

ANNUAL REPORT 2025/26



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Scan the QR Code with your smart device to view this report online.

**Our
Vision**

To be the most preferred and ubiquitous product and service provider.

**Our
Credo**

To make responsible investment decisions and retain the best talent and become the most admired corporate entity.

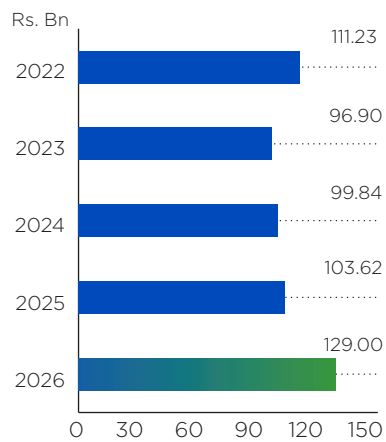
FINANCIAL HIGHLIGHTS

For the year ended 31 March		2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Earnings Highlights											
Group Revenue	Rs. Mn	128,995	103,622	99,839	96,899	111,229	82,621	76,722	75,143	66,019	58,882
Gross Profit	Rs. Mn	45,998	37,692	33,050	34,096	37,370	25,408	27,044	27,636	23,673	19,579
Earnings Before Interest, Tax, Depreciation & Amortisation of Intangibles	Rs. Mn	17,842	12,468	9,959	7,763	13,995	8,196	9,807	11,721	11,695	8,451
Group Earnings/ (Loss) Before Interest & Taxation	Rs. Mn	11,635	6,351	3,527	1,851	10,167	4,539	6,462	8,859	9,052	6,391
Group Earnings/ (Loss) Before Taxation	Rs. Mn	24	(7,487)	(12,626)	(20,908)	(3,561)	(3,811)	(2,899)	1,743	3,092	1,581
Group Earnings/ (Loss) After Taxation	Rs. Mn	(3,592)	(11,085)	(15,200)	(23,657)	(5,278)	(4,008)	(3,181)	2,990	2,278	920
Total Comprehensive Income/ (Loss) Net of Taxation	Rs. Mn	(2,153)	(8,710)	(11,868)	(22,706)	(3,090)	(2,739)	(2,272)	3,127	2,827	1,793
Group Earnings/ (Loss) Attributable to Equity Holders	Rs. Mn	(8,629)	(15,052)	(18,601)	(24,077)	(8,171)	(5,227)	(4,724)	105	204	120
Group Comprehensive Income/ (Loss) Attributable to Equity Holders	Rs. Mn	(7,932)	(13,696)	(16,239)	(23,624)	(7,142)	(4,307)	(4,096)	353	450	783
Gross Profit Margin	%	36	36	33	35	34	31	35	37	36	33
Net Profit/ (Loss) Margin	%	(2.8)	(10.7)	(15.2)	(24.4)	(4.7)	(4.9)	(4.2)	4.0	3.5	1.6
Earnings/ (Loss) Per Share	Rs.	(6.2)	(11.2)	(15.6)	(20.2)	(6.9)	(4.4)	(4.0)	0.1	0.3	0.2
Dividends	Rs. Mn	-	-	-	-	-	-	596	596	503	387
Balance Sheet Highlights											
Total Assets	Rs. Mn	205,427	178,938	179,198	184,237	188,705	161,834	149,551	130,670	118,823	100,915
Current Ratio	No. of times	0.48	0.40	0.36	0.40	0.57	0.71	0.74	0.83	0.93	0.94
Asset Turnover	No. of times	0.67	0.58	0.55	0.52	0.59	0.51	0.51	0.58	0.56	0.61
Net Interest Bearing Borrowings	Rs. Mn	115,856	117,591	124,085	123,742	98,946	82,585	79,669	65,788	61,227	52,255
Shareholders' Funds	Rs. Mn	(66,425)	(59,520)	(48,274)	(32,078)	(8,434)	(415)	3,911	14,343	11,591	8,547
Net Asset/ (Liability) Value Per Share	Rs.	(47.61)	(42.66)	(40.46)	(26.90)	(7.07)	(0.35)	3.28	12.23	14.05	11.04
Total Equity	Rs. Mn	(42,928)	(40,707)	(30,200)	(17,872)	5,597	12,006	16,129	24,839	20,917	15,623
Debt : Equity *	No. of times	-	-	-	-	17.7	6.9	4.9	2.7	2.9	3.3
Debt : Total Assets	No. of times	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.5
Operating Cash Flow	Rs. Mn	14,046	8,800	6,500	(7,058)	9,146	17,126	9,009	1,556	(106)	2,331
Capital Expenditure	Rs. Mn	2,243	2,455	2,167	3,987	3,534	3,153	7,637	5,743	4,524	6,311
Cash Earnings/ (Loss) Per Share	Rs.	10.07	6.3	5.4	(5.9)	7.7	14.4	7.6	1.3	(0.1)	3.0
Investor Information											
Market Price as at 31 March	Rs.	10.00	7.10	9.00	15.90	37.60	11.80	12.30	16.00	24.60	11.90
Shares in Issue	Mn	1,395	1,395	1,193	1,193	1,193	1,193	1,193	1,193	962	779
Market Capitalisation as at 31 March	Rs. Mn	13,953	9,906	10,737	18,969	44,857	14,072	14,668	19,081	23,659	9,270
52-Week Market Share Price High	Rs.	12.80	12.50	12.00	39.80	90.00	15.30	17.00	25.80	26.20	15.50
52-Week Market Share Price Low	Rs.	5.40	6.70	8.00	14.50	10.40	9.80	11.00	15.90	11.70	11.70
Price to Book Value	No. of times	-	-	-	-	-	-	3.7	1.3	1.7	1.01
Enterprise Value : EBITDA	No. of times	6.67	9.81	11.29	9.62	10.87	9.24	6.97	6.73	7.19	6.60
Dividend Per Share	Rs.	-	-	-	-	-	-	0.50	0.50	0.65	0.50

