

# **Consolidated Financial Statements 2025**

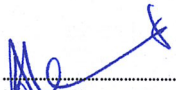
Unaudited Financial Statements 2025

**EMPLOYEES' TRUST FUND BOARD**

|   | Note | GROUP                    |                          | ETFB                     |                          |
|---|------|--------------------------|--------------------------|--------------------------|--------------------------|
|   |      | 31st<br>December<br>2025 | 31st<br>December<br>2024 | 31st<br>December<br>2025 | 31st<br>December<br>2024 |
|   |      | Rs. '000                 | Rs. '000                 | Rs. '000                 | Rs. '000                 |
| <b>Total Income</b>   |      |                          |                          |                          |                          |
| Interest Income   | 4    | 69,064,442               | 62,194,449               | 68,766,748               | 61,819,095               |
| Net Trading Income  | 5    | 507,665                  | 1,275,472                | -                        | -                        |
| Dividend Income   | 6    | 1,237,618                | 1,494,462                | 1,237,618                | 1,494,462                |
| Gain/(Loss) on Financial Assets at Fair Value through Profit / (Loss)             | 7    | 649,310                  | 2,040,218                | 649,310                  | 2,040,218                |
| Other Income  | 8    | 648,305                  | 670,069                  | 623,923                  | 634,132                  |
|   |      | <b>72,107,340</b>        | <b>67,674,670</b>        | <b>71,277,599</b>        | <b>65,987,907</b>        |
| <b>Total Expenses</b>   |      |                          |                          |                          |                          |
| Personal Expenses   | 9    | 1,744,117                | 1,766,683                | 1,453,476                | 1,400,616                |
| Administrative Expenses   | 10   | 387,983                  | 397,739                  | 328,918                  | 325,385                  |
| Financial Expenses  | 11   | 6,961                    | 4,614                    | 4,373                    | 4,336                    |
| Member Expenses   | 12   | 560,803                  | 597,330                  | 555,734                  | 591,126                  |
| Depreciation & Amortization   | 13   | 70,087                   | 78,088                   | 46,645                   | 46,129                   |
| Interest Paid to members on Current Year  |      | 399,395                  | 448,625                  | 399,395                  | 448,625                  |
| Impairment Charge/(Reversal)  | 14   | (21,065)                 | (4,910)                  | (21,065)                 | (4,910)                  |
| Other Expenses  | 15   | 167,871                  | 216,672                  | -                        | -                        |
|   |      | <b>3,316,151</b>         | <b>3,504,841</b>         | <b>2,767,476</b>         | <b>2,811,307</b>         |
| <b>Profit Before Tax</b>  |      | <b>68,791,189</b>        | <b>64,169,829</b>        | <b>68,510,122</b>        | <b>63,176,600</b>        |
| Income Tax Expenses   | 16   | (9,701,792)              | (8,969,846)              | (9,611,094)              | (8,678,062)              |
| <b>Profit for the Year</b>  |      | <b>59,089,397</b>        | <b>55,199,983</b>        | <b>58,899,028</b>        | <b>54,498,538</b>        |
| <b>Profit Attributable to:</b>  |      |                          |                          |                          |                          |
| Equity Holders of the Company   |      | 59,070,360               | 55,129,839               | 58,899,028               | 54,498,538               |
| Non-Controlling Interest  |      | 19,037                   | 70,144                   | -                        | -                        |
| <b>Profit for the Year</b>  |      | <b>59,089,397</b>        | <b>55,199,983</b>        | <b>58,899,028</b>        | <b>54,498,538</b>        |
| <b>OTHER COMPREHENSIVE INCOME</b>   |      |                          |                          |                          |                          |
| <b>Items that are or may be Reclassified to Statement of Comprehensive Income</b> |      |                          |                          |                          |                          |
| Transfer to Fair Value Through Other Comprehensive Reserve (Shares)               |      | 2,552,068                | 3,922,880                | 2,552,068                | 3,922,880                |
| Transfer to Fair Value Through Other Comprehensive Reserve (Units)                |      | 36,847                   | 32,557                   | 36,847                   | 32,557                   |
| <b>Items that will not be Reclassified to Statement of Comprehensive Income</b>   |      |                          |                          |                          |                          |
| Actuarial Gain / (Loss) on Retirement Benefit Obligation                          |      | (50,554)                 | (79,318)                 | (50,554)                 | (79,318)                 |
| <b>Total Other Comprehensive Income for the Year Net of Tax</b>                   |      | <b>2,538,362</b>         | <b>3,876,120</b>         | <b>2,538,362</b>         | <b>3,876,120</b>         |
| <b>Total Comprehensive Income for the Year Net of Tax</b>                         |      | <b>61,627,758</b>        | <b>59,076,103</b>        | <b>61,437,390</b>        | <b>58,374,658</b>        |
| <b>Total Comprehensive Income Attributable to</b>                                 |      |                          |                          |                          |                          |
| Equity Holders of the Company   |      | 61,608,721               | 59,005,958               | 61,437,390               | 58,374,658               |
| Non-Controlling Interest  |      | 19,037                   | 70,144                   | -                        | -                        |
| <b>Total Comprehensive Income for the Year Net of Tax</b>                         |      | <b>61,627,758</b>        | <b>59,076,103</b>        | <b>61,437,390</b>        | <b>58,374,658</b>        |
| Retained Profit B/F   |      | 7,280,822                | 6,773,322                | 5,312,707                | 4,900,692                |
| Net Gain / (Loss) on Financial Assets Designated Under FVTOCI                     |      | 2,172,061                | 215,280                  | 2,172,061                | 215,280                  |
| Transfer to Dividend Equalization Reserve Fund                                    |      | (5,843,836)              | (3,000,000)              | (5,843,836)              | (3,000,000)              |
| <b>Profit Available for Appropriation</b>   |      | <b>59,089,397</b>        | <b>55,199,983</b>        | <b>58,899,028</b>        | <b>54,498,538</b>        |
| <b>Total Profit Available for Appropriation</b>                                   |      | <b>62,698,443</b>        | <b>59,188,585</b>        | <b>60,539,960</b>        | <b>56,614,510</b>        |
| Less: Proposed Apportionment - Dividend Paid 6.5% (2024 - 7%)                     |      | (37,839,476)             | (35,911,278)             | (37,839,476)             | (35,911,278)             |
| - Interest Expense - 3%   |      | (17,464,353)             | (15,390,525)             | (17,464,353)             | (15,390,525)             |
| Less: Dividend - Lanka Salt   |      | (315,788)                | (535,815)                | -                        | -                        |
| Less: Non-Controlling Interest  |      | (19,037)                 | (70,144)                 | -                        | -                        |
| <b>Profit After Appropriation</b>   |      | <b>7,059,789</b>         | <b>7,280,822</b>         | <b>5,236,130</b>         | <b>5,312,707</b>         |

|  | Note | GROUP              |                    | ETFB               |                    |
|--|------|--------------------|--------------------|--------------------|--------------------|
|  |      | 31st December 2025 | 31st December 2024 | 31st December 2025 | 31st December 2024 |
|  |      | Rs. '000           | Rs. '000           | Rs. '000           | Rs. '000           |
| <b>ASSETS</b>  |      |                    |                    |                    |                    |
| Cash and Cash Equivalent   |      | 951,800            | 1,258,454          | 661,831            | 794,613            |
| Financial Assets at Fair Value Through Profit and Loss               | 17   | 2,936,878          | 2,646,191          | 2,936,878          | 2,646,191          |
| Investment in Subsidiary   | 18   | -                  | -                  | 470,961            | 470,961            |
| Financial Assets at Fair Value Through Other Comprehensive Income    | 19   | 14,893,209         | 14,708,973         | 14,893,209         | 14,708,973         |
| Financial Assets at Amortized Cost                                   | 20   | 646,529,952        | 565,832,614        | 644,575,893        | 563,248,506        |
| Other Assets   | 21   | 5,770,289          | 5,012,179          | 4,922,843          | 4,552,263          |
| Property, Plant & Equipment  | 22   | 764,209            | 882,476            | 178,891            | 246,185            |
| Leasehold Property   | 23   | -                  | -                  | -                  | -                  |
| Intangible Assets  | 24   | 203                | 1,148              | 203                | 1,148              |
| Investment Property  | 25   | 4,587,406          | 4,587,406          | 4,587,406          | 4,587,406          |
| <b>Total Assets</b>  |      | <b>676,433,946</b> | <b>594,929,441</b> | <b>673,228,116</b> | <b>591,256,247</b> |
| <b>Liabilities</b>   |      |                    |                    |                    |                    |
| Interest Bearing Loans and Borrowings                                | 26   | 218,203            | 403,727            | -                  | -                  |
| Grants and Subsidies   | 27   | 29,997             | 33,070             | 3,513              | 4,873              |
| Defined Benefit Obligation   | 28   | 910,299            | 838,889            | 446,622            | 381,024            |
| Current Tax Liabilities  | 29   | 4,999,691          | 4,495,212          | 4,914,002          | 4,294,051          |
| Other Liabilities  | 30   | 483,570            | 471,513            | 155,597            | 144,088            |
| Deferred Tax Liabilities   | 31   | 5,188              | 15,696             | -                  | -                  |
| Provisions   | 32   | 301,440            | 447,371            | 301,440            | 447,371            |
| <b>Total Liabilities</b>   |      | <b>6,948,387</b>   | <b>6,705,477</b>   | <b>5,821,174</b>   | <b>5,271,407</b>   |
| <b>Total Net Assets</b>  |      | <b>669,485,559</b> | <b>588,223,964</b> | <b>667,406,942</b> | <b>585,984,840</b> |
| <b>Represented by,</b>   |      |                    |                    |                    |                    |
| Member Balance   | 33   | 637,443,057        | 564,326,576        | 637,443,057        | 564,326,576        |
| Reserves   |      | 31,787,544         | 23,626,379         | 29,963,885         | 21,658,264         |
| Non-Controlling Interest   |      | 254,958            | 271,008            | -                  | -                  |
| <b>Net Assets Attributable to Members / Non-Controlling Interest</b> |      | <b>669,485,559</b> | <b>588,223,964</b> | <b>667,406,942</b> | <b>585,984,840</b> |

The accounting policies and notes as set out in pages 10 to 43 form an integral part of these financial statement.  
Certified as correct,

  
M.D.A.P. Karunaratne  
Deputy General Manager ( Finance)

The Board of Directors is responsible for the preparation and presentation of these financial statements.  
Approved and signed for and on behalf of the board.

  
Somasiri Ekanayake  
Chairman / Chief Executive Officer

  
K.T.J. Premaratne  
Director

EMPLOYEES' TRUST FUND BOARD  
STATEMENT OF CHANGES IN MEMBERS' WEALTH  
AS AT 31<sup>ST</sup> DECEMBER, 2025

| Group  | Attributable to members of the Board |                                |                  |                                    | POST ACQUISITION RESERVES | NON-CONTROLLING INTEREST | TOTAL             |
|--|--------------------------------------|--------------------------------|------------------|------------------------------------|---------------------------|--------------------------|-------------------|
|  | RETAINED PROFIT                      | FAIR VALUE THROUGH OCI RESERVE | OTHER RESERVES   | DIVIDEND EQUALIZATION RESERVE FUND |                           |                          |                   |
| Balance as at 01.01.2024   | 4,900,692                            | (908,152)                      | (78,574)         | 10,456,164                         | 1,872,630                 | 260,399                  | 16,503,158        |
| Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI | -                                    | 3,955,437                      | -                | -                                  | -                         | -                        | 3,955,437         |
| Interest on Member Fund Balance 3%   | (15,390,525)                         | -                              | -                | -                                  | -                         | -                        | (15,390,525)      |
| Dividend 7%  | (35,911,278)                         | -                              | -                | -                                  | -                         | -                        | (35,911,278)      |
| Dividend Equalization Reserve Fund Transfer                                      | (3,000,000)                          | -                              | -                | 3,000,000                          | -                         | -                        | -                 |
| Accumulated Profit for the Year  | 54,498,538                           | -                              | -                | -                                  | -                         | 70,144                   | 54,568,683        |
| Net Gain / (Loss) From Financial Assets Designated Under FVTOCI                  | 215,280                              | -                              | -                | -                                  | -                         | -                        | 215,280           |
| Actuarial Gain/(Loss)  | -                                    | -                              | (79,318)         | -                                  | -                         | -                        | (79,318)          |
| Dividend paid by Subsidiary  | -                                    | -                              | -                | -                                  | -                         | (59,535)                 | (59,535)          |
| Movement in Subsidiary equity  | -                                    | -                              | -                | -                                  | 95,485                    | -                        | 95,485            |
| <b>Balance as at 31.12.2024</b>  | <b>5,312,707</b>                     | <b>3,047,285</b>               | <b>(157,892)</b> | <b>13,456,164</b>                  | <b>1,968,115</b>          | <b>271,008</b>           | <b>23,897,388</b> |
| Balance as at 01.01.2025   | 5,312,707                            | 3,047,285                      | (157,892)        | 13,456,164                         | 1,968,115                 | 271,008                  | 23,897,388        |
| Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI | -                                    | 2,588,915                      | -                | -                                  | -                         | -                        | 2,588,915         |
| Interest on Member Fund Balance 3%   | (17,464,353)                         | -                              | -                | -                                  | -                         | -                        | (17,464,353)      |
| Dividend Paid 6.5%   | (37,839,476)                         | -                              | -                | -                                  | -                         | -                        | (37,839,476)      |
| Dividend Equalization Reserve Fund Transfer                                      | (5,843,836)                          | -                              | -                | 5,843,836                          | -                         | -                        | -                 |
| Accumulated Profit for the Year  | 58,899,028                           | -                              | -                | -                                  | -                         | 19,037                   | 58,918,065        |
| Net Gain / (Loss) From Financial Assets Designated Under FVTOCI                  | 2,172,061                            | -                              | -                | -                                  | -                         | -                        | 2,172,061         |
| Actuarial Gain/(Loss)  | -                                    | -                              | (50,554)         | -                                  | -                         | -                        | (50,554)          |
| Dividend paid by Subsidiary  | -                                    | -                              | -                | -                                  | -                         | (35,088)                 | (35,088)          |
| Movement in Subsidiary equity  | -                                    | -                              | -                | -                                  | (144,456)                 | -                        | (144,456)         |
| <b>Balance as at 31.12.2025</b>  | <b>5,236,130</b>                     | <b>5,636,201</b>               | <b>(208,445)</b> | <b>19,300,000</b>                  | <b>1,823,659</b>          | <b>254,958</b>           | <b>32,042,502</b> |

