary friction.
Investors/Shareholders	Gain through improved efficiency, cost control, and stronger, more stable long-term returns.
Suppliers and Partners	Experience smoother coordination, predictable operations, and improved capacity for integration and scale.

OVERVIEW

At Lanka Industrial Estates Ltd (Lindel), our Manufactured Capital comprises a diverse portfolio of infrastructure, facilities, and operational assets that form the foundation of our value creation process. These include extensive heavy-load road networks, sophisticated fire safety systems with booster pumps and common hydrants, water treatment and distribution facilities, wastewater treatment infrastructure, power generation and backup systems, stormwater drainage networks, solid waste management facilities, and modern warehousing solutions. Together, these assets support operational reliability, tenant satisfaction, environmental stewardship, and long-term business sustainability.

Recognised as a model industrial estate by the Board of Investment of Sri Lanka, Lindel continues to maintain strong utility infrastructure, reliable water supply capabilities, and near-full occupancy levels, reflecting the effectiveness of its long-term infrastructure development strategy.

VALUE ENABLERS

Value Enablers are the core systems, assets, and capabilities that support the organisation's operations, and make value creation possible. These include infrastructure, utilities, technology, human expertise, and natural resource systems that ensure reliable service delivery, operational efficiency, and long-term sustainability.

WATER TREATMENT INFRASTRUCTURE

Our water treatment infrastructure plays a critical role in ensuring a reliable supply of high-quality water for both industrial and domestic use within the estate. The facility delivers water that complies with both Sri Lankan Standards (SLS) and World Health Organisation (WHO) requirements and has a treatment capacity of 9,000 cubic metres per day. Current consumption levels are approximately 2,000 cubic metres per day, providing substantial reserve capacity to accommodate future tenant expansion and growth.

To further strengthen water security, Lindel maintains a spring and rainwater collection system comprising 12 collection ponds and two pumping wells with a combined storage capacity of 20,000 cubic metres. This serves as a strategic backup source in the event of disruptions to the primary water supply, ensuring uninterrupted operations across the estate.

MANUFACTURED CAPITAL

The wastewater treatment plant supports environmental compliance by treating industrial effluents in accordance with standards prescribed by the Central Environmental Authority. The facility possesses a treatment capacity of approximately 4,000 cubic metres per day, and has undergone upgrades to maintain operational efficiency and regulatory compliance.

BUILDINGS AND WAREHOUSES

Lindel's portfolio of industrial buildings and warehouses forms a key component of its Manufactured Capital base, supporting manufacturing, logistics, and storage requirements across the estate. The company currently maintains warehouse and industrial facilities with a total floor area exceeding 562,000 sq. ft, accommodating a diverse tenant base operating across multiple sectors.

During the year, the company expanded its warehousing capacity through the construction of a 15,000 sq. ft. warehouse extension at an investment of Rs. 75 Mn and a purpose-built 9,000 sq. ft. warehouse for S & D Chemical at a cost of Rs. 45 Mn. These developments were undertaken in response to growing tenant requirements and support the estate's continued high occupancy levels. Ongoing warehouse acquisitions, renovations, and tenant-specific modifications further demonstrate Lindel's commitment to providing flexible infrastructure solutions that support tenant growth and operational efficiency.

UTILITY AND OPERATIONAL INFRASTRUCTURE

Lindel maintains a comprehensive infrastructure platform designed to ensure operational continuity, safety, and service reliability. Core infrastructure includes extensive heavy-load internal road networks, treated water storage facilities, transmission and distribution networks, bowser filling stations, stormwater drainage systems, generator facilities, access control systems, and estate-wide utility networks.

During the year, the company invested approximately Rs. 9 Mn in boundary wall construction, Rs. 10 Mn in generator installations, Rs. 6-7 Mn in internal road augmentation, and Rs. 4 Mn in expanding the fire water distribution network. These improvements complement the estate's established fire safety infrastructure, which includes booster pumps and a common fire hydrant system serving the entire industrial zone.

The company also completed the replacement of 50 sodium vapour streetlights with energy-efficient LED lighting, contributing to reduced energy consumption and improved environmental performance across the estate.

- Capacitor Banks were installed at Raw Water Intake Motor Control Panel spending nearly Rs. 1.0 Mn, thus reducing electricity bill for Raw Water Pumping by 15% - 20%.
- New Extension to the Chrissworld Building (at Asia Power Plant premises)
- The existing Asia Power Plant Building having 23,000 sq.ft floor area was modified and renovated as a Warehouse in 2023/24. The occupant at this building, Chrissworld Logistic Company, requested further storage area thus extending the building by 15,000 sq.ft spending over Rs. 70 Mn.Chrissworld now occupies 38,000 sq.ft of warehouse facility

Two more floors of existing building at Lot 44B, currently occupied by IPMP, was modified and renovated by spending Rs. 40 Mn. This has been the first improvement for adding building floor areas with 'vertical space'.

RENEWABLE ENERGY INFRASTRUCTURE

Lindel continues to strengthen its renewable energy capabilities as part of its transition towards an eco-industrial park model. The company currently operates rooftop solar installations with a combined capacity of 1.5 MW and has generated significant renewable energy output through its solar power programme. Building on this foundation, Lindel has established a dedicated renewable energy initiative to expand its solar generation capacity and further enhance energy self-sufficiency. Together with its water treatment infrastructure, these investments support the company's objective of maintaining a high degree of resource independence while reducing its environmental footprint.

VALUE DERIVED

Value Derived refers to the outcomes and benefits generated through the use of these enablers. It reflects how effectively the organisation converts its capital base into operational performance, customer satisfaction, sustainability outcomes, cost efficiency, and long-term resilience and growth.

OPERATIONAL EFFICIENCY

The company's robust infrastructure platform enables uninterrupted operations and efficient service delivery across the estate. Reliable utilities, modern logistics infrastructure, and proactive maintenance programmes minimise disruptions and support the operational needs of tenants, allowing businesses to respond effectively to market demands.

RESOURCE OPTIMISATION

Lindel promotes the responsible utilisation of resources through water management systems, renewable energy initiatives, energy-efficient lighting, and technology-enabled monitoring systems. Automated vehicle access controls and utility metering systems enhance operational visibility while improving resource efficiency.

SUSTAINABILITY AND ENVIRONMENTAL STEWARDSHIP

Sustainability remains embedded within the company's infrastructure strategy. Investments in wastewater treatment, renewable energy, LED lighting, water conservation systems, and recycling initiatives support Lindel's transition towards an eco-industrial park model while reducing environmental impacts.

RESILIENCE AND LONG-TERM VALUE CREATION

Continuous investment in infrastructure, utilities, and capacity expansion strengthens the resilience of the estate and supports sustainable growth. The company's strong infrastructure base provides a stable platform for future expansion while enhancing its ability to withstand economic and operational challenges.

ACHIEVEMENTS AND MILESTONES

During the year, Lindel further strengthened its Manufactured Capital through several notable developments, including the completion of major warehouse expansion projects, upgrades to utility infrastructure, improvements to fire water distribution systems, and estate-wide energy efficiency initiatives. These investments supported near-full occupancy levels while enhancing the operational capabilities of the industrial estate.

The company also continued to benefit from its reputation as a model industrial estate, supported by its reliable utility services, robust infrastructure platform, and strong tenant retention levels.

SUSTAINING GROWTH AMID RISING COSTS

Lindel continues to manage the impact of rising operating and development costs while maintaining an occupancy rate of approximately 100% across its existing industrial facilities. This sustained demand underscores the need for a new industrial zone to attract future investment, create employment opportunities, enhance industrial competitiveness, and contribute to Sri Lanka's long-term economic development.

FUTURE STRATEGIC PRIORITIES

Lindel remains committed to investing in critical infrastructure, operational technology, and utility systems to improve efficiency, reliability, and service quality across the estate.

ECO-INDUSTRIAL PARK DEVELOPMENT

Lindel continues to pursue a clear expansion-oriented growth strategy focused on scaling its industrial infrastructure and strengthening its position as a leading eco-industrial estate. Key future initiatives include the development of a new industrial estate partnership, which will extend the company's operational footprint and enhance its capacity to support broader industrial demand.

In addition, the company plans to develop standalone warehouse facilities in strategically located highway-accessible areas, improving logistics efficiency and expanding its warehousing portfolio beyond the existing estate boundaries. These developments are intended to capture emerging demand from logistics and manufacturing tenants seeking high-connectivity industrial space.

Lindel is also actively pursuing additional tenant expansion projects within its existing estate, supporting continued high occupancy levels and reinforcing long-term tenant relationships. Collectively, these initiatives reflect a structured growth pipeline aimed at enhancing capacity, improving geographic reach, and sustaining long-term value creation.

TECHNOLOGY INTEGRATION

Lindel continues to strengthen its Manufactured Capital through the integration of technology-driven systems designed to improve operational efficiency, resource management, and service delivery. In line with this objective, the company has implemented automated vehicle in-and-out systems across the estate, streamlining logistics operations, improving access control, and reducing waiting times for tenants and transport operators.

In addition, the company has introduced automated meter reading systems covering more than 100 water and energy meters across the estate. This enables accurate, real-time monitoring of utility consumption, enhances resource management, and supports proactive maintenance planning. These initiatives collectively strengthen operational transparency, improve efficiency, and reinforce Lindel's transition towards a more digitally enabled industrial estate.

EXPANSION AND GROWTH

Lindel continues to explore opportunities for new industrial estate developments, standalone warehouse projects in strategic locations, and tenant expansion initiatives to support long-term growth and value creation.

HUMAN CAPITAL

Human Capital is a key driver of value creation for Lindel, as its operations rely on the knowledge, skills, and experience of a multidisciplinary workforce. The organisation's ability to deliver efficient, high-quality outcomes across multi-disciplinary fields depends on the competence and coordination of its people. By investing in capability development and maintaining a skilled workforce, Lindel strengthens operational performance, supports innovation, and ensures long-term organisational resilience.

OVERVIEW

During 2025, Lindel continued to focus on human capital as one of its most valuable assets, recognising that the knowledge, skills, commitment, and capabilities of its people are fundamental to achieving strategic priorities and delivering exceptional service standards. Throughout the year, we strengthened our emphasis on employee development and workforce enhancement, with the objective of cultivating a team that is productive, innovative, resilient, and responsive to the changing demands of the business environment. By investing in our employees and creating opportunities for professional and personal growth, we continue to build a workforce capable of supporting sustainable organisational success.

Human Capital Dashboard

Indicator	2025	2024
Total Employees	27	25
Executive Employees	19	17
Non-Executive Employees	8	8
Male Employees	18	17
Female Employees	9	8
Female Representation	33.33%	32%
Employee Retention Rate	92%	91%
Employee Turnover Rate	7.7%	12.5%
New Hires	4	7
Retirements / Resignations	2	3
Training Investment - Rs '000	333	260
Total Training Hours	415	330
Average Training Hours per Employee	15	13
No. of Reportable Safety Incidents	no	no

CREATING VALUE THROUGH HUMAN CAPITAL

Lindel creates value through its Human Capital by leveraging a skilled and multidisciplinary workforce to drive efficiency, capability, and long-term organisational strength.

Multidisciplinary expertise – Brings together engineering, finance, science, and administration skills to enable coordination and effective delivery

Capability development – Continuous training and professional development strengthen technical and managerial skills in line with evolving requirements.

Lean efficiency – A streamlined workforce ensures high productivity, and efficient use of skilled human resources across functions.

Knowledge continuity – Structured experience-sharing and internal progression support retention of expertise and leadership stability.

KEY ENABLERS FOR STRATEGIC VALUE

- Skilled and Diverse Workforce
- Strong Recruitment Practices and High Employee Retention
- Comprehensive Learning and Development Initiatives
- Competitive Remuneration and Employee Benefits
- Commitment to Health and Safety
- Positive Labour Relations and Constructive Dialogue
- Meaningful Employee Engagement
- Advancement of Gender Equality and Inclusion

VALUE DERIVED

- **Retention:** Maintained an employee retention rate of 92%, demonstrating strong workforce commitment and satisfaction.
- **Gender Diversity:** Female representation increased to 33%, contributing to a more balanced and inclusive workplace.
- **Workplace Environment:** Continued to provide a safe, supportive, and employee-focused environment that promotes wellbeing and productivity

MANAGEMENT STRATEGY

Lindel operates with a lean yet highly experienced workforce comprising senior managers, assistant managers, executives, and non-executive employees, who collectively contribute expertise across engineering, finance, science, administration, and other specialised disciplines. This streamlined organisational structure enables efficient decision-making, clear accountability, and optimal utilisation of resources, while maintaining the technical and managerial capabilities required to support business growth. Lindel's lean HR strategy serves as a key competitive advantage by promoting agility, productivity, and cost efficiency.

Aligned with the HR policies of the DFCC Group, Lindel's people strategy focuses on developing a highly competent, engaged, and motivated workforce capable of supporting business growth and long-term value creation. Our approach incorporates several interconnected elements designed to ensure that human capital remains aligned with organisational priorities and future business requirements.

To remain competitive and relevant, our HR policies and practices are benchmarked against internationally recognised standards and best practices. This enables us to attract, develop, and retain high-calibre talent, while ensuring compliance with evolving workplace expectations and regulatory requirements. Maintaining this alignment strengthens our ability to compete in an increasingly dynamic and interconnected business environment.

Workforce planning remains a critical component of our HR framework. We continuously assess current and develop future talent requirements through market analysis, succession planning, and strategic forecasting. This enables us to identify capability gaps, anticipate emerging skill requirements, and implement appropriate recruitment and development strategies to ensure business continuity and growth.

HUMAN CAPITAL

Employee learning and development continue to be key priorities. We invest in a variety of training programmes, workshops, seminars, and professional development opportunities aimed at enhancing technical expertise, leadership capability, and overall organisational effectiveness. Through these initiatives, we seek to promote a culture of continuous learning, innovation, and self-improvement across all levels of the organisation.

Our performance management framework supports accountability, transparency, and excellence. Regular performance evaluations provide employees with constructive feedback, identify development opportunities, and establish measurable goals aligned with corporate objectives. In addition to supporting performance improvement, the system facilitates succession planning and career advancement by identifying and nurturing future leaders.

Employee engagement remains central to our people strategy. Through ongoing communication, employee surveys, feedback mechanisms, and engagement initiatives, we strive to create a workplace where employees feel respected, appreciated, and empowered. Our retention rate of 92% reflects the success of these efforts and demonstrates the strength of our employee value proposition.

Recognising the importance of employee wellbeing, we maintain comprehensive health and wellness initiatives that support both physical and mental health. These include medical benefits, wellbeing programmes, mental health support, and initiatives that encourage work-life balance. Our proactive approach to occupational health and safety further contributes to creating a secure and supportive workplace.

Diversity, equity, and inclusion remain important priorities within our human capital agenda. We are committed to creating an environment where individuals from all backgrounds have equal opportunities to contribute and succeed. This commitment is reflected in the growth of female representation within the organisation, which reached 33% during the year, as well as our ongoing efforts to support inclusion across all employee groups.

Technology continues to play a vital role in enhancing HR effectiveness. Through the use of advanced human resource management systems, we streamline administrative processes, improve data accuracy, strengthen workforce analytics, and support informed decision-making. These systems enable more efficient management of employee information, performance monitoring, and organisational planning.

Leadership development remains a key area of focus as we prepare for future growth. We provide targeted development opportunities for both current and emerging leaders, concentrating on strategic thinking, decision-making, innovation, and people management capabilities. These initiatives help build a strong leadership pipeline capable of guiding the organisation through future challenges and opportunities.

WORKFORCE DIVERSITY AND STRENGTH

Our employees remain at the core of our success. Supported by a strong culture and positive working environment, Lindel continues to maintain a highly committed workforce with a turnover rate of less than 8%. At present, the organisation employs 27 individuals, comprising 5 senior managers, 4 assistant managers, 10 executives, and 8 non-executive employees.

Category	Male	Female	Total
Senior Management	4	1	5
Assistant Managers	3	1	4
Executives	5	5	10
Non-Executives	6	2	8
Total	18	9	27

EMPLOYMENT BREAKDOWN

Our professionally qualified staff include: Engineers, Finance professionals, Scientists, and HR/Admin personnel

DIVERSE TEAM PROFILE

Lindel's workforce reflects a broad range of backgrounds, experiences, perspectives, and professional capabilities. This diversity contributes to a culture of inclusion, collaboration, and innovation, enabling employees to contribute unique insights and ideas. By embracing diversity, we strengthen our ability to solve complex challenges, adapt to change, and create sustainable value for all stakeholders.

RETENTION RATIO

Despite operating in a challenging economic environment, Lindel has maintained a strong employee retention rate of 92%, demonstrating the effectiveness of our people management practices and employee engagement efforts. Our organisational structure includes five senior management positions that provide strategic leadership and organisational stability.

We adopt a comprehensive recruitment process designed to identify individuals whose skills, values, and behaviours align with our organisational culture and long-term objectives. By selecting candidates who share our commitment to excellence, integrity, and collaboration, we strengthen our workforce and support sustainable growth.

Our retention strategy is centered on creating a positive and supportive workplace, offering competitive remuneration, and providing meaningful opportunities for professional development and career advancement. By retaining experienced and high-performing employees, we preserve institutional knowledge, strengthen organisational capability, and maintain our competitive advantage.

New Hires:

- Head of Finance
- Assistant Procurement Manager
- Accounts Assistant
- Business Development Executive

Departures:

- One Trainee Accounts Assistant resigned.
- One long-serving employee retired.

LEARNING AND DEVELOPMENT PROGRAMMES

Lindel continued to invest in the development of its people during the year, recognising that employee knowledge and capability are essential drivers of organisational performance and long-term success. A total investment of Rs.333,000 (2025) was made in training and development initiatives, benefiting all 27 employees, ensuring that employees remain well-acquainted with industry developments and best practices.

Training Programmes	Participants	Hours
EPF/ETF/Gratuity Acts	1	3
Cyber Security	1	3.5
Sustainability Awareness	2	3.5
Fire Training	7	1
Strategic Procurement Management	1	3
Time Management and Work-life Personal Balance	27	4
Mastering 5S for Sustainable Excellence	1	8
Practical Application of SSCL, VAT, and RAMIS	1	27
Achieving Inventory Excellence, Strategies for control, optimization through innovation	1	8
Technical Skills on financial reporting	3	3

HUMAN CAPITAL

Training Programmes	Participants	Hours
Emerging Trends in labour laws	1	8
Quantification and disclosures of organizational-level SLFS S1 & S2 Non-Financial Institutions	4	20
GHG Quantification & Reporting	1	24
Lean Six Sigma Yellow Belt + Lean Six Sigma Lead Auditor	1	16
Business Communication and presentation skills	3	4
ISO 9001:2015 QMS Surveillance and Training	3	16
The First Impression	1	4
Uncertainty Estimation in Measurement Science	1	4
Environmental Monitoring Training	7	5

Our commitment to continuous learning extends beyond compliance and technical competence. We actively encourage employees to pursue professional development opportunities that strengthen both their functional expertise and leadership capabilities. By equipping employees with the knowledge, skills, and confidence required to excel in their roles, we enhance organisational resilience, improve performance standards, and create a culture that values innovation and continuous improvement. These investments not only support individual career growth but also contribute significantly to the achievement of our strategic objectives.

COMPETITIVE REWARDS AND BENEFITS

Lindel remains committed to providing a competitive remuneration framework designed to attract, motivate, and retain talented professionals. During the year, salary and benefit structures were reviewed and adjusted where necessary to address inflationary pressures and changing economic conditions, ensuring that employees continue to receive fair and competitive compensation.

Our employee benefits package includes performance-based incentives, medical allowances, professional development reimbursements, and a range of other employee welfare benefits aimed at enhancing overall wellbeing and financial security.

Benefit	2024 for the period of nine months	2025 for the period of 12 months
Salaries and other related expenses	30,668	38,646
Employer’s contribution to EPF	4,484	5,879
Employer’s contribution to ETF	897	1,176
Staff bonus	6,336	12,584
Other staff costs	13,232	14,312
Gratuity	2,647	4,717

We recognise that an effective rewards framework extends beyond financial compensation. Employees are increasingly seeking workplaces that provide security, recognition, and opportunities for personal growth. Our comprehensive benefits structure is therefore designed to support both professional aspirations and personal wellbeing. Through a balanced combination of financial rewards and employee-focused benefits, we seek to create a workplace where individuals feel valued, appreciated, and motivated to contribute their best efforts.

CONSTRUCTIVE COLLECTIVE BARGAINING

Lindel continues to maintain a positive and collaborative approach to labour relations, supported by a culture of openness, mutual respect, and transparent communication. Our management philosophy encourages employees to raise concerns, share ideas, and engage directly with leadership, creating an environment where issues can be addressed proactively and constructively.

During the year under review, no industrial disputes, grievances, or work stoppages were reported, reflecting the effectiveness of our employee engagement and communication practices.

We remain committed to ensuring that employee voices are heard and respected. By fostering trust, collaboration, and open dialogue, we continue to maintain a harmonious workplace that supports productivity, engagement, and organisational stability.

EMPLOYEE ENGAGEMENT AND WORK-LIFE BALANCE

Employee engagement remains an important aspect of Lindel's people strategy. We recognise that engaged employees are more productive, motivated, and committed to organisational success. Throughout the year, we organised a variety of activities aimed at strengthening relationships, encouraging teamwork, and enhancing employee morale.

Our commitment to work-life balance enables employees to effectively manage their professional responsibilities while maintaining healthy personal lives. We believe that supporting employee wellbeing contributes directly to higher levels of engagement, productivity, and job satisfaction.

STAFF ENGAGEMENT ACTIVITIES:

- Annual staff and family trip
- Year-end get-together
- Farewell events for departing employees
- International Women's Day celebrations
- Employee birthday celebrations

These initiatives foster stronger interpersonal relationships, create a sense of belonging, and reinforce our culture of collaboration and inclusivity. By providing opportunities for employees to interact beyond their day-to-day responsibilities, we strengthen team cohesion and contribute to a more positive workplace experience.

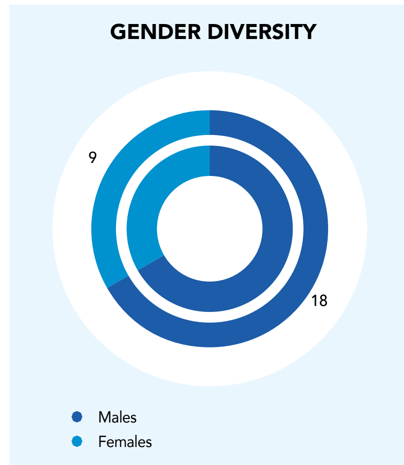
HEALTH AND SAFETY COMMITMENT

Ensuring the health, safety, and wellbeing of employees remains a fundamental priority for Lindel. We maintain rigorous occupational health and safety standards that align with recognised international practices and are designed to minimise workplace risks while promoting a culture of safety awareness.

During the year, no significant health and safety incidents were reported, demonstrating the effectiveness of our preventive measures, employee awareness programmes, and safety management practices. Regular assessments, training initiatives, and workplace inspections help ensure that employees operate within a safe and secure environment.

Our commitment extends beyond compliance with regulatory requirements. We actively promote employee wellbeing through initiatives that encourage safe working practices, risk awareness, and personal responsibility. By maintaining a strong safety culture, we protect our employees while supporting operational excellence and business continuity.

FOCUS ON GENDER EQUALITY GENDER DIVERSITY



Our commitment to promoting gender equality continued to deliver meaningful progress during the year. Female representation within senior management reached 20% for the first time, reflecting our efforts to create a more balanced and inclusive leadership structure.

We have implemented several policies and mechanisms designed to support female employees and ensure equal access to opportunities. These include formal grievance handling procedures, a comprehensive policy on the prevention of sexual harassment, and flexible work arrangements that support diverse employee needs and responsibilities. Creating an environment where women can thrive and progress into leadership roles remains an important component of our broader diversity and inclusion agenda.

EMPLOYEE WELLBEING AND MENTAL HEALTH

We are of the firm belief that employee health extends beyond physical

HUMAN CAPITAL

wellbeing and includes emotional, psychological, and social dimensions.

By fostering a supportive and understanding workplace culture, we seek to reduce workplace stress, improve employee satisfaction, and enhance overall organisational performance.

COMMITMENT TO CONTINUOUS IMPROVEMENT

As we look to the future, Lindel remains committed to strengthening its human capital and continuously enhancing employee capabilities. We plan to introduce new learning and development initiatives focused on emerging technologies, evolving industry requirements, and future workplace trends.

These programmes will support technical development, leadership growth, career progression, and personal development, ensuring that employees remain well equipped to contribute to organisational success in a rapidly changing business environment. Continuous improvement will remain central to our human capital strategy as we seek to build a workforce that is agile, skilled, and future-ready.

PROMOTING DIVERSITY AND INCLUSION

Lindel remains dedicated to advancing diversity, equity, and inclusion throughout the organisation. Our future initiatives will focus on increasing the hiring of underrepresented groups and fostering a workplace culture where every individual feels respected, valued, and empowered.

We are committed to ensuring equal opportunities for development, advancement, and leadership, regardless of gender, background, or personal circumstances. Through continued investment in inclusive policies and practices, we aim to strengthen organisational performance while reflecting the diversity of the communities we serve.

To further strengthen employee engagement, we will continue expanding initiatives that encourage collaboration, communication, and employee participation. Planned activities include additional team-building programmes, enhanced employee feedback mechanisms, and initiatives that promote a culture of openness and inclusion.

LEVERAGING TECHNOLOGY FOR HR EXCELLENCE

The adoption of advanced human resource technologies will continue to be a strategic priority. These technologies will enable us to improve operational efficiency, enhance workforce planning, and support data-driven decision-making across all areas of human resource management.

Planned initiatives include the implementation of enhanced HR management systems, automated performance management tools, workforce analytics capabilities, and digital employee engagement platforms. These investments will strengthen HR effectiveness while enabling a more responsive and efficient employee experience.

STRENGTHENING LEADERSHIP DEVELOPMENT

Building upon existing leadership initiatives, Lindel plans to introduce more comprehensive programmes focused on developing strategic, innovative, and people-centred leaders. These programmes will provide employees with opportunities to strengthen leadership competencies through mentorship, executive training, coaching, and specialised development workshops.

By investing in leadership capability, we aim to ensure a strong succession pipeline and develop future leaders who can effectively navigate organisational challenges, drive innovation, and create sustainable value for stakeholders.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Lindel remains committed to embedding sustainability and corporate social responsibility (CSR) principles within its human capital strategy. The company believes that responsible business conduct generates lasting value not only for employees but also for the wider community and the natural environment.

Future initiatives will focus on encouraging environmentally sustainable workplace behaviours, supporting employee involvement in community development initiatives, and providing opportunities for staff to participate in volunteer programmes. Through these activities, we seek to enhance our contribution to sustainable development while cultivating a strong culture of social responsibility across the organisation.

By aligning human capital priorities with broader sustainability goals, we aim to deliver positive outcomes for employees, communities, stakeholders, and the environment, while reinforcing long-term organisational resilience and growth.

During the year, Lindel continued to enhance the sustainability capabilities and awareness of its workforce in response to evolving stakeholder expectations and emerging sustainability reporting obligations. Recognising the important role employees play in advancing sustainable business practices, the company invested in strengthening knowledge and understanding of sustainability matters across all levels of the organisation.

A significant achievement during the year was the formation of the

Sustainability Management Committee (SMC), comprising representatives from key functional areas of the business. The Committee provides operational guidance and coordination for sustainability initiatives, assisting the Board and management in integrating sustainability considerations into strategic and operational decision-making.

Lindel also commenced the identification and evaluation of Climate-Related Risks and Opportunities (CRROs) across its operations, enabling employees and management to gain a deeper understanding of the potential impacts of climate change and to formulate suitable mitigation and adaptation measures.

To improve the quality and relevance of sustainability reporting, the company initiated a comprehensive mapping exercise against the Sustainability Accounting Standards Board (SASB) framework, identifying industry-specific sustainability topics relevant to its industrial estate, environmental services, laboratory, and renewable energy businesses.

Additionally, awareness programmes on SLFRS S1 and SLFRS S2 were conducted for management and employees to strengthen internal capabilities in sustainability and climate-related reporting. These initiatives have enhanced organisational understanding of sustainability governance, climate-related risks and opportunities, and the critical role employees play in advancing the company's long-term sustainability aspirations.

Through these initiatives, Lindel continues to develop a workforce that is better prepared to support sustainable business practices, regulatory compliance, responsible decision-making, and the creation of long-term value.