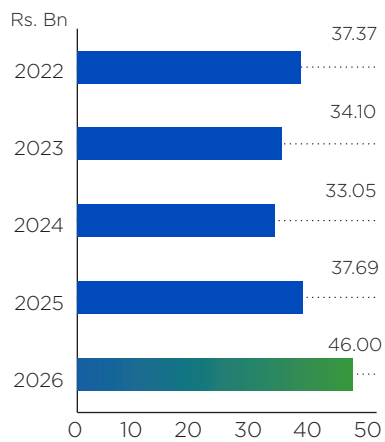
* Debt to Equity calculated based on Total Equity Capital

OPERATIONAL HIGHLIGHTS

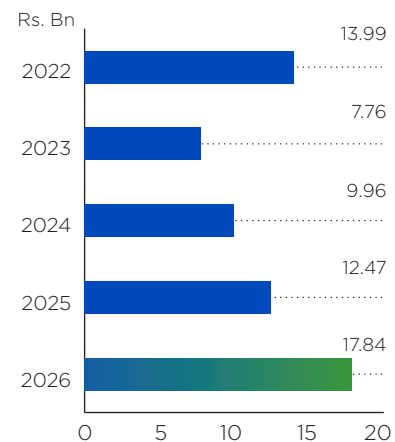
Group Revenue



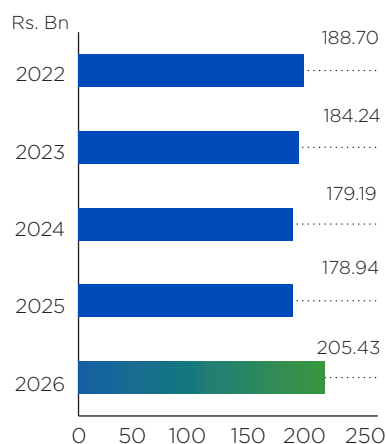
Group Gross Profit



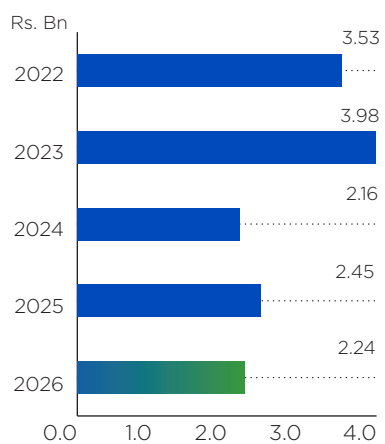
Group EBITDA



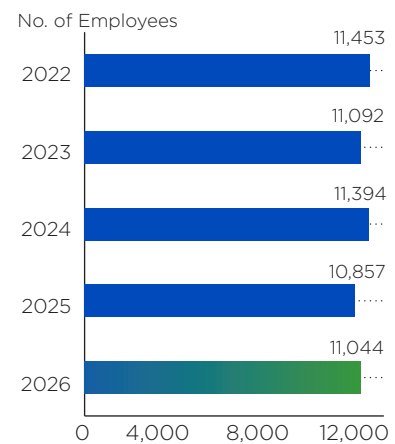
Total Assets



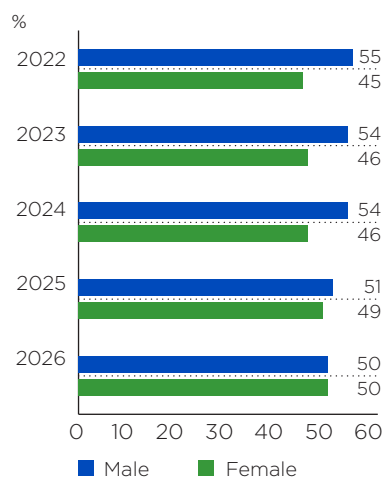
Capital Expenditure



Group Headcount



Gender Mix



ABOUT THE GROUP

Softlogic Holdings PLC is one of Sri Lanka's leading diversified conglomerates, with an established presence across Retail & Telecommunications, Healthcare Services, Financial Services, Information Technology, Automotive, and Leisure & Property. From its beginnings in information technology over three decades ago, Softlogic has evolved into a Group of considerable scale, bringing together established businesses, internationally recognised brands and long standing global partnerships.

Today, Softlogic's businesses are part of the everyday lives of consumers across Sri Lanka. The Group serves a broad and diverse customer base through an extensive network spanning healthcare, retail, financial services, information technology, automotive and hospitality. This reach is further connected through Softlogic One, the Group's integrated loyalty platform, strengthening

engagement across the portfolio while providing greater insight into evolving customer preferences.

Softlogic today represents a diversified portfolio of businesses with significant reach across the Sri Lankan market. Its scale, established international partnerships, extensive customer relationships and presence across multiple consumer-facing