EMPLOYEES' TRUST FUND BOARD  
STATEMENT OF CHANGES IN MEMBERS' WEALTH  
AS AT 31<sup>ST</sup> DECEMBER, 2025

| ETFB   | Attributable to members of the Board |                                |                |                                    | TOTAL        |
|--|--------------------------------------|--------------------------------|----------------|------------------------------------|--------------|
|  | RETAINED PROFIT                      | FAIR VALUE THROUGH OCI RESERVE | OTHER RESERVES | DIVIDEND EQUALIZATION RESERVE FUND |              |
| Balance as at 01.01.2024   | 4,900,692                            | (908,152)                      | (78,574)       | 10,456,164                         | 14,370,130   |
| Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI | -                                    | 3,955,437                      | -              | -                                  | 3,955,437    |
| Interest on Member Fund Balance 3%   | (15,390,525)                         | -                              | -              | -                                  | (15,390,525) |
| Dividend 7%  | (35,911,278)                         | -                              | -              | -                                  | (35,911,278) |
| Dividend Equalization Reserve Fund Transfer                                      | (3,000,000)                          | -                              | -              | 3,000,000                          | -            |
| Accumulated Profit for the Year  | 54,498,538                           | -                              | -              | -                                  | 54,498,538   |
| Net Gain / (Loss) From Financial Assets Designated Under FVTOCI                  | 215,280                              | -                              | -              | -                                  | 215,280      |
| Actuarial Gain/(Loss)  | -                                    | -                              | (79,318)       | -                                  | (79,318)     |
| Balance as at 31.12.2024   | 5,312,707                            | 3,047,285                      | (157,892)      | 13,456,164                         | 21,658,264   |
| Balance as at 01.01.2025   | 5,312,707                            | 3,047,285                      | (157,892)      | 13,456,164                         | 21,658,264   |
| Net fair value gains/(losses) on remeasuring financial assets measured at FVTOCI | -                                    | 2,588,915                      | -              | -                                  | 2,588,915    |
| Interest on Member Fund Balance 3%   | (17,464,353)                         | -                              | -              | -                                  | (17,464,353) |
| Dividend Paid 6.5%   | (37,839,476)                         | -                              | -              | -                                  | (37,839,476) |
| Dividend Equalization Reserve Fund Transfer                                      | (5,843,836)                          | -                              | -              | 5,843,836                          | -            |
| Accumulated Profit for the Year  | 58,899,028                           | -                              | -              | -                                  | 58,899,028   |
| Net Gain / (Loss) From Financial Assets Designated Under FVTOCI                  | 2,172,061                            | -                              | -              | -                                  | 2,172,061    |
| Actuarial Gain/(Loss)  | -                                    | -                              | (50,554)       | -                                  | (50,554)     |
| Balance as at 31.12.2025   | 5,236,130                            | 5,636,201                      | (208,445)      | 19,300,000                         | 29,963,885   |

EMPLOYEES' TRUST FUND BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2025

|  | GROUP                    |                          | ETFB                     |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | 31st<br>December<br>2025 | 31st<br>December<br>2024 | 31st<br>December<br>2025 | 31st<br>December<br>2024 |
|  | Rs. '000                 | Rs. '000                 | Rs. '000                 | Rs. '000                 |
| <b>Operating Activities</b>  |                          |                          |                          |                          |
| Proceeds from Sale of Financial Instrument Designated at FVTPL             | 6,264,495                | 4,245,483                | 6,264,495                | 4,245,483                |
| Maturities of Financial Instrument Designated at Amortized Cost            | 39,048,218               | 103,586,509              | 39,048,218               | 103,586,509              |
| Maturities of Financial Instrument Loan & Receivables                      | 144,556                  | 127,924                  | 144,556                  | 127,924                  |
| Payment for Purchase for Financial Instruments Designated at FVTPL         | (2,268,546)              | (789,646)                | (2,268,546)              | (789,646)                |
| Payment for Purchase for Financial Instruments Designated at Amortized Cos | (122,760,554)            | (171,873,190)            | (122,760,554)            | (171,873,190)            |
| Loan Granted for Acquire Loan & Receivable Financial Instrument            | (411,055)                | (329,752)                | (411,055)                | (329,752)                |
| Monies received from Customers   | 2,966                    | 4,006                    | -                        | -                        |
| Monies paid to Suppliers   | (3,183)                  | (3,097)                  | -                        | -                        |
| Interest Received  | 71,373,418               | 66,365,461               | 71,373,418               | 66,365,461               |
| Dividend Received  | 2,026,898                | 1,378,225                | 2,026,898                | 1,378,225                |
| Other Income Received  | 580,690                  | 603,703                  | 580,690                  | 603,703                  |
| Operational Expenses Paid  | (3,972,920)              | (1,585,381)              | (3,972,920)              | (1,585,381)              |
| Member Expenses Paid   | (330,944)                | (302,738)                | (330,944)                | (302,738)                |
| Income Tax Paid  | (6,533,060)              | (9,013,639)              | (6,533,060)              | (9,013,639)              |
| Interest Paid  | (399,398)                | (448,625)                | (399,395)                | (448,625)                |
| Defined Benefit Plan Costs paid  | (34,530)                 | (46,344)                 | (34,507)                 | (46,340)                 |
| Ground Rent paid to Divisional Secretaries                                 | (0)                      | -                        | -                        | -                        |
| Year 5 Scholarship Payment/Refund  | (94,419)                 | (113,391)                | (94,419)                 | (113,391)                |
| Higher Education Scholarship Payment                                       | (55,338)                 | (2,155)                  | (55,338)                 | (2,155)                  |
| <b>Net Cash Flows from Operating Activities</b>                            | <b>(17,422,706)</b>      | <b>(8,196,647)</b>       | <b>(17,422,463)</b>      | <b>(8,197,553)</b>       |
| <b>Investing Activities</b>  |                          |                          |                          |                          |
| Purchase of Property and Equipment   | (13,535)                 | (11,608)                 | (13,516)                 | (11,564)                 |
| Acquisition of Investments   | 850                      | (419)                    | -                        | -                        |
| Interest Received  | -                        | 349                      | -                        | -                        |
| Net (Grants) / Repayments of Staff Loans                                   | (10)                     | (30)                     | -                        | -                        |
| <b>Net Cash Flows from Investing Activities</b>                            | <b>(12,695)</b>          | <b>(11,708)</b>          | <b>(13,516)</b>          | <b>(11,564)</b>          |
| <b>Financing Activities</b>  |                          |                          |                          |                          |
| Contribution Received  | 47,606,906               | 41,542,789               | 47,606,906               | 41,542,789               |
| Refunds  | (30,301,151)             | (33,435,146)             | (30,301,151)             | (33,435,146)             |
| Financial Expenses Paid  | (2,557)                  | (2,498)                  | (2,557)                  | (2,498)                  |
| Dividends Paid   | (568)                    | (1,022)                  | -                        | -                        |
| <b>Net Cash Flows from Financing Activities</b>                            | <b>17,302,629</b>        | <b>8,104,124</b>         | <b>17,303,197</b>        | <b>8,105,146</b>         |
| <b>Net Increase in Cash and Cash Equivalents</b>                           | <b>(132,771)</b>         | <b>(104,232)</b>         | <b>(132,783)</b>         | <b>(103,972)</b>         |
| Cash and Cash Equivalents at 01 <sup>st</sup> January                      | 794,673                  | 898,905                  | 794,613                  | 898,585                  |
| <b>Cash and Cash Equivalents at 31<sup>st</sup> December</b>               | <b>661,902</b>           | <b>794,673</b>           | <b>661,831</b>           | <b>794,613</b>           |

## MARKET VALUE OF TREASURY BOND PORTFOLIO

Market Value of Treasury Bond Portfolio as at 31/12/2025

(Rs. 000)

| Year         | Face Value         | Purchase Cost      | Market Value       | Amortized Cost     |
|--------------|--------------------|--------------------|--------------------|--------------------|
| 2026         | 23,492,979         | 22,837,014         | 24,382,711         | 23,853,287         |
| 2027         | 37,988,188         | 34,946,019         | 39,366,810         | 35,885,994         |
| 2028         | 97,308,767         | 89,750,127         | 102,179,965        | 91,460,989         |
| 2029         | 57,792,357         | 56,154,394         | 59,372,626         | 60,249,616         |
| 2030         | 77,879,130         | 74,492,074         | 80,066,555         | 76,136,448         |
| 2031         | 52,548,072         | 49,707,790         | 55,668,077         | 51,007,700         |
| 2032         | 73,943,680         | 65,362,167         | 73,126,995         | 54,064,907         |
| 2033         | 64,801,627         | 60,930,126         | 67,643,307         | 78,004,479         |
| 2034         | 33,447,954         | 31,065,196         | 33,454,665         | 30,911,129         |
| 2035         | 36,643,144         | 34,289,137         | 36,381,479         | 33,732,929         |
| 2036         | 30,622,954         | 28,248,749         | 29,893,423         | 27,282,426         |
| 2037         | 30,622,954         | 28,248,749         | 31,395,969         | 28,677,341         |
| 2038         | 30,622,954         | 28,248,749         | 31,040,253         | 28,338,341         |
| 2039         | 7,600,000          | 7,676,208          | 7,645,030          | 7,972,327          |
| <b>Total</b> | <b>655,314,761</b> | <b>611,956,500</b> | <b>671,617,867</b> | <b>627,577,913</b> |

## MARKET VALUE OF TREASURY BILL PORTFOLIO

Market Value of Treasury Bill Portfolio as at 31/12/2025

(Rs. 000)

| Year | Face Value | Purchase Cost | Market Value | Amortized Cost |
|------|------------|---------------|--------------|----------------|
| 2025 | -          | -             | -            | -              |
| 2026 | 3,004,000  | 2,851,558     | 2,947,902    | 2,950,164      |

Market Value of Treasury Bond Portfolio as at 31/12/2024

(Rs. 000)

| Year         | Face Value         | Purchase Cost      | Market Value       | Amortized Cost     |
|--------------|--------------------|--------------------|--------------------|--------------------|
| 2026         | 23,492,979         | 22,837,014         | 24,506,893         | 23,562,472         |
| 2027         | 37,988,188         | 34,946,019         | 39,219,208         | 35,441,613         |
| 2028         | 95,621,256         | 88,030,085         | 98,816,091         | 88,608,482         |
| 2029         | 36,783,406         | 34,257,062         | 37,036,650         | 38,300,537         |
| 2030         | 40,617,980         | 37,283,401         | 40,405,222         | 37,573,087         |
| 2031         | 48,521,728         | 45,613,900         | 50,513,040         | 47,145,782         |
| 2032         | 66,188,785         | 57,907,689         | 63,956,349         | 46,666,963         |
| 2033         | 60,859,072         | 57,337,854         | 63,044,952         | 74,602,885         |
| 2034         | 33,447,954         | 31,065,196         | 33,262,216         | 31,477,041         |
| 2035         | 32,049,144         | 29,771,347         | 31,671,806         | 29,786,470         |
| 2036         | 30,622,954         | 28,248,749         | 29,860,534         | 27,900,426         |
| 2037         | 30,622,954         | 28,248,749         | 31,365,928         | 29,358,729         |
| 2038         | 30,622,954         | 28,248,749         | 31,015,020         | 29,033,057         |
| 2039         | 7,600,000          | 7,676,208          | 7,319,955          | 7,974,151          |
| <b>Total</b> | <b>575,039,355</b> | <b>531,472,023</b> | <b>581,993,863</b> | <b>547,431,692</b> |

Market Value of Treasury Bill Portfolio as at 31/12/2024

(Rs. 000)

| Year | Face Value | Purchase Cost | Market Value | Amortized Cost |
|------|------------|---------------|--------------|----------------|
| 2024 | -          | -             | -            | -              |
| 2025 | 3,227,000  | 2,952,462     | 3,122,842    | 3,119,900      |

The Fair Values of the Government Securities are based on the average of Buying and Selling quotes as at 31<sup>st</sup> December 2024 and 2025 respectively published by the Central Bank