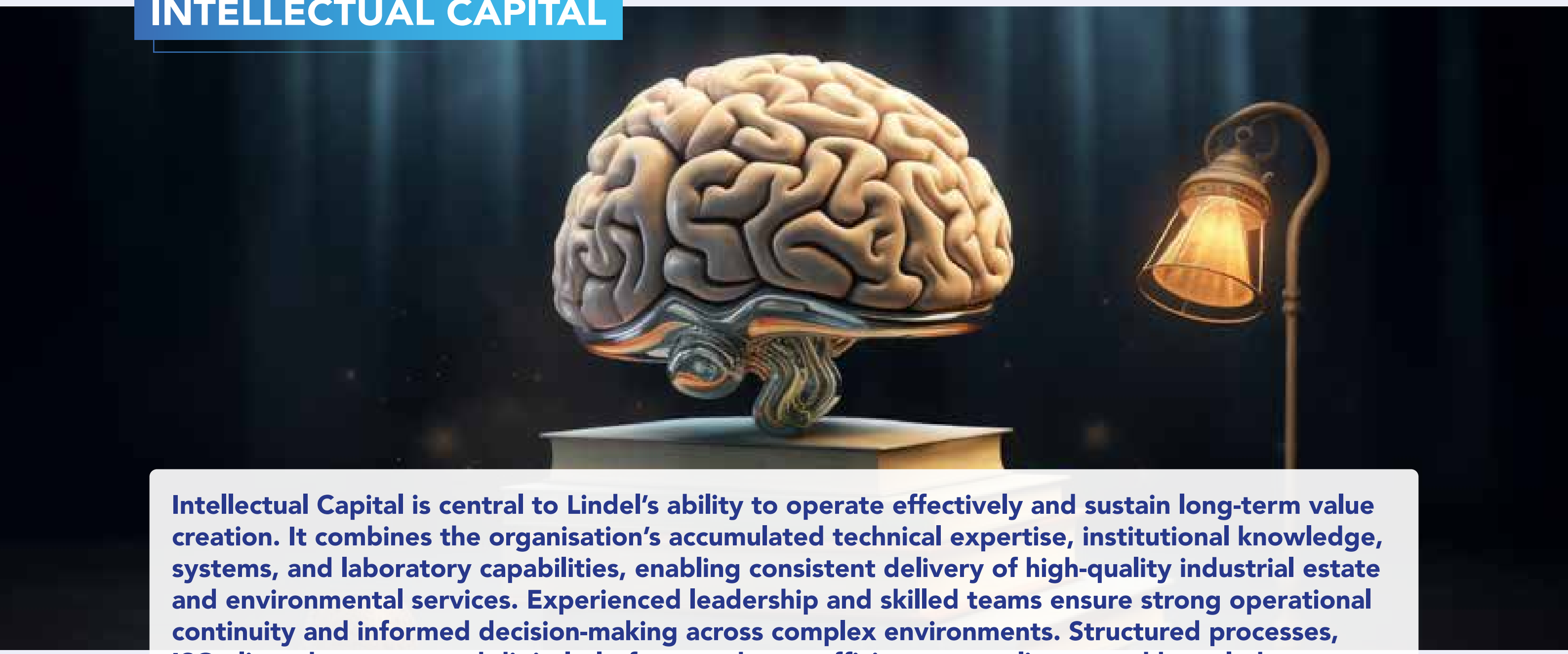
FUTURE OUTLOOK

Lindel's Human Capital is positioned for continued strength, supported by an experienced and multidisciplinary workforce spanning engineering, finance, science, administration, and other specialised functions. This diverse knowledge base provides a strong platform for sustained operational excellence and innovation.

Going forward, Lindel is well placed to further enhance its Human Capital through structured capability development initiatives. Continuous professional development and targeted training programmes will strengthen technical expertise and managerial competence across all levels of the organisation, ensuring alignment with evolving industry requirements.

Lindel also benefits from a strong foundation for leadership continuity, with opportunities to further formalise talent development pathways and internal progression frameworks. This reinforces organisational stability while enabling the steady development of future leaders.

INTELLECTUAL CAPITAL



Intellectual Capital is central to Lindel's ability to operate effectively and sustain long-term value creation. It combines the organisation's accumulated technical expertise, institutional knowledge, systems, and laboratory capabilities, enabling consistent delivery of high-quality industrial estate and environmental services. Experienced leadership and skilled teams ensure strong operational continuity and informed decision-making across complex environments. Structured processes, ISO-aligned systems, and digital platforms enhance efficiency, compliance, and knowledge retention. Expanding laboratory services further strengthens scientific capability and stakeholder trust. Collectively, this intellectual foundation supports regulatory compliance, operational resilience, and sustainable growth, positioning Lindel to respond effectively to evolving environmental and industrial challenges.

OVERVIEW

During the year under review, Lindel's Intellectual Capital continued to play a central role in enabling operational excellence, service delivery, and long-term value creation. Intellectual Capital encompasses the organisation's collective knowledge, technical expertise, systems, processes, certifications, and institutional experience that support the effective management of industrial estates and environmental services.

The strength of Lindel's Intellectual Capital lies in its deep operational history, specialised technical competencies, and embedded organisational knowledge developed over decades of managing complex industrial and environmental operations. This is further reinforced by structured systems, internationally recognised standards, laboratory capabilities, and ongoing investments in skills development and digital transformation.

Together, these elements enable Lindel to maintain high standards of service quality, regulatory compliance, environmental stewardship, and operational efficiency, while supporting sustainable growth and stakeholder confidence.

Relevant SDGs	Material Topics	Impacted Stakeholders
Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation.	Training and Education (GRI 404): Developing employee skills through structured training programs to enhance their capabilities and career growth.	Customers: Receiving high quality, safe, and reliable products and services, enhancing their satisfaction and trust in Lindel.
Ensure sustainable consumption and production patterns.	Customer Health and Safety (GRI 416): Ensuring our products and services meet stringent safety standards, protecting customer well-being.	Employees: Benefiting from a safe, productive, and innovative work environment with opportunities for professional growth and development.
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	Environmental Compliance (GRI 307): Adhering to environmental regulations and promoting sustainable practices to minimise our ecological footprint.	Community: Experiencing positive environmental and social contributions through our sustainable practices and community engagement initiatives.
Ensure healthy lives and promote well-being for all at all ages.	Economic Performance (GRI 201): Tracking and improving financial health and stability to ensure sustainable economic growth.	Shareholders: Gaining increased value and sustainable returns through our strategic focus on growth, innovation, and responsible management
	Innovation (GRI 302): Investing in new technologies and innovative practices to enhance operational efficiency and service quality.	

Highlights of Intellectual Capital development

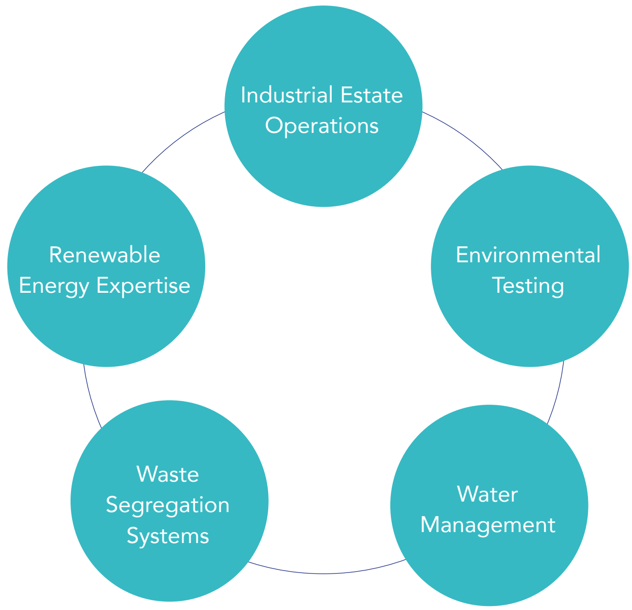
Intellectual Capital Indicator	2025
Employee Specific Training Hours	75
No. of Employees Trained	25
Laboratory Parameters Tested	12,709
Active SAP Users	12
Sustainability Training Sessions	05
Environmental Tests Conducted	63

CREATING VALUE THROUGH INTELLECTUAL CAPITAL

Lindel's Intellectual Capital drives value creation by combining deep expertise, advanced systems, scientific capability, and sustainability knowledge, enabling efficient operations, reliable services, and long-term stakeholder confidence.

OPERATIONAL KNOWLEDGE AREAS

Lindel has proven and specialised knowledge in the following areas, backed by professional staff and state-of-the-art infrastructure.



OPERATIONAL EXCELLENCE

Experienced leadership, skilled teams, and embedded tacit knowledge enable efficient, reliable management of industrial estates and environmental services, ensuring consistent service delivery.

SCIENTIFIC & TECHNICAL SERVICES

Expanded laboratory capabilities in air, water, wastewater, fuel, fertiliser, food, and environmental testing provide trusted data that supports compliance, quality assurance, and informed decision-making.

EFFICIENCY THROUGH SYSTEMS & DIGITAL INTEGRATION

Structured processes, ISO-aligned systems, and SAP Business One improve data flow, reduce inefficiencies, and enhance real-time decision-making across operations.

SUSTAINABILITY & REGULATORY CONFIDENCE

Environmental expertise, renewable energy knowledge, and certification frameworks (ISO, CEA) ensure compliance, strengthen stakeholder trust, and support long-term sustainable industrial development.

VALUE DERIVED BY STAKEHOLDERS

Lindel's Intellectual Capital generates value across a broad range of stakeholders by converting knowledge, systems, and technical expertise into practical outcomes that improve performance, compliance, sustainability, and long-term trust.

INTELLECTUAL CAPITAL

Stakeholders	Benefit Received
Customers / Tenants	Reliable services, accurate laboratory results, and efficient industrial estate support
Regulators / Government Authorities	Strong compliance, credible environmental monitoring, and transparent reporting
Employees	Structured training, knowledge development, and improved operational systems for capability growth
Communities	Improved environmental protection through better waste, water, and industrial estate management
Shareholders / Investors	Operational efficiency, reduced risk, and sustainable long-term value creation
Business Partners / Suppliers	Consistent systems, predictable operations, and collaborative knowledge-based engagement

KEY ENABLERS FOR STRATEGIC VALUE

Knowledge and Skills

Lindel's Intellectual Capital is underpinned by the depth of experience and expertise within its workforce. The Chief Executive Officer brings 31 years of industry experience, while senior managers possess between 20 and 25 years of experience across industrial estate operations, environmental services, laboratory management, and infrastructure development.

This extensive expertise has resulted in strong tacit knowledge across key operational areas, including environmental management, water and wastewater systems, waste segregation, renewable energy operations, and industrial estate administration. Continuous learning and on-the-job experience have enabled the organisation to build a highly capable workforce with strong technical competence and operational resilience.

Training and development programmes further strengthen employee capabilities across specialised areas such as chemical safety, occupational health and safety, laboratory quality systems, microbiological analysis, waste management, and ISO/IEC 17025:2017 compliance.

Culture of Innovation

Lindel continues to encourage a culture of operational improvement and problem-solving through process enhancements, system upgrades, and technology adoption. Innovation is primarily embedded within operational practices, focusing on efficiency improvement, cost optimisation, and service reliability.

Innovation is also reflected in the organisation's increasing focus on renewable energy integration and environmental sustainability initiatives, which contribute to long-term operational resilience and cost efficiency.

Awards and Achievements

Lindel's commitment to quality, compliance, and governance has been recognised through various certifications and industry acknowledgements. These achievements reinforce the organisation's credibility and commitment to maintaining high standards across its operations.

The maintenance of ISO certifications and environmental compliance approvals reflects consistent adherence to international and regulatory requirements, particularly in laboratory services and environmental management functions.

Systems and Processes

Lindel maintains structured documentation systems and established operational procedures that ensure consistency, accountability, and regulatory compliance across its operations. These systems support the retention and transfer of organisational knowledge while reducing reliance on individual expertise.

Standard operating procedures, process manuals, and quality frameworks are used extensively across industrial estate operations and laboratory services, ensuring that critical knowledge is embedded within organisational systems.

The introduction of SAP Business One has significantly strengthened process integration across finance, procurement, inventory, logistics, and customer management, improving efficiency and information accessibility across the organisation.

VALUE DERIVED

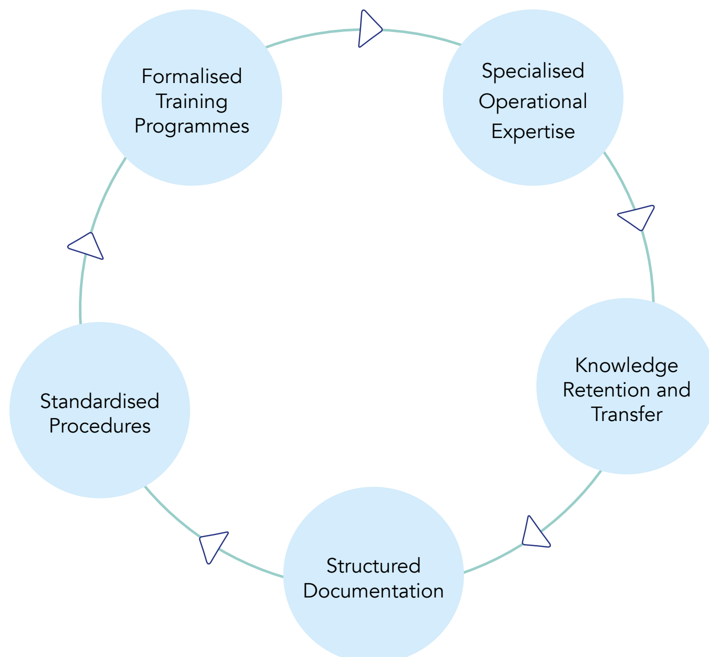
Lindel's Intellectual Capital generates value across multiple dimensions:

- **Service Excellence:**
  Strong technical expertise and laboratory capabilities ensure reliable and high-quality service delivery across environmental and industrial domains.
- **Operational Efficiency:**
  Structured systems, experienced personnel, and integrated digital platforms enhance productivity and reduce operational inefficiencies.
- **Employee Capability and Retention:**
  Continuous training and exposure to specialised technical disciplines strengthen workforce capability and engagement.
- **Regulatory Compliance:**
  Deep institutional knowledge and adherence to ISO and environmental standards ensure consistent compliance with regulatory requirements.
- **Sustainable Growth:**
  Expertise in environmental management and renewable energy supports long-term sustainability and operational resilience.

MANAGEMENT APPROACH

Lindel's approach to managing Intellectual Capital focuses on preserving institutional knowledge, strengthening technical competencies, enhancing systems, and promoting continuous learning across the organisation.

Given the organisation's reliance on specialised operational expertise, knowledge retention and transfer are critical priorities. This is supported through structured documentation, standardised procedures, and formalised training programmes that ensure continuity of expertise across teams and functions.



The organisation also places strong emphasis on aligning operational systems with internationally recognised standards, ensuring consistency, reliability, and compliance across all activities. Certifications such as ISO/IEC 17025:2017 and ISO 9001:2015 provide structured frameworks for quality assurance and continuous improvement.

Digital transformation forms an important part of the management approach. The implementation of SAP Business One has enhanced organisational visibility and strengthened data-driven decision-making, enabling more efficient management of operational and financial processes.

In addition, Lindel continues to build external knowledge partnerships, including collaboration with Expertise France on eco-industrial estate certification, which supports the development of advanced sustainability capabilities and international best practice adoption.

KNOWLEDGE AND EXPERTISE

Lindel's intellectual strength is rooted in its deep institutional and technical expertise across industrial estate operations and environmental services. The organisation has developed significant capability in industrial estate management, environmental monitoring, water resource management, wastewater treatment, waste segregation systems, and renewable energy operations. These competencies have been built through long-term operational experience and continuous refinement of processes and systems.

This knowledge base enables Lindel to manage complex industrial environments efficiently while ensuring environmental compliance and sustainability performance. The ability to integrate technical, regulatory, and operational knowledge is a key differentiator in delivering consistent service quality.

INTELLECTUAL CAPITAL

Training & Development Programmes

Training Programme	Participants	Hours
Cyber Security	1	1.5 hours
Sustainability, GHG quantification and reporting	6	10 hours
Occupational Health and Safety	15	1 hour
Awareness on EPF/ETF and Gratuity Acts and Emerging Trends in labour laws	2	11 hours
Time management and work-life balance	28	4 hours
Technical Skills in Financial Reporting	4	15 hours
ISO 9001:2015 QMS Surveillance Audit	3	16 hours

SYSTEMS AND PROCESSES

Robust systems and structured processes form a core component of Lindel's Intellectual Capital. The organisation maintains comprehensive documentation systems, operational manuals, and process frameworks that support consistency and compliance.

These systems ensure that critical knowledge is standardised, accessible, and transferable across the organisation. They also reduce operational risk by minimising dependency on individual knowledge holders.

The SAP Business One ERP system has further strengthened internal systems integration, enabling seamless coordination across finance, procurement, inventory, logistics, and operational functions. This has significantly improved data accuracy, reporting efficiency, and decision-making capability.

CULTURE OF INNOVATION

Innovation at Lindel is primarily driven through continuous improvement, system enhancement, and operational efficiency initiatives rather than formal research structures.

Key developments during the year include the ERP transition to SAP Business One. Additionally, investments in renewable energy expertise and environmental management systems reflect an evolving focus on sustainable operational innovation.

While innovation is embedded within operational practices, there is recognition of the need to further formalise innovation frameworks and strengthen structured approaches to research and development in the future.

Initiative	Investment	Outcome
Renewable Energy	Rs. 143.71 Mn	1,550kW

The transition from SAGE 100 to SAP Business One has enhanced operational integration across multiple functions, including finance, logistics, procurement, inventory management, sales, and customer relationship management. The system provides real-time access to critical business data, enabling improved decision-making, enhanced cost control, and greater operational efficiency.

SAP Business One has also strengthened internal transparency and improved the organisation's ability to analyse performance metrics, supporting more informed strategic planning and operational management.

ACHIEVEMENTS AND RECOGNITION

Award	Category	Achievement
National Business Excellence Award 2025	Infrastructure and Utilities	Merit Award

BRAND VALUES AND SYNERGIES

Lindel benefits from its association with DFCC Bank PLC, which provides access to broader institutional knowledge, governance frameworks, and corporate support systems. These Group synergies enhance capabilities in human resources, legal compliance, risk management, and financial governance.

The relationship with DFCC Bank PLC also strengthens access to financial expertise and strategic guidance, enabling more effective organisational decision-making and long-term planning.

Ethical Practices and Value-Driven Culture

Lindel's Intellectual Capital is supported by a strong ethical foundation built on integrity, transparency, fairness, and accountability. These values are embedded across all operational and decision-making processes.

The organisation's commitment to ethical conduct strengthens stakeholder trust, reinforces governance standards, and supports sustainable business practices. This culture ensures that Intellectual Capital is not only technical in nature but also aligned with responsible corporate behaviour.

FUTURE OUTLOOK

Lindel is well-positioned to further strengthen its Intellectual Capital through continued investment in people, systems, technology, and sustainability capabilities. The organisation will focus on enhancing technical expertise, improving digital integration, and strengthening knowledge management systems to support long-term growth.

Future developments will also focus on expanding sustainability competencies, particularly in renewable energy and eco-industrial estate management, supported by ongoing collaboration with partners.

Future Initiatives and Focus Areas

Key initiatives include expansion of renewable energy projects to reduce operational costs and environmental impact, advanced training programmes to strengthen employee capabilities, and continued enhancement of digital systems to improve efficiency and decision-making.

Further focus areas include community engagement through CSR initiatives, strengthening environmental sustainability practices across operations, and improving supply chain sustainability in collaboration with partners and stakeholders.

Lindel will continue to strengthen its knowledge base and technical competencies in sustainability and environmental management through initiatives such as Eco-Industrial Estate development, renewable energy integration, and the adoption of international sustainability reporting frameworks. These initiatives will enhance the company's expertise in climate-related risk management, sustainability reporting, resource efficiency, and responsible industrial development, further strengthening its Intellectual Capital.

Future Strategic Priorities

Lindel's strategic priorities for strengthening Intellectual Capital include expanding technical and leadership development programmes, enhancing knowledge management systems, and deepening digital transformation initiatives.

The organisation also aims to formalise innovation processes, strengthen research and development capabilities, and expand laboratory and environmental expertise to support future growth.

Through these initiatives, Lindel will continue to build a robust and resilient Intellectual Capital base that supports operational excellence, sustainability, and long-term stakeholder value creation.

Lindel will continue to enhance its technical capabilities across industrial estate management, environmental services, laboratory operations, and renewable energy solutions. Particular focus will be placed on expanding laboratory competencies, strengthening sustainability expertise, and developing advanced knowledge in environmental monitoring, resource efficiency, and climate-related risk management.

Lindel will continue to build a resilient and future-ready Intellectual Capital base that supports innovation, regulatory compliance, operational excellence, and sustainable value creation for all stakeholders.

SOCIAL & RELATIONSHIP CAPITAL

Social & Relationship Capital functions as a core driver of stability and performance at Lindel. Strong supplier and regulator relationships reduce delays and operational friction, while customer trust supports long-term business continuity. Community acceptance helps secure the organisation's social approval to operate.

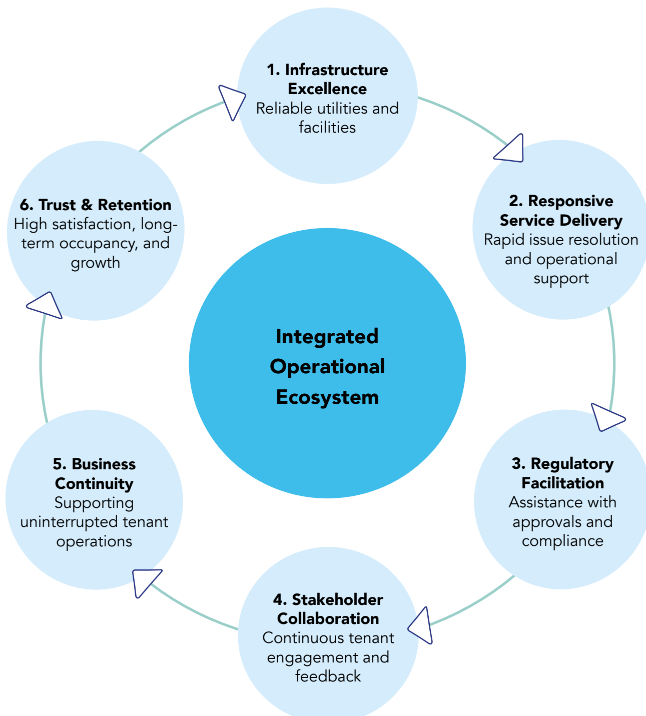
OVERVIEW

Social and Relationship Capital represents the strategic alliances and networks Lindel has built over the years, essential for sustained success and resilience. These relationships span tenants, business partners, regulatory bodies, and the community, fostering mutual growth and trust. We prioritise transparency, high quality services, and long-term commitment. Compliance with regulations ensures stability and supports sustainability. Through job creation, educational support, and community initiatives, we strengthen our reputation as a responsible corporate citizen, crucial to Lindel's mission of sustainable growth.

Relevant SDGs	Material Topics	Impacted Stakeholders
Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation. Ensure sustainable consumption and production patterns. Strengthen the means of implementation and revitalise the global partnership for sustainable development. Make cities and human settlements inclusive, safe, resilient, and sustainable.	Customer Health and Safety (GRI 416): Ensuring the highest safety standards in products and services. Socioeconomic Compliance (GRI 419): Adhering to all legal and regulatory requirements. Local Communities (GRI 413): Engaging with and uplifting the communities where we operate. Customer Privacy (GRI 418): Protecting sensitive customer information. Environmental Compliance (GRI 307): Ensuring environmentally sustainable operations. Security Practices (GRI 410): Implementing robust security measures. Tax Compliance (GRI 207): Ensuring timely and accurate tax obligations.	Customers: Ensuring they receive high-quality, safe, and reliable products and services. Suppliers: Engaging in transparent, ethical relationships. Regulatory Bodies: Ensuring compliance with all standards. Community: Contributing to social and economic wellbeing

CREATING VALUE THROUGH AN INTEGRATED OPERATIONAL ECOSYSTEM

Lindel partners with tenants, creating an 'Integrated Operational Ecosystem', instead of functioning as a mere landlord. The company creates value by integrating infrastructure, operational support, stakeholder engagement, and business enablement into a connected ecosystem that supports tenant success and long-term sustainability.



KEY ENABLERS FOR STRATEGIC VALUE

Tenant Relationship Management: Lindel's ability to create value is founded on long-standing tenant relationships built through trust, responsiveness, and service excellence. Daily interaction with tenants enables the company to understand operational requirements, resolve issues quickly, and continuously improve service delivery. Structured engagement mechanisms, including customer feedback surveys, direct meetings, tenant forums, and operational coordination sessions, provide valuable insights that support continuous improvement and long-term tenant satisfaction.

Strategic Partnerships: The company collaborates with a range of local and international organisations to support innovation, sustainability, and business development. Partnerships with Expertise France, Ambient Group, and Colombo City Holdings contribute valuable expertise, resources, and opportunities that strengthen Lindel's capabilities and support long-term strategic objectives.

Supplier Engagement: Strong supplier relationships ensure uninterrupted access to essential services, materials, and specialised expertise. Lindel maintains transparent procurement practices and works closely with suppliers to uphold quality standards, operational efficiency, and ethical business practices.

VALUE DERIVED

Enhanced Tenant Loyalty and Retention: High levels of customer satisfaction, responsive service delivery, and dependable infrastructure have resulted in strong tenant loyalty and long-term occupancy stability. The company's full occupancy levels and continued demand for space reflect the value tenants place on the services and support provided by Lindel.

Strong Corporate Reputation: Lindel's commitment to quality, transparency, and stakeholder engagement has enhanced its reputation among tenants, regulators, partners, and the wider community. This reputation supports business growth and strengthens stakeholder confidence.

Effective Strategy Execution: Continuous engagement with stakeholders provides valuable feedback that informs strategic decision-making and enables the company to respond effectively to changing stakeholder needs and market conditions.

Economic and Social Impact: Through job creation, supplier partnerships, community development programmes, and support for tenant growth, Lindel contributes meaningfully to economic development while promoting inclusive growth and shared prosperity.

MANAGEMENT APPROACH

Lindel's management approach to Social and Relationship Capital is focused on building and sustaining strong relationships with all stakeholder groups. The company recognises that long-term success depends on physical infrastructure and operational performance, as well as the trust, confidence, and collaboration of tenants, suppliers, regulators, partners, and communities.

Tenant engagement remains a key priority. The company maintains open communication channels and actively seeks feedback through annual customer satisfaction surveys, one-to-one discussions, tenant gatherings, operational meetings, and security coordination forums. These engagement mechanisms provide valuable insights into tenant expectations while enabling the company to address concerns promptly and effectively.

SOCIAL & RELATIONSHIP CAPITAL

A defining characteristic of Lindel's approach is its responsiveness. Tenant concerns are addressed through dedicated communication channels and coordinated support from multiple departments. This proactive approach helps minimise operational disruptions and strengthens confidence in the company's ability to deliver essential services consistently.

The company also recognises the importance of maintaining strong relationships with strategic partners and regulatory authorities. Regular engagement with these stakeholders enables Lindel to remain informed about emerging developments, regulatory requirements, industry best practices, and collaborative opportunities that support sustainable growth.

Community engagement forms another important component of the company's management approach. Through educational support, employment opportunities, and community health initiatives, Lindel seeks to create positive social impact while fostering goodwill among local stakeholders.

ENGAGING WITH SUPPLIERS

Lindel maintains robust relationships with more than 250 suppliers who provide critical services and materials necessary for the smooth functioning of the industrial estate. These partnerships play an important role in ensuring service reliability, operational continuity, and quality outcomes for tenants.

The company's procurement framework is designed to promote transparency, fairness, and accountability while encouraging long-term supplier relationships. Suppliers are selected based on quality, reliability, technical capability, compliance standards, and alignment with Lindel's values.

Through regular communication and performance monitoring, Lindel works closely with suppliers to identify opportunities for improvement and maintain high standards across all service categories.

Type	Services Provided
Permanent	Security, Cleaning, Maintenance, IT, Waste Management
Project Basis	Construction, Cleaning Materials, Specialised Services

CUSTOMER SATISFACTION INITIATIVES

In 2025, Lindel continued to prioritise tenant satisfaction by enhancing service responsiveness, estate infrastructure, security and regulatory support. These initiatives contributed to a more dependable and efficient operating environment for tenants while reinforcing Lindel's reputation as a preferred industrial estate for manufacturing and associated business operations.

Lindel also conducted a customer satisfaction survey during the year, with overall customer satisfaction increasing to above 80% compared with below 80% in the previous year. The company continued implementing practical improvements that directly supported tenant operations, including road network rehabilitation, installation of new road signage and the uninterrupted provision of essential services such as water supply, firewater and wastewater management.

KEY SERVICE IMPROVEMENT AREAS

Initiative	2025 Outcome
Customer satisfaction survey	Customer satisfaction improved to above 80%, compared to below 80% in 2024.
Road network renovation and new road sign boards	Internal transportation and transportation safety improved through better road maintenance and clear directional signage.
Uninterrupted utility and estate services	Water, firewater and wastewater services were provided without interruption, supporting tenant production continuity and making Lindel a reliable location for industrial operations.

DEDICATED EMAIL ACCOUNT

A dedicated email platform remained an important channel for tenant communication. During the year, the company received over 1,500 emails through its official email address, lindel@itmin.net. Requests requiring the attention of the CEO or Heads of Department were typically addressed within 24 hours, while general enquiries managed by the Administration Division were usually responded to within one to two hours. Feedback from tenants indicated an overall satisfaction level of approximately 97% with this communication process.

- Number of email queries handled: 1,500
- Average resolution time: 24 hours
- Customer satisfaction rate: 97%

SECURITY ENHANCEMENTS

Security remained a key priority for the estate throughout 2025. Lindel enhanced protection along the southern boundary by constructing a secure perimeter wall, helping to deter trespassing, theft and vandalism within that section of the estate.

The company also introduced online monitoring CCTV cameras at the former Asia Power premises, providing more efficient surveillance than conventional wired CCTV systems. In addition, two independent security service providers were engaged to oversee separate areas of the estate, enabling more dedicated supervision and strengthening overall operational control.

