



**JANASHAKTHI
FINANCE**

JANASHAKTHI FINANCE PLC

Former Orient Finance PLC

Address / Reg. Address : No. 338, T.B. Jayah Mawatha, Colombo 10, Sri Lanka | PB1079PQ

10 September 2026.

Ms. Nilupa Perera,
Chief Regulatory Officer,
Colombo Stock Exchange,
World Trade Center,
Echelon Square,
Colombo 01.

Dear Madam,

JANASHAKTHI FINANCE PLC – CORPORATE DISCLOSURE – IMPACT REPORT

In terms of Rule 7.5(d)(ii)(A)(15) of the Listing Rules of the Colombo Stock Exchange, Janashakthi Finance PLC (“the Company”) submits the following Impact Report in respect of the qualified audit opinion contained in the Independent Auditor’s Report for the year ended 31 March 2026.

The Independent Auditor’s Report on the Financial Statements of the Company for the year ended 31 March 2026 contains a qualified audit opinion in relation to an unreconciled debit balance of LKR 270,542,779 included under Other Assets, as disclosed in the Financial Statements. As a prudent measure, the Company recognized a full provision against this balance in profit or loss for the year ended 31 March 2026. The provision was treated as a disallowable expense for income-tax purposes.

The reconciliation process was not completed prior to the approval of the Financial Statements. The Independent Auditors were unable to obtain sufficient appropriate audit evidence regarding the nature, accuracy, classification and recoverability of the unreconciled debit balance, as well as the accuracy, completeness and appropriateness of the related provision. Accordingly, the audit opinion was qualified.

To provide a comparison with the information previously released to the market, the movements between selected figures reported in the Interim Financial Statements and the Audited Financial Statements for the year ended 31 March 2026 are presented below. These movements include other year-end and audit finalization adjustments in addition to the provision.



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Impact Summary

Selected Income Statement Items

For the year ended 31 March 2026 – LKR '000

	As reported in Audited FS	As reported in Interim FS	Change	Change %	Remarks
Net operating income	3,113,318	3,107,083	6,235	0.2%	
Less: Operating expenses					
Personnel expenses	962,133	964,887	(2,754)	(0.3%)	
Other operating expenses, including depreciation and amortization	1,580,265	1,315,658	264,607	20.1%	Includes LKR 270.5 Mn provision against the unreconciled debit balance
Operating profit before Value Added Tax	570,920	826,539	(255,619)	(30.9%)	
Tax on financial services	244,890	262,880	(17,990)	(6.8%)	
Profit before income tax	326,030	563,659	(237,629)	(42.2%)	Provision impact considered in isolation: LKR 270.5 Mn, equivalent to 48.0% of Interim PBT
Income tax expense	261,331	160,959	100,372	62.4%	
Profit for the year	64,699	402,700	(338,001)	(83.9%)	

- Total Income reported in the Audited Financial Statements was LKR 6,410.5 Mn. There was no direct impact on Total Income or Net Operating Income arising from the recognition of the provision.
- When considered in isolation, the provision reduced both Profit Before Income Tax and Profit for the year by LKR 270.5 Mn and represents approximately 48.0% of the Profit Before Income Tax previously reported in the Interim Financial Statements.



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- Total Assets: LKR 38,616.4 Mn before the provision and LKR 38,345.9 Mn as reported in the Audited Financial Statements, representing a reduction of 0.7%.
- Net Assets / Total Equity: LKR 3,877.8 Mn before the provision and LKR 3,607.2 Mn as reported in the Audited Financial Statements, representing a reduction of 7.0%.
- The provision equates to an impact of LKR 1.28 per share, representing approximately 67.2% of the LKR 1.91 earnings per share implied by the previously reported Interim Financial Statements.

The above direct impacts are presented to illustrate the financial effect of the provision recognized by the Company and are not amounts determined by the Independent Auditors

As stated in the Independent Auditor's Report, the Independent Auditors were unable to determine whether any further adjustments may be necessary in respect of the unreconciled debit balance and the related provision. Accordingly, any additional cumulative impact on profit or loss, net assets, total assets, total income, earnings per share or any other financial statement item cannot presently be reliably quantified.

Resolution

The Company is continuing the reconciliation and corrective actions and intends to complete the remedial actions at the earliest possible time and within the timeframe stipulated under the Listing Rules, subject to independent verification by the External Auditors.

Thank you.

Yours faithfully,

For and on behalf of

JANASHAKTHI FINANCE PLC

Ayesha Jeewanti
Company Secretary