## MARKET VALUE OF QUOTED DEBENTURE PORTFOLIO

Market Value of Quoted Debenture Portfolio as at 31/12/2025

| Name of Company              | Date of Purchase | Date Redemption | Debentures |                  | Market Value  |                  |            | Amortized Cost (Rs.000) |
|------------------------------|------------------|-----------------|------------|------------------|---------------|------------------|------------|-------------------------|
|                              |                  |                 | Nos.       | Cost (Rs.000)    | Per Debenture | (Rs.000)         | Rate (p.a) |                         |
| Sampath Bank PLC             | 12.04.2021       | 12.04.2028      | 6,000,000  | 600,000          | 100.00        | 600,000          | 9.00%      | 639,057,534             |
| Ceylon Electricity Board     | 16.04.2021       | 15.04.2026      | 20,000,000 | 2,000,000        | 94.20         | 1,884,000        | 9.35%      | 2,133,205,479           |
| Singer Finance ( Lanka ) PLC | 25.06.2021       | 25.06.2026      | 1,750,000  | 175,000          | 100.00        | 175,000          | 9.25%      | 183,426,370             |
| People's Leasing Finance PLC | 05.08.2021       | 05.08.2026      | 10,000,000 | 1,000,000        | 99.93         | 999,300          | 9.00%      | 1,036,739,726           |
| Sampath Bank PLC             | 26.03.2025       | 26.03.2030      | 1,756,000  | 175,600          | 100.00        | 175,600          | 11.75%     | 191,484,584             |
| Siyapatha Finance PLC        | 26.06.2025       | 26.06.2030      | 1,352,800  | 135,280          | 100.00        | 135,280          | 11.40%     | 143,265,597             |
| Seylan Bank PLC              | 18.07.2025       | 18.07.2030      | 1,000,000  | 100,000          | 100.00        | 100,000          | 11.25%     | 105,147,260             |
| Hatton National Bank PLC     | 17.12.2025       | 17.12.2030      | 5,000,000  | 500,000          | 100.00        | 500,000          | 10.25%     | 502,106,164             |
| Hatton National Bank PLC     | 17.12.2025       | 17.12.2032      | 5,000,000  | 500,000          | 100.00        | 500,000          | 11.00%     | 502,260,274             |
| Bank Of Ceylon               | 24.12.2025       | 24.12.2030      | 10,000,000 | 1,000,000        | 100.00        | 1,000,000        | 10.50%     | 1,002,301,370           |
| Nation Trust Bank PLC        | 09.07.2021       | 09.07.2026      | 8,000,000  | 800,000          | 100.00        | 800,000          | 9.15%      | 835,296,438             |
| <b>Total</b>                 |                  |                 |            | <b>6,985,880</b> |               | <b>6,869,180</b> |            | <b>7,274,290,797</b>    |

The Fair Value of the Corporate Debentures - Listed are based on the prices as at 31<sup>st</sup> December 2025 published by the Colombo Stock Exchange

Market Value of Quoted Debenture Portfolio as at 31/12/2024

| Name of Company            | Date of Purchase | Date Redemption | Debentures |                  | Market Value  |                  |            | Amortized Cost (Rs.000) |
|----------------------------|------------------|-----------------|------------|------------------|---------------|------------------|------------|-------------------------|
|                            |                  |                 | Nos.       | Cost (Rs.000)    | Per Debenture | (Rs.000)         | Rate (p.a) |                         |
| NDB                        | 25.09.2020       | 24.09.2025      | 4,750,000  | 475,000          | 100.00        | 475,000          | 9.50%      | 487,239                 |
| DFCC Bank PLC              | 23.10.2020       | 23.10.2025      | 5,000,000  | 500,000          | 100.00        | 500,000          | 9.00%      | 508,630                 |
| Sampath Bank PLC 2         | 12.04.2021       | 12.04.2028      | 6,000,000  | 600,000          | 100.00        | 600,000          | 9.00%      | 639,058                 |
| Ceylon Electricity Board   | 16.04.2021       | 15.04.2026      | 20,000,000 | 2,000,000        | 94.20         | 1,884,000        | 9.35%      | 2,133,205               |
| Singer Finance (Lanka) PLC | 25.06.2021       | 25.06.2026      | 1,750,000  | 175,000          | 96.02         | 168,035          | 9.25%      | 183,426                 |
| Peoples Leasing Finance    | 05.08.2021       | 05.08.2026      | 10,000,000 | 1,000,000        | 95.50         | 955,000          | 9.00%      | 1,036,740               |
| Nations Trust Bank PLC     | 09.07.2021       | 09.07.2026      | 8,000,000  | 800,000          | 100.00        | 800,000          | 9.15%      | 835,296                 |
| <b>Total</b>               |                  |                 |            | <b>5,550,000</b> |               | <b>5,382,035</b> |            | <b>5,823,595</b>        |

The Fair Value of the Corporate Debentures - Listed are based on the prices as at 31<sup>st</sup> December 2024 published by the Colombo Stock Exchange

## STATEMENT OF EQUITY INVESTMENT

Quoted shares investments re- classified as " Fair Value through Other Comprehensive Income"

As At 31.12.2025

|    | Company Name          | Original Cost<br>(Rs. 000) | Fair Value<br>(Rs. 000) | Mkt. Value<br>as at 31.12.2025<br>(Rs. 000) |
|----|-----------------------|----------------------------|-------------------------|---|
| 1  | Asian Hotels & Pro.   | 58,213                     | 48,812                  | 46,663                                      |
| 2  | Aitken Spence Co      | 66,482                     | 66,298                  | 71,328                                      |
| 3  | Ait. Spence Hotel     | 5,591                      | 5,404                   | 7,261                                       |
| 4  | Asiri Hospital        | 129,516                    | 108,690                 | 129,494                                     |
| 5  | Asiri Surgical        | 66,124                     | 53,025                  | 60,537                                      |
| 6  | Bairaha Farms         | 15,431                     | 12,870                  | 29,493                                      |
| 7  | Carson Cumber         | 12,512                     | 10,492                  | 21,095                                      |
| 8  | Ceylon Guardian Inv.  | 121,388                    | 65,506                  | 110,217                                     |
| 9  | Ceylon Grain Elevator | 43,341                     | 62,992                  | 132,614                                     |
| 10 | Central Industries    | 50,026                     | 67,300                  | 113,278                                     |
| 11 | CIC Holdings          | 71,590                     | 132,052                 | 244,437                                     |
| 12 | Colombo Fort Land     | 54,076                     | 25,315                  | 55,626                                      |
| 13 | Com. Bank             | 1,150,639                  | 1,372,710               | 1,898,846                                   |
|    | Com. Bank (X)         | 426,244                    | 450,235                 | 745,904                                     |
| 14 | DFCC Bank             | 644,084                    | 500,966                 | 657,206                                     |
| 15 | Dockyard              | 138,773                    | 36,327                  | 96,871                                      |
| 16 | Dialog Axiata         | 19,495                     | 19,559                  | 49,228                                      |
| 17 | Dipped Product        | 86,955                     | 105,001                 | 117,072                                     |
| 18 | Eden Hotels           | 75,885                     | 26,577                  | 21,514                                      |
| 19 | First Capital Tresu   | 10,841                     | 694,783                 | 968,563                                     |
| 20 | HNB (X)               | 81,598                     | 149,932                 | 186,208                                     |
| 21 | HNB Assurance         | 111,194                    | 175,010                 | 246,310                                     |
| 22 | Hayleys Fabric        | 77,572                     | 120,353                 | 89,606                                      |
| 23 | Haycarb PLC           | 82,261                     | 97,348                  | 121,256                                     |
| 24 | John Keells           | 15,800                     | 13,939                  | 14,432                                      |
| 25 | JKH                   | 2,140,032                  | 2,935,582               | 2,805,689                                   |
| 26 | Kelani Cables         | 5,842                      | 21,812                  | 59,370                                      |
| 27 | Kelani Tyres          | 213,201                    | 206,106                 | 220,582                                     |
| 28 | Keells Foods          | 7,847                      | 8,596                   | 8,364                                       |
| 29 | Lankem Ceylon         | 16,823                     | 6,583                   | 6,599                                       |
| 30 | Lanka IOC             | 14,746                     | 102,415                 | 104,447                                     |
| 31 | Lanka Tiles           | 16,745                     | 20,907                  | 17,864                                      |
| 32 | Lanka Walltile        | 25,053                     | 21,542                  | 18,781                                      |
| 33 | NDB Bank              | 1,505,792                  | 1,628,561               | 2,032,201                                   |
| 34 | Nawaloka Hospital     | 27,011                     | 13,369                  | 31,903                                      |
| 35 | Overseas Reality      | 27,343                     | 42,275                  | 67,052                                      |
| 36 | People's Leasing      | 33,627                     | 40,892                  | 59,599                                      |
| 37 | People's Insurance    | 54,925                     | 69,242                  | 70,324                                      |
| 38 | PGP Glass PLC         | 13,338                     | 25,755                  | 40,557                                      |
| 39 | Renuka Holdings       | 68,221                     | 33,597                  | 88,509                                      |
| 40 | Resus Energy          | 33,083                     | 35,661                  | 59,350                                      |
| 41 | Richard Peiris Co     | 115,544                    | 147,801                 | 242,531                                     |
| 42 | Royal Ceramics        | 2,138                      | 3,514                   | 3,742                                       |
| 43 | Sampath Bank          | 386,523                    | 777,972                 | 965,872                                     |
| 44 | Seylan Bank           | 397,733                    | 406,417                 | 541,976                                     |
|    | Seylan Bank (X)       | 56,311                     | 68,013                  | 91,044                                      |
| 45 | Sri Lanka Telecom     | 110,326                    | 230,163                 | 275,402                                     |
| 46 | Teejay Lanka          | 115,357                    | 139,501                 | 93,715                                      |
| 47 | Trans Asia            | 37,073                     | 25,737                  | 34,888                                      |
| 48 | Tokyo Cement PLC      | 110,492                    | 131,353                 | 211,137                                     |
| 49 | Vallibel Power        | 66,065                     | 86,044                  | 113,728                                     |
| 50 | Windforce PLC         | 86,749                     | 115,508                 | 211,687                                     |
|    | <b>Total</b>          | <b>9,303,571</b>           | <b>11,766,413</b>       | <b>14,711,972</b>                           |

### DELISTED SHARES

|   |               |   |    |   |
|---|---------------|---|----|---|
| 1 | Property Dev. | 5 | 45 | - |
|---|---------------|---|----|---|

Property Dev. PLC-has been de-listed with effect from 27<sup>th</sup> October 2022.

## STATEMENT OF EQUITY INVESTMENT

Unquoted Shares investments re- classified as " Fair Value through Other Comprehensive Income"  
As At 31.12.2025

|   | Company Name            | Cost<br>(Rs. 000) | Net Assets<br>Value (Rs. 000)<br>31.12.2024 | Net Assets<br>Value (Rs. 000)<br>31.12.2025 |
|---|-------------------------|-------------------|---|---|
| 1 | Fitch Ratings Lanka Ltd | 1,649             | 3,779                                       | 2,398                                       |
|   | <b>Total</b>            | <b>1,649</b>      | <b>3,779</b>                                | <b>2,398</b>                                |

Investments in subsidiaries as at 31.12.2025

|   | Company Name   | Cost<br>(Rs. 000) |
|---|----------------|-------------------|
| 1 | Lanka Salt Ltd | 470,961           |
|   | <b>Total</b>   | <b>470,961</b>    |

Quoted Share Investments Classified As " Fair Value through Profit or Loss"

As At 31.12.2025

|    | Company Name            | Actual<br>Cost<br>(Rs. 000) | Fair<br>Value<br>(Rs. 000) | Mkt. Value<br>As at 31.12.2025<br>(Rs. 000) |
|----|-------------------------|-----------------------------|----------------------------|---|
| 1  | Access Engineering      | 128,045                     | 128,045                    | 147,370                                     |
| 2  | ACL Cables PLC          | 21,634                      | 21,634                     | 26,318                                      |
| 3  | Cable Solutions PLC     | 21,950                      | 21,950                     | 22,004                                      |
| 4  | CIC Holdings            | 59,076                      | 59,076                     | 62,432                                      |
|    | CIC Holdings (X)        | 48,597                      | 48,597                     | 48,694                                      |
| 5  | Chevron Lubricant       | 176,596                     | 176,596                    | 179,706                                     |
| 6  | Dipped Products         | 144,578                     | 143,440                    | 159,930                                     |
| 7  | Distilleris Company PLC | 52,806                      | 52,806                     | 51,861                                      |
| 8  | HNB                     | 241,876                     | 295,952                    | 322,676                                     |
|    | HNB PLC (X)             | 168,588                     | 168,588                    | 172,207                                     |
| 9  | Haycarb PLC             | 8,044                       | 9,519                      | 11,857                                      |
| 10 | Hayleys PLC             | 23,770                      | 23,770                     | 26,311                                      |
| 11 | Hemas Holdings          | 7,132                       | 7,132                      | 11,915                                      |
| 12 | JKH                     | 180,058                     | 180,058                    | 175,650                                     |
| 13 | Lanka IOC               | 222,908                     | 307,889                    | 302,167                                     |
| 14 | Lanka Tile PLC          | 183,850                     | 156,723                    | 133,912                                     |
| 15 | Lanka Walltile          | 314,486                     | 245,171                    | 213,739                                     |
| 16 | Laugfs Power            | 1,337                       | 833                        | 933   |
| 17 | LVL Energy Fund         | 28,755                      | 28,755                     | 26,197                                      |
| 18 | Melstacorp PLC          | 58,109                      | 58,109                     | 55,711                                      |
| 19 | People's Insurance      | 51,899                      | 50,265                     | 51,051                                      |
| 20 | Richard Peiris Co.      | 36,321                      | 54,835                     | 89,981                                      |
| 21 | Royal Ceramic           | 326,434                     | 318,122                    | 338,694                                     |
| 22 | Sampath Bank            | 174,184                     | 174,184                    | 174,246                                     |
| 23 | Seylan Bank             | 796                         | 891                        | 1,188                                       |
| 24 | Sunshine Holdings       | 3,282                       | 3,282                      | 5,677                                       |
| 25 | Three Acre Farms        | 92,760                      | 92,760                     | 91,270                                      |
| 26 | Tokyo Cement PLC        | 11,149                      | 11,149                     | 14,115                                      |
|    | Tokyo Cement PLC (X)    | 15,360                      | 15,360                     | 19,066                                      |
|    | <b>Total</b>            | <b>2,804,381</b>            | <b>2,855,492</b>           | <b>2,936,877</b>                            |

EMPLOYEES' TRUST FUND BOARD

INVESTMENTS IN UNITS TRUST AS AT 31.12.2025

|   | Type                 | Actual<br>Cost<br>(Rs. 000) | Fair<br>Value<br>(Rs. 000) | Mkt. Value<br>(Rs. 000)<br>31.12.2025 |
|---|----------------------|-----------------------------|----------------------------|---------------------------------------|
| 1 | CTCLSA Asset Mana.   | 1,403                       | 6,188                      | 9,284                                 |
| 2 | National Equity Fund | 22,131                      | 117,536                    | 169,511                               |
|   | <b>TOTAL</b>         | <b>23,534</b>               | <b>123,724</b>             | <b>178,794</b>                        |

## SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENT

### 1. CORPORATE INFORMATION

#### 1.1. Domicile and Legal Form

Employees' Trust Fund Board (ETFB) is a State Owned Enterprise, established under Act No.46 of 1980 and commenced operations on 1<sup>st</sup> March 1981. The Board is functioning under the Ministry of Finance, Planning & Economic Development.