Security Initiative	2025 Outcome
Southern boundary wall with enhanced security defence	No trespassing, theft, or vandalism was reported from this section of the boundary.
Online monitoring CCTV cameras at former Asia Power premises	Monitoring became easier and more flexible compared to wired CCTV camera systems.
Deployment of two independent security service providers	Separate management of different estate locations enabled improved supervision and control.

These measures have significantly enhanced tenant confidence while contributing to a secure operating environment throughout the estate.

REGULATORY SUPPORT AND COMPLIANCE

Lindel acknowledges that navigating regulatory approvals and compliance obligations can be a complex process for industrial operators. Throughout 2025, the company continued to assist both existing and prospective tenants by providing the necessary infrastructure and supporting the approval process for environmental compliance, local authority requirements and other applicable statutory obligations.

These efforts contributed to the continued growth of the estate's tenant base, with the number of operating industries increasing to 42. The majority of tenants were able to secure the required regulatory approvals within the expected timeframes, supported by Lindel's ongoing coordination with the relevant authorities and its extensive experience in managing an integrated industrial estate.

Support Area	2025 Outcome
Infrastructure support for existing and new industries	The number of industries operating within Lindel increased to 42.
Support for environmental and local authority approvals	Most tenants received their respective regulatory compliances on time.

Navigating regulatory requirements can be complex for tenants. To support their operations, Lindel provides guidance and assistance in obtaining approvals and maintaining compliance with relevant regulations.

Compliance remains a cornerstone of Lindel's operating philosophy. The company continues to uphold high standards of governance, environmental stewardship, workplace safety, and ethical business conduct.

Through ongoing engagement with regulators and robust internal controls, Lindel maintains compliance with applicable laws and regulations while supporting national development through tax contributions and responsible business practices.

SOCIAL & RELATIONSHIP CAPITAL

STRATEGIC PARTNERSHIPS

Strategic partnerships continue to play an important role in supporting Lindel's growth and sustainability agenda. Collaborations with Expertise France, Ambient Group, and Colombo City Holdings have created opportunities for knowledge sharing, technical collaboration, and sustainable development initiatives.

These partnerships enhance the company's access to specialised expertise and support the implementation of projects that contribute to operational excellence and environmental stewardship. They also strengthen Lindel's position within the broader industrial and business ecosystem.

COMMUNITY UPLIFTMENT

Lindel continued to support the surrounding community through education-focused initiatives and employment opportunities. In 2025, the company provided essential school supplies to more than 50 underprivileged students from nearby communities, helping them pursue their education with the resources they required.

The estate also supported local livelihoods by creating direct employment opportunities within Lindel and indirect employment through third-party service providers and supplier partnerships. Wherever feasible, these opportunities were made available to members of the surrounding community, contributing to wider local economic participation.

COMMUNITY INITIATIVES

We have implemented a series of initiatives aimed at improving living standards among surrounding communities, while creating a meaningful impact on their overall wellbeing.

Type	Services Provided / Contribution
Educational support to surrounding community	Donated school requirements to more than 50 needy students.
Direct employment	Provided direct employment opportunities within Lindel.
Indirect employment	Offered selected third-party service contracts and supplier opportunities to the surrounding community.

REGULATORY ENGAGEMENT

Adherence to statutory and regulatory requirements continues to be a key component of Lindel's operations. During 2025, the company sustained regular engagement with relevant regulatory authorities and government institutions to facilitate environmental clearances, development approvals, tax-related compliance, land development approvals, building clearances and other regulatory requirements applicable to the estate and its tenants.

This proactive approach allowed Lindel to remain aligned with regulatory expectations while supporting tenants in effectively managing the approval processes associated with their industrial activities.

ENGAGEMENT WITH REGULATORY BODIES

Regulatory / Government Body	Purpose of Engagement
Central Environmental Authority (CEA)	Environmental clearance and approvals, including EIA and EPL-related matters.
Urban Development Authority (UDA)	Development permits and survey plan approvals.
Biyagama Pradeshiya Sabha	Rates and taxes, survey plan approvals, and building plan approvals.
Inland Revenue Department	Tax-related matters.
Board of Investment	EPL and project approvals.
Sri Lanka Land Reclamation and Development Corporation (SLRDC)	Land development approvals.
Building Department	Building clearances.
Agrarian Department	Clearances connected to relevant development activities.
Mining and Minerals authorities	Land development-related approvals.

Community Initiatives







Complience and Contributions

COMPLIANCE AND CONTRIBUTIONS

In 2025, Lindel continued to support the national economy through its contributions in the form of taxes, dividends, employment generation, infrastructure development and the creation of a supportive industrial environment for tenant operations. The company's commitment to compliance enabled effective and timely engagement with tax authorities and regulatory institutions while reinforcing stakeholder trust and confidence.

Contribution Area	2025 Status
Taxes	A Total of Rs.149,990,000/- paid as taxes to Government.
Dividends	A Total of Rs.207,599,665/- paid as dividends

SOCIAL & RELATIONSHIP CAPITAL

FUTURE OUTLOOK

Lindel's future priorities will centre on optimizing resource utilization, enhancing employee capabilities, advancing digitalization, supporting succession planning, pursuing capital-raising initiatives and broadening its business presence. As the company enters its next stage of growth, stakeholder engagement will continue to underpin its strategy, enabling Lindel to generate sustainable value while supporting operational stability, business growth and long-term resilience.

Strengthening Customer Relationships

Lindel will continue to position customer and tenant relationships at the core of its value creation approach. The company will focus on enhancing communication channels, improving service quality and providing more tailored support to address the changing operational needs of its tenants.

Through these initiatives, Lindel aims to strengthen customer loyalty, improve tenant retention, encourage repeat business and reinforce its reputation as a preferred destination for established industrial enterprises.

Deepening Supplier Engagement

Suppliers remain integral to maintaining the continuity, quality and efficiency of Lindel's operations.

Lindel will continue expanding its supplier network while preserving strong relationships with long-standing business partners. This approach will reduce reliance on a limited supplier base, improve sourcing competitiveness and facilitate the timely delivery of maintenance, infrastructure and operational requirements.

Lindel expects these initiatives to improve operational efficiency, minimise supply chain risks, stimulate local economic activity and foster stronger long-term partnerships that support mutual growth.

Community Development Initiatives

Lindel acknowledges that its long-term success is closely connected to the wellbeing and confidence of the communities surrounding the industrial estate.

Future community initiatives will emphasise educational assistance, healthcare programmes, awareness campaigns and local employment opportunities.

These initiatives are expected to strengthen community partnerships, enhance social wellbeing and further reinforce Lindel's position as a responsible corporate citizen.

Enhanced Regulatory Engagement

Lindel will continue to foster proactive and transparent engagement with relevant regulatory authorities to ensure compliance with applicable legal, environmental, taxation, utility and operational requirements, with particular emphasis on strengthening internal compliance processes, timely reporting and ongoing collaboration with environmental authorities, BOI, local authorities and other statutory institutions.

Through stronger regulatory engagement, Lindel expects to minimise compliance risks, ensure uninterrupted operations, uphold responsible business practices and make a positive contribution to industry standards.

Innovative Stakeholder Engagement

As stakeholder expectations continue to evolve, Lindel will further strengthen the way it communicates, consults and collaborates with its key stakeholder groups. The Company plans to increase the use of digital platforms, structured feedback systems, stakeholder forums and interactive communication channels to enhance transparency and responsiveness.

These initiatives will promote more inclusive decision-making while enabling the company to better understand the expectations of tenants, employees, suppliers, regulators, shareholders and surrounding communities. Greater digitalization will also enhance service monitoring, communication effectiveness and data-driven decision-making.

Economic Empowerment and Reduced Inequalities

Lindel will continue promoting economic empowerment through equitable employment practices, greater participation of local suppliers, community development initiatives and inclusive workplace practices.

The company will also continue investing in employee learning, professional development and wellbeing while creating additional opportunities for skills enhancement and career advancement. Lindel will indirectly support employment creation, entrepreneurship and wider economic activity within and beyond the industrial estate.

These initiatives are expected to encourage broader economic participation, reduce inequalities and support sustainable growth, while reinforcing Lindel's role as a catalyst for industrial development.

FUTURE INITIATIVES AND FOCUS AREAS

Initiative	Proposed Write-up	Expected Impact
Maximise resource usage	Lindel will continue to improve the utilisation of land, buildings, utilities, renewable energy assets, water infrastructure and operational resources to generate greater value from its existing asset base.	Enhanced revenue and improved return on resources.
Training and development	The company will strengthen employee capability through structured training, technical development, safety awareness, regulatory updates and sustainability-related learning.	Capacity building and improved organisational effectiveness.
Succession planning	Lindel will focus on identifying and developing future leaders to ensure continuity of knowledge, operational expertise and institutional capability.	Continuation of talent and stronger organisational resilience.
Digitalisation	The company will continue to adopt digital tools and systems to improve reporting, service delivery, decision-making, stakeholder communication and resource allocation.	Efficient resource allocation and improved operational visibility.
IPO	The proposed capital raising initiative will support Lindel's long-term growth strategy by strengthening its capital base and improving its capacity to pursue expansion opportunities.	Raising of capital and enhanced future growth capacity.
Business expansion	Lindel will continue to evaluate opportunities to expand its industrial estate model and related services, including potential new land development, laboratory services and renewable energy initiatives.	Wider customer reach and stronger long-term growth potential.

Through these initiatives, Lindel will continue strengthening its position as a trusted industrial estate operator and ecosystem partner, delivering sustainable value for tenants, partners, regulators, communities, and other stakeholders while supporting long-term growth and resilience.

NATURAL CAPITAL

Natural Capital represents the renewable and non-renewable environmental resources that support Lindel's operations, including land, water, energy, and associated ecosystem systems. These resources underpin the company's property development and estate management activities and are essential to its ongoing economic performance.

The company depends on land, water, energy, and environmental systems to support its property development and estate management activities. In managing these resources responsibly, Lindel continues to strengthen its environmental performance while reducing its ecological footprint and enhancing sustainability outcomes for stakeholders.

OVERVIEW

Natural Capital is central to Lindel's long-term value creation and operational resilience.

During the year, Lindel strengthened its management of these resources through improved energy efficiency, expanded renewable energy generation via its expanded solar portfolio, and enhanced water treatment capacity, leading to the availability of considerable buffer capacity to support expansion. Structured waste segregation, recycling systems, and environmental monitoring further supported efficient resource use and reduced environmental impact.

Through these measures, Lindel continues to embed sustainability into its operations, ensuring long-term resource security, operational resilience, and reduced ecological impact for future generations.

Relevant SDGs	Material Topics	Impacted Stakeholders
Goal 6: Ensure availability and sustainable management of water and sanitation for all. **Goal 7:** Ensure access to affordable, reliable, sustainable, and modern energy for all. **Goal 12:** Ensure sustainable consumption and production patterns. **Goal 13:** Take urgent action to combat climate change and its impact	Materials (GRI 301): Efficient use and management of raw materials. Energy (GRI 302): Optimisation of energy use and promotion of renewable energy sources. Water and Effluents (GRI 303): Sustainable water management practices. Biodiversity (GRI 304): Preserving and enhancing biodiversity. Emissions (GRI 305): Reducing greenhouse gas emissions and other pollutants. Environmental Compliance (GRI 307): Adhering to environmental regulations. Waste (GRI 306): Effective waste management and reduction strategies.	Community: Enhanced environmental quality and sustainable resource use. Employees: Improved workplace sustainability and health. Regulators: Compliance with environmental regulations and standards. Shareholders: Long-term value through sustainable practices

CREATING VALUE THROUGH NATURAL CAPITAL

As an organisation that counts nature's abundance as its primary resource, the company depends on land, energy, water, and other natural resources to develop and manage its assets. By promoting responsible resource use and environmental stewardship, Lindel seeks to balance economic growth with environmental sustainability.

Sustainable Land Stewardship
Manages and develops land responsibly to support long-term economic and environmental value.

Efficient Resource Utilisation
Promotes the prudent use of water, energy, and other natural resources across its properties and operations.

VALUE CREATION

Environmental Impact Reduction
Implements initiatives that minimise waste, emissions, and the environmental footprint of business activities.

Sustainable Spaces for Stakeholders
Maintains environmentally responsible properties that enhance tenant satisfaction, operational resilience, and long-term asset value.

KEY VALUE ENABLERS

BIODIVERSITY AND IMPACT MANAGEMENT

Lindel continues to integrate biodiversity considerations into estate management practices. The maintenance and expansion of green belts, alongside ongoing tree planting initiatives, support ecological balance within and around the industrial estate. Regular monitoring of air quality and stormwater systems ensures that environmental impacts are actively managed and controlled. These measures are complemented by compliance requirements embedded within tenant and service provider agreements, reinforcing shared environmental responsibility across the estate ecosystem.

ENERGY MANAGEMENT

Energy management remains a core driver of Lindel's sustainability strategy. The company has developed a dedicated renewable energy subsidiary managing a 3 MW solar portfolio, generating approximately 4 Mn electricity units per month. This has significantly strengthened internal energy self-sufficiency.

Energy efficiency initiatives, including the deployment of LED street lighting and capacitor banks, have reduced electricity consumption by approximately 15%–20%. These improvements, combined with increased reliance on renewable energy sources, continue to enhance operational efficiency while reducing environmental impact.

WATER MANAGEMENT

Lindel's water management approach is centered on efficiency, recycling, and resilience. The company maintains a treatment capacity of 9 Mn litres per day against a current usage of approximately 2 Mn litres per day, providing substantial operational buffer capacity.

Water sustainability initiatives include expanded rainwater harvesting systems, wastewater treatment upgrades, and increased recycling of treated water for operational use. During the year, approximately 15,000 cubic metres of wastewater were treated and reused, contributing to a measurable reduction in overall water consumption.

SOLID WASTE AND WASTEWATER MANAGEMENT

Lindel has established structured systems for waste segregation, collection, and recycling across multiple material streams, including metals, plastics, cardboard, and composite materials. These systems are supported by third-party partnerships and continuous improvement programmes aimed at increasing recycling efficiency and reducing landfill dependency.

In parallel, centralised wastewater treatment infrastructure ensures that all industrial effluents are treated to required environmental standards before discharge. Controlled discharge systems and ongoing infrastructure upgrades further strengthen environmental compliance and operational reliability.

VALUE DERIVED

Lindel's Natural Capital initiatives generate value across three key dimensions.

They ensure the sustainable use and preservation of critical resources such as land, water, and energy, safeguarding long-term operational continuity.

I

They reduce environmental impacts through measurable improvements in energy efficiency, emissions reduction, and waste diversion.

II

They enhance operational efficiency and cost effectiveness through lower resource consumption and improved system performance.

III

Collectively, these outcomes reinforce both environmental responsibility and financial resilience.

MANAGEMENT APPROACH

During the year, Lindel adopted an integrated approach to Natural Capital management, embedding sustainability considerations across all operational areas. The focus remained on improving resource efficiency, reducing environmental impact, and strengthening compliance with applicable environmental standards.

This was achieved through continued investment in renewable energy, modernisation of water and wastewater infrastructure, expansion of recycling systems, and enhanced environmental monitoring. Together, these initiatives reflect a structured transition towards more sustainable and resource-efficient operations.

BIODIVERSITY AND IMPACT MANAGEMENT

During the year, continuous monitoring of air quality and stormwater systems enabled early identification and mitigation of potential environmental risks. Tree planting initiatives and habitat enhancement programmes further strengthened biodiversity outcomes across the estate.

These efforts have contributed to improved environmental indicators and reinforced the role of the estate as a managed ecological environment rather than a purely industrial space.

ENERGY MANAGEMENT

Lindel continues to strengthen its energy transition strategy through expansion of renewable energy capacity and efficiency improvements across operations.

These initiatives have improved energy intensity performance and reduced reliance on external energy sources.

WATER MANAGEMENT

Water stewardship remained a key operational priority during the year. Lindel maintained a significant capacity buffer between treatment capability and actual consumption, reinforcing operational resilience.

Ongoing investments in rainwater harvesting, wastewater treatment upgrades, and recycling systems enabled improved water efficiency. Wastewater treatment and reuse, supported a reduction in freshwater dependence and strengthening overall water sustainability performance.

SOLID WASTE AND WASTEWATER MANAGEMENT

Lindel's waste management framework continued to evolve through improved segregation, recycling, and recovery systems. A growing proportion of waste streams are now directed towards recycling or resource recovery pathways, supported by structured operational processes and external partnerships.

Wastewater is managed through centralised treatment facilities and controlled discharge systems, ensuring compliance with environmental standards while maintaining operational safety and reliability.

EMISSIONS REDUCTION

Lindel continued to strengthen its emissions management practices through energy efficiency improvements and cleaner operational processes. Upgrades to lighting systems, optimisation of energy usage, and increased renewable energy integration contributed to measurable reductions in greenhouse gas emissions.

These initiatives reinforce the company's broader commitment to reducing its environmental footprint while maintaining operational efficiency.

FUTURE OUTLOOK

Looking ahead, Lindel will build on its 2025/2026 performance in Natural Capital management by further strengthening resource efficiency and environmental resilience through targeted strategic initiatives.

The company will continue to expand its renewable energy base, supported by its solar portfolio energy generation, with a focus on increasing the share of internally generated clean energy, and further improving energy efficiency gains already achieved through LED upgrades and capacitor bank installations.

Water management will be further enhanced within the context of our existing treatment capacity and current usage. Future initiatives will prioritise advanced recycling, reuse systems, and optimisation of existing infrastructure to further strengthen water efficiency and resource security.

Waste management systems will continue to evolve through expanded segregation, recycling, and recovery initiatives across multiple material streams, building on current practices that already include recycling of metals, plastics, cardboard, and composite materials. The long-term objective remains to further reduce landfill dependency while improving resource recovery outcomes.

Lindel will also deepen stakeholder and community engagement to strengthen environmental awareness and participation in sustainability initiatives, reinforcing the broader transition towards a more resource-efficient and environmentally responsible operating model.

CORPORATE GOVERNANCE

THE CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

On behalf of the Board of Lanka Industrial Estates Limited (Lindel), I am pleased to present our Corporate Governance Report for the financial year ended 31st December 2025.

Good corporate governance practices are imperative for the growth and sustainability of any entity. Further, we at Lanka Industrial Estates Limited strongly believe that corporate governance helps us to maintain the trust placed in us by our stakeholders. The report below demonstrates how the company has complied with the Corporate Governance Regulations and the Best Practices during the financial year ended 31st December 2025.

Lanka Industrial Estates Ltd's Board includes professionals from various disciplines, who guide the company to achieve its goals and objectives while ensuring the highest standards of ethical conduct. During the year under review, the Board of Directors' collective efforts and experiences were crucial in navigating the company through the various challenges the company had to cope with.

The governance framework of Lindel is designed to strengthen the Board of Directors of the company and Group, which will ultimately ensure the accountability and transparency in their roles to provide sustainable returns to our Stakeholders.

We will continue to improve our corporate governance practices by complying with all the relevant rules and regulations while enhancing the sustainable value creation for our stakeholders. We are committed to investing in and supporting our people so that the company maintains an appropriate balance of management skills and capabilities as it grows and develops.

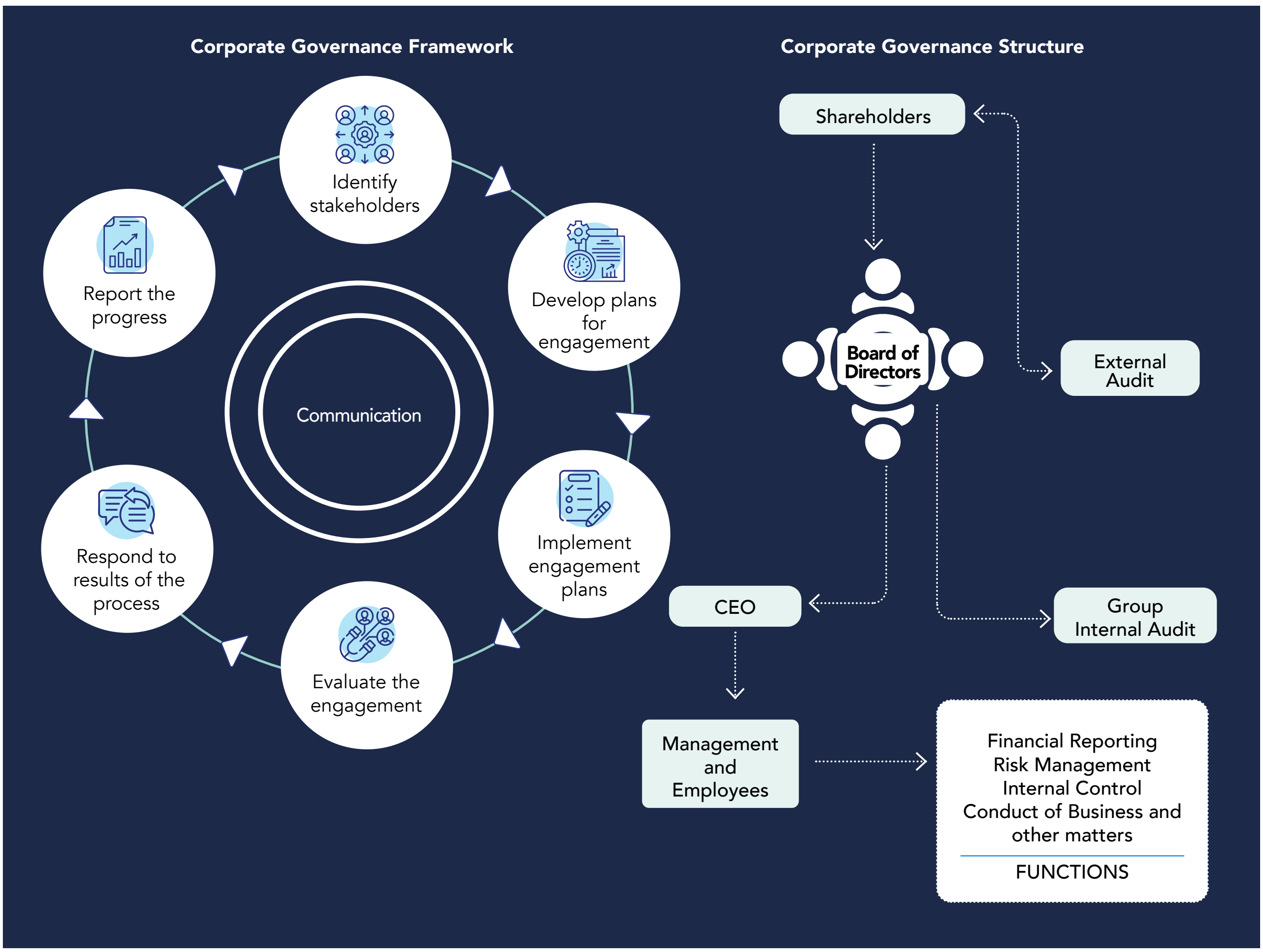
I together with the Board of Directors hereby confirm that we are not aware of any material violations of the provisions of the Code of Business Conduct and Ethics as the case may be by any Director or any member of the senior management of Lindel.

Thimal Perera
Chairman

30th June 2026

Corporate governance signifies the manner in which companies are directed and controlled. Good governance is an essential ingredient in corporate success and sustainable economic growth. The Board of Directors of Lanka Industrial Estates Limited is committed to maintaining high standards of integrity, accountability, transparency, and business ethics in the governance of the Group.

From the beginning and even being a Limited Liability Company, Lanka Industrial Estates Limited and its subsidiary have continued to apply high corporate governance standards aimed at assuring the company's ongoing sustainability. The organisation's governance structure demonstrates its ability to create value in the short, medium and long term to its Stakeholders. Headed by the Board of Directors, the company's governance framework ensures sound corporate governance principles that reflect Lindel mission and core values and promote good governance practices across the business.



STATEMENT OF COMPLIANCE

The Board of Directors wishes to confirm to the best of their knowledge and belief that the company has complied with all requirements in terms of regulations and statutory payments under the Companies Act No. 7 of 2007 and Inland Revenue Act No. 24 of 2017.

COMPOSITION OF THE BOARD

The company has satisfied all requirements as per accepted labour regulations and financials are prepared according to the standards of SLFRSs and LKASs.

CORPORATE GOVERNANCE

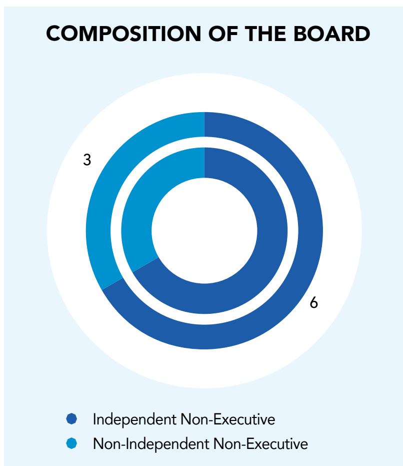
The company's governance framework is based on the following key internal and external steering instruments;

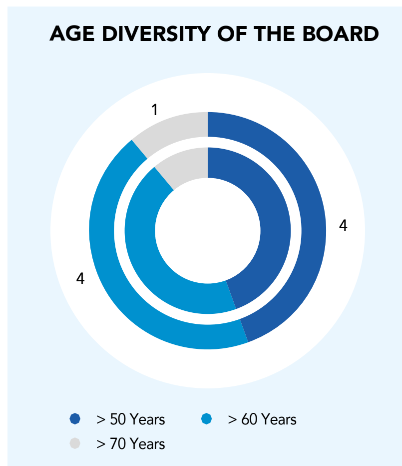
External Instruments	Internal Instruments – Mandatory
Companies Act No.7 of 2007 – Mandatory	Group Code of Ethics
Listing Rules of the Colombo Stock Exchange (CSE) – Voluntary	Articles of Association
Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended) - Voluntary	Human Resources Policies
Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 – Mandatory	Health and Safety Policies
Inland Revenue Act No. 24 of 2017 - Mandatory	Environmental Policies
Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka – 2017 – Voluntary	Internal control processes and procedures
Integrated Reporting Framework – Voluntary	Risk Management Framework

BOARD OF DIRECTORS

The Board of Directors are responsible for charting the strategic direction of the company. The Board promotes a culture of openness, constructive dissent and productive dialogue in its Board Meetings.

Board comprises of professionals who have many years of experience in the corporate world. The Board gives leadership in setting the strategic direction and establishing a sound control framework and is accountable for the governance of the company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment.





Check Graphs' Details

Mr. N.H.T.I. Perera	Non-Independent Non-Executive Chairman	Appointed on 24 August 2022
Mr. R.A. Dassanayake	Non-Independent Non-Executive Director	Appointed on 26 September 2019
Dr. R.M.K. Rathnayake	Non-Independent Non-Executive Director	Appointed on 30 April 2002
Mr. A. Tudawe	Non-Independent Non-Executive Director	Appointed on 06 April 1992
Mr. T. Darmarajah	Independent Non-Executive Director	Appointed on 16 December 2021
Mrs. C.M.D.N.K. Seneviratne	Independent Non-Executive Director	Appointed on 16 December 2021
Dr. K.A.S. Keeragala	Independent Non-Executive Director	Appointed on 09 February 2022
Mr K A P. Perera	Non-Independent Non-Executive Director	Appointed on 15 December 2023
Mrs J.P.P. Liyanage	Non-Independent Non-Executive Director	Appointed on 29 November 2024

RESPONSIBILITIES OF THE BOARD

The Board is responsible for the formulation and implementation of sound business strategies and is responsible for ensuring that the company adheres to the relevant laws and regulations of the country, regulatory authorities and professional institutes.

ROLE OF THE BOARD OF DIRECTORS

1. Providing direction and guidance to the company in the formulation of sustainable high level medium and long term strategies.
2. Reviewing and approving annual plans and strategic plans.
3. Approving and monitoring financial and other reporting practices adopted by the Group.
4. Reviewing HR processes with emphasis on top management succession planning.
5. Appointing and reviewing the performance of the CEO.
6. Monitoring systems of governance and compliance.
7. Overseeing systems of internal control, and risk management.
8. Determining discretions/authorities delegated from the Board to the executive levels.

BOARD SKILLS AND COMPETENCIES

The Board comprises individuals with a diverse range of professional expertise, industry knowledge, and leadership experience required to effectively oversee the strategic direction, governance, risk management, and long-term sustainability of the Group.

The Board includes professionals with expertise in the following areas:

- Finance and Accounting
- Banking and Financial Services
- Corporate Governance
- Risk Management
- Engineering and Technology
- Legal and Regulatory Compliance
- Sustainability and ESG
- Public Sector and Policy Administration

COMPLIANCE WITH LAWS AND ACCESS TO PROFESSIONAL ADVICE

The Board acts in conformity with the laws of the country and has tabled a compliance statement on statutory requirements on a quarterly basis at the Board meeting.

The Board of Directors are provided with the opportunity of seeking professional advice at the expense of the company, whenever it is necessary; with regard to certain technical matters and other business affairs ensuring that the Directors possess sufficient knowledge and experience in making high quality and independent decisions.

COMPANY SECRETARY

SSP Corporate Services (Pvt) Ltd acts as the Company Secretary to the Board of Lanka Industrial Estates Limited.

All Directors have independent and joint access to the Company Secretary who acts in a professional manner.

The Company Secretary advises the Board on matters relating to the Companies Act and other applicable rules and regulations and ensures that appropriate, timely and accurate information is submitted to the Board.

DIRECTORS' INDEPENDENCE

Directors are experienced leaders in their respective fields and exercise independent and unfettered judgment, promoting constructive Board deliberations and objective evaluation of matters set before them.