sectors give the Group a distinctive position within Sri Lanka's corporate landscape.

The Group has evolved alongside Sri Lanka's changing consumer and business landscape, taking calculated risks to pursue emerging opportunities while continually adapting its portfolio and capabilities to changing market needs.



RETAIL & TELECOMMUNICATIONS

Softlogic's Retail & Telecommunications sector represents one of the Group's broadest consumer-facing platforms, with established positions across consumer electronics, mobile communications, fashion and lifestyle, footwear, supermarkets and restaurants. Through an extensive retail and distribution footprint, the sector connects a diverse portfolio of international and home-grown brands, reaching consumers across Sri Lanka.

A PORTFOLIO BUILT AROUND THE CONSUMER

Consumer Electronics

One of Sri Lanka's largest multi-brand retailers of consumer electronics and durable goods, supported by an islandwide store network and established after-sales capabilities.

Telecommunications

A leading mobile handset retailer and distributor with extensive market reach, representing globally recognised brands such as Samsung, Nokia and HMD, alongside Softlogic's own range of mobile devices and accessories.

Fashion & Lifestyle

A multi-format fashion and lifestyle presence comprising ODEL's department stores, the home-grown Cotton Collection brand, and Softlogic Brands, which brings a wide portfolio of leading international fashion and lifestyle labels to Sri Lanka through exclusive brand stores.