Lanka Salt Limited is a Public Limited Company incorporated & domiciled in Sri Lanka. The Registered Office and the principal Place of Business of the Company is located at Mahalewaya, Hambantota.

#### 1.2. Consolidated Financial Statements

The Consolidated Financial Statements of the Board as at and for the year ended 31st December 2025 comprise the Board (Parent) and its fully-owned Subsidiary (together referred to as the "Group"). The subsidiary of the Board as at 31st December 2025 was Lanka Salt Limited; ETFB is the ultimate parent of the Group.

The Financial Statements of the Board and its Subsidiary have a common financial year which ends on 31 December. The Financial Statements of the "Board" and the "Group" are prepared for the 12 months period ended 31 December each.

#### 1.3. Principal Activities and Nature of Operations

During the year, the principal activities of the Board and its subsidiaries dealt within these financial statements were as follows:

| Name of the Company         | Nature of Business  |
|-----------------------------|---|
| Employees' Trust Fund Board | Public sector employees who are not entitled under the government pension scheme and all private sector employees are members of this fund while their employers are required to remit 3% of the gross earning of their employees to the fund monthly. The migrant and self-employment sectors employees also could be members of the fund on voluntarily basis by paying a specified minimum contribution to the fund. Apart from managing the fund, ETF Board provides a range of social and welfare benefits to members during their employment. |
| Lanka Salt Limited          | The principal activity of the Company is production and distribution of Salt.   |

#### 1.4. Responsibility for Financial Statements

The Board of Directors of the ETFB is responsible for the preparation and presentation of the Financial Statements of the Group and the Board as per the provisions of the ETFB Act No 46 of 1980 and amendments thereon and Sri Lanka Accounting Standards (LKAS/SLFRS).

#### 1.5. Date of Authorization for Issue

The financial statement of Employees' Trust Fund Board for the year ended 31<sup>st</sup>December, 2025 were authorised for issue in accordance with a resolution of the board of directors on 23<sup>rd</sup> March 2026.

The Financial Statements of Lanka Salt Ltd for the year ended 31 December 2025 was authorized for issue in accordance with a resolution of the Board of Directors on 27<sup>th</sup> March 2026.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1. General Policies

#### 2.1.1. Presentation of Statement of Financial Position

The assets and liabilities of the entity presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity. No adjustments have been made for inflationary factors affecting the Financial Statements. An analysis on recovery or settlement within 12 months and after more than 12 months from the Reporting date is presented here.

#### 2.1.2. Statement of Compliance

The statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with accounting policies and notes ("**financial statements**") of the company as at 31<sup>st</sup> December, 2025 and for the year then ended and comply with the Sri Lanka Accounting Standards (SLFRS/LKAS).

The financial statements of LSL have been prepared in accordance with the Sri Lankan Accounting Standard for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka (SLFRS for SMEs). The preparation and presentation of these Financial Statements is in compliance with the requirements of the Companies Act No.07 of 2007.

#### 2.1.3. Significant Accounting Judgments, Estimates and Assumptions

The Board makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future.

The preparation of financial statements of LSL in conformity with the SLFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed as follows.

##### Judgments

##### Deferred Tax Assets:

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### 2.1.4. Basis of Measurement

The financial statements have been prepared under the historical cost convention with exception of certain assets and liabilities are being measured at fair value and for the financial assets that are carried at amortized cost as per the requirements of SLFRS 09, Financial Instruments. LKAS 26 Accounting and Reporting by Retirement Benefit Plans has been applied in preparation and presentation of financial statements.

The fact that ETFB applied LKAS 26 Accounting and Reporting by Retirement Benefit Plans in preparation and presentation of financial statements of ETFB had not been specifically disclosed in the previous financial statements. Non-disclosure of this matter does not necessitates any restatement of amounts that were reported in previous financial statements.

The financial statements of LSL have been prepared on a historical cost basis. The functional currency of the company is Sri Lanka Rupees and financial statements are presented in Sri Lanka Rupees

#### 2.1.5. Functional and Presentation Currency

Items included in these Financial Statements are measured and presented in Sri Lankan Rupees, which is the currency of the primary economic environment in which the Board operates.

#### 2.1.6. Rounding

The amounts in the Financial Statements have been rounded-off to the nearest rupees thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard - LKAS 1 on "Presentation of Financial Statements".

#### 2.1.7. Offsetting

Income and expenses are not offset in the Income Statement, unless required or permitted by an Accounting Standard or Interpretation (issued by the IFRS Interpretations Committee and Standard Interpretations Committee). Financial assets and financial liabilities are offset and the net amount reported in the SOFP, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### 2.1.8. Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately, unless they are immaterial as permitted by the LKAS 1 and amendments to the LKAS 1 on "Disclosure Initiative" which was effective from January 1, 2016.

#### 2.1.9. Going Concern

The Management of ETF Board has made an assessment of the Board's ability to continue as a going concern and is satisfied that the Board has resources to continue in business for a foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern. Therefore, the financial statements are continued to be prepared on the going concern basis.

The Directors of LSL have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

#### 2.1.10. Comparative Information

The accounting policies have been consistently applied by the company and are consistent with those of the previous year. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year

## 2.2. Basis of Consolidation

### a) Consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary as at 31<sup>st</sup> December 2025.

Subsidiary is consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company.

The accounting policies have been consistently applied by the Company and are consistent with those used in previous year. However, the accounting policies of the two entities are different which are highlighted within the group accounting policies.

### b) Subsidiaries

Subsidiaries are all entities over which the group has the power directly or indirectly to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The total profits and losses for the year of the company and of its subsidiaries included in consolidation and all assets and liabilities of the company and of its subsidiaries included in consolidation are shown in the consolidated statement of comprehensive income and the statement of financial position respectively.

### c) Reporting Date

The financial statements of the subsidiaries are prepared for the common reporting period, which is 12 months ending 31<sup>st</sup> December.

## 2.3. Basis of Measurement Profit and Loss

### 2.3.1. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Revenue from sales of goods is recognized when the goods are delivered and title has passed. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized.

#### **Sale of Goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

#### **Rendering of Services**

Revenue from rendering of services is recognized by reference to the stage of completion, determined by taking into accounts the labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliability, revenue is recognized only to the extent of expenses incurred that are recoverable.

#### **Interest**

Revenue is recognised on a time proportion basis that takes in to accounts the effective interest rate on asset.

#### **Others**

Other income is recognized on an accrual basis

### **2.3.2. Interest and Similar Income and Expense**

For all financial instruments measured at amortized cost, interest bearing financial assets classified as available for sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. Interest income includes coupon income and any gain or loss on amortization of discount or premium of the instruments.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest expense is recognized according to the Section 22 of the ETFB Act the shall pay interest at such rate, not less than three per centum, as may from time to time be fixed by the Board with concurrence of the Minister and the Minister in charge of the subject of Finance shall be paid for each year, out of the income from the investment of the money of the fund, on the amount standing to the credit of the individual account of each member of the credit of the individual account of each member of the fund as at the 31st of December in that year.

### 2.3.3. Dividend Income and Expense

Dividend income is recognized when the entity's right to receive the payment is established. Dividend expense is recognized according to the section 14 of the ETFB Act the board shall declared dividends from the profits realized by investing of money of the fund.

### 2.3.4. Other Income

Other Income is recognized when the entity's right to receive the payment is established except for the interest income on fair value measurement of Staff loans that is amortized over the employees' service period.

## 2.4. Taxation

### 2.4.1. Current Taxes

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

The Board current tax payable is based on taxable profit for the year. The provision for income tax is based on the elements of income and expenses as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act. The applicable tax rate is 14%.

Income tax expense represents the sum of the tax currently payable and deferred tax

The current tax payable is based on taxable profit for the year. The provision for income tax is based on the elements of income and expenses as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act.

### 2.4.2. Deferred Taxation

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

Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

## 2.5. Foreign Currency Transaction

The Financial Statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## 2.6. Investments & Other Financial Assets

### 2.6.1. Classification

From 1 January 2018, the fund classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). Amount presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognized in profit or loss.

The fund reclassifies debt investments when and only when its business model for managing those assets changes.

### 2.6.2. Recognition & De-recognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the fund commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the fund has transferred substantially all the risks and rewards of ownership.

### 2.6.3. Measurement

At initial recognition, the fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs or financial assets carried at FVTPL are expensed in Income Statement.

Financial assets with embedded derivatives are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

#### 2.6.3.1. Debt instruments

Subsequent measurement of debt instruments depends on the fund's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the fund classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows to match the obligation of EPFTB where those collection of contractual cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in Income Statement and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

**Fair Value Through Other Comprehensive Income (FVTOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

**Fair Value Through Profit or Loss(FVTPL):** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

#### 2.6.3.2. Equity instruments

The fund subsequently measures all equity investments at fair value. Where the fund's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the fund's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

### **Basic Financial Instruments**

Financial assets are classified as financial assets held for trading, held to maturity, loan and receivables and financial assets available for sale. The company determines the classification of its financial assets at initial recognition.

#### **Loan and Receivable**

Loans and receivables include cash and short-term deposits, fixed deposit and trade and other receivables. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized. The losses arising from impairment are recognized in the statement of Comprehensive Income.

#### **Impairment of Financial Assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

#### **Financial Liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities in accordance with the substance of the contractual agreement and the definition of financial liabilities.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial liabilities recorded at fair value through profit or loss.

Financial liabilities including Interest bearing loans and borrowings and other financial liabilities (trade and other payable) are initially measured at fair value less transaction cost that are directly attributable to the acquisition and subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the income statement.

## 2.7. Property, Plant and Equipment

### 2.7.1 Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Board cost of the asset can be reliably measured. It is the policy of the Board that, an unit cost (including ancillary cost) of an item below Rs.10,000 will not be recognize as a Property, Plant and Equipment and such item will be recognized as an expense. However, costs (including ancillary cost) of land, buildings, and vehicle, are capitalized regardless of unit threshold Rs.10,000.

### 2.7.2 Basis of Measurement

Items of Property, Plant and Equipment other than freehold land are measured at cost less accumulated depreciation and any impairment losses.

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

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for separate items of property, plant and equipment.

### 2.7.3 Subsequent Costs

The cost of replacing part 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 de-recognized. The costs of the day to day servicing of property, plant and equipment are expensed as incurred.

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain future economic benefits expected from originally assessed standard of performance is recognized as an expense in income statement when incurred.

### 2.7.4 Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land is not depreciated. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized. Depreciation of assets commence in the month when it is available for use and is not depreciated in the month of disposal.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate.

Depreciation on assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

|                       | No. of Years (Useful Life Time) | Depreciation Rate |
|-----------------------|---------------------------------|-------------------|
| Buildings             | 40 Years                        | 2.5%              |
| Motor Vehicles        | 5 Years                         | 20%               |
| Computer Equipment    | 5 Years                         | 20%               |
| Furniture             | 10 Years                        | 10%               |
| Fixtures and Fittings | 10 Years                        | 10%               |
| Other Equipment       | 5 Years                         | 20%               |

### 2.7.5 De-recognition of Property, Plant and Equipment

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less annual rates are used for the depreciation of property, plant and equipment:

|  |      |
|--|------|
| <b>Buildings on Lease hold Land</b>                                | 2.5% |
| <b>Water Supply Scheme</b>   | 10%  |
| <b>Plant and Machinery</b>   |      |
| - Pump & Accessories   | 20%  |
| - Other (Table Salt Plant, Iodization Plant, Cranes & Other Plant) | 10%  |
| <b>Equipment</b>   | 10%  |
| <b>Furniture and Fittings</b>                                      | 10%  |
| <b>Software and Other Network</b>                                  | 50%  |
| <b>Motor Vehicles</b>  |      |
| - Road Vehicles  | 10%  |
| - Tractors & Trailer   | 20%  |
| <b>Development work</b>  | 20%  |
| <b>Mature Plantations - Coconut</b>                                | 2%   |

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

- **Biological Assets**

Biological assets are classified into mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specification. Coconut plantations and nurseries are classified as biological assets. Bearer biological assets include Coconut plants, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce. The entity recognize the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably. Permanent impairments to Biological Assets are charged to the Statements of Profit or Loss in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

- **Bearer Biological Assets**

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property Plant & Equipment. The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing etc, incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Coconut) which comes into bearing during the year, is transferred to mature plantations.

## 2.8. Investment Property

Investment Properties are those which are held either to earn rental income or for capital appreciation or for both. An investment property is recognized, if it is probable that future economic benefits that are associated with the investment property will flow to the board and cost of the investment property can be reliably measured.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the Income Statement in the period in which they arise.

The Board's investment property shall revalue in every three years' time to open market value, with changes in the carrying value recognize in the Statement of Comprehensive Income. Rent receivable is spread on a straight-line basis over the period of the lease. Where an incentive (such as a rent free period) is given to a tenant, the carrying value of the investment property excludes any amount reported as a separate asset as a result of recognizing rental income on this basis.