PERFORMANCE EVALUATION OF CEO

The Board, in consultation with the CEO, sets reasonable financial and non-financial targets in line with the short, medium and long term objectives of the company, which are to be achieved by the CEO every year. The performance of the CEO is evaluated by the Board at the end of each year, based on agreed objectives. The variable component of the CEO's remuneration is determined based on the achievement of these set targets.

BOARD MEETINGS AND ATTENDANCE

The Board Meetings are held at least once a quarter. Sufficient time is allocated at every meeting to ensure all responsibilities are discharged satisfactorily. Timely information is provided before a meeting with the agenda and board papers. Directors dedicate adequate time prior to a meeting to review Board papers.

Information provided covers the monthly accounts and comparison of performance against budget and previous year's results, with remedial acton has taken when necessary. Senior managers make presentations on the performance in their respective areas on request. When the Board requests additional information, that is also provided.

ATTENDANCE FOR BOARD MEETINGS

The Board held four Board meetings during the year. Attendance of Directors at Board meetings is summarized below.

CORPORATE GOVERNANCE

Director	Board Meeting	Audit Committee	Remuneration Committee	Related Party Transactions Review Committee
Mr. N.H.T.I. Perera	3/3		4/4	
Mr. R.A Dassanayake	3/3			
Dr R.M.K. Rathnayake	3/3			
Mr. A. Tudawe	1/3			
Mr. T. Dharmarajah	3/3	1/1	4/4	
Mrs. C.M.D.N.K. Seneviratne	1/3	1/1	4/4	
Dr. K.A.S. Keeragala	3/3			
Mrs J.P.P. Liyanage	2/3	1/1		
Mr. K.A.P. Perera	2/3			
Date	10th January 2025 13th June 2025 26th September 2025	03rd September 2025	3rd January 2025 23rd January 2025 9th May 2025 21st July 2025	No meetings

CHAIRMAN AND CEO

The roles of the Chairman and the CEO are clearly demarcated with clear distinction of responsibilities between them to ensure balance, accountability and authority between running the Board and the executive responsibility for the running of the Group's business.

As the Chairman, Mr. N.H.T.I. Perera provides leadership to the Board to ensure that the Board conducts its duties efficiently and that the Board functions to ensure integrity and effectiveness of relationships between the Non-Executive and Executive Directors. The role of the CEO, Mr. B.R.C Cooray is to implement the policies and the strategies approved by the Board and to develop and recommend the business plan and budgets that support the Group's long-term strategy and vision that would lead to generating shareholder value.

APPOINTMENTS TO THE BOARD AND RE-ELECTION

The appointments to the Board are made collectively, with the consent of the Directors taking into consideration the Board composition and the strategic input required.

All Directors should be required to submit themselves for re-election at regular intervals. The company's articles require a Director appointed by the Board to hold office until the next Annual General Meeting (AGM) and one third of the Directors to seek reappointment by the shareholders at that meeting.

REAPPOINTMENT BY THE SHAREHOLDERS AT THAT MEETING

In terms of Section 210 of the Companies Act No. 7 of 2007, a Director who has reached 70 years of age vacates office at the AGM held after he attains the age of 70 years. A Director who has reached the age of 70 years may be reappointed in terms of Section 211 of the Companies Act.

INDUCTION AND TRAINING FOR DIRECTORS

On appointment, Directors are provided with an orientation pack with all relevant external and internal regulations, documents and a tour of the industrial estate premises. The Board of Directors recognise the need for continuous training and expansion of knowledge and skills required to effectively perform their duties. They undertake training and professional development in their personal capacity as they consider necessary.

DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS

The details of the Directors, nature of expertise in relevant functional areas, attendance at Board meetings, other directorships and Directors' interest in contracts are disclosed under the relevant sections in the annual report.

MONITORING OF SUBSIDIARY COMPANY

Subsidiaries of Lanka Industrial Estates Limited is managed by its respective Board according to the companies' Articles of Association and in the best interest of their stakeholders. Lanka Industrial Estates Limited monitors the performance of the subsidiaries.

FINANCIAL ACUMEN

The Board includes Directors who possess the necessary knowledge and experience to offer the Board guidance on financial matters.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors is responsible for formulating and implementing effective risk management and internal control systems to safeguard shareholder interests and the assets of the company. These systems cover all controls, including financial, operational, and compliance, and are monitored and regularly reviewed for effectiveness by the Board. The DFCC Group Internal Audit Department supports the audit committee, reviewing the adequacy and effectiveness of the internal control systems and reporting to the Board of Directors on a regular basis.

SUSTAINABILITY GOVERNANCE

The Board of Directors recognizes sustainability as a key component of Lindel's long-term value creation strategy and remains committed to integrating environmental, social, and governance (ESG) considerations into the company's strategic decision-making processes, risk management framework, and operational activities.

During the year under review, the company strengthened its sustainability governance framework in preparation for evolving sustainability reporting requirements and increasing stakeholder expectations relating to ESG performance and climate-related disclosures. Lindel established a Sustainability Management Committee (SMC) comprising cross-functional management representatives to coordinate and oversee sustainability-related initiatives across the organisation. The SMC was entrusted with supporting the implementation of sustainability strategies, monitoring ESG-related initiatives, coordinating sustainability reporting processes and facilitating sustainability awareness within the organisation.

Lindel also commenced the identification and assessment of Climate-Related Risks and Opportunities (CRROs) relevant to its operations, taking into consideration the nature of its industrial estate operations, environmental management activities, renewable energy initiatives and long-term operational resilience. Key focus areas included environmental compliance, waste management, water management, energy management, climate resilience and sustainability-related stakeholder expectations. In strengthening sustainability awareness within the organisation, management conducted internal discussions and awareness programmes relating to sustainability, ESG concepts and emerging sustainability reporting expectations.

Audit Committee provided oversight on sustainability-related matters including environmental management, climate-related risks and opportunities, regulatory developments, stakeholder expectations and the company's readiness towards sustainability-related financial disclosures. Sustainability considerations were increasingly integrated into strategic discussions relating to operational resilience, environmental compliance, energy management, waste management, and long-term business sustainability.

The Audit Committee continued to support the Board by reviewing matters relating to risk management, internal controls, regulatory compliance, and governance processes, including areas connected to sustainability reporting readiness and ESG-related disclosures.

Lindel remains committed to continuously strengthening its sustainability governance practices and enhancing transparency, accountability, and long-term stakeholder value creation in line with emerging local and global sustainability expectations.

BOARD SUBCOMMITTEES

Board has appointed the following Sub Committees in order to fulfill its oversight role more effectively.

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee

More details on these committees are available on respective committee reports.

ACCOUNTABILITY AND AUDIT

The Board is responsible for presenting a balanced, accurate and understandable assessment of the company's, performance, financial position and prospects. Monthly performance reports are circulated within 20 days of each month end. The company's financial statements are prepared in accordance with the Sri Lanka Financial Reporting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and comply with the requirements of the Companies Act No. 7 of 2007.

The following specialised information requirements are also included in this Annual Report.

CORPORATE GOVERNANCE

- The annual report of the Board of Directors on the Affairs of the company on pages 102- 105 of this Report contains the declarations prescribed by the Code.
- The Statement of Directors' Responsibilities is given on page 100 of this Report.
- The Independent Auditor's Report on page 107 of this Report.

MAJOR AND MATERIAL TRANSACTIONS

There are no materially significant related party transactions or relationships between the company and the Directors, subsidiary company or related parties except for those disclosed in the Financial Statements for the year ended 31st December 2025.

FINANCIAL REPORTING

The Board monitors compliance to the regulatory requirements on financial reporting given in the Sri Lanka Accounting Standards (SLFRS & LKAS) issued by the Institute of Chartered Accountants of Sri Lanka, Companies Act No. 7 of 2007 and Listing Rules of the Colombo Stock Exchange.

The Board along with the management reviewed the quarterly financial statements and annual financial statements for the year ended 31st December 2025 focusing on the quality and accuracy of the financial statements including compliance with the relevant regulatory requirements.

EXTERNAL AUDIT

The scope of the external audit was assessed and discussed by the Board with the external auditors and the management before the commencement of the audit. The management letter issued by the external auditors was discussed with the management and remedial actions were recommended wherever necessary.

The Board having evaluated the performance of the external auditors, has recommended that Messrs. KPMG, Chartered Accountants of No: 32A Sir Mohamed Macan Markar Mawatha, Colombo 2, to be re-appointed as the External Auditors for the year ending 31st December 2025 subject to the approval of the Shareholders at the Annual General Meeting.

INFORMATION TO THE BOARD

It is required that the company's management to provide timely information to the Board in a form and of quality appropriate to enable it to discharge its duties. Procedures exist to ensure that Directors receive timely information on a monthly basis and a clear agenda and papers with guidance on contents. Directors also have open access to the management to obtain further information that could be required.

RELATIONS WITH SHAREHOLDERS

The company strongly believes in engaging with its shareholders in a regular manner. The Annual General Meeting is used as for constructive engagement with shareholders. The company engages with shareholders through an open and meaningful dialogue in order to understand their expectations. Shareholders are encouraged to be present, participate and vote at the Annual General Meeting. The annual report is circulated to the shareholders not less than 15 working days prior to the Annual General Meeting.

EMPLOYEE EMPOWERMENT

The company has put in place the necessary processes, procedures, systems in place to make sure effective recruitment, development and retention of employees. The company considers its employees to be a vital force which will drive the organisation towards its objectives. Constant dialogue and facilitation are also maintained ranging from work related issues to matters pertaining to general interest that could affect employee well-being. The company fosters an open-door culture for its employees across all levels.

CORPORATE SOCIAL RESPONSIBILITY

The Board actively takes part in defining and overseeing the corporate culture and values, particularly in the corporate social responsibility policy. The Board continuously reviews the policies for sustainability, corporate culture and values, and on relations with stakeholders, especially employees, and customers. The corporate social responsibility policy is structured in line with the business strategy and risk appetite and putting into place mechanisms to ensure that all Group know how they fit into these strategies and that their processes and mechanisms are consistent with those of the policy of the parent.

SHAREHOLDER VALUE

The Board continues to be committed to increasing shareholder value through sound commercial responsibility and sustainable business decisions that deliver steady growth in earnings.

ETHICAL STANDARDS

The Board is committed to maintaining high ethical standards in conducting its business and to communicate its values to its employees and agents and ensure their conduct is based on such values.

GOING CONCERN

The Board of Directors, after reviewing the financial position and the cash flow of the company are of the belief that the company has adequate resources to continue operations well into the foreseeable future. Therefore the Board adopts the going concern basis in preparing financial statements.

CODE OF CONDUCT AND ETHICS

The Group is committed to conducting its business operations with honesty, integrity and with respect to the rights and interests of all Stakeholders. The Group's Code of Conduct and Ethics articulates the standards of conduct expected of its employees. The Board is not aware of any material violations of any of the provisions of the code by any Director or employee of the Group.

Rule	Requirement	Complied	Annual Report Reference
168 (1) (a)	The nature of the business together with any change thereof	√	Who We Are
168 (1) (b)	Signed Financial Statements of the Group and the company	√	Financial Statements
168 (1) (c)	Auditors' Report on Financial Statements	√	Independent Auditorr's Report
168 (1) (d)	Accounting Policies and any changes therein	√	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register	√	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the company	√	Notes to the Financial Statements
168 (1) (g)	Corporate donations made by the company	√	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the company and its subsidiaries during and at the end of the accounting period	√	Board of Directors
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	√	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest with the company and its subsidiaries	√	Annual Report of the Board of Directors
168 (1) (k)	Acknowledgement of the contents of this Report and signatures on behalf of the Board	√	Annual Report of the Board of Directors

MANAGEMENT COMMITTEES AT LINDEL

The Board oversees the company's risk management framework, supported by policies that identify, assess, monitor, and mitigate key business risks. These policies are reviewed regularly to ensure they remain effective in responding to changing business, regulatory, and market conditions. The company's lean organisational structure enables effective communication and timely resolution of operational risks.

To strengthen governance, Lindel operates several management committees:

- **Procurement Committee (PC):** Oversees procurement activities, ensures compliance with the approved Procurement Policy, and promotes transparency and value for money. The Committee comprises a Board-appointed Chair, Chief Executive Officer, Head of Finance, and Service Engineer–Coordinator.
- **Tender Committee:** Formal body responsible for overseeing, evaluating, and awarding procurement contracts to ensure transparency, fairness, and compliance with legal and regulatory frameworks. The Committee includes a minimum of two members approved by the Procurement Committee.
- **Technical Evaluation Committee (TEC):** Evaluates the technical and commercial feasibility of new projects and provides recommendations to the Board. The Committee includes Three Directors approved by the Board, Chief Operating Officer, and the Assistant Manager–Procurement.
- **Sustainability Management Committee (SMC):** Established in December 2025 in line with SLFRS S1 and SLFRS S2, the SMC oversees sustainability and climate-related risks, ESG integration, sustainability reporting, and compliance. The committee includes Chief Executive Officer, Chief Operating Officer, Head of Finance and Compliance, and one member from each division and subsidiary company.

CORPORATE GOVERNANCE

Statement of Compliance under Section 7.10 of the Listing Rules of the CSE on Corporate Governance

Voluntary Provisions

Rule	Subject	Requirement	Complied	Annual Report Reference
7.10.1(a)	Non-Executive Directors (NED)	At least 2 or 1/3 of the total number of Directors on the Board, whichever is higher, should be NEDs	√	Board of Directors
7.10.2(a)	Independent Directors (ID)	2 or 1/3 of NEDs, whichever is higher, should be independent	√	Board of Directors
7.10.3(a)	Disclosure relating to Directors	The Board shall annually determine the independence or otherwise of the NEDs, and Names of each IDs should be disclosed in the Annual Report (AR)	√	Board of Directors
7.10.3(b)	Disclosure relating to Directors	The basis for the Board's determination of ID, if criteria specified for independence is not met	√	Corporate Governance Report
7.10.3(c)	Disclosure relating to Directors	A brief resume of each Director should be included in the AR including the Director's areas of expertise	√	Board of Directors
7.10.3(d)	Disclosure relating to Directors	Provide a brief resume of new Directors appointed to the Board with details specified in 7.10.3(a), (b) and (c) to the CSE	√	Board of Directors
7.10.5	Remuneration Committee (RC)	The Human Resources and Compensation Committee (equivalent of the RC with a wider scope) of the listed parent company may function as the RC	√	Remuneration Committee Report
7.10.6	Audit Committee (AC)	The company shall have an AC	√	Audit Committee Report

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

Voluntary Provisions

Rule	Requirement	Complied	Reference
(i)	Names of persons who were Directors of the Entity		Board Directors
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein		Management Discussion and Analysis
(iii)	The names and the number of shares held by the 20 largest holders of voting and non voting shares and the percentage of such shares held		Investor Information
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders, and under which option the listed entity complies with the Minimum Public Holding requirement	N/A	N/A
(v)	A statement of each Director's holding in shares of the Entity at the beginning and end of each financial year		Annual Report of the Board of Directors
(vi)	Information pertaining to material foreseeable risk factors of the Entity		Risk Management
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity		Materiality
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties		Notes to the Financial Statements
(ix)	Number of shares representing the Entity's stated capital		Notes to the Financial Statements/Investor Information
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings		Investor Information
(xi)	Financial ratios		Financial Highlights
(xii)	Significant changes in the company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year		Notes to the Financial Statements
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	N/A	N/A
(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes		Annual Report of the Board of Directors
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules		Corporate Governance Report

CORPORATE GOVERNANCE

Voluntary Compliance with the Code of Best Practice on Corporate Governance 2023 issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka

Reference to the Code	Governing Principle	Compliance Status	How We Complied
A. Directors			
A.1 The Board			
A.1.1	Board Meetings		The Board has met three times during the year and attendance for the Board Meetings is given in the Corporate Governance Report.
A.1.2	Role of the Board		Please refer Corporate Governance Report.
A.1.3	Act in accordance with the laws of the country and obtain professional advice		The Board seeks independent professional advice when deemed necessary and Board has made sure that all the Directors have adhered to all applicable laws, rules and regulations.
A.1.4	Access to the Company Secretary		Please refer Corporate Governance Report
A.1.5	Independent judgment of the Directors		The Board includes independent professionals who exercise independent judgment in discharging their duties.
A1.6	Dedication of adequate time and effort.		Board Meeting dates are informed to all the Directors well in advance to give them sufficient time to review the Board Papers and request any additional information.
A1.7	Calls for resolutions		Directors can call for a resolution to be presented to the Board where they feel it is in the best interest to the company to do so.
A1.8	Training of Directors		All of the Directors in the Board are professionals with extensive experience and knowledge in their respective fields. Relevant local and foreign training opportunities are made available.
A.2	Chairman and Chief Executive Officer (CEO)		Please refer Corporate Governance Report
A.3	Chairman's role		Please refer Corporate Governance Report
A.4	Financial Acumen		Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters
A.5 Board Balance			
A.5.1	Non-Executive Directors		All the Directors are Non-Executive Directors.

Reference to the Code	Governing Principle	Compliance Status	How We Complied
A.5.2	Independent Non-Executive Directors		Board comprises more than two Non-Executive Directors
A.5.3	Independence of Non-Executive Directors		All Independent Non-Executive Directors have met the criteria set out in the Listing Rules of CSE and this code to be recognising as an independent.
A.5.4	Annual Declaration of Non-Executive Directors		The Non-Executive Directors have submitted the required declaration, which was used for determining the independence of the Independent Directors.
A.5.5	Determination of independence of the Directors		All of the Independent Directors of the company meet the criteria for independence specified in this rule.
A.5.6	Alternate Director		N/A
A.5.7	Senior Independent Director		N/A
A.5.9	Chairman conducting Meetings with Non-Executive Directors		All the Directors are Non-Executive Directors.
A.5.10	Recording concerns		All the Board meeting proceedings are comprehensively recorded in the Board Minutes.
A.6 Supply of information			
A.6.1	Providing appropriate and sufficient information		Please refer Corporate Governance Report
A.6.2	Providing relevant information prior to the Board Meetings		Previous Meeting Minutes, Agenda and Papers required for Board Meeting are provided to Directors with adequate time to study them to facilitate its effective conduct.
A.7 Appointments to the Board			
A.7.1	Formal and transparent procedure for Board appointments		Board appointments follow a transparent and formal process
A.7.2	Assessment of the capability of the Board to meet strategic demands of the company.		The Board assess its own capability to meet the strategic demands of the company.
A.7.3	Disclosure of new Board member		Please refer Board of Directors.

CORPORATE GOVERNANCE

Reference to the Code	Governing Principle	Compliance Status	How We Complied
A.8 Re-election			
A.8.1. / 8.2	Appointment of Non-Executive Directors		Non-Executive Directors are appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their re-appointment are not automatic.
A.8.2	Re Election		All Directors including the Chairman of the Board are subject to election by Shareholders at the first opportunity after their appointment, and to re-election thereafter are done in accordance with the Articles of Association of the company.
A.9 Appraisal of Board Performance			
A.9.1 and A.9.2	Annual Performance Evaluation of the Board and its Sub Committees		Board performance is reviewed and evaluated on self appraisal basis.
A.9.3	The Board should state how such performance evaluations have been conducted		Please refer A.9.1
A.10 Directors' of information in respect of Directors			
A.10	Disclosure of information in respect of Directors		Please refer Board of Directors.
B. Directors Remuneration			
B.1.1	Remuneration Committee		Please refer Remuneration Committee Report
B.1.2	Composition of the Remuneration Committee		Please refer Remuneration Committee Report
B.1.3	Chairman and the members of Remuneration Committee		Please refer Remuneration Committee Report
B.1.4	Determination of remuneration of Non-Executive Directors		Board of Directors are paid a Director fees based on the attendance for Board meetings.
B.2 The level and make up of			
Remuneration of Executive Directors	Remuneration of Executive Directors	N/A	There are no Executive Directors in the Board
B.3 Disclosure of remuneration	Disclosure of Remuneration		Please refer Notes to the Financial Statements

Reference to the Code	Governing Principle	Compliance Status	How We Complied
C. Relations With Shareholders			
C.1 Constructive use of the Annual General Meeting (AGM) and conduct of General Meetings			
C.1.1	Notice of the AGM and Related Documents		The Notice of Meeting and related documents are dispatched to the Shareholders at least 15 working days prior to the AGM, as per Section 135 of the Companies Act No.07 of 2007.
C.1.2	Separate resolution for all separate issues		The company proposes separate resolutions on each item giving shareholders the opportunity to vote on each issue separately.
C.1.3	Use of Proxy Votes		As a matter of practice, proxy votes together with the votes of the shareholders present at the AGM are considered for each resolution.
C.1.4	Availability of Chairman of the Board Sub Committees to respond to queries at the AGM		Chairman and Directors are available at AGM to facilitate shareholder enquiries.
C.1.5	Procedures of voting at the Annual General Meeting		The Notice of Meeting outlines the procedure relating to voting at the Annual General Meeting.
C.2 Communication with shareholders			
C.2.1	Communication Channels		Please refer Stakeholder Engagement
C.2.2	Policy and Methodology for Communication		Please refer Stakeholder Engagement
C.2.3	Implementation of Policy		The implementation of the policy and the methodology is done through the adoption of the above mentioned channels of communication.
C.2.4	Disclose the contact person for shareholder communications		The Company Secretary is the contact person for all the matters pertaining to Shareholders
C.2.5	Directors' awareness of major issues and concerns of Shareholders		Chairman ensures that all Directors are aware of major issues and concerns of Shareholders. Such issues are discussed at Board Meetings.
C.2.7	Response to shareholders		Board of Directors answers all the queries raised by shareholders at AGM.
C.3 Major and Material Transactions	Disclosure of major transactions		During the year there were no major transactions that should be disclosed.

CORPORATE GOVERNANCE

Reference to the Code	Governing Principle	Compliance Status	How We Complied
D. Accountability and Audit			
D.1 Financial Reporting			
D.1.1	The Board should present an Annual Report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained		Annual Report is presented including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations.
D.1.2	The Board's responsibility in presenting balanced and understandable information		The Board of Directors has taken all reasonable steps to ensure the accuracy and timeliness of financial information with a view of presenting the true and fair view of the interim and annual financial statements
D.1.3	Declaration from the Chief Executive Officer and Chief Financial Officer		Declarations are obtained from the CEO and Head of Finance and Compliance that in their opinion the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company.
D.1.4	Directors' Report in the Annual Report		Please refer Annual Report of the Board of Directors.
D.1.5	Statement of Directors' Responsibility		Please refer Statement of Directors' Responsibilities.
D.1.6	Management Discussion and Analysis		Please refer Management Discussion and Analysis
D.1.7	Summon an Extraordinary General Meeting to notify serious loss of capital		Circumstances to summon an EGM did not arise during the year
D.1.8	Disclosure of Related Party transactions		Please refer Notes to the Financial Statements
D.2 Risk Management and Internal Control			
D.2.1	Directors to review on Risk Management and Internal Controls		The Board has taken the necessary steps to ensure the integrity of the company's accounting and financial reporting systems and internal control systems remain effective via the review and monitoring of such systems on a periodic basis.

Reference to the Code	Governing Principle	Compliance Status	How We Complied
D.2.2	Disclosures in the Annual Report on Risk Management and Internal Controls		Please refer Risk Management
D.2.3	Internal Audit		The internal Audit function of the company is handled by DFCC Bank Group Internal Audit team. The internal audit report is reviewed by Audit Committee and recommendations are implemented immediately on yearly basis.
D.2.4	Maintaining sound system of internal control		The Internal Auditors review the internal control system including internal control over financial reporting.
D.2.5	Responsibilities of Directors to maintain a sound system of internal control		Please refer Directors' Statement on Internal Controls.
D.3 Audit Committee (AC)			
D.3.1	Composition of the Audit Committee		Please refer Audit Committee Report
D.3.2	Duties of the Audit Committee and Terms of Reference of the Audit Committee		Please refer to Audit Committee Report
D.3.3	Duties and responsibilities of the Committee		The Board of Directors has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the country, on the adoption of the best accounting policies. The Committee is also responsible for maintaining the relationship with the External Auditors.
D.4 Related Party Transactions Review Committee (RPTRC)			
D.4.1	A related party and related party transactions		Please refer Notes to the Financial Statements
D.4.2	Related Party Transactions Review Committee (RPTRC)		The Board overlooks the related party transitions of the company. The Board comprises of Non-Executive Directors out of which three are independent.
5 Code of Business Conduct and Ethics			
D.5.1	Disclosure of Code of Business Conduct & Ethics		Group Code of Ethics ensures business is conducted in an ethical manner.

CORPORATE GOVERNANCE

Reference to the Code	Governing Principle	Compliance Status	How We Complied
D.6 Corporate Governance disclosure	Disclosure of Corporate Governance		Please refer Corporate Governance Report
E. Institutional Investors			
E.1 Shareholder Voting			
E.1.1	Communication with Shareholders		Please refer Stakeholder Engagement
E.2	Evaluation of Governance Disclosures		Please refer Corporate Governance Report
F. Other Investors			
F.1 Investing/Divesting Decisions			Please refer Stakeholder Engagement
F.2 Shareholder voting			
F.2.1	Individual Shareholders should be encouraged to participate in General Meetings of Companies and exercise their voting rights		Please refer Stakeholder Engagement
G. Internet of Things and Cyber Security			
G.1 Identify connectivity and related cyber risks			The Group implemented a comprehensive IT policy which covers the security of IT assets and the information assets. The Board of Directors and Senior Management continuously discussed the importance of cyber risk management and implement ways to identify the risks.
G.3 Include cybersecurity in the Board Agenda			Please refer G.1
G.4 Obtain periodic assurance to review effectiveness of cybersecurity risk management			Any risks identified are reported to the Board by Group IT team regularly.
G.5 Disclosures in Annual Report			Please refer Corporate Governance Report
Environment, Society and Governance (ESG)	Environment, Society and Governance (ESG)		Reference is given in Capital reports to different sustainable reporting guidelines.

AUDIT COMMITTEE REPORT

Dear Shareholder,

I am pleased to present the report of the Audit Committee for the year ended 31st December 2025. In this report, I would like to share the way we carried out the responsibilities bestowed upon the Audit Committee during the financial year 2025.

Audit Committee of Lanka Industrial Estates Ltd was formed in December 2021 and held its meeting for the financial year on 3rd September 2025.

PURPOSE OF THE AUDIT COMMITTEE

The Audit Committee of Lanka Industrial Estates ("the company") Ltd is delegated with the authority by the Board of Directors of the company primarily to assist the Board in its oversight of the integrity of the financial statements of the company, to assess the adequacy of the risk management framework of the company, assess the independence and the performance of the company's external audit function and internal audit functions, and review compliance of the company with legal and regulatory requirements.

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee operates under a formal Charter approved by the Board of Directors. The Charter clearly defines the purpose, authority, composition, duties and responsibilities of the Committee and is reviewed periodically, with revisions made where necessary to reflect developments in governance, financial reporting, risk management and regulatory requirements.

In developing and reviewing the Charter, the company has considered the principles contained in the Code of Best Practice on Corporate Governance issued by CA Sri Lanka and, as a voluntary governance benchmark, the relevant provisions of the Corporate Governance Rules of the Colombo Stock Exchange.

During the year, the Audit Committee Charter was revised to formally incorporate the Committee's oversight responsibilities in relation to sustainability reporting under SLFRS S1 and SLFRS S2. These responsibilities include oversight of the governance, risk management, internal controls, reporting processes and data integrity supporting the company's sustainability-related financial disclosures.

RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee has been formed with the following terms of reference;

Recommending the appointment, reappointment and removal of the external auditors.

Monitoring and reviewing effectiveness of the company's internal control and risk management procedures.

Monitoring and reviewing effectiveness of the internal audit function and the scope of work.

Reviewing monthly, quarterly and annual financial statements to ensure quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations.

Assisting the Board to discharge its responsibilities on ensuring the quality of financial reporting and information oversight of the governance arrangements, reporting processes, internal controls, risk management practices and data integrity supporting the company's sustainability-related financial disclosures

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee appointed by and responsible to the Board of Directors, comprises of the following two Independent Non-Executive Directors and a Non-Independent Non-Executive Director.

Mr. T. Dharmarajah – Independent Non-Executive Director - Chairman of the Committee

Mrs. C.M.D.N.K. Seneviratne - Independent Non-Executive Director

Ms. J.P.P. Liyanage – Non-Independent Non-Executive Director

The above members have significant, recent and relevant financial experience as required by the Code of Best Practice in Corporate Governance, issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange.

Brief profiles of each member are given on pages 20 to 22 of this report.

Their individual and collective finance knowledge and business acumen and the independence of the committee, are brought to bear on their deliberations and judgments on matters that come within the committee's purview.

The Company Secretary acts as the secretary to the Audit Committee.

REGULAR ATTENDEES BY INVITATION

The following members of the corporate management team also regularly

AUDIT COMMITTEE REPORT

attended the meetings by invitation of the Committee.

Mr. B.R.C. Cooray – Chief Executive Officer

Mr Lakmal Rodrigo - Head of Finance and Compliance

COMPLIANCE

The Audit Committee reviewed the reports submitted by the management and the internal auditors on compliance with applicable laws and regulations. The committee is satisfied that laws and regulations have been duly complied with and the statutory payments have been made on a timely basis.

EXTERNAL AUDIT

The Audit Committee assists the Board in assessing the independence and evaluating the performance of the external auditors and in making recommendations for the engagement of the auditors. The Board of Directors has reviewed the independence and objectivity of the Independent External auditors, Messrs KPMG, Chartered Accountants. The Audit Committee has not met with the external auditors during the financial year. The Board of Directors has received a declaration from the external auditors, confirming that they do not have any relationships or interest in the company or its subsidiaries.