Restaurants

A diversified portfolio of international food and dining concepts including Burger King, Popeyes, Baskin-Robbins, Delifrance, Crystal Jade and Subway.

Supermarkets

GLOMARK combines modern grocery retail with a strong fresh-food proposition, an expanding private-label range and a growing focus on the evolving needs of Sri Lankan consumers.

Together, these businesses give the sector a presence across a broad spectrum of consumer needs and expenditure, spanning everyday essentials, dining, consumer electronics, mobile communications, fashion and lifestyle, and creating multiple points of engagement with consumers in their everyday lives.



HEALTHCARE SERVICES

Asiri Health is one of Sri Lanka's foremost private healthcare networks, with a strong presence in Colombo and major cities across the country. The sector combines multi-specialty tertiary hospitals, specialised centres of excellence, an islandwide diagnostics network and a growing healthcare education platform, providing an integrated continuum of care across a broad range of medical disciplines.

Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC are the listed entities within the sector.

AN INTEGRATED HEALTHCARE NETWORK

Asiri Central Hospital

A flagship tertiary care hospital and the cornerstone of Asiri Health's clinical network, delivering complex and highly specialised care across a broad range of disciplines, with established strengths in cardiac sciences, neurosciences, oncology, organ transplantation and interventional medicine.

Asiri Surgical Hospital

A purpose-built surgical hospital with a strong focus on advanced and minimally invasive procedures, supported by specialised capabilities in cardiac, neuro and transplant care.

Asiri Medical Hospital

A multi-specialty hospital providing care across adult, paediatric and women's health, complemented by specialised services in neurology, memory and geriatric care, mental health and psychiatry, and lifestyle medicine.

Asiri Hospital Kandy

A regional tertiary care hospital extending advanced healthcare to the Central Province, with growing capabilities across surgical, diagnostic and imaging services.

Asiri Hospital Matara

A regional hospital serving the Southern Province, with established capabilities in gastroenterology, mother and baby care and women's health, alongside an expanding range of specialist services.

Asiri Hospital Galle

A regional tertiary care hospital strengthening access to advanced healthcare in the Southern Province, with capabilities spanning emergency and trauma care, dental and maxillofacial care, and renal and critical care.

Asiri AOI Cancer Centre

A specialised private oncology facility offering PET-CT, precision radiotherapy and advanced cancer treatment through its linear accelerator suite, complemented by access to focused international expertise.

Asiri Laboratories

Sri Lanka's largest private diagnostics network, combining extensive islandwide reach with advanced capabilities in laboratory medicine and molecular diagnostics.

Asiri Academy of Health Sciences

A specialised healthcare education institution providing professional training across nursing, laboratory sciences, counselling and health management.

Together, Asiri Health's six hospitals, diagnostics, oncology and education platforms create a healthcare network with reach across the patient journey. Continued investment in clinical capability, technology and regional access reinforces the sector's commitment to delivering high-quality private healthcare across Sri Lanka.

ABOUT THE GROUP



FINANCIAL SERVICES

Softlogic's Financial Services sector brings together a diversified portfolio spanning life insurance, finance, stockbroking and asset management, serving individuals, businesses and institutional investors across a broad spectrum of financial needs.

Softlogic Capital PLC, Softlogic Life Insurance PLC and Softlogic Finance PLC are the listed entities within the sector.

A DIVERSIFIED FINANCIAL SERVICES PLATFORM

Softlogic Capital PLC

The sector holding company, providing strategic direction and driving growth across its portfolio of companies.

Softlogic Life Insurance PLC

One of Sri Lanka's leading life insurers, with a 19.3% market share, protecting over 1.8Mn Sri Lankans through more than 870,000 active policies and a broad portfolio of life, health and protection solutions.

Softlogic Finance PLC

A licensed finance company offering leasing, loans, deposits and other financial solutions across retail and business segments, with an increasing focus on secured lending and strengthening its deposit franchise.