The Board owns a land extend of 2 Acres 1 Rood 28 Perch at Nawam Mawatha, Colombo 02 which had been valued by the Government Valuer, as per the Government Valuer's Report dated 24<sup>th</sup> August 2022, the fair-value of the land and building was Rs.4,587,406,450/= . Further, the Department of Valuation informed us by their letter dated 23<sup>rd</sup> September 2023 the above valuation of investment property valid for 05 years according to the Asset Management Circular No. 4/2018 dated 31<sup>st</sup> December 2018 which was issued by the Secretary to the Treasury.

### 2.8.1. (a) Information on investment properties of the Board - Extents and Locations

| Location   | Extent(Perches) | Fair value of the investment property |
|--|-----------------|---------------------------------------|
| Employees' Trust Fund Board, Nawam Mawatha, Colombo 02 | 388             | Rs. 4,566,000,000.00                  |

| Location   | Buildings (Square feet) | Fair value of the investment property |
|--|-------------------------|---------------------------------------|
| Employees' Trust Fund Board, Nawam Mawatha, Colombo 02 | 19,319                  | Rs. 21,406,450.00                     |

### 2.8.2. (b) Information on investment properties of the Board - Valuations

| Name of professional valuer/location and address  | Method of valuation and significant unobservable inputs   | Range of estimates for unobservable inputs<br>Rs. | Fair value of the investment property<br>Rs. |
|---|---|---|--|
| Department of Government Valuation<br>"Valuation House" No 748,<br>Maradana Road, Colombo 10. | Market comparable method <ul style="list-style-type: none"> <li>Price per Perches</li> <li>Price per square foot</li> </ul> | 11,823,212.50p.p<br>625 - 1955 p.sq.ft.           | 4,566,000,000.00<br>21,406,450.00            |

### 2.8.3 (c) Valuation techniques and sensitivity of the fair value measurement of the Investment properties of the Group

| Valuation Technique  | Significant unobservable valuation inputs  | Sensitivity of the fair value measurement to inputs   |
|--|--|---|
| <p><b>Market comparable method</b></p> <p>This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves valuation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location and condition of specific property.</p> | <ul style="list-style-type: none"> <li>• Price per Perches</li> <li>• Price per square foot</li> </ul> | <p>Estimated fair value would increase/(decrease) if; Price per Perches would increase/(decrease) Price per square foot would increase/(decrease)</p> |

## 2.9. Intangible Assets

### 2.9.1. Externally Acquired Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment. Whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

### 2.9.2. Computer Software Packages

Amount incurred in acquisition/upgrading Computer software Packages are recognized as an intangible asset and amortized over 3 years.

## 2.10 Leasehold Properties

The Leasehold property comprising of land use rights which was previously classified under Property, Plant & Equipment and stated at valuation have been reclassified as "Leasehold Property". Lease amount paid for the land at Hambantota has been capitalized and amortized over the lease period of 30 years.

### 2.10.1 Operating Lease

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Board (an "operating lease"), the total rentals payable under the lease are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

### 2.11 Inventories

Inventories are valued at lower of the cost and net realizable value, after making due allowances for obsolete and slow moving items.

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:-

|                      |   |   |
|----------------------|---|---|
| Raw Materials        | - | At purchase cost on first-in first-out cost basis   |
| Finished Goods       | - | At the cost of direct materials, direct labour and an appropriate proportion of regional production overheads.  |
| Work-in-progress     | - | At 25% of last season's Brine Circulation and Beds Preparation expenses, apportioned over calculated quantity of salt deposited at the density level of 12 and above. |
| Consumables & Spares | - | At purchase cost on First in First out basis  |

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

### 2.12 Retirement Benefit Liability

#### 2.12.1 Employee benefits

The board has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the board pays fixed contributions to a separate entity. A defined benefit plans define an amount of pension benefit that an employee will receive on retirement, based on the years of service and compensation.

#### 2.12.2 Defined Contribution Plans

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Board contributes 15% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

The company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. A defined benefit plans define an amount of pension benefit that an employee will received on retirement, based on the years of service and compensation.

All employees are eligible for Employees' Provident Fund and Employees' Trust Fund contributions in line with the prevalent statutes and regulations. The company contributes 15% and 3% of gross employee emoluments to EPF and ETF respectively.

### 2.12.3 Defined Benefit Plans - Gratuity

The cost of defined benefit pension plan and the present value of its obligation are determined using actuarial valuation. The actuarial valuation involves making assumptions, which may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka Government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rate and expected future salary increase rate of the Company. Details of key assumptions used in actuarial valuations are set out in Note-34 to the Financial Statements.

## 2.13 Member Wealth

### 2.13.1 Member Balance

Contribution received and receivable from members net of refunds made to members during the year together with interest and dividends accrued to them are consisted in member fund.

### 2.13.2 Dividends

Dividends are recognized when the fund's right to receive is established.

### 2.13.3 Reserves

The fair value through other comprehensive income reserve comprises of the cumulative net change in fair value of fair value through other comprehensive income financial investments until the assets are de-recognized or impaired. The other reserves relate to the annual adjustments of actuarial gains or losses and it represents the net change of the actuarial gains or losses as at the balance sheet date.

Dividend Equalization Reserve serves as a buffer between a certain dividend level and profits available. It is a distributable reserve which is specifically set up to ensure that dividends remain stable for despite being changes in earnings.

## 2.14 Provisions

The Board has recognized provisions for liabilities of uncertain timing or amounts. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Provisions for legal claims are recognized when; the company has a present legal or constructive obligation as a result of past events, it is probable that a transfer of economic benefit will be required to settle the obligation and the amount can be estimated reliably.

The provisions are measured at the present value of the future amount required to settle the obligation using a pre-tax rate reflecting the current assessment of the time value of money and specific risks relevant for the obligation. The increase in provision due to time

## 2.15 Trade and Other Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in profit or loss.

## 2.16 Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lankan rupees using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

## 2.17 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

## 2.18 Grants and Subsidies

The Board recognized the monetary grants related to assets are recognized as cost and deferred in the Statement of Financial Position and credited to the Statement of Comprehensive Income over the useful life of the asset.

Grant received amortized to the Statement of Comprehensive Income are as follows.

|                   |        |
|-------------------|--------|
| Computer Software | 33.33% |
| Motor vehicle     | 20%    |

Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Company receives non-monetary grants, the asset and that grant are recorded at nominal amounts and is released to the income statement over the expected useful life of the relevant asset by equal annual installments as follows:

Grants received are credited to a reserve account and amortized to the income statement as follows.

|  |      |
|--|------|
| Grant for Iodization Plant   | 10%  |
| Grant for Motor Vehicle  | 10%  |
| Grants for Building  | 2.5% |
| Grant for Pump House   | 2.5% |
| Grant for Compensation to Employees - Reduce by the compensation paid. |      |

## 2.19 Impairment of Assets

### 2.19.1 Impairment of Financial Assets

As per SLFRS 9, the Board records an allowance for expected credit losses for Debenture investments and other financial instruments measured at amortised cost.

#### Incorporating Forward looking scenarios

As opposed to the incurred loss model, future expected losses are required to be estimated under the ECL model introduced by SLFRS 9. It requires the use of forward looking macro-economic data and assumptions that are not directly related to the entity. This is incorporated into the impairment calculation via the Economic Factor Adjustment.

#### Impairment approach for Investments in debt securities (other than FVTPL)

External credit rating data can be used to establish provisions. Further the deterioration of credit rating, published financials and other information has to be reviewed to assess the significant increases in credit risk and whether the instruments are investment grade, in order to make a lifetime provision, if any. In the absence of external rating data, default rates has to be established using structural methods/credit spreads/credit scores, in order to establish ECL.

## Fundamental Components of ECL

- **Estimating the Probability of Default**

Since historical default data for debentures, fixed deposits and Loans & receivables were not available, external global default rates published by S&P Global Ratings, in the report on 2018 Annual Global Corporate Default Study and Rating Transitions, were utilized.

- **Estimating the Loss Given Default (LGD)**

As per the Guidelines issued by Banks Supervision department of Central Bank of Sri Lanka to Licensed Banks on the Adoption of SLFRS 9,

When the licensed bank is unable to compute LGDs due to lack of data or inputs, such bank is required to use a minimum LGD of 45 per cent for such exposures. Therefore, an LGD of 45% was used for Debentures and Fixed Deposits, in computing the impairment.

- **Estimating the Exposure at Default (EAD)**

Expected Credit Loss is measured over the period which the entity is exposed to Credit Risk. EAD is the amount of money that is invested in certain financial instrument that is exposed to credit risk.

From 1 January 2019, the fund assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Board recognises loss allowances for Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- Quoted - Debenture
- Fixed Deposits
- Scheme Loan Deposit with SMIB
- Scheme Loan deposit with NDB

### 2.19.2 Impairment of Non-financial Assets

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Board estimates the assets or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would

have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

## 2.20 Accounting Policies

### 2.20.1 Valuation of Investment Property

The entity obtains valuations performed by external valuer in order to determine the fair value of its investment properties. These valuations are based upon assumptions including future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate. The valuer also makes reference to market evidence of transaction prices for similar properties.

### 2.20.2 Fair Value of Financial Instruments

The Board determines the fair value of financial instruments that are not quoted, using valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows. In that regard, the derived fair value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realized immediately.

### 2.20.3 Useful Lives and Residual Values were Appropriate for Property, Plant and Equipment

The entity tests annually whether, the useful life and residual value estimates were appropriate and in accordance with its accounting policy.

### 2.21.4 Business Combinations and Acquisition of Non-controlling Interest

In 1997, Employees' Trust Fund Board has acquired 90% of the shares of Lanka Salt Limited (LSL). Resultant goodwill is amounting to LKR 378,926,440 which had been assumed to be amortized over 05 year period starting from the year of acquisition, based on the accounting practice available as of the date of acquisition.

#### The details of the business combination are as follows:

|   | <u>Rs.</u>        | <u>Group</u><br><u>Rs.</u> |
|---|-------------------|----------------------------|
| Consideration Transferred   |                   | 470,960,938                |
| Proportionate share of Recognized Amount or Identifiable Net Assets |                   |                            |
| Stated Capital  | 31,500,000        |                            |
| Reserves  | <u>60,534,498</u> | <u>92,034,498</u>          |
| <b>Goodwill</b>   |                   | <b><u>378,926,440</u></b>  |

Since goodwill had amortized fully, there is no adjustment to the both of accounts of the year under review.

### 3 ADJUSTMENTS TO MEMBER BALANCE

#### 3.1 Adjustments to the Member Balance of 2025

|                             | <u>Rs.</u>                   |
|-----------------------------|------------------------------|
| Surcharge To Member Balance | 755,637.59                   |
| Member Balance C/A-150      | -                            |
| Refund of Over Payment      | (2,304,626.56)               |
| Member Balance To Surcharge | <u>(2,912,504.48)</u>        |
| <b>Total</b>                | <b><u>(4,461,493.45)</u></b> |

Unaudited Financial Statements 2025

|  | Note | GROUP                 |                       | ETFB                  |                       |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |      | 31st December<br>2025 | 31st December<br>2024 | 31st December<br>2025 | 31st December<br>2024 |
|  |      | Rs. '000              | Rs. '000              | Rs. '000              | Rs. '000              |
| <b>4 INTEREST INCOME</b>   |      |                       |                       |                       |                       |
| Financial Investments at Amortized Cost  | 4.1  | 69,064,442            | 62,194,449            | 68,766,748            | 61,819,095            |
|  |      | <u>69,064,442</u>     | <u>62,194,449</u>     | <u>68,766,748</u>     | <u>61,819,095</u>     |
| <b>4.1 Financial Investments at Amortized Cost</b>                             |      |                       |                       |                       |                       |
| Interest on Fixed Deposit  |      | 332,706               | 421,675               | 42,966                | 52,714                |
| Interest from Debenture  |      | 525,227               | 674,976               | 525,227               | 674,976               |
| Yield on Treasury Bond   |      | 67,325,013            | 56,742,181            | 67,325,013            | 56,742,181            |
| Margin on Treasury Bill  |      | 350,609               | 3,728,228             | 350,609               | 3,728,228             |
| Interest on Repurchase Agreements  |      | 441,292               | 537,942               | 441,292               | 537,942               |
| Interest on Money Market   |      | 4,367                 | 3,712                 | 4,367                 | 3,712                 |
| Interest on NDB Scheme Deposit   |      | 43,309                | 51,536                | 43,309                | 51,536                |
| Interest on SMIB Housing Loan Deposit  |      | 10,832                | 9,297                 | 10,832                | 9,297                 |
| Interest on SMIB Savings A/C   |      | 1,082                 | 473                   | 1,082                 | 473                   |
| <b>Staff Loans</b>   |      |                       |                       |                       |                       |
| Interest on Special loan   |      | 1,055                 | 1,120                 | 1,055                 | 1,120                 |
| Interest on Vehicle Loan   |      | 10,902                | 7,550                 | 10,902                | 7,550                 |
| Interest on Special Distress Loan  |      | 17,646                | 15,398                | 9,691                 | 9,006                 |
| Interest on Special Festival Loan  |      | 401                   | 361                   | 401                   | 361                   |
| Interest on Special Advance  |      | -                     | 1                     | -                     | 1                     |
|  |      | <u>69,064,442</u>     | <u>62,194,449</u>     | <u>68,766,748</u>     | <u>61,819,095</u>     |
| <b>5 NET TRADING INCOME</b>  |      |                       |                       |                       |                       |
| Net Revenue  | 5.1  | 2,507,205             | 3,450,552             | -                     | -                     |
| (-) Cost of Sales  |      | (1,999,540)           | (2,175,081)           | -                     | -                     |
|  |      | <u>507,665</u>        | <u>1,275,472</u>      | <u>-</u>              | <u>-</u>              |
| <b>5.1 Net Revenue</b>   |      |                       |                       |                       |                       |
| Gross Revenue  |      | 2,958,501             | 4,071,652             | -                     | -                     |
| (-) Value Added Tax and Nation Building Tax                                    |      | (451,297)             | (621,099)             | -                     | -                     |
|  |      | <u>2,507,205</u>      | <u>3,450,552</u>      | <u>-</u>              | <u>-</u>              |
| <b>6 DIVIDEND INCOME</b>   |      |                       |                       |                       |                       |
| Dividends on Shares - Quoted   |      | 918,268               | 955,397               | 918,268               | 955,397               |
| Dividend on Shares - Unquoted  |      | 319,350               | 539,065               | 319,350               | 539,065               |
|  |      | <u>1,237,618</u>      | <u>1,494,462</u>      | <u>1,237,618</u>      | <u>1,494,462</u>      |
| <b>7 GAIN /(LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT /(LOSS)</b> |      |                       |                       |                       |                       |
| Current Share Trading Profit   |      | 567,925               | 1,143,331             | 567,925               | 1,143,331             |
| Fair Value Adjustment of Shares  |      | 81,385                | 896,887               | 81,385                | 896,887               |
|  |      | <u>649,310</u>        | <u>2,040,218</u>      | <u>649,310</u>        | <u>2,040,218</u>      |
| <b>8 OTHER INCOME</b>  |      |                       |                       |                       |                       |
| Amortization of Government Grant   |      | 3,073                 | 5,329                 | 1,360                 | 3,617                 |
| Rent Income  |      | 2,024                 | 1,996                 | 300                   | 320                   |
| Surcharges   |      | 534,359               | 560,922               | 534,359               | 560,922               |
| Staff Loan Income  |      | 40,825                | 31,576                | 40,825                | 31,576                |
| Sundry Income  |      | 18,055                | 18,739                | 3,822                 | 2,698                 |
| Profit / (Loss) On Car Park (Nawam Mawatha)                                    |      | 44,609                | 37,915                | 44,609                | 37,915                |
| Profit / (Loss) On Holiday Bungalow  |      | (2,852)               | (2,915)               | (2,852)               | (2,915)               |
| Income Write-back  |      | 1,500                 | -                     | 1,500                 | -                     |
| Transport Recovery   |      | 6,712                 | 16,507                | -                     | -                     |
|  |      | <u>648,305</u>        | <u>670,069</u>        | <u>623,923</u>        | <u>634,132</u>        |