RETIREMENT OF THE EXTERNAL AUDITOR

The Audit Committee noted the retirement of Messrs. KPMG, Chartered Accountants, as the External Auditor of the company following the completion of the audit of the Financial Statements for the year ended 31 December 2025. The Committee recorded its appreciation for the professional services, guidance and cooperation extended by Messrs. KPMG during their tenure as the External Auditor of the company.

APPOINTMENT OF THE NEW EXTERNAL AUDITOR

Audit Committee recommended the appointment of Messrs. Ernst & Young, Chartered Accountants, as the External Auditor of the company. Upon approval of the Board, sharehoders approved the appointment at the AGM held on 30th June 2026.

FINANCIAL REPORTING

The Audit Committee reviewed the interim financial statements and annual financial statements for the year ended 31st December 2025 prior to their publication. For quarterly statements, the committee reviewed any significant areas of judgment that materially impacted reported results, key points of disclosure and presentation to ensure adequacy, clarity and completeness of the interim financial statements.

MEETINGS OF AUDIT COMMITTEE

The Audit Committee meets as often as may be deemed necessary or appropriate in its judgment, and at least quarterly each year. During the year under review, there was one virtual meeting via MS Teams and attendance of the Committee members are given below;

Director	Attendance
Mr. T. Dharmarajah	1/1
Mrs. C.M.D.N.K. Seneviratne	1/1
Ms. J.P.P. Liyanage	1/1

EVALUATION OF THE COMMITTEE

Since the committee was appointed in December 2021, no evaluation was carried out for this year by the other Board members.

SUPPORT TO THE COMMITTEE

The committee received the necessary support and information from the management of the company and the subsidiaries during the year to enable them to carry out its duties and responsibilities effectively.

CONCLUSION

The Audit Committee, with the cooperation of the Management, reviewed the internal controls of the company and its subsidiaries and methods to improve the same. The committee is satisfied with the implementation of the Group's internal controls and risk management framework and that the Group's assets are adequately safeguarded.

The committee is also satisfied that the application of appropriate accounting policies provides reasonable assurance that the Financial Statements of the Group are true and fair.

T. Dharmarajah
Chairman

Audit Committee
30th June 2026

REMUNERATION COMMITTEE REPORT

Dear Shareholder,

I am pleased to present the report of the Remuneration Committee for the year ended 31st December 2025. In this report, I would like to share the how we carried out the responsibilities bestowed upon the committee during the financial year 2025.

The Remuneration Committee of Lanka Industrial Estates Ltd was formed in December 2021 and held four meetings for the financial year 2025 (3rd January 2025, 23rd January 2025, 9th May 2025 and 21st July 2025.)

PURPOSE OF THE REMUNERATION COMMITTEE

The committee was established for the purpose of recommending the remuneration of the staff, including the senior management and make recommendations to the Board of Directors on other HR related matters.

CHARTER OF THE REMUNERATION COMMITTEE

The charter determines the terms of reference for the nomination and remuneration committee, which defines the objectives, duties and responsibilities, composition, etc. of the committee.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee appointed by and responsible to the Board of Directors comprises of the following Non-Executive Directors;

Mr. N.H.T.I. Perera – Non-Independent Non-Executive Director - Chairman of the Committee

Mrs. C.M.D.N.K. Seneviratne – Independent Non-Executive Director

Mr. T. Dharmarajah - Independent Non-Executive Director

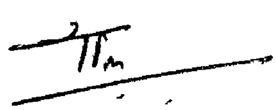
MEETINGS OF THE COMMITTEE

The Remuneration Committee meets as may be deemed necessary or appropriate in its judgement and at least once in each financial year. During the year under review, there were four meetings and the attendance of the committee members is given below;

Director	Attendance
Mr. N.H.T.I. Perera	4/4
Mrs. C.M.D.N.K. Seneviratne	4/4
Mr. T. Dharmarajah	4/4

CONCLUSION

The committee is satisfied that it has performed the responsibilities delegated to it by the Board for the year under review and that the necessary objectives were achieved for the year under review.



Thimal Perera
Chairman

Remuneration Committee
30th June 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Dear Shareholder,

I am pleased to present the report of the Related Party Transactions Review Committee for the year ended 31st December 2025. In this report, I would like to share the way we carried out the responsibilities bestowed upon the committee during the financial year 2025.

PURPOSE OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The committee was established to ensure on behalf of the Board, that all related party transactions of the company are consistent with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

CHARTER OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The charter of the Related Party Transactions Review Committee clearly sets out the purpose, membership, authority, duties, and responsibilities of the committee.

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee appointed by and responsible to the Board of Directors comprises of the following Non-Executive Directors;

Mr. T. Dharmarajah - Independent Non-Executive Director - Chairman of the Committee

Mr. K.A.P. Perera - Non-Independent Non-Executive Director

Mr. R.M.K. Ratnayake - Non-Independent Non-Executive Director

MEETINGS OF THE COMMITTEE

No formal meetings of the Related Party Transactions Review Committee were held during the year under review. Related party transactions entered into during the year included recurrent transactions arising in the ordinary course of business with the parent company and subsidiaries.

CONCLUSION

The committee is satisfied that it has performed the responsibilities that were delegated to it by the Board for the year under review and the necessary objectives were achieved for the year under review.

T. Dharmarajah
Chairman

Related Party Transactions
Review Committee

30th June 2026

FINANCIAL INFORMATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES

This Statement of Directors' Responsibility is to be read in conjunction with the report of the auditors and, is made to distinguish the respective responsibilities of the directors and of the auditors, in relation to the financial statements contained in this annual report.

The directors are required by the Companies Act No. 07 of 2007, to prepare financial statements for every financial year, which give a true and fair view of the state of affairs of the company and of the group at the end of the financial year, and of the income and expenditure of the company and of the group for the financial year. The directors confirm that the financial statements of the company for the year ended 31st December 2025 presented in the report have been prepared in accordance with the Sri Lanka Accounting Standards/SLFRS and the Companies Act No. 07 of 2007. In preparing the financial statements, the directors have selected appropriate accounting policies and have applied them consistently. Reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed and the financial statements have been prepared on a going concern basis.

The Directors are of the view that adequate funds and other resources are available within the company for the company to continue in operation for the foreseeable future. The directors have taken all reasonable steps expected of them to safeguard the assets of the company and of the group and to establish appropriate systems of internal controls in order to prevent, deter and detect any fraud, misappropriation, or other irregularities. The directors have also taken all reasonable steps to ensure that the company and its subsidiaries maintain adequate and accurate accounting books of record which reflect the transparency of transactions and provide accurate disclosure of the company's financial position.

The directors are required to provide the auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give their audit report. The directors are of the view that they have discharged their responsibilities in this regard.

COMPLIANCE REPORT

The directors confirm that to the best of their knowledge, all taxes, duties, and levies payable by the company and its Subsidiaries; all contributions, levies, and taxes payable on behalf of the employees of the company and its subsidiaries; and all other known statutory dues as were due and payable by the company and its subsidiaries as at the end of the reporting period have been paid or, where relevant provided for.

For and on behalf of the Board of Directors

N.H.T.I. PERERA
Chairman

R.A DASSANAYAKE
Director

30th June 2026

DIRECTORS' STATEMENT ON INTERNAL CONTROL

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The following statement was issued as per the Code of Corporate Governance issued jointly by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka (SEC).

RESPONSIBILITY

The Board is responsible for the adequacy and effectiveness of Lanka Industrial Estates Limited's system of internal controls. It is designed to manage the company's key risk areas within an acceptable risk profile. In this light, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

INTERNAL CONTROL PROCESS

The Board reviews the effectiveness of the risk management framework and internal controls, the effectiveness of the audit, review of compliance, and internal audit processes. Internal auditors review the effectiveness of risk management practices and the internal controls of the company, while the external auditors review the internal controls over the financial reporting process

CONFIRMATION

The Board of Directors of Lanka Industrial Estates Limited confirms that the financial reporting system has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs), requirements of the Companies Act No. 7 of 2007 and any other regulatory requirements. The consolidated financial statements for the year ended 31st December 2025 have been audited by Messrs. KPMG, Chartered Accountants.

T Dharmarajah
Chairman Audit Committee

N.H.T.I Perera
Chairman

B.R.C Cooray
CEO

30th June 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Lanka Industrial Estates Limited has the pleasure of presenting its report along with the audited consolidated financial statements for the year ended 31 December 2025. The details set out herein provide the pertinent information required under the Companies Act No. 07 of 2007 and adherence to best accounting practices.

LEGAL FORM

Lanka Industrial Estates Limited is a Public Company incorporated on 12th March 1992 and domiciled in Sri Lanka.

PRINCIPAL BUSINESS ACTIVITIES

The nature of the business of the company and the group are described below as required by Section 168 (1) (a) of the Companies Act No. 07 of 2007. There have been no material changes to the activities of the company or any of its subsidiaries during the period under review, subject to what is stated below.

COMPANY

The main activities of the Lanka Industrial Estates Limited are to lease lands and provide infrastructure facilities to industries.

SUBSIDIARIES

Lindel Industrial Laboratories Limited

The principal activities of Lindel Industrial Laboratories Limited are to provide support services such as water and effluent testing facilities to industries.

Lindel ACP Renewables Limited

A new company added to the Lindel group as a business collaboration between Lanka Industrial Estates Ltd and ACP Renewables Pvt Ltd. Principal activities of Lindel ACP are on renewable energy projects to provide large-scale industrial and commercial deployments of rooftop and ground-mounted solar and wind energy production.

PARENT ENTITY

The company's ultimate parent and the controlling entity is DFCC Bank PLC, which is incorporated in Sri Lanka.

VISION, MISSION, AND VALUES

The company's vision, mission and values are available on page 2. The Directors and all the employees conduct their activities with the highest level of ethical standards and integrity in achieving the aspiration and purpose.

REVIEW OF BUSINESS AND FUTURE OUTLOOK

The financial and operational performance during the year ended 31st December 2025, and the future business developments of the company and the group, are provided in the chairman's message, CEO's review, management review, and capital management. These reports, which form an integral part of the annual report of the Board of Directors, together with the audited financial statements, reflect the state of affairs of the company and group.

FINANCIAL STATEMENTS

The financial statements of the group and the company, duly signed by the directors, are provided on pages 109 and the auditor's report on the financial statements is provided on page 108 to 113 of this annual report. These reports form an integral part of the annual report of the Board of Directors and together with the audited financial statements, provide a fair review of the performance of the company and the group during the financial year ended 31st December 2025.

REVENUE

The revenue of the group was Rs. 599 Mn (2024 – Rs. 422 Mn), and the company's was Rs. 581 Mn (2024- Rs. 424Mn) The analysis thereof is given in Note 20 to the Financial Statements.

FINANCIAL RESULTS

The company recorded a profit after tax of Rs.798.5 Mn for the year (2024 - Rs.340 Mn) whilst the consolidated profit after tax was Rs. 781.5 Mn (2024 Rs. 341.6 Mn). A synopsis of the company's consolidated performance is presented below.

	Group (Rs.'000)		Company (Rs.'000)	
	2025	2024 (9 months)	2025	2024 (9 months)
Profit from operofions	861,279	493,014	866,637	490,566
Net finance income	64,824	44,870	64,315	44,189
Profit before tax	926,103	537,884	930,952	534,755
Income tax expense	(144,597)	(196,235)	(132,406)	(194,530)
Profit after tax	781,506	341,649	798,546	340,225
Other comprehensive income for the year., net of income tax	(1,880)	(5,083)	(999)	(2,750)
Total comprehensive income for the year, net of tax	779,626	336,566	797,547	337,476
Basic/Diluted Earnings per share (Rs.)	1.96	0.86	2.00	0.85

DIVIDENDS

The Directors recommended a first and final dividend of Rs 0.54 per share for the year under review to be approved by the shareholders at the forthcoming Extraordinary General Meeting to be held on 31st August at 3.30 p.m.

ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The accounting policies adopted in the preparation of Financial Statements of the Company and the group are given at pages 114 to 125 of this Annual Report as required by Section 168 (1) (d) of the Companies Act. There have been no changes in the accounting policies adopted by the company during the period under review.

PROPERTY PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

The net book value of property, plant, and equipment and investment property as of the reporting date amounted to Rs.10,397 Mn (Rs. 9,951 Mn 2024) and Rs. 10,563 Mn (Rs. 9,958 Mn 2024) for the company and its subsidiaries. The details of property, plant, and equipment and their movements are shown in Note 4 to the financial statements. The details of the investment property are shown in Note 5 to the financial statements.

INVESTMENTS

Details of investments held by the company are disclosed in Note 06 to the financial statements on page 129.

STATED CAPITAL AND RESERVES

The stated capital of the company as of 31st December 2025 was Rs. 159,692,050/- consisting of Rs. 399,230,125 ordinary voting shares.

EXPOSURE TO RISK, INTERNAL CONTROL AND RISK MANAGEMENT

The directors acknowledge their responsibility for the company's system of internal control. The systems are designed to provide reasonable assurance that the assets of the company are safeguarded and to ensure that proper accounting records are maintained. The Board of Directors has reviewed the system of internal control and is satisfied with the systems and measures in effect at the date of signing this annual report.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance, the process by which the company is directed and managed. The corporate governance report is given on pages 78 to 94 in this annual report.

FUTURE DEVELOPMENTS

The outlook for the company in the short term and long term has been discussed in the chairman's message and CEO's review in pages 15 to 17 of this report.

DIRECTORS OF THE COMPANY

The names of the persons who held office as directors of the company during the financial year ended 31st December 2025 are given below:

Mr.N.H.T.I. Perera – Chairman/ Non-independent Executive Director

Mr. A.D Tudawe – Non-Independent Non-Executive Director

Dr. R.M.K Ratnayake – Non-Independent Non-Executive Director

Mr. Ravi Dassanayake – Non-Independent Executive Director

Mr.T.Dharmaraja - Independent Non-Executive Director

Mrs. C.M.D.N.K Seneviratne - Independent Non-Executive Director

Dr. K.A.S Keeragala - Independent Non-Executive Director

Mr. K.A.P. Perera – Non-Independent Executive Director

Ms J.P.P Liyange-Non Independent Non Executive Director

Profiles of the directors are given on pages 20 and 22 of the annual report.

DIRECTORS' REMUNERATION AND OTHER BENEFITS

Directors' remuneration and other benefits of directors are given in Note 23 to the financial statements on page 137 as required by Section 168 (1) (f) of the Companies Act No. 07 of 2007.

DIRECTORS SHAREHOLDING

None of the directors hold shares in the company as of 31st December 2025.

DIRECTOR'S DISCLOSURE OF INTEREST

As per the requirements of the Companies Act, No. 07 of 2007, an interest register is maintained by the company. Directors have made declarations of their interests in other companies conforming to Sections 192 (1) and 192 (2) of the Companies Act, No. 07 of 2007, and they are recorded in the directors' interest register.

BOARD AND BOARD SUB-COMMITTEE MEETINGS

The number of Board meetings, audit committee meetings, remuneration committee meetings, and related party transactions review committee meetings held during the year and the attendance of directors at these meetings are given on pages 95 to 98.

NEW APPOINTMENTS AND RESIGNATION

No Directors were appointed during the year ended 31 December 2025.

RE-ELECTION OF DIRECTORS

T. Dharmarajah, Director, retired by rotation pursuant to Article 99 of the Articles of Association of the Company and being eligible offer themselves for re-election.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Mr. K.A.P. Perera retires pursuant to Article 105 of the Articles of Association of the Company and being eligible, offers himself for re-election.

RE-APPOINTMENT OF DIRECTOR

A resolution for the re-appointment of Dr. R.M.K. Ratnayake, who is over 70 years of age was proposed at the Annual General Meeting in terms of Section 211 of the Companies Act No.07 of 2007. Dr. R.M.K. Ratnayake's re-appointment is recommended by the Directors.

RELATED PARTY TRANSACTIONS

Transactions, if any that could be classified as related party transactions in terms of LKAS 24 "Related Party Disclosures" are given in Note 27 to the Financial Statements.

STATUTORY PAYMENTS

The Board of Directors confirms that to the best of their knowledge, all taxes, duties, and levies payable by the company and its subsidiaries; all contributions, levies, and taxes payable on behalf of and in respect of the employees of the company and its subsidiaries; and all other known statutory dues as were due and payable by the company and its subsidiaries as at year-end have been paid or, where relevant, provided for.

SHARE INFORMATION AND SUBSTANTIAL SHAREHOLDING

Information relating to earnings, dividends, net assets, and shareholders is available on the Investor Information on page 142 and financial highlights on page 06 of the annual report

EMPLOYEE SHARE OWNERSHIP SCHEME

The company did not have any employee share ownership/option scheme during the year

HUMAN RESOURCES

During the year, the company continued to invest in the development of its human resource and implement effective HR practices to ensure maximum contribution towards the achievement of its corporate objectives and goals.

ENVIRONMENT PROTECTION

Lanka Industrial Estates Limited and its subsidiaries have not engaged in any activities, which have caused detriment to the environment. The activities are carried out in accordance with the Group Environmental Management System to preserve the environment.

AUDITOR'S REPORT

The auditors' report on the Financial Statements is given on page 107 of this Annual Report.

APPOINTMENT OF AUDITORS

The Company's Independent External Auditors, Messrs. KPMG, Chartered Accountants, who were appointed by a resolution passed at the 32nd Annual General Meeting, have carried out an audit on the financial statements of the company and the consolidated financial statements of the group for the year ended 31st December 2025 and expressed their opinion, which appears on page 107 of this annual report. The retiring Auditor, Messrs. KPMG has intimated their willingness to resign, and a resolution to appointment of E & Y as auditors and authorize the directors to fix their remuneration; is approved by the shareholders at the AGM.

AUDITOR'S REMUNERATIONS

The details of fees paid to the auditors for the company and its subsidiary are set out in Note 23 to the financial statements. As far as the directors are aware, the auditors have no other relationship with the company and its subsidiary.

DONATIONS

Details of donations made by the company are given on page 66 of the social and relationship capital report.

RATIOS

Ratios relating to performance and equity are given in performance highlights on page 8.

EVENTS AFTER THE REPORTING PERIOD

Circumstances giving rise to disclosure in the financial statements since the reporting date have been disclosed in Note 32 to the financial statements. No circumstances have arisen since the reporting date that would require adjustments in the financial statements.

COMPLIANCE WITH THE TRANSFER PRICING REGULATIONS

All transactions entered into with associated persons during the period are on an arm's length basis and are comparable with transactions carried out with non - associated persons.

EXPOSURE TO RISK

The company and group have a structured risk management process in place to support their operations. The risk management report referred to in pages 28 to 31 elaborates on these practices and the risk factors.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the knowledge and belief of the directors, the company has not engaged in any activities contravening the laws and regulations of the country.

GOING CONCERN

The Board of Directors is satisfied that the company and its subsidiaries will have adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the directors consider that it is appropriate to prepare financial statements on a going concern basis.

ACKNOWLEDGMENT OF THE CONTENT OF THE REPORT

As required by the Companies Act No. 07 of 2007, the Board of Directors does hereby acknowledge the contents of this annual report

For and on behalf of the Board

N.H.T.I. PERERA
Chairman

R.A DASSANAYAKE
Director

S S P Corporate Services (Private) Limited

Company Secretaries

30th June 2026

CHIEF EXECUTIVE OFFICER'S AND HEAD OF FINANCE AND COMPLIANCE OFFICER'S STATEMENT OF RESPONSIBILITY

Lanka Industrial Estates Ltd (the company) and the consolidated financial statements of the company and its subsidiaries (the group) as at 31 December 2025 are prepared and presented in accordance with the following requirements:

Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka),

- Companies Act No. 07 of 2007,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995,
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka and the Securities and Exchange Commission of Sri Lanka, applied on a voluntary basis where relevant to the Company.

The significant accounting policies and estimates that involve a high degree of judgment and complexity were discussed with our external auditors and the Board of Directors. The Board of Directors, the Chief Executive Officer, and the Head of Finance and Compliance of the company accept responsibility for the integrity and the objectivity of these consolidated financial statements.

We confirm that to the best of our knowledge, the financial statements, accounting policies, and other financial information pertaining to material financial conditions, and cash flows contained in this annual report were acquired legitimately. We confirm that the group has adequate resources to pursue its operations and has justification to be classified as a going concern basis in formulating these financial statements.

The company and the group have taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

The consolidated financial statements of the company were audited by Messrs KPMG, Chartered Accountants and their report is given on page x of the annual report. "Other information included in this Annual Report, including operational, governance, sustainability, management commentary and capital-related disclosures, has been prepared based on internal records, management representations and Board-level review processes. Such information has not been subject to separate external assurance unless specifically stated." The Board of Directors of the company meets annually with the internal audit team to review their audit plans, assess the manner in which these auditors are performing their responsibilities, and to discuss their reports on, internal controls and financial reporting issues.

We confirm that the company has complied with all applicable laws and regulations and guidelines and that there are no material litigations that are pending against the company other than those disclosed in the financial statements in the annual report.

Rasika Cooray
Chief Executive Officer

Lakmal Rodrigo
Head of Finance and Compliance

30th June 2026

INDEPENDENT AUDITOR'S REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF LANKA INDUSTRIAL ESTATES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lanka Industrial Estates Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at December 31, 2025, and the statements of profit or loss and other 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 policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at December 31, 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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.

Emphasis ofMatter - Comparative Figures

We draw attention to Note 2.4 to the financial statements, which describes the comparative information presented. The financial statements for the current period cover the year ended December 31, 2025, whereas the comparative figures are for the nine month period ended December 31, 2024. As such, the amounts presented for the current period are not entirely comparable with those of the prior period. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. These financial statements does not include the other information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website: http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

June 30, 2026

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

T.J.S. Rajakarier FCA
W.K.D.C Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.G.H. Raddella ACA
W.W.J.C Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
H.U.S.T Dayananda FCA
Ms. S. Joseph FCA
R.M.D.B Rajapakse FCA
M.N.M Shameel FCA
Ms. P.M.K Sumanasekara FCA

Principals: S R I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D Corea Dharmaratne

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		For the Year ended 31st December 2025	For the Nine months ended 31st December 2024	For the Year ended 31st December 2025	For the Nine months ended 31st December 2024
	Note	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue	20	**599,378**	422,366	**581,077**	424,058
Other operating income	21	**46,459**	28,104	**31,221**	3,115
Fair value gain on investment property	05	**418,153**	174,388	**418,153**	174,388
Staff expenses		**(78,964)**	(43,434)	**(57,543)**	(31,639)
Depreciation and amortisation		**(19,170)**	(17,074)	**(11,386)**	(15,490)
Other operating expenses		**(104,577)**	(71,336)	**(94,884)**	(63,866)
Profit from operations	23	**861,279**	493,014	**866,637**	490,566
Net finance income	24	**64,824**	44,870	**64,315**	44,189
Profit before tax		**926,103**	537,884	**930,952**	534,755
Income tax expense	25	**(144,597)**	(196,235)	**(132,406)**	(194,530)
Profit for the year		**781,506**	341,649	**798,546**	340,225
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Actuarial Gain on defined benefit plans	16	**(2,686)**	(7,262)	**(1,427)**	(3,928)
Related tax	14	**806**	2,179	**428**	1,178
Other comprehensive income for the year, net of income tax		**(1,880)**	(5,083)	**(999)**	(2,750)
Total comprehensive income for the year, net of tax		**779,626**	336,566	**797,547**	337,476
Profit Aributable to					
- Equity holders of the Company		**779,868**	341,649	**798,546**	340,225
- Non-Controlling Interest		**1,638**	-	**-**	-
		781,506	341,649	**798,546**	340,225
Total Comprehensive income Attributable to					
- Equity holders of the Company		**777,988**	336,566	**797,547**	337,476
- Non-Controlling Interest		**1,638**	-	**-**	-
		779,626	336,566	**797,547**	337,476
Basic/ Diluted earnings per share (Rs.)	26	**1.96**	0.86	**2.00**	0.85

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in brackets indicate deductions

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	Note	Group 31st December 2025 Rs.'000	Group 31st December 2024 Rs.'000	Company 31st December 2025 Rs.'000	Company 31st December 2024 Rs.'000
Assets					
Non-current assets					
Property, plant and equipment	4	**249,217**	194,715	**82,916**	187,423
Investment properties	5	**10,314,376**	9,763,315	**10,314,376**	9,763,315
Investment in subsidiary	6	**-**	-	**80,538**	7,000
Investment in Debentures	7	**9,297**	9,297	**9,297**	9,297
Total non-current assets		**10,572,890**	9,967,327	**10,487,127**	9,967,035
Current assets					
Inventories	8	**9,664**	7,797	**4,103**	4,170
Trade and other receivables	9	**185,679**	170,860	**166,358**	161,699
Short-term Investment	9.2	**287,252**	471,995	**278,745**	461,996
Amount due from related party	10	**-**	-	**2,938**	1,624
Cash and cash equivalents	11	**397,415**	89,595	**382,932**	87,722
Total current assets		**880,010**	740,247	**835,076**	717,211
Total assets		**11,452,900**	10,707,574	**11,322,203**	10,684,246
Equity and liabilities					
Equity					
Stated capital	12	**159,692**	159,692	**159,692**	159,692
Reserves	13	**7,717,418**	7,147,030	**7,722,806**	7,132,858
Non Controlling Interest	13.1	**72,291**	-	**-**	-
Total equity		**7,949,401**	7,306,722	**7,882,498**	7,292,550
Non-current liabilities					
Deferred taxation	14	**2,970,170**	2,976,161	**2,967,235**	2,978,725
Refundable deposits	15	**156,983**	149,815	**156,983**	149,815
Employee benefits	16	**24,627**	17,223	**15,068**	10,961
Interest Bearing Borrowings		**27,115**	-	**-**	-
Total non-current liabilities		**3,178,895**	3,143,199	**3,139,286**	3,139,501
Current liabilities					
Accruals, deposits and advances received	17	**205,316**	161,988	**198,840**	159,503
Other liabilities	18	**62,501**	40,358	**51,790**	39,157
Current taxation	19	**54,702**	55,308	**49,789**	53,535
Interest Bearing Borrowings		**2,085**	-	**-**	-
Total current liabilities		**324,604**	257,654	**300,419**	252,195
Total liabilities		**3,503,499**	3,400,853	**3,439,705**	3,391,696
Total equity and liabilities		**11,452,900**	10,707,574	**11,322,203**	10,684,246

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

These Financial Statements are in compliance with the requirements of Companies Act, No 7 of 2007.

Lakmal Rodrigo
Head of Finance

B.R.C Cooray
CEO

The Directors are responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board.