|  | Note | GROUP              |                    | ETFB               |                    |
|--|------|--------------------|--------------------|--------------------|--------------------|
|  |      | 31st December 2025 | 31st December 2024 | 31st December 2025 | 31st December 2024 |
|  |      | Rs. '000           | Rs. '000           | Rs. '000           | Rs. '000           |
| <b>9 PERSONAL EXPENSES</b>                               |      |                    |                    |                    |                    |
| Wages and Salaries                                       | 9.1  | 882,845            | 867,526            | 786,517            | 765,481            |
| Short-Term Monetary and Non-Monetary Benefits            | 9.2  | 628,036            | 671,235            | 474,252            | 455,649            |
| Defined Benefit Plans                                    | 9.3  | 62,229             | 70,126             | 58,866             | 53,950             |
| Other Long Term Employee Benefits                        | 9.4  | 171,007            | 157,795            | 133,841            | 125,535            |
|  |      | <b>1,744,117</b>   | <b>1,766,683</b>   | <b>1,453,476</b>   | <b>1,400,616</b>   |
| <b>9.1 Wages and Salaries</b>                            |      |                    |                    |                    |                    |
| <b>Staff Costs (Including Directors' Fee) Comprise:</b>  |      |                    |                    |                    |                    |
| Salaries   |      | 641,480            | 628,870            | 548,670            | 533,429            |
| Directors' Fees  |      | 3,043              | 3,508              | 1,268              | 1,570              |
| Cost of Living Allowance                                 |      | 183,295            | 163,397            | 183,295            | 163,397            |
| Meal Allowance   |      | 11,829             | 11,941             | 11,829             | 11,941             |
| Overtime   |      | 31,387             | 43,551             | 29,644             | 38,885             |
| Holiday Pay  |      | 11,811             | 16,260             | 11,811             | 16,260             |
|  |      | <b>882,845</b>     | <b>867,526</b>     | <b>786,517</b>     | <b>765,481</b>     |
| <b>9.2 Short-Term Monetary and Non-Monetary Benefits</b> |      |                    |                    |                    |                    |
| Training & Development Expenses                          |      | 5,597              | 4,803              | 5,506              | 4,393              |
| Recruitment Expenses                                     |      | 2,688              | 600                | 2,688              | 600                |
| Staff Welfare  |      | 81,389             | 85,929             | 53,800             | 49,390             |
| Incentive  |      | 132,486            | 142,578            | 131,853            | 141,870            |
| Encashment of Leave                                      |      | 19,502             | 19,489             | 19,502             | 19,489             |
| Bonus  |      | 209,816            | 253,767            | 85,470             | 78,113             |
| Reimbursement of Medical Expenses                        |      | 128,559            | 118,858            | 127,434            | 116,584            |
| Staff Loan Cost  |      | 40,825             | 31,576             | 40,825             | 31,576             |
| Interest on Housing Loans                                |      | 5,794              | 7,015              | 5,794              | 7,015              |
| Workers Compensation                                     |      | 1,380              | 6,619              | 1,380              | 6,619              |
|  |      | <b>628,036</b>     | <b>671,235</b>     | <b>474,252</b>     | <b>455,649</b>     |
| <b>9.3 Defined Benefit Plans</b>                         |      |                    |                    |                    |                    |
| Interest Cost  |      | 39,502             | 39,439             | 39,502             | 39,439             |
| Current Service Cost                                     |      | 22,727             | 30,687             | 19,364             | 14,511             |
|  |      | <b>62,229</b>      | <b>70,126</b>      | <b>58,866</b>      | <b>53,950</b>      |
| <b>9.4 Other Long Term Employee Benefits</b>             |      |                    |                    |                    |                    |
| E.P.F. Board's Contribution                              |      | 141,306            | 130,402            | 111,573            | 104,594            |
| E.T.F. Board's Contribution                              |      | 29,701             | 27,393             | 22,268             | 20,941             |
|  |      | <b>171,007</b>     | <b>157,795</b>     | <b>133,841</b>     | <b>125,535</b>     |
| <b>10 ADMINISTRATIVE EXPENSES</b>                        |      |                    |                    |                    |                    |
| Building Rent  |      | 178,513            | 176,111            | 169,154            | 165,976            |
| Rates  |      | 632                | 614                | 34                 | 16                 |
| Lease Payment - Land Hambntota                           |      | 324                | 240                | 324                | 240                |
| Electricity Charges                                      |      | 35,485             | 51,332             | 27,937             | 37,233             |
| Telephone Charges  |      | 18,732             | 10,033             | 16,679             | 8,291              |
| Water Charges  |      | 2,839              | 2,997              | 2,839              | 2,997              |
| Consultancy Fees   |      | 7,709              | 8,568              | 2,733              | 3,266              |
| Audit Fees   |      | 3,712              | 3,426              | 2,266              | 2,266              |
| Security Charges   |      | 8,191              | 6,947              | 8,191              | 6,947              |
| Legal Fees   |      | 10,087             | 7,812              | 7,120              | 6,270              |
| Hiring Charges   |      | 457                | 1,120              | 457                | 1,120              |
| Postage & Telegrams                                      |      | 2,837              | 3,401              | 2,019              | 2,354              |
| Travelling & Subsistance                                 |      | 626                | 315                | 626                | 315                |
| Printing & Stationery                                    |      | 3,197              | 2,993              | 2,984              | 2,633              |
| Media & Publicity  |      | 1,885              | 1,748              | -                  | -                  |
| Advertisement & Press Notices                            |      | 512                | 849                | 512                | 849                |
| Vehicle Insurance & License Fees                         |      | 2,441              | 2,092              | 2,441              | 2,092              |
| Newspapers & Periodicals                                 |      | 742                | 697                | 550                | 517                |
| Disciplinary Investigation Charges                       |      | 4,711              | 996                | 4,711              | 996                |
| Donations  |      | -                  | 114                | -                  | -                  |
| Other Insurance  |      | 14                 | 13                 | 14                 | 13                 |
| Office Upkeep & Requirements                             |      | 4,010              | 5,283              | 257                | 457                |
| Stamp Duty & Registration Fee                            |      | 614                | 71                 | 614                | 71                 |
| Miscellaneous Expenses                                   |      | 5,511              | 5,842              | 5,511              | 5,842              |
| Consumable   |      | 267                | 375                | 267                | 375                |
| Vehicle Repairs & Maintenance                            |      | 35,383             | 40,267             | 14,442             | 13,838             |
| Fuel Charges   |      | 21,366             | 24,746             | 21,366             | 24,746             |
| Maintenance of Building                                  |      | 30,972             | 31,744             | 30,972             | 31,744             |
| Maintenance of Machine, Furniture & Equipments           |      | 6,211              | 6,993              | 3,897              | 3,919              |
|  |      | <b>387,983</b>     | <b>397,739</b>     | <b>328,918</b>     | <b>325,385</b>     |



| Note  | GROUP                 |                       | ETFB                  |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 31st December<br>2025 | 31st December<br>2024 | 31st December<br>2025 | 31st December<br>2024 |
|   | Rs. '000              | Rs. '000              | Rs. '000              | Rs. '000              |
| <b>14 IMPAIRMENT CHARGE/REVERSAL</b>                        |                       |                       |                       |                       |
| Impirement on Debenture                                     | (20,941)              | (4,792)               | (20,941)              | (4,792)               |
| Impirement on SMIB Deposit                                  | (66)                  | (30)                  | (66)                  | (30)                  |
| Impirement on NDB Deposit                                   | (49)                  | (72)                  | (49)                  | (72)                  |
| Impirement on Fixed Deposit                                 | (10)                  | (16)                  | (10)                  | (16)                  |
|   | <u>(21,065)</u>       | <u>(4,910)</u>        | <u>(21,065)</u>       | <u>(4,910)</u>        |
|   |                       |                       | <b>LANKA SALT</b>     |                       |
|   |                       |                       | 31st December<br>2025 | 31st December<br>2024 |
|   |                       |                       | Rs. '000              | Rs. '000              |
| <b>15 OTHER EXPENSES</b>                                    |                       |                       |                       |                       |
| Sales Promotion Expenses                                    |                       |                       | 15,827                | 29,116                |
| SSCL Expenses   |                       |                       | 66,755                | 73,921                |
| Panelties & Surcharges                                      |                       |                       | 86                    | 230                   |
| Expenses of Biological Assesst                              |                       |                       | 7,645                 | 9,646                 |
| Enviormental Work   |                       |                       | 14,774                | 38,538                |
| Circuit Bungalow Maintenance                                |                       |                       | 11,997                | 14,590                |
| Salt Musium Expenses  |                       |                       | 5,010                 | 6,624                 |
| Sanitary Services   |                       |                       | 19,112                | 23,959                |
| Atrimea Expenses  |                       |                       | 5,369                 | 1,454                 |
| Services Station Expenses                                   |                       |                       | 12,913                | 14,296                |
| Mineral Tax Expenses  |                       |                       | 8,385                 | 4,298                 |
|   |                       |                       | <u>167,871</u>        | <u>216,672</u>        |
| <b>16 INCOME TAX EXPENSES</b>                               |                       |                       |                       |                       |
|   |                       |                       | <b>ETFB</b>           |                       |
|   |                       |                       | 31st December<br>2025 | 31st December<br>2024 |
|   |                       |                       | Rs. '000              | Rs. '000              |
| <b>Accounting Profit/(Loss) before Tax</b>                  |                       |                       | <b>68,510,122</b>     | <b>63,176,600</b>     |
| Exempt and other source of income                           |                       |                       | (1,886,928)           | (3,534,680)           |
| Disallowable expenses                                       |                       |                       | 926,317               | 1,041,234             |
| Allowable Expenses  |                       |                       | (43,821)              | (55,624)              |
| <b>Assessable Income from Investment</b>                    |                       |                       | <b>67,505,690</b>     | <b>60,627,530</b>     |
| <b>Gross Income Tax Expense @ 14%</b>                       |                       |                       | <b>9,450,797</b>      | <b>8,487,854</b>      |
| Dividend - Tax on Final WHT Payment                         |                       |                       | -                     | 978                   |
| Over Provision Adjustment                                   |                       |                       | (978)                 | 296                   |
| Dividend - Final WHT Tax                                    |                       |                       | 161,276               | 188,934               |
| <b>Current Income Tax Expense</b>                           |                       |                       | <b>9,611,094</b>      | <b>8,678,062</b>      |
|   |                       |                       | <b>LANKA SALT</b>     |                       |
|   |                       |                       | 31st December<br>2025 | 31st December<br>2024 |
|   |                       |                       | Rs. '000              | Rs. '000              |
| <b>Accounting Profit/(Loss) before Tax from operations</b>  |                       |                       | <b>281,066</b>        | <b>993,229</b>        |
| Disallowable Expenses for Taxation                          |                       |                       | 119,842               | 267,686               |
| Allowable Expenses for Taxation                             |                       |                       | (63,519)              | (60,498)              |
| Taxable Profit on Business Income                           |                       |                       | 337,389               | 823,386               |
| Taxable Profit on Interest Income                           |                       |                       | -                     | 377,031               |
| <b>Net Taxable Profit/(Loss)</b>                            |                       |                       | <b>337,389</b>        | <b>1,200,416</b>      |
| <b>Current Tax Expense</b>                                  |                       |                       |                       |                       |
| Income Tax on Business income                               | 37,970                | 30%                   | 11,391                | 247,016               |
| Income Tax on Investment income                             | 299,418               | 30%                   | 89,826                | 113,109               |
| <b>Current Income Tax Charge</b>                            |                       |                       | <b>101,217</b>        | <b>360,125</b>        |
| <b>Deferred Income Tax</b>                                  |                       |                       |                       |                       |
| Overed Provision of current taxes in respect of prior years |                       |                       | (12)                  | (13,171)              |
| Deferred Taxation Charge/(Reversal)                         |                       |                       | (10,507)              | (55,170)              |
| <b>Income tax expense reported in the Income Statement</b>  |                       |                       | <b>90,698</b>         | <b>291,784</b>        |