R.A Dassanayake
Director

J.P.P Liyanage
Director

30th June 2026
Colombo.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	General Reserve	Retained Earnings	Non-Controlling Interest	Total
	Rs.'000	Rs.'000	Rs.'000		Rs.'000
Balance as at 01st April 2024	159,692	40,000	6,970,080	-	7,169,772
Profit for the nine months period	-	-	341,649	-	341,649
Other comprehensive income for the nine months period					
Actuarial loss on defined benefit plans	-	-	(7,262)	-	(7,262)
Deferred tax chrage on Acturial loss	-	-	2,179	-	2,179
Total comprehensive income for the nine months period	-	-	336,566	-	336,566
Transaction with owners of the Company, recognized directly in equity					
Dividend paid	-	-	(199,615)	-	(199,615)
Balance as at 31st December 2024	159,692	40,000	7,107,030	-	7,306,722
Balance as at 01st January 2025	159,692	40,000	7,107,030	-	7,306,722
Profit for the year	-	-	779,868	1,638	781,506
Other comprehensive income for the year					
Actuarial loss on defined benefit plans	-	-	(2,686)	-	(2,686)
Deferred tax chrage on Acturial loss	-	-	806	-	806
Total comprehensive income for the Year	-	-	777,988	1,638	779,626
Transaction with owners of the Company, recognized directly in equity					
Dividend paid during the Year	-	-	(207,600)	-	(207,600)
Equity Contribution-Non Controlling Interest	-	-	-	70,653	70,653
Balance as at 31 December 2025	159,692	40,000	7,677,418	72,291	7,949,401

Company	Stated Capital Rs.'000	General Reserve Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 01st April 2024	159,692	40,000	6,954,998	7,154,690
Profit for the Nine months period	-	-	340,225	340,225
Other comprehensive income for the nine month period				
Actuarial loss on defined benefit plans	-	-	(3,928)	(3,928)
Deferred tax chrage on Acturial loss	-	-	1,178	1,178
Total comprehensive income for the nine month period	-	-	337,476	337,476
Transaction with owners of the Company, recognized directly in equity				
Dividend paid	-	-	(199,615)	(199,615)
Balance as at 31 December 2024	159,692	40,000	7,092,858	7,292,550
Balance as at 01st January 2025	159,692	40,000	7,092,858	7,292,550
Profit for the year	-	-	798,546	798,546
Other comprehensive income for the year ended 31st December 2025				
Actuarial loss on defined benefit plans	-	-	(1,427)	(1,427)
Deferred tax chrage on Acturial loss	-	-	428	428
Total comprehensive income for the year ended 31st December 2025	-	-	797,547	797,547
Transaction with owners of the Company, recognized directly in equity				
Dividend paid during the year ended 31st December 2025	-	-	(207,600)	(207,600)
Balance as at 31 December 2025	159,692	40,000	7,682,806	7,882,498

The annexed notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	For the Year ended 31st December 2025	For the Nine months ended 31st December 2024	For the Year ended 31st December 2025	For the Nine months ended 31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flow from operating activities				
Profit before taxation	**926,103**	537,884	**930,952**	534,755
Adjustments for:				
Depreciation property, plant and equipment	**19,170**	17,052	**11,386**	15,487
Fair value gain on investment property	**(418,153)**	(174,388)	**(418,153)**	(174,388)
Disposal gain on PPE	**-**	-	**(26,342)**	-
Dividend income	**-**	-	**-**	(892)
Provision for doubtful debts	**3,713**	(2,134)	**3,568**	(3,045)
Provision for employment benefit	**4,718**	1,990	**2,680**	1,105
Amortisation of prepaid rent and security deposits	**(18,343)**	(8,639)	**(18,343)**	(8,639)
Interest expense on rent and security deposits	**17,834**	9,036	**17,834**	9,036
Interest income	**(64,712)**	(45,391)	**(63,908)**	(44,650)
Operating profit before working capital changes	**470,332**	335,411	**439,674**	328,769
(Increase) / decrease in trade and other receivables	**(18,532)**	(104,781)	**(8,226)**	(104,519)
(Increase) / decrease in inventories	**(1,867)**	(1,478)	**67**	(858)
(Increase) / decrease in accruals, deposits and advances received	**43,328**	14,617	**39,337**	14,552
Increase / (decrease) in refundable deposits	**7,168**	17,300	**7,168**	17,300
Increase / (decrease) in other liabilities	**22,143**	36,297	**12,633**	36,047
(Increase) / decrease in amount due from related party	**-**	-	**(1,314)**	(353)
Net cash generated/(used) in operations	**522,572**	297,366	**489,339**	290,938
Income tax paid	**(149,990)**	(116,167)	**(147,214)**	(113,261)
Net cash generated from operating activities	**372,582**	181,199	**342,125**	177,677
Cash flow from investing activities				
Interest received	**65,460**	45,851	**63,907**	45,733
Dividend received	**-**	-	**-**	892
Cash received on disposal of solar power project	**-**	-	**143,191**	-
Investment in subsidiary - Lindel ACP Renewables Limited	**-**	-	**(73,028)**	-
Net Investment in fixed deposits	**184,743**	(471,995)	**183,251**	(461,996)
Purchase of property, plant and equipment	**(73,822)**	(26,101)	**(23,729)**	(21,204)
Purchase/ Improvments of investment properties	**(132,907)**	(41,637)	**(132,907)**	(41,637)
Net cash (used in)/ generated from investing activities	**43,474**	(493,882)	**160,685**	(478,212)

	Group		Company	
	For the Year ended 31st December 2025	For the Nine months ended 31st December 2024	For the Year ended 31st December 2025	For the Nine months ended 31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash flow from financing activities				
Bank Loan Obtained	**29,200**	-	**-**	-
Share Issue - Lindel ACP Renewables Limited	**70,163**	-	**-**	-
Dividend paid	**(207,600)**	(199,615)	**(207,600)**	(199,615)
Net cash used in financing activities	**(108,237)**	(199,615)	**(207,600)**	(199,615)
Net increase/ (decrease) in cash and cash equivalents	**307,820**	(420,162)	**295,210**	(410,108)
Cash and cash equivalents at the beginning of the year	**89,595**	509,757	**87,722**	497,830
Cash and cash equivalents at the end of the year (Note 11)	**397,415**	89,595	**382,932**	87,722

The annexed notes to the financial statements form an integral part of these financial statements.

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting entity

Lanka Industrial Estates Limited ("the Company") is a public Company incorporated on 12 March 1992 and domiciled in Sri Lanka.

1.2 Consolidated Financial Statements

The Consolidated Financial Statements for the year ended 31st December 2025 comprise of the Company and its subsidiaries, Lindel Industrial Laboratories Limited and Lindel ACP Renewables Limited (together referred to as the "Group"). Lindel Industrial Laboratory Limited is a fully owned subsidiary of the Company, and Lindel ACP Renewables Limited is 51% owned subsidiary of the Company.

1.3 Principal Activities and Nature of Operations

The main activities of the company are to lease land and provide infrastructure facilities to industries.

The principal activity of the Lindel Industrial Laboratories Limited is providing support services, such as water and effluent testing facilities, to industries. The principal activity of the Lindel ACP Renewables Limited is renewable energy operations.

There were no significant changes in the nature of the principal activities of the Group during the year under review.

1.4 Parent Entity and Ultimate Parent Entity

The immediate and ultimate holding Company of Lanka Industrial Estates Limited is DFCC Bank PLC.

1.5 Registered office and place of business

The registered office is situated at 73/5, DFCC Building, Galle Road, Colombo 3. The principal place of business is situated at Lanka Industrial Estate, Pattiwila Road, Sapugaskanda, Makola.

1.6 Number of employees - Company

Employees as at 31 December 2025 was 15. (2024: 15)

Number of employees - Group

Employees as at 31 December 2025 was 27. (2024: 27)

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards (LKAS) and Sri Lanka Financial Reporting Standards (SLFRS), promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL).

Statement of Presentation

The Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently, with no adjustments being made for inflationary factors affecting the financial statements except for Employee Benefits and Investment Properties measured at fair value.

2.3 Functional and Presentation Currency

The consolidated Financial Statements are presented in Sri Lankan Rupees, which is the Group's functional currency.

Except as indicated, financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee value.

2.4 Comparative Figures

The financial statements for the current period cover the year ended December 31, 2025, whereas the comparative figures are for the nine month period ended December 31, 2024. As such, the amounts presented for the current period are not entirely comparable with those of the prior period.

2.5 Use of Estimates and Judgments

The preparation of the Financial Statements of the Company and the Group in conformity with LKASs and SLFRSs, requires management to make judgments, 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 these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Deferred taxation (Note 3.2.b)

Employee benefits (Note 3.12)

Investment Properties (Note 3.5)

Impairment of financial and non-financial assets (Note 3.9)

Provisions (Note 3.10)

Useful life of PPE (Note 3.4)

2.6 Going concern

These financial statements have been prepared on the basis that the Company and the Group would continue as a going concern for the foreseeable future. Based on currently available information, the management is satisfied that, having taken into consideration factors that could impact the revenue, supply chain, cash flows, and accessibility to funds and costs, the Group would continue as a going concern.

Consequent to giving due consideration to the presentations by management, the Directors are satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future. The Group has positive net asset, positive working capital, and cash flow positions for the next twelve months. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

2.7 Materiality and aggregation

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

3 MATERIAL ACCOUNTING POLICIES

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

3.1 Basis of Consolidation

The Group's Financial Statements comprise the consolidation of the Financial Statements of the Company and its Subsidiaries in terms of the Sri Lanka Financial Reporting Standards - SLFRS 10 on 'Consolidated Financial Statements'.

3.1.1 Business Combination

Business combinations are accounted for using the acquisition method when control is transferred to the Group.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if they are related to the issue of debt or equity securities.

3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g., those resulting from a lending relationship) become substantive and lead to the Group having power over an entity.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities, and contingent liabilities are measured at their fair values at the date of acquisition. Subsequent to the initial measurement, the Group continues to recognize the investments in the Subsidiary at cost.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

There are no significant restrictions on the ability of Subsidiaries to transfer funds to the Parent (the Company) in the form of cash dividends or repayment of loans and advances.

The subsidiary of the Company has been incorporated in Sri Lanka.

3.1.3 Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI

NOTES TO THE FINANCIAL STATEMENTS

and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Subsequently, it is accounted for as an Associate or in accordance with the Group's Accounting Policy for financial instruments, depending on the level of influence retained.

3.1.4 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.1.5 Accounting for investment in subsidiaries

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

3.1.6 Financial Period

The Consolidated Financial Statements are prepared to a common financial year ended 31st December.

3.2 Income Tax Expense

As per the Sri Lanka Accounting Standards - LKAS 12 on 'Income taxes', tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current and deferred taxes. Income tax expense is recognized in the profit or loss, except to the extent it relates to items recognized directly in Equity through Other Comprehensive Income (OCI).

(a) Current Taxation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

(b) Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that future taxable profits will probably be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.3 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

ASSETS AND BASES OF VALUATION

Assets classified as current on the Statement of Financial Position are cash or those that are expected to be realized in the normal operating cycle of the Group or within one year from the reporting date, whichever is earlier. Assets other than current assets are those that the Group intends to hold beyond a period of one year, calculated from the reporting date.

3.4 Property, Plant and Equipment

a) Recognition and measurement

Items of Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of Property, Plant and Equipment.

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

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

The gain or loss on disposal of an item of Property Plant and Equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of Property Plant and Equipment and recognized in other income/ other expenses in profit or loss.

b) Subsequent costs

The cost of replacing a component of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property Plant and Equipment are recognized in profit or loss as incurred.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

However, there were no borrowing costs in the Group during the financial periods under review.

d) Depreciation

The Group provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets. The Management has evaluated the Useful Life of the assets and accordingly revised the useful life from 1st February 2025.

The estimated useful lives for the current and comparative years are as follows:

NOTES TO THE FINANCIAL STATEMENTS

Asset	Current Year	Prior Year
Office Buildings	50 Years	20 Years
Electricity installations	20 Years	20 Years
Solar power project	20 Years	20 Years
Telecommunication installations	10 Years	10 Years
Plant and machinery	10 Years	10 Years
Furniture and fittings	5 Years	5 Years
Lab and other equipment	10 Years	5 Years
Data processing equipment	5 Years	4 Years
Motor vehicles	6 Years	4 Years
Office equipment	4 Years	4 Years
Lab glassware	4 Years	2 Years

The assets' residual values, useful lives, and methods of depreciation are reviewed and adjusted if appropriate, at each financial year-end.

e) Impairment

The carrying value of the property, plant, and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognized in the profit or loss unless they reverse a previous revaluation surplus for the same asset.

f) Capital Work in Progress

Capital work-in-progress represents the accumulated cost of the materials and other costs directly related to the construction of an asset. Capital work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

g) Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from it. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in the Income Statement when the item is derecognized.

When replacement costs are recognized in the carrying amount of an item of Property, Plant and Equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost of inspection is derecognized.

3.5 Investment Property

Basis of Measurement

Investment Properties are those that are held either to earn rental income or for capital appreciation, or for both. Investment Properties are stated at fair value. An external, independent valuer, having an appropriate recognized professional qualification and recent experience in the location and category of property being valued, values the portfolio every year.

Investment property initially measured at cost and subsequently at fair value with any change therein recognized in Profit or loss. Any gain or loss on the disposal of investment property is recognized in profit or loss. Rental income from investment property is recognized as Revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use, and capitalized borrowing costs.

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

Depreciation is charged on a straight-line basis to write off the cost less any estimated residual value of property over its estimated useful lives as follows:

Buildings	50 Years
Site improvement	50 Years
Building improvement	50 Years

De-recognition

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

3.6 Financial Instruments

3.6.1 Financial assets

Recognition and initial measurement

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

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

Classification and subsequent measurement of financial assets

On subsequent recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets -Assessment of whether contractual cash flows are solely payments of principal and interest

For this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3.6.2 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities - Derecognition

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.6.4 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the Weighted Average Cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Use of assumptions and estimation uncertainty

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which the valuations should be classified.

NOTES TO THE FINANCIAL STATEMENTS

Significant valuation issues are reported to the Group's audit committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.9 Impairment of Assets

3.9.1 Financial instruments and contract assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, and including forward-looking information.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

3.9.2 Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets that cannot be tested individually are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognized in profit or loss.

3.10 Liabilities and Provisions

Liabilities

Liabilities classified as Current Liabilities in the statement of financial position are those obligations payable on demand or within one year from the reporting date. Items classified as non-current liabilities are those obligations that expire beyond a period of one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements. Provisions and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events, and an outflow of economic benefits will probably be required to settle the obligation.

Provisions

A provision is recognized if, as a result of a past event, the Group 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.11 Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative standalone price.

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

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SLFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.12 Employee benefits

3.12.1 Short-term benefits

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

3.12.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an expense in profit and loss when incurred.

Employee Provident Fund

All employees of the Group are members of the Employees' Provident Fund (EPF). The Group and employees contribute 15% and 10% respectively of the salary to EPF.

Employees Trust Fund

All employees of the Group are members of the Employees' Trust Fund (ETF). The Group contributes 3% of the salary of each employee to ETF.

3.12.3 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

NOTES TO THE FINANCIAL STATEMENTS

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 – Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability recognized in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date.

The Group measures the present value of retirement benefits of gratuity using an internally generated formula.

The liability is not externally funded nor actuarially valued.

Actuarial gains and losses

The re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognized in Other Comprehensive Income.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.13 Revenue recognition: Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Lease rental and Floor rental	This includes rental income earned from renting out investment property owned by the Group.	Revenue is recognized on a point-in-time basis, as the rent income is recognized on a straight-line basis over the term of the agreement.
Treated water sales, Solid waste disposal, Pressurized water, Common wastewater treatment, Solar Power, and carrying out industrial laboratory tests.	This includes income earned from wastewater treatment, solar power generation, and solid waste disposal by the Group.	Revenue is recognized point in time.

3.14 Expenditure Recognition

Expenditure is recognized in the financial statements as they are incurred and recognized on an accrual basis.

Operating Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to the statement of profit or loss.

3.15 Finance Income and Expenses

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial asset or liabilities (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liabilities. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes all transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

3.16 Statement of cash flows

The Cash Flow Statement has been prepared using the Indirect Method of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard (LKAS) 7, Cash Flow Statements.

Cash and cash equivalents comprise short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in hand, balances with banks and short-term deposits with banks.

For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

STANDARDS ISSUED BUT NOT YET ADOPTED

Several new standards and amendments to standards are effective for annual periods beginning 1 January 2026, and earlier application of these standards is permitted. However, the Group has not yet adopted the new and amended standards in preparing these consolidated financial statements.

New or amended standard	Summary of the requirement
SLFRS18 Presentation and disclosure in financial statements	SLFRS 18, replacing LKAS 1 Presentation of Financial Statements, will be effective for annual reporting periods beginning on or after 1 January 2027. The standard requires entities to classify income and expenses into five categories operating, investing, financing, discontinued operations, and income tax and present a newly defined operating profit subtotal, which will also serve as the starting point for the statement of cash flows under the indirect method. Management-defined performance measures must be disclosed in a single note, and enhanced guidance is provided on grouping information within financial statements. Net profit remains unaffected.

Other Standards

The following amendments and improvements are not expected to have a material impact on the Company's Financial Statements.

- SLFRS S1 General requirements for disclosure of sustainability related financial information and SLFRS S2 Climate-related disclosures

- SLFRS 19 - Subsidiaries without Public Accountability Disclosures

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

Group	Free Hold Land	Office buildings	Electricity installations	Solar Power project	Furniture and fittings	Plant/ machinery and telecom installations	Lab and other equipment	Motor vehicles	Computer software	Lab glassware	Office/ data processing equipment	Work In Progress	Total 31st December 2025	Total 31st December 2024
Cost	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000
Balance as at 1st Jan 2025	11,549	21,618	69,246	162,266	4,984	159,221	41,826	23,027	9,863	1,880	7,567	50	513,097	478,745
Additions during the period		586	5,000	-	229	173	8,911		1,282	58	2,083	43,448	61,770	32,136
Capitalisation during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,035)
Transfers from investment property during the period	-	2,275	-	-	-	-	9,777	-	-	-	-	-	12,052	11,549
Disposals during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,152)
Balance as at 31 December 2025	11,549	24,479	74,246	162,266	5,213	159,394	60,515	23,027	11,145	1,938	9,650	43,498	586,919	513,243
Accumulated Depreciation														
Balance as at 1st Jan 2025	-	11,436	59,002	44,105	2,946	145,411	22,578	23,027	2,542	1,714	5,773	-	318,533	304,629
Charge for the period	-	309	1,049	7,224	762	3,436	3,677		1,612	77	1,025	-	19,170	17,052
Disposals during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,152)
Balance as at 31 December 2025	-	11,745	60,051	51,329	3,708	148,847	26,255	23,027	4,154	1,791	6,798	-	337,703	318,529
Carrying amount														
As at 31 December 2025	**11,549**	**12,735**	**14,195**	**110,936**	**1,506**	**10,547**	**34,260**	**-**	**6,991**	**147**	**2,852**	**43,498**	**249,217**	
As at 31 December 2024	11,549	10,182	10,244	118,161	2,038	13,810	19,249	-	7,321	166	1,794	50		194,715

Company	Free Hold Land	Office buildings	Electricity installations	Solar Power project	Furniture and fittings	Plant/ machinery and telecom installations	Lab and other equipment	Motor vehicles	Computer software	Lab glassware	Office/ data processing equipment	Work In Progress	Total 31st December 2025	Total 31st December 2024
Cost	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000		Rs.'000	Rs.'000
Balance as at 1st Jan 2025	11,549	21,618	69,246	162,266	2,907	159,221	18,598	23,027	9,863	-	5,951	50	484,295	454,695
Additions during the period	-	166	5,000	-	229	173	-	-	923	-	1,804	3,382	11,677	27,301
Capitalisation during the period	-		-	-	-	-	-	-	-	-	-	-	-	(6,097)
Transfers from investment property during the period	-	2,275	-	-	-	-	9,777	-	-	-	-	-	12,052	11,549
Disposals during the period	-			(162,266)	-	-	-	-	-	-	-	-	(162,266)	(3,152)
Balance as at 31 December 2025	11,549	24,059	74,246	-	3,136	159,394	28,375	23,027	10,786	-	7,755	3,432	345,758	484,295
Accumulated Depreciation														
Balance as at 1st Jan 2025	-	11,436	59,002	44,105	1,433	145,412	5,344	23,027	2,542	-	4,572	-	296,870	284,535
Charge for the period	-	306	1,049	1,311	503	3,436	2,333	-	1,589	-	860	-	11,386	15,487
Disposals during the period	-	-	-	(45,416)	-	-	-	-	-	-	-	-	(45,416)	(3,152)
Balance as at 31 December 2025	-	11,742	60,051	-	1,936	148,847	7,676	23,027	4,131	-	5,432	-	262,840	296,870
Carrying amount														
As at 31 December 2025	11,549	12,318	14,195	-	1,200	10,546	20,699	-	6,655	-	2,323	3,432	82,916	
As at 31 December 2024	11,549	10,182	10,244	118,161	1,474	13,810	13,255	-	7,322	-	1,378	50		187,423

4.1 The cost of the freehold land (Rs. 11.5) as of 31st December 2025 consists of the cost of Roads and the land portion of the company-occupied buildings. The fair value of the freehold land and office buildings as of 31st December 2025 as follows.

	Perches	Cost (000')	Fair Value (000')
Roads	2,819	10,957	-
Land portion of the company occupied buildings	148	592	132,728
Office buildings	-	24,059	369,135
	2,967	35,608	501,863

4.2 The fully depreciated assets still in use as of 31st December 2025 of Company is Rs. 204,002,784 (2024 - Rs. 177,220,674) and Group is Rs. 222,078,476 (2024 - Rs. 195,096,215).

4.3 As of 31 December 2025, neither the Company nor the Group had any assets pledged as security, and no assets were held idle.

5. INVESTMENT PROPERTIES

Group/Company	Land	Buildings	Capital work in progress	Total 31st December 2025	Total 31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost					
Balance as at 1st January 2025	7,334,415	2,387,027	41,872	**9,763,315**	9,558,838
Additions during the period	-	-	159,252	**159,252**	73,485
Transfer from CWIP during the period	-	54,220	(54,220)	**-**	(14,163)
Transfers to PPE during the period	-	-	(12,052)	**(12,052)**	(29,234)
Write off/Transferred to expenses during the period	-	-	(14,293)	**(14,293)**	-
Change the fairvalue during the period	(41,165)	459,318	-	**418,153**	174,388
Balance as at 31 December 2025	7,293,250	2,900,565	120,559	**10,314,376**	9,763,315
Carrying amount					
As at 31 December 2025	**7,293,250**	**2,900,565**	**120,559**	**10,314,376**	
As at 31 December 2024	7,334,415	2,387,027	41,872		9,763,315

5.1 Measurment of fair values

The fair value of properties was determined by external independent property valuer, Mr.G.W.G Abeygunawardena, (FRICS), Chartered Valuation Surveyor having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair value measurement for all of properties has been categorised as Level 3 fair value based on the input to the valuation technique used.

NOTES TO THE FINANCIAL STATEMENTS

5.2 Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of properties, as well as the significant unobservable inputs used.

Description	Extend	Effective date of valuation	Valuation technique	Significant Unobservable Inputs	" Interrelationship between Key Unobservable Inputs and Fair Value Measurements "
Land plots located at Lanka Industrial Estate, Pattiwila Road, Sapugaskanda, Makola	13,562 perches	31st December 2025	Market and DCF Approach	Market value per perch LKR 550,000 - 930,000. Market Value Discount Rate 12.2%/ Rental Growth Rate during lease period 6.5% / Terminal Growth Rate 5%/ IRR 15%	Higher market land values, rental growth rates and terminal growth assumptions increase the fair value. Conversely, a higher discount rate or higher IRR assumption reduces the fair value.
Buildings located at Lanka Industrial Estate, Pattiwila Road, Sapugaskanda, Makola	576,117 Sq. ft.	31st December 2025	DCF Approach	Discount Rate 12.2%/ Rental Growth Rate during lease period 6.5% /Terminal Growth Rate 5%/ IRR 15%	Higher building values and expected market rentals increase fair value. Conversely, increases in the discount rate or IRR allowance reduce the fair value.

5.3 Rental income earned from investment properties during year ended 31 December 2025 amounted to Rs.520,000,001/- (Nine months ended 2024: Rs. 360,799,249/-) .

The sensitivity of the fair value of investment properties to changes in the assumption used are as follows,

	Impact to the fair value Rs.'000 2025
Increase the discount rate by 1%	(851,331)
Decrease the discount rate by 1%	1,385,301
Increase the rental growth rate by 1%	478,301
Decrease the rental growth rate by 1%	(202,216)

As at	31st December 2025 Rs.'000	31st December 2024 Rs.'000
6. INVESTMENT IN SUBSIDIARY		
699,994 ordinary shares in Lindel Industrial Laboratories Limited	**7,510**	7,000
Ordinary shares in LindelAcp Limited	**73,028**	510
	80,538	7,510

The Board of Directors has assessed the potential impairment loss of investment in Lindel Industrial Laboratories Limited as at 31 December 2024. Based on the assessment no provision was required as at the reporting date in respect of the investments in subsidiary.

7. INVESTMENT IN DEBENTURES

	Group		Company	
As at	31st December 2025 Rs.'000	31st December 2024 Rs.'000	31st December 2025 Rs.'000	31st December 2024 Rs.'000
Debenture Investment	**7,460**	7,460	**7,460**	7,460
Interest	**1,837**	1,837	**1,837**	1,837
	9,297	9,297	**9,297**	9,297

Company Invested in 74,600 Debentures issued by Sampath Bank PLC which will be matured in 2028 at a coupan rate of 28%

Sampath Bank rated at AA- on Fitch ratings

8. INVENTORIES

	Group		Company	
As at	31st December 2025 Rs.'000	31st December 2024 Rs.'000	31st December 2025 Rs.'000	31st December 2024 Rs.'000
Chemicals	**6,489**	4,509	**628**	579
Spare parts	**3,549**	3,702	**3,545**	3,702
Stationeries	**122**	82	**122**	82
	10,160	8,293	**4,296**	4,364
Provision for slow moving spare parts (Note 8.1)	**(496)**	(496)	**(193)**	(193)
	9,664	7,797	**4,103**	4,170

NOTES TO THE FINANCIAL STATEMENTS

8.1 Provision for slow moving spare parts

		Group		Company	
	As at	**31st December 2025**	**31st December 2024**	**31st December 2025**	**31st December 2024**
		Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
9.	**TRADE AND OTHER RECEIVABLES**				
	Trade debtors	**134,911**	130,319	**116,512**	122,008
	Less: Provision for doubtful debts (Note 9.1)	**(12,239)**	(8,526)	**(10,668)**	(7,100)
		122,672	121,792	**105,844**	114,908
	WHT receivable	**44,369**	26,436	**44,292**	26,388
	Rent Receivable	**1,090**	1,090	**1,090**	1,090
	Advances and prepayments	**17,548**	21,541	**15,132**	19,314
		185,679	170,860	**166,358**	161,699
9.1	**Provision for bad and doubtful debts**				
	Balance at the 1st January 2025	**8,526**	10,660	**7,100**	10,145
	(Reversal) / Provision	**3,713**	(2,134)	**3,568**	(3,045)
	Balance as at 31st December 2025	**12,239**	8,526	**10,668**	7,100
9.2	**Shorterm Investments**	**287,252**	471,995	**278,745**	461,996
	Shorterm investments consist of demand deposits held with commercial banks up 12 months maturity				
10.	**AMOUNT DUE FROM RELATED PARTY**				
	Lindel Industrial Laboratories Limited	-	-	2,938	1,624
		-	-	2,938	1,624

		Group		Company	
	As at	**31st December 2025**	**31st December 2024**	**31st December 2025**	**31st December 2024**
		Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
11.	**CASH AND CASH EQUIVALENTS**				
	Fixed deposits	**317,592**	69,497	**316,381**	69,497
	Savings deposits	**67,875**	19,968	**66,476**	18,150
	Cash in hand and Bank	**11,948**	130	**75**	75
		397,415	89,595	**382,932**	87,722
	Bank overdraft	**-**	-	**-**	-
	Cash and cash equivalents for the purpose of statement of cash flows	**397,415**	89,595	**382,932**	87,722

	As at	Group		Company	
		31st December 2025 Rs.'000	31st December 2024 Rs.'000	31st December 2025 Rs.'000	31st December 2024 Rs.'000
12.	**STATED CAPITAL**				
	Issued and fully paid				
	399,230,125 ordinary shares	**159,692**	159,692	**159,692**	159,692
		159,692	159,692	**159,692**	159,692
13.	**RESERVES**				
	General reserve	**40,000**	40,000	**40,000**	40,000
	Retained earnings	**7,677,418**	7,107,030	**7,682,806**	7,092,858
		7,717,418	7,147,030	**7,722,806**	7,132,858

13.1 Non-controlling interest

Lindel ACP Renewables Limited is a company incorporated in 2024, and the Company holds a controlling interest of 51%

Following table summarises the information relating to the subsidiary which has a material non-controlling interest, before any intra-group eliminations

	Lindel ACP Renewables Limited 31st December 2025 Rs.'000
NCI percentage	**49%**
Non current assets	**222,090**
Current assets	**16,227**
Non currrent liabilities	**78,869**
Current liabilities	**12,438**
Net assets	**147,011**
Net assets attributable to NCI	**72,291**
Revenue	**25,927**
Profit before tax	**9,409**
Total comprehensive income	**3,342**
Profit allocated to NCI	**1,638**
Cash flows from operating activities	**27,954**
Cash flows from investment activities	**(184,032)**
Cash flows from financing activities	**171,703**

NOTES TO THE FINANCIAL STATEMENTS

14. DEFERRED TAXATION

As at	Group 31st December 2025 Rs.'000	Group 31st December 2024 Rs.'000	Company 31st December 2025 Rs.'000	Company 31st December 2024 Rs.'000
Deferred tax assets (Note 14.1)	**14,146**	9,597	**10,080**	6,806
Deferred tax liabilities (Note 14.2)	**(2,984,316)**	(2,985,758)	**(2,977,316)**	(2,985,532)
Net deffered tax liability	**(2,970,170)**	(2,976,161)	**(2,967,235)**	(2,978,725)
The movements on the deferred tax account is as follows:				
14.1 Deferred tax assets				
Balance as at 1st January 2025	**9,597**	7,745	**6,806**	7,132
Recognised in profit or loss during the period	**3,744**	(325)	**2,847**	(1,504)
Recognised in other comprehensive income during the period	**806**	2,179	**428**	1,178
Balance as at 31 December 2025	**14,146**	9,597	**10,080**	6,806
14.2 Deferred tax liabilities				
Balance as at 1 January 2025	**2,985,758**	2,890,983	**2,985,532**	2,891,880
Recognised in profit or loss during the period	**(1,442)**	94,775	**(8,216)**	93,652
Balance as at 31 December 2025	**2,984,316**	2,985,758	**2,977,316**	2,985,532

14.3 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group				Company			
	31st December 2025		31st December 2024		31st December 2025		31st December 2024	
	Temporary difference	Tax effect	Temporary difference	Tax effect	Temporary difference	Tax effect	Temporary difference	Tax effect
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax assets								
Employee benefits	**24,626**	**7,388**	17,222	5,167	**15,068**	**4,521**	10,960	3,288
Provision for Doubtful Debt	**12,239**	**3,672**	8,526	2,558	**10,668**	**3,200**	7,100	2,130
Bonus Provision	**10,288**	**3,087**	6,243	1,873	**7,863**	**2,359**	4,626	1,388
	47,153	**14,146**	31,990	9,597	**33,599**	**10,080**	22,686	6,806
Deferred tax liabilities								
Property, plant and equipment & Investment property	**9,947,720**	**2,984,316**	9,952,528	2,985,758	**9,924,387**	**2,977,316**	9,951,774	2,985,532
	9,947,720	**2,984,316**	9,952,528	2,985,758	**9,924,387**	**2,977,316**	9,951,774	2,985,532
Net deferred tax liabilities		**(2,970,170)**		(2,976,161)		**(2,967,235)**		(2,978,725)

14.4 Deferred tax as at 31 December 2025 has been provided at the rate of 30% (31 December 2024 ; 30%)

As at	Group		Company	
	31st December 2025	31st December 2024	31st December 2025	31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
15. REFUNDABLE DEPOSITS				
Security deposits	151,000	144,418	151,000	144,418
Rent deposits	5,983	5,397	5,983	5,397
	156,983	149,815	156,983	149,815

16. EMPLOYEE BENEFITS

16.1 Defined contribution plans

Following contributions have been made to Employees' Provident Fund and Employees' Trust Fund during the period ended 31st December 2025.

As at	Group		Company	
	31st December 2025	31st December 2024	31st December 2025	31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Employees' Provident Fund				
Employers' contribution	5,878	3,415	4,466	2,582
Employees' contribution	3,919	2,277	2,977	1,722
Employees' Trust Fund	1,176	683	893	516
16.2 Defined benefit plan				
Present value of unfunded obligation (Note 16.2.1)	24,627	17,223	15,068	10,962
	24,627	17,223	15,068	10,961
16.2.1 Movement in the present value of the employee benefits unfunded obligation				
Balance as at 1st January	17,223	7,971	10,961	5,928
Provision during the period (Note 16.2.1.a)	4,718	1,990	2,680	1,105
Actuarial loss during theperiod (Note 16.2.1.b)	2,686	7,262	1,427	3,928
	24,627	17,223	15,068	10,961
Payments during the period	-	-	-	-
Balance as at 31 December	24,627	17,223	15,068	10,961

NOTES TO THE FINANCIAL STATEMENTS

As at	Group 31st December 2025 Rs.'000	Group 31st December 2024 Rs.'000	Company 31st December 2025 Rs.'000	Company 31st December 2024 Rs.'000
16.2.1.a **Provision recognised in the statement of comprehensive income**				
Current service cost	**2,433**	1,606	**1,084**	812
Interest on obligation	**2,285**	388	**1,596**	293
	4,718	1,990	**2,680**	1,105

16.2.1.b Provision recognised in the Statement of other comprehensive income

As at	Group 31st December 2025 Rs.'000	Group 31st December 2024 Rs.'000	Company 31st December 2025 Rs.'000	Company 31st December 2024 Rs.'000
Actuarial loss during the period	**(2,686)**	(7,262)	**(1,427)**	(3,928)

The company measures the present value of retirement benefits of gratuity based on an internally generated model using formula.

The principal assumptions used in determining the cost of employee benefits are as follows.

As at	31st December 2025 Rs.'000	31st December 2024 Rs.'000
Discount rate	9.25%	11.00%
Salary increment rate	15.79%	16.84%
Staff Turnover Rate	11.60%	16.00%

Sensitivity analysis

A one percentage change at the reporting date to one of the actuarial assumptions would have the following effects to defined benefit obligation.

Assumption	Group Change in Defined Benefit Obligation		Company Change in Defined Benefit Obligation	
	1% Increase Rs.'000	1% Decrease Rs.'000	1% Increase Rs.'000	1% Decrease Rs.'000
Rate of discount	(802)	886	(635)	671
Salary escalation rate	764	(711)	626	(605)

		Group		Company	
		31st December 2025	31st December 2024	31st December 2025	31st December 2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
17.	**ACCRUALS, DEPOSITS AND ADVANCES RECEIVED**				
	Accruals	**44,944**	32,003	**38,959**	29,681
	Rent advances	**47,975**	43,179	**47,975**	43,179
	Advances/Prepayments	**5,029**	4,777	**4,575**	4,649
	Prepaid security deposit	**97,217**	72,236	**97,217**	72,236
	Prepaid rent deposit	**398**	627	**398**	627
	Retention money	**8,185**	7,695	**8,149**	7,659
	WHT on Creditors	**30**	30	**30**	30
	Other Liability SSCL	**1,538**	1,441	**1,538**	1,441
		205,316	161,988	**198,840**	159,503
18.	**OTHER LIABILITIES**				
	Payable to Contractors	**46,156**	23,435	**46,156**	23,435
	Sundry creditors	**8,054**	16,923	**5,634**	15,722
		62,501	40,358	**51,790**	39,157
19.	**CURRENT TAXATION**				
	Balance as at 1 January 2025	**55,308**	70,128	**53,535**	67,421
	Provision recognised during the period	**144,261**	101,135	**139,306**	99,162
	Over/(Under) provision in respect of prior periods	**5,522**	213	**4,162**	213
	Payments/WHT set offs during the period	**(150,390)**	(116,167)	**(147,214)**	(113,261)
	Balance as at 31 December 2025	**54,702**	55,308	**49,789**	53,535

20 REVENUE FROM CONTRACTS WITH CUSTOMERS

In the following table, revenue from contracts with customers is disaggregated by major product/service lines and timing of revenue recognition.

Group generates revenue primarily from lease rental, floor rental, treated water sales, waste disposal, supply of pressurized water, waste water treatment and solar power generation. For performance obligation and revenue recognition policies please refer note 3.13.

NOTES TO THE FINANCIAL STATEMENTS

20..1 Major Product/Service Lines

	Group		Company	
	31st December 2025	9 months period ended 31st December 2024	31st December 2025	9 months period ended 31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue				
Lease rentals	176,279	179,041	176,279	179,041
Floor rentals	336,166	180,123	343,721	181,758
Treated water sales	45,271	32,322	45,340	32,379
Solid waste disposal	6,938	3,484	6,938	3,484
Pressurized water	1,245	1,321	1,245	1,321
Common waste water treatment	2,088	1,069	2,088	1,069
Solar Power	31,391	25,006	5,465	25,006
	599,378	422,366	581,077	424,058
Timing of Revenue Recognition				
Products transferred over time	512,445	359,164	520,000	360,799
Products transferred at a point in time	86,933	63,202	61,077	63,259
	599,378	422,366	581,077	424,058

	Group		Company	
	31st December 2025	9 months period ended 31st December 2024	31st December 2025	9 months period ended 31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
21. OTHER OPERATING INCOME				
Foreign exchange gain/(Loss)	-	(4)	-	(4)
Laboratory tests	41,580	25,882	-	-
Sundry income (Note 21.1)	4,879	2,226	31,221	2,226
Dividend Received	-	-	-	892
	46,459	28,104	31,221	3,115

21.1 Sundry income included proceeds received from third parties in respect of using Company roads for the purpose of transportation,Service fee,Late payment interest and gain on disposal of solar plant

		Group		Company	
		For the Year Ended 31st December 2025	For the Nine months Ended 31st December 2024	For the Year Ended 31st December 2025	For the Nine months Ended 31st December 2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
23.	**PROFIT FROM OPERATIONS**				
	Profits from operations is stated after charging all expenses including the following;				
	Staff costs (Note 23.1)	78,964	43,434	57,543	31,639
	Depreciation - Property plant and equipment	19,170	17,052	11,386	15,490
	Directors' fees and emoluments	2,283	1,574	2,130	1,430
	Auditors' remuneration - audit fees and expenses	3,370	1,093	2,452	790
					-
23.1	**Staff costs**				
	Salaries and wages	37,308	22,443	26,499	16,887
	Contribution to employees' Providend fund	5,878	3,415	4,466	2,582
	Contribution to employees' trust fund	1,176	683	893	516
	Staff bonus	12,584	3,653	10,159	2,324
	Contribution to defined benefit plan	4,718	1,990	2,680	1,105
	Other staff costs	17,300	11,250	12,847	8,226
		78,964	43,434	57,543	31,639
24.	**NET FINANCE INCOME**				
	Finance income				
	Interest income on fixed deposits	59,629	40,566	58,907	39,925
	Interest income on savings deposits	2,610	2,827	2,529	2,728
	Interest income on debentures	2,089	1,568	2,089	1,568
	Amortisation of prepaid rent and security deposits	18,343	8,639	18,343	8,639
	Other finance income	384	430	384	430
		83,055	54,030	82,251	53,289
	Finance expenses				
	Interest expense on rent and security deposits	17,834	9,036	17,834	9,036
	Bank charges	397	124	102	63
		18,231	9,160	17,936	9,099
		64,824	44,870	64,315	44,189

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		Group		Company	
		For the Year Ended 31st December 2025	For the Nine months Ended 31st December 2024	For the Year Ended 31st December 2025	For the Nine months Ended 31st December 2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
25.	**INCOME TAX EXPENSE**				
	Current tax expense				
	Current tax on profits	144,261	100,922	139,306	99,162
	Under provision in respect of prior period	5,522	213	4,162	213
		149,784	101,135	143,469	99,375
	Deferred tax expense				
	Deferred tax asset originated during the period	(3,744)	325	(2,847)	1,504
	Deferred tax liability originated during period	(1,442)	94,775	(8,216)	93,652
		(5,186)	95,100	(11,063)	95,156
		144,597	196,235	132,406	194,530
25.1	**Reconciliation of the accounting profit and the income tax expense**				
	Profit before taxation	926,103	534,755	930,952	534,755
	Disallowed Income	(418,153)	(264,632)	(418,153)	(264,632)
	Disallowable expenses	99,391	165,015	73,527	156,593
	Allowable expenses	(190,797)	(143,692)	(185,497)	(140,396)
		416,544	291,446	400,829	286,320
	Less : Setting off against brought forward tax losses	-	-	-	
	Business income	416,544	291,446	400,829	286,320
	Investment income	64,327	44,961	63,525	44,221
	Income tax expense 30%	144,261	100,922	139,306	99,162
	Total income tax expense	144,261	100,922	139,306	99,162

26. BASIC/ DILUTED EARNINGS PER SHARE

Basic earnings per share has been calculated by dividing the net profit attributable to the ordinary shareholders by weighted average number of ordinary shares in issue as at reporting date as shown below.

	Group		Company	
	For the year ended 31st December 2025 Rs.'000	9 months period ended 31st December 2024 Rs.'000	For the year ended 31st December 2025 Rs.'000	9 months period ended 31st December 2024 Rs.'000
Profit attributable to the ordinary shareholders (Rs.000)	**779,868**	341,649	**798,546**	340,255
Weighted average number of shares	**399,230,125**	399,230,125	**399,230,125**	399,230,125
Earnings per share (Rs.)	**1.96**	0.86	**2.00**	0.85

27. RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standards - 24 Related Party Disclosures, the details of which are reported below.

(a) Transactions with Key Management Personnel

The Board of Directors of the Company have the authority and responsibility of planning, directing and controlling the activities of the Company. Accordingly, the Board of Directors of the Company have been identified as the key management personnel ("KMP") of the Company.

As DFCC Bank PLC is the ultimate parent of the Company and the Board of Directors of DFCC Bank PLC has the authority and responsibility of planning, directing and controlling the activities of the Company, the Directors of DFCC Bank PLC have also been identified as KMP of the Company.

	Company	
	For the year ended 31st December 2025 Rs.'000	9 months period ended 31st December 2024 Rs.'000
Short term employee benefits	**2,130**	1,430

(b) Transactions with related parties

NOTES TO THE FINANCIAL STATEMENTS

Company	Nature of transaction	Transaction amount	
		For the period ended 31st December 2025	9 months period ended 31st December 2024
		Rs.'000	Rs.'000
DFCC Bank PLC	Interest income	**60,731**	42,653
	Renting of Storage Space	**1,760**	2,166
Lindel Industrial Laboratories Limited	Obtaining of Laboratory Services	**3,730**	2,757
	Renting of Office Space	**2,261**	1,635
	Sale of Water	**69**	57
	Reimbursement of Administration cost	**420**	315
	Dividend income	**-**	892
Lindel ACP Renewables Limited	Renting of Building roof for fixing solar pannels	**4,375**	-
	Reimbursement of Administration cost	**1,500**	-
	Sale of solar power plant	**143,191**	-

Amounts due from related party as at 31 December 2025 is disclosed in the Note 10 to the Financial Statements.

The Company has invested in the short term and long term investments and saving deposits held in DFCC Bank PLC as at the reporting date amounting to Rs.520.946,426/- (2024: Rs.475,866,343/-).

28. FAIR VALUES OF FINNANCIAL INSTRUMENTS

28.1 Fair value of financial instruments carried at amotised cost

The fair values of financial assets and liabilities, together with the carrying amounts of which are shown in the statement of financial position, are as follows:

Group		Fair Value (Rs. 000's)			
As at 31 December 2025	**Carrying Amount Rs 000's**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Trade and other receivables	168,131	-	-	-	-
Advances & prepayments	17,548	-	-	-	-
Cash and cash equivalents	397,415	-	-	-	-
Invetsment in debenture	9,297	-	-	-	-
Short term Investments	287,252	-	-	-	-
Total financial assets	**879,643**	**-**	**-**	**-**	**-**
Financial Liabilities					
Refundable deposits	156,983	-	-	-	-
Accrual Deposits and Advance Received	205,316	-	-	-	-
Other liabilities	62,501	-	-	-	-
Total liabilities	**424,800**	**-**	**-**	**-**	**-**
As at 31 December 2024					
Financial Assets					
Trade and other receivables	149,318	-	-	-	-
Advances & Prepayments	21,541	-	-	-	-
Cash and cash equivalents	89,595	-	-	-	-
Invetsment in debenture	9,297	-	-	-	-
Short term Investments	471,995	-	-	-	-
	741,746	**-**	**-**	**-**	**-**
Financial Liabilities					
Refundable deposits	149,815	-	-	-	-
Accrual Deposits and Advance Received	161,988	-	-	-	-
Other liabilities	40,358	-	-	-	-
Total liabilities	**352,161**	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

Company		Fair Value (Rs. 000's)			
As at 31 December 2025	**Carrying Amount Rs 000's**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Trade and other receivables	151,226	-	-	-	-
Advances and prepayments	15,132	-	-	-	-
Short term Investments	278,745	-	-	-	-
Amount due from related parties	2,938	-	-	-	-
Investment in debenture	9,297	-	-	-	-
Cash and cash equivalents	382,932	-	-	-	-
Total financial assets	**840,270**	**-**	**-**	**-**	**-**
Financial Liabilities					
Refundable deposits	156,983	-	-	-	-
Accrual Deposits and Advance Received	198,840				
Other liabilities	51,790	-	-	-	-
Total liabilities	**407,613**	**-**	**-**	**-**	**-**
As at 31 December 2024					
Financial Assets					
Trade and other receivables	142,385	-	-	-	-
Advances and prepayments	19,314	-	-	-	-
Short term Investments	461,996	-	-	-	-
Amount due from related parties	1,624	-	-	-	-
Investment Debenture	9,297	-	-	-	-
Cash and cash equivalents	87,722	-	-	-	-
Total financial assets	**722,338**	**-**	**-**	**-**	**-**
Financial Liabilities					
Refundable deposits	149,815	-	-	-	-
Accrual Deposits and Advance Received	159,503				
Other liabilities	39,157	-	-	-	-
Total liabilities	**348,475**	**-**	**-**	**-**	**-**

The methods and assumptions used to estimate the fair values of the financial instruments not carried at fair value are as follows:

a) Trade and other receivables - The fair value of trade and other receivables approximate their carrying amount due to the relatively short maturity of the financial instruments.

b) Short term deposits - The fair value of short term deposits approximate their carrying amount due to the relatively short maturity of the financial instruments.

c) Cash and cash equivalents – The fair value of cash and cash equivalents approximate their carrying amount due to the relatively short maturity of the financial instruments.

d) Amounts due from related companies - The fair value of amount due to related parties approximate carrying amounts due to the relatively short settlement patterns among the group.

29. FINANCIAL RISK MANAGEMENT

29.1 Overview

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

1. Credit risk
2. Liquidity risk
3. Market risk
4. Operational risk.

Introduction and overview

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

29.2 Risk management framework

29.3 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

29.3.1 Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. However, geographically there is no concentration of credit risk.

The following table provides information on exposure to credit risk and provision for trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
As at	31st December 2025	31st December 2025	31st December 2025	31st December 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Trade Receivables	Provision	Trade Receivables	Provision
1 - 90 days	109,726	2,083	95,442	1,775
91-180 days	13,984	5,292	12,169	5,118
181 - 365 days	8,094	2,528	7,261	2,133
Above 365 days	3,107	2,336	1,640	1,642
	134,911	12,238	116,512	10,668

	Group		Company	
As at	31st December 2024	31st December 2024	31st December 2024	31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Trade Receivables	Provision	Trade Receivables	Provision
1 - 90 days	104,782	74	100,635	-
91-180 days	19,052	4,504	17,277	4,319
181 - 365 days	4,676	2,482	2,631	1,315
Above 365 days	1,809	1,465	1,465	1,465
	130,319	8,526	122,008	7,099

29.3.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	Group		Company	
As at	31st December 2025	31st December 2024	31st December 2025	31st December 2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	Trade Receivables	Provision	Trade Receivables	Provision
Trade and other receivables	185,679	170,860	166,358	161,699
Short term Investments	287,252	471,995	278,745	461,996
Investment in debenture	9,297	9,297	9,297	9,297
Amount due from related party	-	-	2,938	1,624
Cash and cash equivalents	397,415	89,595	382,932	87,722
	879,643	741,747	840,270	722,339

29.4 Liquidity risk

Liquidity risk' is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

29.4.1. Maturity Analysis - Group

As at 31 December 2025	Mature within 1 year	Mature after 1 year
Financial Assets		
Trade and other receivables	185,679	-
Debentures	-	9,297
Fixed deposit	117,373	169,879
Cash and Cash equivalents	397,415	-
Total financial assets	700,467	179,176
Financial Liabilities		
Refundable deposits	-	156,983
Deposits and advances received	205,316	-
Other liabilities	62,501	-
Current Taxation	54,702	-
Total liabilities	322,519	156,983
As at 31 December 2024		
Financial Assets		
Trade and other receivables	170,860	-
Debentures	-	9,297
Fixed deposit	323,049	148,946
Cash and Cash equivalents	89,595	-
Total financial assets	583,504	158,243
Financial Liabilities		
Refundable deposits	-	149,815
Deposits and advances received	161,988	-
Other liabilities	40,358	-
Current Taxation	55,308	-
Total liabilities	257,654	149,815

NOTES TO THE FINANCIAL STATEMENTS

29.4.1.Maturity Analysis - Company

As at 31 December 2025	Mature within 1 year	Mature after 1 year
Financial Assets		
Trade and other receivables	166,358	-
Amount due from related parties	2,938	-
Fixed Deposit	108,866	169,879
Debentures	-	9,297
Cash and Cash equivalents	382,932	-
Total financial assets	**661,093**	**179,177**
Financial Liabilities		
Refundable deposits	-	156,983
Accruals, deposits and advances received	198,840	-
Other liabilities	51,790	-
Current taxation	49,789	-
Total liabilities	**300,419**	**156,983**
As at 31 December 2024		
Financial Assets		
Trade and other receivables	161,699	-
Amount due from related parties	1,624	-
Fixed Deposit	313,050	148,946
Debentures	-	9,297
Cash and Cash equivalents	87,722	-
Total financial assets	**497,246**	**158,243**
Financial Liabilities		
Refundable deposits	-	149,815
Accruals, deposits and advances received	159,503	-
Other liabilities	39,157	-
Current taxation	53,535	-
Total liabilities	**252,197**	**149,815**

29.5 Market risk

'Market risk' is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Other price risk refers to fluctuations in price levels due to changes in market prices (other than currency and interest). e.g. equity prices, commodity prices, or indices.

29.5.1 Currency risk

Currency risk is the risk that the value of fianancial instruments will fluctuate due to changes on foreign exchange rates. The Company monitors the fluctuations in foreign currencies with appropriate strategies to minimize risk. The Company's exposure to foreign currency risk is as follows;

	Group		Company	
As at 31 December 2025	**USD**	**Rs. '000**	**USD**	**Rs. '000**
Cash and cash equivalents	**523**	**164**	**523**	**164**
	523	**164**	**523**	**164**

	Group		Company	
As at 31 December 2024	**USD**	**Rs. '000**	**USD**	**Rs. '000**
Cash and cash equivalents	513	151	513	151
	513	151	513	151

Foreign Currency Sensitivity

An estimation of the impact of the currency risk with respect of financial instruments with a 5% change in US Dollar exchange rate is given below. In calculation of risk it is assumed that all other variable factors are held constant. The calculation of sensitivity has been performed only on the assets and liabilities denominated in foreign currency of the Company as at 31st December 2025 .Spot rate as at 31st December 2025 is Rs 313.42.

	Group		Company	
As at 31 December 2025	**Effect on profit or loss Rs. '000**	**Effect on equity Rs. '000**	**Effect on profit or loss Rs. '000**	**Effect on equity Rs. '000**
LKR Depreciated against USD by 5%	**8.10**	**8.10**	**8.10**	**8.10**
LKR Appreciated against USD by 5%	**(8.10)**	**(8.10)**	**(8.10)**	**(8.10)**

	Group		Company	
As at 31 December 2024	Effect on profit or loss Rs. '000	Effect on equity Rs. '000	Effect on profit or loss Rs. '000	Effect on equity Rs. '000
LKR Depreciated against USD by 5%	7.55	7.55	7.55	7.55
LKR Appreciated against USD by 5%	(7.55)	(7.55)	(7.55)	(7.55)

NOTES TO THE FINANCIAL STATEMENTS

29.5.2 Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

As at	Group		Company	
	31st December 2025 Rs.'000	31st December 2024 Rs.'000	31st December 2025 Rs.'000	31st December 2024 Rs.'000
Fixed rate instruments				
Financial assets				
Cash and cash equivalents	397,415	89,595	382,933	87,723
Term deposit	287,252	471,995	278,745	461,996
Debenture	9,297	9,297	9,297	9,297
Interest bearing borrowings	29,200	-	-	-
	693,964	570,887	670,975	559,016

Variable rate instruments

Except for over draft facilities and savings deposits company does not have any variable rate instruments.

29.6 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance when this is effective.

30. CAPITAL COMMITMENTS

There were no material commitments as at the reporting date.

31. CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date.

32. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

33. COMPARATIVE FIGURES

33.1 The Financial statement for the current period cover the year ended December 31, 2025 whereas the comparative figures are for the the year nine month period ended December 31, 2024. As such, the amounts presented for the current period are not directly comparable with those of the prior period.

33.2 The information has been reclassified with the current year's classification in order to provide a better presentation.

	Current Presentation - 2024		As disclosed previously - 2024	
As at 31st December	**Group**	**Company**	**Group**	**Company**
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Statement of Financial Position				
Trade and other receivables				
Short-term Investments	170,860	161,699	642,855	623,695
	471,995	461,996	-	-
Income Statement				
Fair value gain on investment property				
Depreciation and amortisation	174,388	174,388	264,632	264,632
	(17,074)	(15,490)	(107,318)	(105,734)

34. LITIGATION AND CLAIMS

There are no litigations and claims as at the reporting date.

35. DIRECTORS' RESPONSIBILITY ON FINANCIAL REPORTING

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

INVESTOR INFORMATION

1. STATED CAPITAL

	2025		2024	
As at 31st December	Number of shares	LKR	Number of shares	LKR
Ordinary Voting Shares	399,230,125	159,692,000	399,230,125	159,692,000

2. DISTRIBUTION OF SHAREHOLDING

	2025		2024	
As at 31st December	Number of shareholders	Number of shares	Number of shareholders	Number of shares
1-1000	5	125	5	125
100-1,000,000	-	-	-	-
Over 1,000,000	2	399,230,000	2	399,230,000
Total	7	399,230,125	7	399,230,125

3. SHAREHOLDING

	2025		2024	
As at 31st December	Number of shares	Value LKR	Number of shares	Value LKR
DFCC Bank PLC	204,230,000	81,692,000	204,230,000	81,692,000
Government of Sri Lanka	195,000,000	78,000,000	195,000,000	78,000,000
Major D.L.Wijesinha	25	10	25	10
Mr M.R.Prelis	25	10	25	10
Mr E.G.P.Kalpage	25	10	25	10
Mr A. Mahendran	25	10	25	10
Mr G.T.Galhenage	25	10	25	10
Total	399,230,125	159,692,050	399,230,125	159,692,050

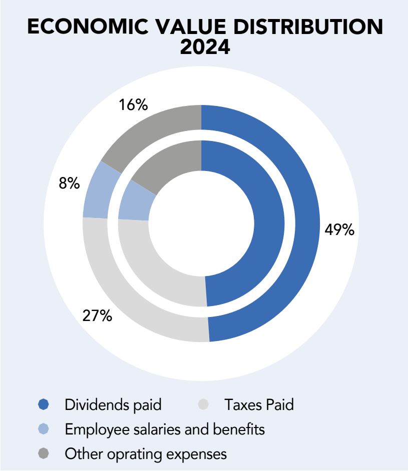
4. NET ASSETS PER SHARE

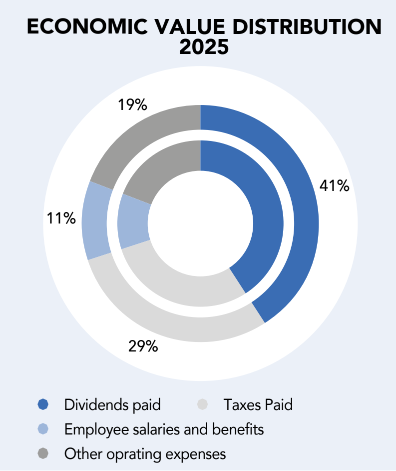
	2025		2024	
As at 31st December	Group	Company	Group	Company
Net Assets per Share (Rs.)	19.91	19.74	18.30	18.27

ECONOMIC VALUE-ADDED STATEMENT

	For the year ended 31st December 2025 Rs'000	%	For the nine months ended 31st December 2024 Rs'000	%
Direct Economic Value Generated				
Revenue	581,077	86	424,058	90
Other operating income	31,221	4	3,115	1
Finance Income	64,315	10	44,189	9
	676,613	100	471,362	100
Economic value distributed to employees				
Employee salaries and benefits	57,543	11	31,639	8
Operating cost				
Other operating expenses	94,884	19	63,866	16
Payments to Government				
Taxes paid	147,214	29	113,261	27
Payments to providers of funds				
Dividend payment	207,600	41	199,615	49
	507,241	100	408,381	100
Economic Value Retained	169,372		62,981	

The above data has been derived from the audited Financial Statements that were prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS).