|  | Note | GROUP              |                    | ETFB               |                    |
|--|------|--------------------|--------------------|--------------------|--------------------|
|  |      | 31st December 2025 | 31st December 2024 | 31st December 2025 | 31st December 2024 |
|  |      | Rs. '000           | Rs. '000           | Rs. '000           | Rs. '000           |
| <b>17 FINANCIAL ASSETS AT FVTPL</b>          |      |                    |                    |                    |                    |
| Quoted Share Investment (Trading)            |      | 2,936,878          | 2,646,191          | 2,936,878          | 2,646,191          |
|  |      | <u>2,936,878</u>   | <u>2,646,191</u>   | <u>2,936,878</u>   | <u>2,646,191</u>   |
| <b>18 INVESTMENT IN SUBSIDIARY</b>           |      |                    |                    |                    |                    |
| Lanka Salt Limited                           |      | -                  | -                  | 470,961            | 470,961            |
|  |      | <u>-</u>           | <u>-</u>           | <u>470,961</u>     | <u>470,961</u>     |
| <b>19 FINANCIAL ASSETS AT FVOCI</b>          |      |                    |                    |                    |                    |
| Quoted Share Investment Long Term            |      | 14,711,973         | 14,536,111         | 14,711,973         | 14,536,111         |
| Share Investment - Delisted                  |      | 45                 | 45                 | 45                 | 45                 |
| Unquoted Share Investment                    |      | 2,398              | 3,779              | 2,398              | 3,779              |
| Quoted Units                                 |      | 178,794            | 169,039            | 178,794            | 169,039            |
| Promissory Notes                             |      | 12,174             | 12,174             | 12,174             | 12,174             |
| Less: Impairment on Promissory Notes         |      | (12,174)           | (12,174)           | (12,174)           | (12,174)           |
|  |      | <u>14,893,209</u>  | <u>14,708,973</u>  | <u>14,893,209</u>  | <u>14,708,973</u>  |
| <b>20 FINANCIAL ASSETS AT AMORTIZED COST</b> |      |                    |                    |                    |                    |
| Treasury Bonds                               | 20.1 | 627,577,913        | 547,431,692        | 627,577,913        | 547,431,692        |
| Treasury Bills                               |      | 2,950,164          | 3,119,900          | 2,950,164          | 3,119,900          |
| Quoted - Debenture                           |      | 6,446,445          | 4,995,749          | 6,446,445          | 4,995,749          |
| Less: Impirement on Debenures                |      | (8,515)            | (29,456)           | (8,515)            | (29,456)           |
| Fixed Deposits                               |      | 2,352,281          | 2,983,405          | 514,815            | 505,948            |
| Less: Impirement on Fixed Deposits           |      | (77)               | (88)               | (77)               | (88)               |
| Repurchase Agreement                         |      | 4,737,860          | 4,915,443          | 4,737,860          | 4,915,443          |
| Debentures Unquoted                          |      | 835,296            | 835,296            | 835,296            | 835,296            |
| SMIB-Scheme Deposit                          |      | 358,876            | 383,073            | 358,876            | 383,073            |
| Less: Impirement on SMIB Deposit             |      | (318)              | (383)              | (318)              | (383)              |
| NDB Scheme Deposit                           |      | 407,199            | 496,325            | 407,199            | 496,325            |
| Less: Impirement on NDB Deposit              |      | (129)              | (177)              | (129)              | (177)              |
| <b>Staff Loans</b>                           |      |                    |                    |                    |                    |
| Special Loan                                 |      | 23,465             | 29,423             | 23,465             | 29,423             |
| Special Distress Loan                        |      | 441,403            | 428,148            | 324,810            | 321,496            |
| Festival Advance                             |      | 253                | 34                 | 253                | 34                 |
| Special Festival Loan                        |      | 2,161              | 1,785              | 2,161              | 1,785              |
| Vehicle Loan                                 |      | 405,675            | 242,444            | 405,675            | 242,444            |
|  |      | <u>646,529,952</u> | <u>565,832,614</u> | <u>644,575,893</u> | <u>563,248,506</u> |



22 PROPERTY, PLANT & EQUIPMENT  
22.1 Group

37 | Page  
Rs. '000

|   | Land          | Buildings     | Motor Vehicles | Computer Equipment | Furniture Fittings & Office Equipment | Buildings on Leasehold Land | Plant & Machinery | Bearer Biological Assets |                    | Development Work | In the Course of Construction | Total            |
|---|---------------|---------------|----------------|--------------------|---------------------------------------|-----------------------------|-------------------|--------------------------|--------------------|------------------|-------------------------------|------------------|
|   |               |               |                |                    |                                       |                             |                   | Immature Plantations     | Mature Plantations |                  |                               |                  |
| <b>Cost</b>                                     |               |               |                |                    |                                       |                             |                   |                          |                    |                  |                               |                  |
| Balance at 1 <sup>st</sup> January 2024         | 20,000        | 23,620        | 346,379        | 204,180            | 207,897                               | 631,831                     | 315,892           | 10,500                   | 17,717             | 326,250          | 8,060                         | 2,112,328        |
| Additions                                       | -             | -             | 3,187          | 5,709              | 22,507                                | 10,482                      | 5,350             | -                        | -                  | -                | 20,703                        | 67,938           |
| Adjustment                                      | -             | -             | -              | -                  | -                                     | -                           | -                 | 6,463                    | 5,475              | -                | -                             | 11,938           |
| Revaluations/Transfer                           | -             | -             | -              | -                  | -                                     | -                           | -                 | -                        | -                  | -                | (10,465)                      | (10,465)         |
| <b>Balance at 31<sup>st</sup> December 2024</b> | <b>20,000</b> | <b>23,620</b> | <b>349,566</b> | <b>209,889</b>     | <b>230,404</b>                        | <b>642,314</b>              | <b>321,241</b>    | <b>16,963</b>            | <b>23,192</b>      | <b>326,250</b>   | <b>18,298</b>                 | <b>2,181,738</b> |
| Balance at 1 <sup>st</sup> January 2025         | 20,000        | 23,620        | 349,566        | 209,889            | 230,404                               | 642,314                     | 321,241           | 9,191                    | 14,727             | 326,250          | 18,298                        | 2,165,500        |
| Additions                                       | -             | -             | 1,349          | 5,766              | 14,709                                | 14                          | 2,684             | -                        | -                  | -                | 7,234                         | 31,755           |
| Adjustment                                      | -             | -             | 5,840          | -                  | -                                     | -                           | -                 | (2,158)                  | (1,052)            | 1,466            | -                             | 4,096            |
| Revaluations/Transfer                           | -             | -             | -              | -                  | -                                     | 4,042                       | -                 | -                        | -                  | -                | (11,349)                      | (7,306)          |
| <b>Balance at 31<sup>st</sup> December 2025</b> | <b>20,000</b> | <b>23,620</b> | <b>356,756</b> | <b>215,655</b>     | <b>245,114</b>                        | <b>646,370</b>              | <b>323,925</b>    | <b>7,033</b>             | <b>13,675</b>      | <b>327,716</b>   | <b>14,183</b>                 | <b>2,194,045</b> |

|   | Land          | Buildings     | Motor Vehicles | Computer Equipment | Furniture Fittings & Office Equipment | Buildings on Leasehold Land | Plant & Machinery | Bearer Biological Assets |                    | Development Work | In the Course of Construction | Total            |
|---|---------------|---------------|----------------|--------------------|---------------------------------------|-----------------------------|-------------------|--------------------------|--------------------|------------------|-------------------------------|------------------|
|   |               |               |                |                    |                                       |                             |                   | Immature Plantations     | Mature Plantations |                  |                               |                  |
| <b>Accumulated Depreciation</b>                 |               |               |                |                    |                                       |                             |                   |                          |                    |                  |                               |                  |
| Balance at 1 <sup>st</sup> January 2024         | -             | 1,182         | 208,128        | 65,421             | 93,906                                | 196,399                     | 243,439           | -                        | 2,833              | 312,307          | -                             | 1,123,614        |
| Depreciation Charge for the Year                | -             | 591           | 40,110         | 41,227             | 25,009                                | 15,836                      | 16,230            | -                        | 245                | 12,152           | -                             | 151,399          |
| Amortization of Government Grant                | -             | -             | 1,360          | -                  | -                                     | -                           | -                 | -                        | (986)              | -                | -                             | 1,360            |
| Disposals                                       | -             | -             | -              | -                  | -                                     | -                           | -                 | -                        | -                  | -                | -                             | (986)            |
| <b>Balance at 31<sup>st</sup> December 2024</b> | <b>-</b>      | <b>1,772</b>  | <b>249,598</b> | <b>106,648</b>     | <b>118,915</b>                        | <b>212,234</b>              | <b>259,669</b>    | <b>-</b>                 | <b>2,092</b>       | <b>324,459</b>   | <b>-</b>                      | <b>1,275,388</b> |
| Balance at 1 <sup>st</sup> January 2025         | -             | 1,772         | 249,598        | 106,648            | 118,915                               | 212,234                     | 259,669           | 5,153                    | 4,577              | 324,459          | -                             | 1,283,025        |
| Depreciation Charge for the Year                | -             | 591           | 40,725         | 42,270             | 26,981                                | 14,960                      | 18,099            | -                        | 224                | 1,791            | -                             | 145,641          |
| Amortization of Government Grant                | -             | -             | 1,360          | -                  | -                                     | -                           | -                 | -                        | -                  | -                | -                             | 1,360            |
| <b>Balance at 31<sup>st</sup> December 2025</b> | <b>-</b>      | <b>2,363</b>  | <b>291,683</b> | <b>148,918</b>     | <b>145,896</b>                        | <b>227,195</b>              | <b>277,769</b>    | <b>5,153</b>             | <b>4,611</b>       | <b>326,250</b>   | <b>-</b>                      | <b>1,429,837</b> |
| <b>Net Book Value</b>                           |               |               |                |                    |                                       |                             |                   |                          |                    |                  |                               |                  |
| At 1 <sup>st</sup> January 2024                 | 20,000        | 22,438        | 138,251        | 138,759            | 113,991                               | 435,433                     | 72,453            | 10,500                   | 14,884             | 13,944           | 8,060                         | 988,714          |
| At 31 <sup>st</sup> December 2024               | 20,000        | 21,848        | 99,968         | 103,241            | 111,489                               | 430,079                     | 61,572            | 16,963                   | 21,100             | 1,791            | 18,298                        | 906,350          |
| <b>At 31<sup>st</sup> December 2025</b>         | <b>20,000</b> | <b>21,257</b> | <b>65,073</b>  | <b>66,736</b>      | <b>99,218</b>                         | <b>419,175</b>              | <b>46,157</b>     | <b>1,879</b>             | <b>9,064</b>       | <b>1,466</b>     | <b>14,183</b>                 | <b>764,208</b>   |

22.2 Board

|   | Land   | Buildings | Motor<br>Vehicles | Computer<br>Equipment | Furniture &<br>Other Equip. | Total   |
|---|--------|-----------|-------------------|-----------------------|-----------------------------|---------|
| Balance at 1 <sup>st</sup> January 2024   | 20,000 | 23,620    | 103,324           | 204,180               | 83,076                      | 434,200 |
| Additions                                 | -      | -         | -                 | 5,709                 | 8,491                       | 14,200  |
| Balance at 31 <sup>st</sup> December 2024 | 20,000 | 23,620    | 103,324           | 209,889               | 91,567                      | 448,400 |
| Balance at 1 <sup>st</sup> January 2025   | 20,000 | 23,620    | 103,324           | 209,889               | 91,567                      | 448,400 |
| Additions                                 | -      | -         | -                 | 5,766                 | 7,751                       | 13,516  |
| Balance at 31 <sup>st</sup> December 2025 | 20,000 | 23,620    | 103,324           | 215,655               | 99,318                      | 461,916 |
| <b><u>Accumulated Depreciation</u></b>    |        |           |                   |                       |                             |         |
| Balance at 1 <sup>st</sup> January 2024   | -      | 1,182     | 39,176            | 65,421                | 17,818                      | 123,596 |
| Depreciation Charge for the Year          | -      | 591       | 19,305            | 41,227                | 16,136                      | 77,259  |
| Amortization of Government Grant          | -      | -         | 1,360             | -                     | -                           | 1,360   |
| Balance at 31 <sup>st</sup> December 2024 | -      | 1,772     | 59,841            | 106,648               | 33,954                      | 202,215 |
| Balance at 1 <sup>st</sup> January 2025   | -      | 1,772     | 59,841            | 106,648               | 33,954                      | 202,215 |
| Depreciation Charge for the Year          | -      | 591       | 19,305            | 42,270                | 17,285                      | 79,450  |
| Amortization of Government Grant          | -      | -         | 1,360             | -                     | -                           | 1,360   |
| Balance at 31 <sup>st</sup> December 2025 | -      | 2,363     | 80,506            | 148,918               | 51,239                      | 283,026 |
| <b><u>Net Book Value</u></b>              |        |           |                   |                       |                             |         |
| At 1 <sup>st</sup> January 2024           | 20,000 | 22,438    | 64,147            | 138,759               | 65,258                      | 310,604 |
| At 31 <sup>st</sup> December 2024         | 20,000 | 21,848    | 43,483            | 103,241               | 57,613                      | 246,185 |
| At 31 <sup>st</sup> December 2025         | 20,000 | 21,257    | 22,818            | 66,736                | 48,079                      | 178,891 |

|  | Note | GROUP                    |                          | ETFB                     |                          |
|--|------|--------------------------|--------------------------|--------------------------|--------------------------|
|  |      | 31st<br>December<br>2025 | 31st<br>December<br>2024 | 31st<br>December<br>2025 | 31st<br>December<br>2024 |
|  |      | Rs. '000                 | Rs. '000                 | Rs. '000                 | Rs. '000                 |
| <b>23 LEASEHOLD PROPERTY</b>                         |      |                          |                          |                          |                          |
| <b>Cost</b>  |      |                          |                          |                          |                          |
| At 1 <sup>st</sup> January                           |      | 20,910                   | 20,910                   | -                        | -                        |
| At 31 <sup>st</sup> December                         |      | <u>20,910</u>            | <u>20,910</u>            | -                        | -                        |
| <b>Accumulated Amortization</b>                      |      |                          |                          |                          |                          |
| Balance as at 1 <sup>st</sup> January                |      | 20,910                   | 20,213                   | -                        | -                        |
| Charge for the Year                                  |      | -                        | 697                      | -                        | -                        |
| Balance as at 31 <sup>st</sup> December              |      | <u>20,910</u>            | <u>20,910</u>            | -                        | -                        |
| <b>Net Book Value as at 31<sup>st</sup> December</b> |      | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 |
| <b>24 INTANGIBLE ASSETS</b>                          |      |                          |                          |                          |                          |
| Balance as at 1 <sup>st</sup> January                |      | 1,148                    | 6,163                    | 1,148                    | 6,163                    |
| Additions  |      | 54                       | 95                       | 54                       | 95                       |
| Amortization during the year                         |      | (999)                    | (5,110)                  | (999)                    | (5,110)                  |
| Computer Software from Government Grant              | 24.1 | -                        | -                        | -                        | -                        |
| Balance as at 31 <sup>st</sup> December              |      | <u>203</u>               | <u>1,148</u>             | <u>203</u>               | <u>1,148</u>             |
| <b>24.1 Computer Software from Government Grant</b>  |      |                          |                          |                          |                          |
| At Beginning of Period                               |      | -                        | 2,257                    | -                        | 2,257                    |
| Amortization   |      | -                        | (2,257)                  | -                        | (2,257)                  |
| At End of Period                                     |      | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 |
| <b>25 INVESTMENT PROPERTY</b>                        |      |                          |                          |                          |                          |
| Balance as at 1 <sup>st</sup> January                |      | 4,587,406                | 4,587,406                | 4,587,406                | 4,587,406                |
| Balance as at 31 <sup>st</sup> December              |      | <u>4,587,406</u>         | <u>4,587,406</u>         | <u>4,587,406</u>         | <u>4,587,406</u>         |

Unaudited Financial Statements 2025

26 INTEREST BEARING BORROWINGS

Lanka Salt Limited

|                 | 31st December 2025                   |                                     |                | 31st December 2024                   |                                     |                |
|-----------------|--------------------------------------|-------------------------------------|----------------|--------------------------------------|-------------------------------------|----------------|
|                 | Amount<br>Repayable<br>Within 1 Year | Amount<br>Repayable<br>After 1 Year | Total          | Amount<br>Repayable<br>Within 1 Year | Amount<br>Repayable<br>After 1 Year | Total          |
|                 | Rs. '000                             | Rs. '000                            | Rs. '000       | Rs. '000                             | Rs. '000                            | Rs. '000       |
| Finance Leases  | -                                    | -                                   | -              | -                                    | -                                   | -              |
| Bank Overdrafts | 218,203                              | -                                   | 218,203        | 403,727                              | -                                   | 403,727        |
|                 | <u>218,203</u>                       | <u>-</u>                            | <u>218,203</u> | <u>403,727</u>                       | <u>-</u>                            | <u>403,727</u> |

27 GRANTS & SUBSIDIES

|                        | ETFB                     |                          |
|------------------------|--------------------------|--------------------------|
|                        | 31st<br>December<br>2025 | 31st<br>December<br>2024 |
|                        | Rs. '000                 | Rs. '000                 |
| At Beginning of Period | 4,873                    | 8,490                    |
| Additions              | -                        | -                        |
| Amortization           | (1,360)                  | (3,617)                  |
| At End of Period       | <u>3,513</u>             | <u>4,873</u>             |

|                                 | Iodized Plant | Building      | Pump House | Motor Vehicle | Lanka Salt Limited |               |
|---------------------------------|---------------|---------------|------------|---------------|--------------------|---------------|
|                                 |               |               |            |               | Total<br>2024      | Total<br>2023 |
|                                 |               |               |            |               | Rs. '000           | Rs. '000      |
| <b>Cost</b>                     |               |               |            |               |                    |               |
| As at 1 <sup>st</sup> January   | 19,515        | 41,124        | 1,387      | 6,500         | 68,527             | 68,527        |
| As at 31 <sup>st</sup> December | 19,515        | 41,124        | 1,387      | 6,500         | 68,527             | 68,527        |
| <b>Amortization</b>             |               |               |            |               |                    |               |
| As at 1 <sup>st</sup> January   | 19,515        | 18,078        | 613        | 2,125         | 40,331             | 38,618        |
| Reversal during the Year        | -             | 1,028         | 35         | 650           | 1,713              | 1,713         |
| As at 31 <sup>st</sup> December | 19,515        | 19,106        | 647        | 2,775         | 42,043             | 40,331        |
| <b>Written Down Value</b>       |               |               |            |               |                    |               |
| As at 31 <sup>st</sup> December | <u>-</u>      | <u>22,019</u> | <u>740</u> | <u>3,725</u>  | <u>26,483</u>      | <u>28,196</u> |

Unaudited Financial Statements 2025

|  | GROUP                    |                          | ETFB                           |                             |
|--|--------------------------|--------------------------|--------------------------------|-----------------------------|
|  | 31st<br>December<br>2025 | 31st<br>December<br>2024 | 31st<br>December<br>2025       | 31st<br>December<br>2024    |
|  | Rs. '000                 | Rs. '000                 | Rs. '000                       | Rs. '000                    |
| <b>28 DEFINED BENEFIT OBLIGATION</b>   |                          |                          |                                |                             |
| Opening Defined Benefit Obligation 01 <sup>st</sup> January                                      | 838,890                  | 593,245                  | 381,024                        | 303,379                     |
| Amount Recognized in the income statement 28.1   | 87,386                   | 225,811                  | 58,866                         | 53,950                      |
| Actuarial (Gains) / Losses on Obligations 28.2   | 50,554                   | 79,318                   | 50,554                         | 79,318                      |
| Benefit Paid   | (66,532)                 | (59,484)                 | (43,821)                       | (55,624)                    |
| Closing Defined Benefit Obligation 31 <sup>st</sup> December                                     | <b>910,299</b>           | <b>838,890</b>           | <b>446,622</b>                 | <b>381,024</b>              |
| <b>28.1 Expenses recognized in the income statement</b>  |                          |                          |                                |                             |
| Interest Cost  |                          |                          | 39,502                         | 39,439                      |
| Current Service cost   |                          |                          | 19,364                         | 14,511                      |
|  |                          |                          | <b>58,866</b>                  | <b>53,950</b>               |
| <b>28.2 Expenses recognized in the other comprehensive income statement</b>                      |                          |                          |                                |                             |
| Actuarial (Gain/Loss) due to changes in financial assumptions                                    |                          |                          | 76,694                         | 79,318                      |
| Actuarial (Gain/Loss) Due to changes in demographic assumptions                                  |                          |                          | (31,286)                       | -                           |
| Actuarial (Gain/Loss) Due to experience adjustments  |                          |                          | 5,146                          | -                           |
| Expenses recognized in the other comprehensive income statement                                  |                          |                          | <b>50,554</b>                  | <b>79,318</b>               |
| <b>28.3 Actuarial assumptions used in determining retirement benefit obligation.</b>             |                          |                          |                                |                             |
| <b>Financial Assumptions</b>   |                          |                          |                                |                             |
| Discount rate  |                          |                          | 10.00%                         | 11.00%                      |
| Future Salary increment rate   |                          |                          | 7.00%                          | 6.00%                       |
| <b>Demographic Assumptions</b>   |                          |                          |                                |                             |
| Mortality table  |                          |                          | IALM2006-08<br>Mortality Table | A1967/70<br>Mortality Table |
| Retirement Age   |                          |                          | 60 Years                       | 60 Years                    |
| Expected average future working life of the active participants is 12.6 years (2024: 8.5 years). |                          |                          |                                |                             |

Messers, UNITS Actuaries & Consultants (Pvt) Ltd firms of professional actuaries, have been carried out an independent actuarial valuation of the defined benefit plan and accordingly compatible assumption have been unused in determining the cost of defined benefits.



31 Deferred Tax Liabilities

|  | LANKA SALT LIMITED                  |                       |   |                 |
|--|-------------------------------------|-----------------------|---|-----------------|
|  | Capital Allowances for Tax Purposes | Defined Benefit Plans | Deferred tax attributable to Tax Losses | Total           |
|  | Rs. '000                            | Rs. '000              | Rs. '000                                | Rs. '000        |
| As at 01.01.2024                               | 157,825                             | (86,960)              | -                                       | 70,865          |
| Charge (credit) to profit or loss for the year | (4,769)                             | (50,400)              | -                                       | (55,170)        |
| <b>As at 01.01.2025</b>                        | <b>153,056</b>                      | <b>(137,360)</b>      | <b>-</b>                                | <b>15,696</b>   |
| Charge (credit) to profit or loss for the year | (8,764)                             | (1,743)               | -                                       | (10,507)        |
| <b>As at 31.12.2025</b>                        | <b>144,291</b>                      | <b>(139,103)</b>      | <b>-</b>                                | <b>5,188</b>    |
| Deferred tax liability                         |                                     |                       | (144,291)                               | (153,056)       |
| Deferred tax asset                             |                                     |                       | 139,103                                 | 137,360         |
| <b>Net Deferred Tax Liability</b>              |                                     |                       | <b>(5,188)</b>                          | <b>(15,696)</b> |

32 PROVISIONS

|  | GROUP              |                    | ETFB               |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 31st December 2025 | 31st December 2024 | 31st December 2025 | 31st December 2024 |
|  | Rs. '000           | Rs. '000           | Rs. '000           | Rs. '000           |
| Provision for Audit fee                                    | 2,500              | 2,500              | 2,500              | 2,500              |
| Provn. for Employees' Accident Compensation Scheme         | 2,000              | 2,000              | 2,000              | 2,000              |
| Provision for Bonus  | 170                | 73,975             | 170                | 73,975             |
| Provision for Leave Encashment                             | 15,630             | 16,320             | 15,630             | 16,320             |
| Provision for "Nipunatha Saviya" Benefit Scheme            | 72,525             | 91,275             | 72,525             | 91,275             |
| Provision for "Vishwa Yathra" Financial Assistance Program | 104,275            | 126,000            | 104,275            | 126,000            |
| Provision for Year 5 Scholarship                           | 104,340            | 135,300            | 104,340            | 135,300            |
|  | <b>301,440</b>     | <b>447,371</b>     | <b>301,440</b>     | <b>447,371</b>     |

33 Member Fund

|   | ETFB               |                    |
|---|--------------------|--------------------|
|   | 31st December 2025 | 31st December 2024 |
|   | Rs. '000           | Rs. '000           |
| Opening Member Fund Balance 01 <sup>st</sup> January        | 564,326,576        | 504,434,709        |
| Previous Year Contribution Adjustment                       | (4,247)            | (3,558)            |
| Contribution Received                                       | 48,120,511         | 42,028,214         |
| Refund of Contribution                                      | (30,303,612)       | (33,434,593)       |
| Interest on Member Fund Balance                             | 17,464,353         | 15,390,525         |
| Dividend  | 37,839,476         | 35,911,278         |
| <b>Closing Member Fund Balance 31<sup>st</sup> December</b> | <b>637,443,057</b> | <b>564,326,576</b> |

Unallocated Member Fund - Progress of Allocation (Last 5 Years)

The following table illustrates the year-on-year movement in the Unallocated Member Fund over the past five years, highlighting the continuous progress in allocating these balances to member accounts.

| Period    | Balance as of  | Balance as of | Balance as of  | Balance as of  | Balance as of    | Balance as of    |
|-----------|----------------|---------------|----------------|----------------|------------------|------------------|
|           | 31-Dec-21      | 31-Dec-22     | 31-Dec-23      | 31-Dec-24      | 31-Dec-25        | 9-Mar-26         |
|           | Rs. '000       | Rs. '000      | Rs. '000       | Rs. '000       | Rs. '000         | Rs. '000         |
| 1981-2014 | 113,890        | 83,993        | 33,116         | 14,548         | 14,508           | 14,508           |
| 2015-2023 | -              | -             | 954,900        | 614,099        | 390,046          | 362,221          |
| 2024      | -              | -             | -              | -              | 826,491          | 660,283          |
|           | <b>113,890</b> | <b>83,993</b> | <b>988,016</b> | <b>628,647</b> | <b>1,231,045</b> | <b>1,037,012</b> |

34 CONTINGENT LIABILITIES & COMMITMENTS

34.1 Litigation against the Board

The Inland Revenue Department issued an assessment for the Year of Assessment 2018/2019 disallowing Notional Tax Credits and member-related expenses, resulting in a disputed tax amount of Rs. 2,328,096,677.

The Board appealed against the assessment, and the Tax Appeals Commission subsequently determined the matter in favor of the Employees' Trust Fund Board (ETFB). However, the Inland Revenue Department has filed an appeal before the Court of Appeal of Sri Lanka challenging the determination of the Tax Appeals Commission.

As at 31 December 2025, the case remains pending before the Court of Appeal. Based on the legal opinion obtained and the prior favorable determination by the Tax Appeals Commission, the Board is of the view that a favorable outcome is probable. However, no asset or liability has been recognized in the financial statements pending the final determination by the Court. The next hearing of the case is scheduled for 15 May 2026.