TEN YEAR SUMMARY

Financial Position	Group									
	As at 31st December						As at 31st March			
	2025	2024	2024	2023	2022	2021	2020	2019	2018	2017
Assets										
Property, plant and equipment	**249,217**	194,715	174,197	176,875	189,309	152,490	165,265	83,519	98,988	109,746
Investment properties	**10,314,376**	9,763,315	9,558,838	9,424,616	8,056,758	7,037,376	6,985,000	476,530	409,972	216,715
Investment in Debentures	**9,297**	9,297	7,729	7,723	-					
Investment in subsidiary						-	-	-		
Deferred taxation										
Total non current assets	**10,572,890**	9,967,327	9,740,764	9,609,214	8,246,067	7,189,866	7,150,265	560,049	508,960	326,461
Inventories	**9,664**	7,797	6,319	6,302	5,327	3,912	3,328	3,381	3,260	3,337
Trade and other receivables	**185,679**	170,860	158,216	88,687	58,914	30,311	58,054	45,725	16,814	26,482
Short-term Investment	**287,252**	471,995								
Amount due from related party						-	-	-	-	
Cash and cash equivalents	**397,415**	89,595	509,757	438,237	423,147	428,928	340,908	271,178	335,192	374,066
Total current assets	**880,010**	740,247	674,292	533,226	487,388	463,151	402,290	320,284	355,266	403,885
Total assets	**11,452,900**	10,707,574	10,415,056	10,142,440	8,733,455	7,653,017	7,552,555	880,333	864,227	730,346
Equity and liabilities										
Stated capital	**159,692**	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692
Revaluation Reserve										
Reserves	**7,717,418**	7,147,030	7,010,080	6,843,162	6,338,607	5,576,389	5,523,809	450,252	438,405	404,229
Non Controlling Interest	**72,291**									
Total equity	**7,949,401**	7,306,722	7,169,772	7,002,854	6,498,299	5,736,081	5,683,501	609,944	598,097	563,921
Deferred taxation	**2,970,170**	2,976,161	2,883,238	2,837,026	1,924,564	1,665,906	1,649,676	61,418	62,570	29,147
Refundable deposits	**156,983**	149,815	132,515	113,567	96,163	60,864	60,453	33,032	22,709	17,766
Employee benefits	**24,627**	17,223	7,971	4,816	5,779	6,590	4,518	7,122	6,914	6,128
Interest Bearing Borrowings	**27,115**									
Total non current liabilities	**3,178,895**	3,143,199	3,023,724	2,955,410	2,026,506	1,733,360	1,714,647	101,572	92,193	53,041
Accruals, deposits and advances received	**205,316**	161,988	147,371	131,402	129,341	125,905	98,248	105,543	111,464	87,292
Other liabilities	**62,501**	40,358	4,061	4,658	31,236	33,268	13,226	20,955	53,116	9,956
Current taxation	**54,702**	55,308	70,128	48,116	47,950	24,235	41,816	41,446	1,973	14,704
Interest Bearing Borrowings	**2,085**				123	168	1,116	874	7,384	1,432
Total current liabilities	**324,604**	257,654	221,560	184,176	208,650	183,576	154,406	168,818	173,937	113,384
Total liabilities	**3,503,499**	3,400,853	3,245,284	3,139,586	2,235,156	1,916,936	1,869,053	270,390	266,130	166,425
Total equity and liabilities	**11,452,900**	10,707,574	10,415,056	10,142,440	8,733,455	7,653,017	7,552,555	880,333	864,227	730,346

	Company										
	As at 31st December		As at 31st March								
2016	**2025**	2024	2024	2023	2022	2021	2020	2019	2018	2017	2016
94,933	**82,916**	187,423	170,160	174,488	186,329	152,138	164,802	82,569	97,579	107,583	92,619
180,622	**10,314,376**	9,763,315	9,558,838	9,424,616	8,056,758	7,037,376	6,985,000	476,530	409,972	216,715	180,622
	9,297	9,297	7,729	7,723							
	80,538	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
275,555	**10,487,127**	9,967,035	9,743,727	9,613,827	8,250,087	7,196,514	7,156,802	566,099	514,551	331,298	280,241
3,696	**4,103**	4,170	3,312	3,784	3,328	2,261	2,027	2,063	1,960	1,884	2,071
20,373	**166,358**	161,699	147,223	85,783	54,352	28,190	56,803	44,900	15,566	25,175	19,073
	278,745	461,996									
	2,938	1,624	1,271	1,420	1,651	847	445	396	442	769	1,389
359,632	**382,932**	87,722	497,830	423,898	411,286	415,231	328,298	259,058	325,293	366,279	352,427
383,701	**835,076**	717,211	649,636	514,885	470,617	446,529	387,573	306,417	343,261	394,107	374,960
659,256	**11,322,203**	10,684,246	10,393,363	10,128,713	8,720,704	7,643,044	7,544,375	872,516	857,812	725,405	655,201
159,692	**159,692**	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692	159,692
							-				
364,437	**7,722,806**	7,132,858	6,994,998	6,833,059	6,329,271	5,568,834	5,516,825	443,943	433,208	400,440	362,006
524,129	**7,882,498**	7,292,550	7,154,690	6,992,751	6,488,963	5,728,526	5,676,517	603,635	592,900	560,132	521,698
22,032	**2,967,235**	2,978,725	2,884,748	2,837,714	1,924,903	1,666,260	1,649,799	61,344	62,419	29,126	22,179
17,598	**156,983**	149,815	132,515	113,567	96,163	60,864	60,453	32,949	22,709	17,766	17,598
5,448	**15,068**	10,961	5,928	3,561	4,600	5,281	3,926	6,689	6,632	5,763	5,098
45,078	**3,139,286**	3,139,501	3,023,191	2,954,843	2,025,666	1,732,405	1,714,178	100,982	91,760	52,655	44,875
65,838	**198,840**	159,503	144,951	130,084	128,433	125,274	97,845	105,285	111,045	86,872	63,584
6,435	**51,790**	39,157	3,110	4,166	30,206	32,779	13,165	20,786	53,093	9,754	7,890
15,597	**49,789**	53,535	67,421	46,869	47,411	23,957	41,798	40,992	1,630	14,616	15,614
2,179					25	103	872	836	7,384	1,376	1,540
90,049	**300,419**	252,195	215,482	181,119	206,075	182,114	153,681	167,899	173,152	112,618	88,628
135,127	**3,439,705**	3,391,696	3,238,673	3,135,962	2,231,741	1,914,519	1,867,858	268,881	264,912	165,273	133,503
659,256	**11,322,203**	10,684,246	10,393,363	10,128,713	8,720,704	7,643,044	7,544,375	872,516	857,812	725,405	655,201

TEN YEAR SUMMARY

Financial Results	Group									
	For the year ended 31st December 2025	for the nine months ended 31st December 2024	For the year ended 31st March							
	2025	2024	2024	2023	2022	2021	2020	2019	2018	2017
Revenue	**599,378**	422,366	513,195	470,447	407,019	349,583	355,326	323,756	268,722	249,154
Other operating income	**46,459**	28,104	31,224	19,464	20,510	18,896	18,851	9,141	9,226	10,524
Fair Value Gain on the Investment Property	**418,153**	174,388	187,241	1,475,497	1,030,142	102,441				
Total income	**1,063,990**	624,858	731,660	1,965,408	1,457,671	470,920	374,177	332,897	277,948	259,678
Staff expenses	**(78,964)**	(43,434)	(50,889)	(42,177)	(30,447)	(31,296)	(32,207)	(30,134)	(28,703)	(27,662)
Depreciation and amortisation	**(19,170)**	(17,074)	(144,770)	(137,602)	(119,736)	(121,903)	(45,090)	(44,010)	(34,569)	(32,269)
Other operating expenses	**(104,577)**	(71,335)	(87,595)	(82,295)	(58,552)	(44,564)	(50,490)	(53,180)	(51,865)	(51,050)
Total operating expenses	**(202,711)**	(131,843)	(283,254)	(262,074)	(208,735)	(197,763)	(127,788)	(127,324)	(115,137)	(110,981)
Profit from operations	**861,279**	493,015	448,406	1,703,334	1,248,936	273,157	246,389	205,573	162,811	148,697
Net finance income	**64,824**	44,870	75,114	66,342	22,505	25,613	31,796	32,648	46,620	42,552
Profit before taxation	**926,103**	537,885	523,520	1,769,676	1,271,441	298,770	278,185	238,221	209,431	191,249
Income tax expense	**(144,597)**	(196,235)	(176,197)	(1,017,527)	(342,550)	(77,180)	(76,866)	(66,667)	(63,384)	(55,919)
Profit for the year	**781,506**	341,649	347,323	752,149	928,891	221,590	201,320	171,554	146,047	135,330
Other comprehensive income										
Item that will not be reclassified to profit or loss										
Actuarial gain/ (loss) on defined benefit plans	**(2,686)**	(7,262)	(1,073)	566	1,323	(1,753)	(716)	(22)	(119)	385
Related tax	**806**	2179	322	(170)	(318)	421	200	7	33	(108)
Total other comprehensive income for the year	**(1,880)**	(5,083)	(751)	396	1,005	(1,333)	(516)	(15)	(86)	277
Total comprehensive income for the year	**779,626**	336,566	346,573	752,545	929,896	220,257	200,804	171,539	145,960	135,607
Basic/Diluted earnings per share (Rs.)	**1.96**	0.86	0.87	1.88	2.33	0.56	12.61	10.74	9.15	8.47

		Company										
		For the year ended 31st December 2025	for the nine months ended 31st December 2024	For the year ended 31st March								
	2016	**2025**	2024	2024	2023	2022	2021	2020	2019	2018	2017	2016
	219,455	**581,077**	424,058	514,863	472,073	408,186	350,660	356,460	324,921	269,877	250,299	220,591
	15,315	**31,221**	3,115	2,798	2,651	2,313	9,356	11,416	2,084	1,623	2,269	7,366
		418,153	174,388	187,241	1,475,497	1,030,142	102,441					
	234,770	**1,030,451**	601,561	704,902	1,950,222	1,440,641	462,457	367,876	327,005	271,500	252,568	227,957
	(27,015)	**(57,543)**	(31,639)	(39,291)	(32,702)	(22,585)	(25,301)	(27,404)	(26,286)	(26,098)	(23,574)	(22,625)
	(26,951)	**(11,386)**	(15,490)	(143,638)	(136,880)	(119,381)	(121,523)	(44,575)	(43,341)	(33,807)	(31,226)	(26,131)
	(50,434)	**(94,884)**	(63,866)	(78,551)	(78,449)	(51,501)	(42,954)	(49,482)	(52,481)	(49,884)	(50,059)	(48,887)
	(104,400)	**(163,814)**	(110,995)	(261,480)	(248,031)	(193,467)	(189,778)	(121,461)	(122,108)	(109,789)	(104,859)	(97,643)
	130,370	**866,637**	490,566	443,422	1,702,191	1,247,174	272,679	246,415	204,897	161,711	147,709	130,314
	27,494	**64,315**	44,189	73,320	63,968	21,793	24,665	30,657	31,477	45,723	41,902	27,088
	157,864	**930,952**	534,755	516,742	1,766,157	1,268,967	297,344	277,072	236,374	207,434	189,611	157,402
	(62,819)	**(132,406)**	(194,530)	(174,202)	(1,015,941)	(341,541)	(76,682)	(76,431)	(65,951)	(62,835)	(55,572)	(62,564)
	95,045	**798,546**	340,225	342,540	750,216	927,426	220,662	200,641	170,423	144,599	134,039	94,838
	516	**(1,427)**	(3,928)	(1,353)	286	905	(1,283)	(710)	5	(65)	292	508
	(142)	**428**	1,178	406	(86)	(217)	309	199	(1)	18	(82)	(142)
	374	**(999)**	(2,750)	(947)	200	688	(974)	(511)	4	(47)	210	366
	95,419	**797,547**	337,475	341,593	750,416	928,114	219,687	200,130	170,427	144,552	134,249	95,204
	5.95	**2.00**	0.85	0.86	1.88	2.97	0.55	12.56	10.67	9.05	8.39	5.94

GRI INDEX

Statement of use	Lanka Industrial Estates Limited (LINDEL) has reported with reference to the GRI Standards for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None identified as applicable to LINDEL's industrial estate and allied services activities.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us, p. 6; Corporate Information, inner back cover				
	2-2 Entities included in the organization's sustainability reporting	About This Report, pp. 4-5; About Us, p. 6				
	2-3 Reporting period, frequency and contact point	About This Report, pp. 4-5				
	2-4 Restatements of information	About This Report, p. 5				
	2-5 External assurance	About This Report, p. 5; Independent Auditor's Report, pp. 106-107	N/A			
	2-6 Activities, value chain and other business relationships	About Us, pp. 6-7; Value Creation at LINDEL, pp. 38-41; Social and Relationship Capital, pp. 66-72				N/A
	2-7 Employees	Human Capital, pp. 52-55				
	2-8 Workers who are not employees	Human Capital, pp. 52-59				
	2-9 Governance structure and composition	Board of Directors, pp. 22-25; Corporate Governance, pp. 78-94				
	2-10 Nomination and selection of the highest governance body	Corporate Governance, pp. 80-94				

Statement of use	Lanka Industrial Estates Limited (LINDEL) has reported with reference to the GRI Standards for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None identified as applicable to LINDEL's industrial estate and allied services activities.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-11 Chair of the highest governance body	Board of Directors, pp. 22-25; Corporate Governance, pp. 78-94				
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, pp. 78-94; Risk Management, pp. 28-31; Natural Capital, pp. 74-77				
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pp. 80-94; Risk Management, pp. 28-31				
	2-14 Role of the highest governance body in sustainability reporting	About This Report, pp. 4-5; Corporate Governance, pp. 78-94				
	2-15 Conflicts of interest	Corporate Governance, pp. 80-94; Related Party Transactions Review Committee Report, pp. 99-100				
	2-16 Communication of critical concerns	Stakeholder Engagement, pp. 32-34; Corporate Governance, pp. 80-94				
	2-17 Collective knowledge of the highest governance body	Board of Directors, pp. 22-25; Corporate Governance, pp. 80-94	Specific sustainability-related collective knowledge development			

GRI INDEX

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, pp. 80-94	Formal evaluation results of the highest governance body	Confidentiality constraints	.	
	2-19 Remuneration policies	Remuneration Committee Report, pp. 97-98; Notes to the Financial Statements, pp. 114-155				
	2-20 Process to determine remuneration	Remuneration Committee Report, pp. 97-98; Corporate Governance, pp. 80-94				
	2-21 Annual total compensation ratio	Human Capital, pp. 52-58; Notes to the Financial Statements, pp. 114-155				
	2-22 Statement on sustainable development strategy	Chairman's Message, pp. 14-16; CEO's Review, pp. 17-21; Natural Capital, pp. 74-77				
	2-23 Policy commitments	Vision, Mission and Values, p. 2; Corporate Governance, pp. 78-94; Human Capital, pp. 52-59				
	2-24 Embedding policy commitments	Corporate Governance, pp. 78-94; Human Capital, pp. 52-59; Natural Capital, pp. 74-77				

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-25 Processes to remediate negative impacts	Stakeholder Engagement, pp. 32-34; Human Capital, pp. 55-58; Risk Management, pp. 28-31				
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement, pp. 32-34; Human Capital, pp. 55-58; Corporate Governance, pp. 80-94				
	2-27 Compliance with laws and regulations	Corporate Governance, pp. 78-94; Natural Capital, pp. 74-77; Annual Report of the Board of Directors, pp. 102-105				
	2-28 Membership associations	Social and Relationship Capital, pp. 66-72; Corporate Governance, pp. 78-94				
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, pp. 32-34				
	2-30 Collective bargaining agreements	Human Capital, pp. 56-57				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, pp. 35-37	N/A			
	3-2 List of material topics	Materiality Assessment, pp. 36-37				

GRI INDEX

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Financial Capital, pp. 42-46; Financial Statements, pp. 108-155				N/A
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial Capital, pp. 42-46; Financial Statements, pp. 108-155; Economic Value Added Statement, p. 156				N/A
	201-2 Financial implications and other risks and opportunities due to climate change	Operating Environment, pp. 26-27; Risk Management, pp. 28-31; Human Capital, p. 59; Natural Capital, pp. 74-77				N/A
	201-3 Defined benefit plan obligations and other retirement plans	Human Capital, pp. 56-57; Notes to the Financial Statements, pp. 114-155				N/A
	201-4 Financial assistance received from government	Notes to the Financial Statements, pp. 114-155			.	N/A
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59; Social and Relationship Capital, pp. 66-72				N/A

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Human Capital, pp. 52-58				N/A
	202-2 Proportion of senior management hired from the local community	Human Capital, pp. 52-55				N/A
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital, pp. 48-51; Social and Relationship Capital, pp. 66-72				N/A
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Manufactured Capital, pp. 48-51; Operational Highlights, pp. 10-11				N/A
	203-2 Significant indirect economic impacts	Chairman's Message, pp. 14-16; CEO's Review, pp. 17-21; Social and Relationship Capital, pp. 66-72				N/A
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital, pp. 66-72; Financial Statements, pp. 114-155				N/A
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social and Relationship Capital, pp. 66-72	Proportion of procurement spend on local suppliers			N/A

GRI INDEX

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, pp. 78-94; Risk Management, pp. 28-31				N/A
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Risk Management, pp. 28-31; Corporate Governance, pp. 78-94				N/A
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance, pp. 78-94; Human Capital, pp. 52-59				N/A
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance, pp. 78-94				N/A
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, pp. 78-94				N/A
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance, pp. 78-94; Annual Report of the Board of Directors, pp. 102-105				N/A
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Financial Capital, pp. 42-46; Notes to the Financial Statements, pp. 114-155				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 207: Tax 2019	207-1 Approach to tax	Financial Capital, pp. 42-46; Notes to the Financial Statements, pp. 114-155				N/A
	207-2 Tax governance, control, and risk management	Risk Management, pp. 28-31; Audit Committee Report, pp. 95-96; Notes to the Financial Statements, pp. 114-155				N/A
	207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder Engagement, pp. 32-34; Financial Capital, pp. 42-46	Tax-specific stakeholder engagement and advocacy approach		.	N/A
	207-4 Country-by-country reporting	Notes to the Financial Statements, pp. 114-155	Country-by-country reporting information			N/A
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77				N/A
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital, pp. 74-77			.	N/A
	301-2 Recycled input materials used	Natural Capital, pp. 74-77				N/A
	301-3 Reclaimed products and their packaging materials	Natural Capital, pp. 74-77				N/A
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital, pp. 74-77		\		N/A
	302-2 Energy consumption outside of the organization	Natural Capital, pp. 74-77				N/A
	302-3 Energy intensity	Natural Capital, pp. 74-77			.	N/A
	302-4 Reduction of energy consumption	Natural Capital, pp. 74-77				N/A
	302-5 Reductions in energy requirements of products and services	Natural Capital, pp. 74-77				N/A
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77				N/A
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital, pp. 74-77				N/A
	303-2 Management of water discharge-related impacts	Natural Capital, pp. 74-77				N/A
	303-3 Water withdrawal	Natural Capital, pp. 74-77				N/A
	303-4 Water discharge	Natural Capital, pp. 74-77			.	N/A
	303-5 Water consumption	Natural Capital, pp. 74-77				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77				N/A
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	About Us, p. 6; Natural Capital, pp. 74-77		Information unavailable/ incomplete	Estate location and biodiversity initiatives are reported; protected-area proximity is not specified.	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital, pp. 74-77		Information unavailable/ incomplete	Impact management is described, but a complete impact inventory is not presented.	N/A
	304-3 Habitats protected or restored	Natural Capital, pp. 75-76		Information unavailable/ incomplete	Tree planting, green belts and habitat enhancement are disclosed without area measurements.	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Natural Capital, pp. 74-77		Information unavailable/ incomplete	No species inventory is presented.	N/A
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77; Milestones, p. 7				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Milestones, p. 7; Natural Capital, pp. 74-77		Information unavailable/ incomplete	ISO 14064-1 verification and emissions initiatives are noted, but the Scope 1 figure is not included in this report.	N/A
	305-2 Energy indirect (Scope 2) GHG emissions	Milestones, p. 7; Natural Capital, pp. 74-77				N/A
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital, pp. 74-77				N/A
	305-4 GHG emissions intensity	Natural Capital, pp. 74-77				N/A
	305-5 Reduction of GHG emissions	Natural Capital, pp. 74-77				N/A
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital, pp. 74-77				N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital, pp. 74-77				N/A
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital, pp. 74-77				N/A
	306-2 Management of significant waste-related impacts	Natural Capital, pp. 74-77				N/A
	306-3 Waste generated	Natural Capital, pp. 74-77				N/A
	306-4 Waste diverted from disposal	Natural Capital, pp. 74-77				N/A
	306-5 Waste directed to disposal	Natural Capital, pp. 74-77				N/A
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Natural Capital, pp. 74-77; Social and Relationship Capital, pp. 66-72				N/A
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Natural Capital, pp. 74-77; Social and Relationship Capital, pp. 66-72				N/A
	308-2 Negative environmental impacts in the supply chain and actions taken	Natural Capital, pp. 74-77; Social and Relationship Capital, pp. 66-72			.	N/A
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital, pp. 52-55				N/A
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital, pp. 52-58				N/A
	401-3 Parental leave	Human Capital, pp. 52-59				N/A
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 55-57				N/A
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Human Capital, pp. 55-57				N/A
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59; Manufactured Capital, pp. 48-51				N/A
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital, pp. 55-59; Manufactured Capital, pp. 48-51				N/A
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital, pp. 55-59; Risk Management, pp. 28-31				N/A

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	403-3 Occupational health services	Human Capital, pp. 54-59				N/A
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital, pp. 55-59				N/A
	403-5 Worker training on occupational health and safety	Human Capital, pp. 55-58				N/A
	403-6 Promotion of worker health	Human Capital, pp. 54-59				N/A
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Manufactured Capital, pp. 48-51; Social and Relationship Capital, pp. 66-72			.	N/A
	403-8 Workers covered by an occupational health and safety management system	Human Capital, pp. 52-59				N/A
	403-9 Work-related injuries	Human Capital, pp. 52-59				N/A
	403-10 Work-related ill health	Human Capital, pp. 52-59				N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59				N/A
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital, pp. 52-56				N/A
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital, pp. 53-59				N/A
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital, pp. 54-55				N/A
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59; Board of Directors, pp. 22-25				N/A
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Directors, pp. 22-25; Human Capital, pp. 52-55	\		.	N/A
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital, pp. 56-58		Confidentiality constraints		N/A
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59				N/A

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital, pp. 55-59				N/A
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 55-57				N/A
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital, pp. 55-57; Social and Relationship Capital, pp. 66-72				N/A
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59; Social and Relationship Capital, pp. 66-72				N/A
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Human Capital, pp. 52-59; Social and Relationship Capital, pp. 66-72				N/A
Forced or compulsory labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Capital, pp. 52-59; Social and Relationship Capital, pp. 66-72				N/A
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Capital, pp. 52-59; Social and Relationship Capital, pp. 66-72	Operations and suppliers at significant risk of forced labour			N/A

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GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital, pp. 48-51; Human Capital, pp. 52-59				N/A
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Manufactured Capital, pp. 48-51; Human Capital, pp. 52-59				N/A
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	Materiality Assessment, pp. 35-37				N/A
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Materiality Assessment, pp. 35-37	Incidents involving rights of indigenous peoples	Not applicable	The topic was not identified as material to LINDEL's current operating context.	N/A
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital, pp. 66-72; Natural Capital, pp. 74-77				N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital, pp. 66-72; Natural Capital, pp. 74-77				N/A
	413-2 Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital, pp. 66-72; Natural Capital, pp. 74-77				N/A

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Social and Relationship Capital, pp. 66-72				N/A
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital, pp. 66-72	Percentage of new suppliers screened using social criteria		.	N/A
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital, pp. 66-72	Suppliers assessed, negative social impacts and actions taken			N/A
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Corporate Governance, pp. 78-94; Annual Report of the Board of Directors, pp. 102-105				N/A
GRI 415: Public Policy 2016	415-1 Political contributions	Corporate Governance, pp. 78-94; Annual Report of the Board of Directors, pp. 102-105	Total political contributions by country and recipient			N/A
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Manufactured Capital, pp. 48-51; Social and Relationship Capital, pp. 66-72				N/A

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			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Manufactured Capital, pp. 48-51; Social and Relationship Capital, pp. 66-72	Percentage of service categories assessed for health and safety impacts			N/A
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Manufactured Capital, pp. 48-51; Corporate Governance, pp. 78-94	Incidents of non-compliance concerning health and safety impacts			N/A
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	About Us, pp. 6-7; Social and Relationship Capital, pp. 66-72				N/A
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	About Us, pp. 6-7; Social and Relationship Capital, pp. 66-72	Requirements for service information and labelling by category	Not applicable		N/A
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social and Relationship Capital, pp. 66-72	Incidents of non-compliance concerning service information and labelling	Not applicable	The disclosure is not material to LINDEL's service model.	N/A
	417-3 Incidents of non-compliance concerning marketing communications	Social and Relationship Capital, pp. 66-72	Incidents of non-compliance concerning marketing communications	Information unavailable/ incomplete	No separate incident schedule is presented.	N/A
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Intellectual Capital, pp. 60-65; Corporate Governance, pp. 78-94				N/A

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Applicable GRI Sector Standard(s)	None identified as applicable to LINDEL's industrial estate and allied services activities.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Intellectual Capital, pp. 60-65; Corporate Governance, pp. 78-94	Number of substantiated privacy complaints and data-loss incidents	Information unavailable/ incomplete	Cybersecurity and information systems are discussed, but privacy complaint and data-loss metrics are not disclosed.	N/A

No applicable GRI Sector Standard has been identified for LINDEL; therefore, no Sector Standard topics were assessed as not material.

TOPIC	EXPLANATION
No applicable GRI Sector Standard identified.	
Not applicable	[Explanation]
Not applicable	[Explanation]

Note: Page references relate to the Annual Report 2025 layout dated 16 July 2026 and should be updated if final pagination changes.

GLOSSARY

ACCOUNTING POLICIES

Specific principles, bases and procedures adopted by an organisation in preparation and presentation of financial statements

ACCRUAL BASIS

Recognizing the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

AMORTIZED COST

Amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

ASSET TURNOVER

Revenue divided by average total assets

BAC

Board Audit Committee

CASH EQUIVALENTS

Short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CONTINGENT LIABILITIES

A condition or situation existing as at the date of the report due to past events, where the financial effect is not recognised because:

1. The obligation is crystallised by the occurrence or nonoccurrence of one or more future events or,
2. A probable outflow of economic resources is not expected or,
3. It is unable to be measured with sufficient reliability

CURRENT RATIO

Current assets divided by current liabilities.

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of the entity, the supervision of executive actions and accountability to owners and others

CRRO

Climate Related Risks and Opportunities

DEFERRED TAX

Sum set aside in the Financial Statements for taxation that may become payable/recoverable in a financial year other than the current financial year (future periods).

DIVIDEND PAYOUT RATIO

Dividend paid as a percentage of Company profits, adjusted for non-cash gain items.

EARNINGS PER SHARE (EPS)

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FINANCIAL INSTRUMENT

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

FINANCIAL ASSETS MEASURED AT AMORTISED COST

A financial asset is measured at amortised cost if 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.

GHG

Green House Gas

GROUP

A group is a parent and all its subsidiaries.

IMPAIRMENT

This occurs when recoverable amount of an asset is less than its carrying amount

INTANGIBLE ASSET

An intangible asset is an identifiable non-monetary asset without a physical substance.

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity

NET ASSETS

Total assets minus current liabilities, long term liabilities and non-controlling interests.

NET ASSETS PER SHARE

Net assets as at a particular financial year end, divided by the number of shares in issue, as at the current financial year end.

PARENT

A parent is an entity which has one or more subsidiaries.

RELATED PARTIES

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

RENEWABLE ENERGY

Energy generated from naturally replenished sources such as solar power

RETURN ON ASSETS (ROA)

Profit after tax expressed as a percentage of the assets.

RETURN ON AVERAGE EQUITY (ROE)

Attributable profits divided by average shareholders' funds.

Scope 01 Emissions

Direct greenhouse gas emissions from sources owned or controlled by the company

Scope 02 Emissions

Indirect greenhouse gas emissions from purchased electricity, steam, heating, or cooling

Scope 03 Emissions

Other indirect emissions occurring in the company's value chain

SLFRS01

Sri Lanka Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information

SLFRS02

Sri Lanka Financial Reporting Standard S2 – Climate-related Disclosures

SMC

Sustainability Management Committee

SRRO

Sustainability-Related Risks and Opportunities

TOR

Terms of Reference

WORKING CAPITAL

Capital required to finance the day-to-day operations is computed as the excess of current assets over current liabilities.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Lanka Industrial Estates Limited will be held at DFCC Bank PLC, No 73/5,Galle Road, Colombo 03 on 31st August 2026 at 3.30 pm, for the purpose of considering and, if thought fit, passing the following resolution as an Ordinary Resolution:

AGENDA

"To receive and consider Report of the Board of Directors on the State of Affairs of the Company and the Audited Financial Statements for the year ended 31st December 2025 with the Report of the Auditors thereon be and are hereby received, considered and adopted."

To declare first and final dividend of 0.54 per share for the year ended 31st Deccember 2025.

By Order of the Board

SSP CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

Colombo

[Date of Notice]

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Company.

2. A Form of Proxy is enclosed with this Notice.

3. The completed Form of Proxy should be deposited at the Registered Office of the Company 73/5 Galle Road Colombo 03, not later than forty-eight hours before the time appointed for the holding of the meeting.

FORM OF PROXY

I ....(NIC No...) of

....being a member of

the above Company, hereby appoint:

Mr.Neelakanni Hettiarachchige Thimal Ishan Perera	of Colombo or failing him
Mr. Amal Dushan Tudawe	of Colombo or failing him
Mr. Ravi Anuruddha Dassanayake	of Colombo or failing him
Dr. Ratnayake Mudiyanselage Karunasinghe Ratnayake	of Colombo or failing him
Mr. Thiyagarajah Dharmarajah	of Colombo or failing him
Dr. Keeragala Arachchilage Sumanapala Keeragala	of Colombo or failing him
Ms. Chandrasekara Mudiyanselage Deepa Nayanakanthi Kumarihamy Seneviratne	of Colombo or failing her
Mr. Kodituwakku Arachchige Prins Perera	of Colombo or failing him
Ms. Jayasundarage Palika Priyangani Liyanage	of Colombo

Mr./Mrs./Miss ....(NIC No..)

of ....

as my proxy to represent me and vote on my behalf at the Extraordinary General Meeting of the Company to be held on .... 2026 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid meeting and to VOTE as indicated below:

		FOR	AGAINST
1.	To receive and consider Report of the Board of Directors on the State of Affairs of the Company and the Audited Financial Statements for the year ended 31st December 2025 with the Report of the Auditors.		
2.	To declare a First & Final Dividend of Rs 0.54 per share for the year ended 31st December 2025		

Signed this .... day of ....Two Thousand and Twenty Six.

Signature: ....

Note:

1. Please delete the inappropriate words.
2. Instructions for completion of form of proxy are noted on the reverse
3. A proxy need not be a member of the Company

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 deposited at the Registered Office of the Company at No 73/5, Galle Road, Colombo 3, not less than 48 hours before the time appointed for holding the meeting.

4. If the Form of Proxy is signed by an attorney, 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 Lanka Industrial Estates Limited. Section 138 provides for representation of Companies at meetings of other Companies. A Corporation, whether a Company within the meaning of this Act or not, may, where it is a member of another Corporation, being a Company within the meaning of this 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.

CORPORATE INFORMATION

NAME OF THE COMPANY
Lanka Industrial Estates Limited

LEGAL FORM
Public Company (Unlisted)

COMPANY REGISTRATION NUMBER
PB 1730

VAT REGISTRATION NUMBER
134003278-7000

REGISTERED OFFICE
73/5,DFCC Building,Galle
Road,Colombo 03

HEAD OFFICE
Lindel Industrial Estate, Pattiwila Road,
Sapugaskanda, Makola

PARENT COMPANY
DFCC Bank PLC

SUBSIDIARY
Lindel Industrial Laboratories Limited
Lindel ACP Renewables Limited

AUDITORS
KPMG
Chartered Accountants

BANKERS
DFCC Bank PLC
Commercial Bank of Ceylon PLC

BOARD OF DIRECTORS
Mr. N.H.T.I.Perera
Mr. K. A .P Perera
Mr. A.D Tudawe
Dr. R.M.K Ratnayake
Mr.R.A Dassanayake
Mr.T. Dharamrajah
Dr. K.A.S Keeragala
Mrs. C.M.D.N.K Seneviratne
Mrs J.P.P Liyanage

SECRETARY
S S P Corporate Services (Pvt) Ltd

CORPORATE MEMBERSHIPS
National Chamber of Commerce
International Chamber of Commerce

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This Annual Report is conceptualised, designed and produced by Redworks.

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