Softlogic Stockbrokers

A licensed stockbroking firm providing equity trading, research and advisory services to retail, high-net-worth and institutional investors, supported by digital trading capabilities.

Softlogic Asset Management

A licensed investment manager offering unit trusts and tailored investment solutions across a range of asset classes, with over 23,000 unit holders and Rs. 65 Bn in funds under management.

Together, these businesses provide the Group with a presence across insurance, lending, investment and capital markets. The sector continues to strengthen its operating platforms, broaden customer access and build sustainable value across its financial services businesses.



INFORMATION TECHNOLOGY

Information Technology is where Softlogic's journey began, and remains an integral part of the Group's business portfolio today. Built on more than three decades of industry experience, the sector brings together enterprise technology, specialised IT solutions, managed services and software development, serving a broad base of corporate, institutional and government clients in Sri Lanka and overseas.

A BROAD-BASED TECHNOLOGY PLATFORM

Softlogic Information Technologies

One of Sri Lanka's leading enterprise technology solutions providers, delivering integrated solutions spanning enterprise infrastructure, cloud, cybersecurity, applications, AI, IoT and managed services, backed by longstanding partnerships with leading global technology principals.

Softlogic Computers

A specialised IT solutions provider with an established presence across banking, retail and hospitality, offering point-of-sale, banking and related

technology solutions supported by an islandwide dealer and service network.

Softlogic BPO Services

The Group's centralised technology support platform, delivering infrastructure management, user support and business process solutions across Group companies, with selected capabilities also extending to external customers.

Softlogic Australia

An established Australian software solutions provider with over 25 years of industry experience, specialising in purpose-built

technology for hospitals, aged care and food service operations. Its proprietary solutions span healthcare and food service management, IoT and enterprise applications, led by its flagship ChefMax platform.

Together, these businesses give the sector a broad technology capability spanning enterprise IT, specialised industry solutions, managed services and proprietary software, supported by longstanding global technology partnerships and an established presence in Sri Lanka and Australia.



AUTOMOBILE

Softlogic's Automobile sector brings together internationally recognised automotive brands across passenger vehicles, motorcycles, buses and three-wheelers. With vehicle imports having resumed, the sector is supported by established distribution, sales and after-sales infrastructure serving both individual and commercial customers across Sri Lanka.

A DIVERSIFIED AUTOMOTIVE PORTFOLIO

Future Automobiles

The authorised distributor for Ford vehicles in Sri Lanka, supported by dedicated sales, service, repair and spare parts capabilities. The business also extends into premium vehicle customisation solutions through the Hamer automotive accessories range.

Softlogic Automobiles

Represents King Long buses in Sri Lanka, serving the passenger transportation and commercial vehicle segments, complemented

by established after-sales capabilities and a multi-brand collision repair facility. Its automotive portfolio also extends to the three-wheeler segment through ATUL Auto.

Suzuki Motors Lanka

The exclusive distributor of Suzuki motorcycles in Sri Lanka, offering a range of motorcycles across different customer segments, supported by an established distribution network and comprehensive after-sales services.

Together, these businesses provide the sector with a diversified presence across passenger vehicles, motorcycles and commercial transportation, underpinned by international brand partnerships and established sales and after-sales capabilities.



LEISURE & PROPERTY

Softlogic's Leisure & Property sector brings together the Group's interests in hospitality, travel and real estate development. The portfolio encompasses internationally managed city and resort hotels, travel and reservation solutions, and property development, providing the Group with a presence across complementary areas of Sri Lanka's tourism and property landscape.

A DIVERSIFIED LEISURE & PROPERTY PORTFOLIO

Ceysand Resorts

A 165-room beachfront resort set between the Bentota River and the Indian Ocean, offering accommodation, dining, recreation and wellness facilities. The resort came under Accor's management in August 2026 and operates as Pullman Bentota Resort & Spa.

Softlogic City Hotels

A 219-room five-star city hotel in central Colombo, offering contemporary accommodation, dining and extensive meeting and event facilities. The hotel came under Accor's management in

August 2026 and operates as Pullman Colombo City Centre.

Softlogic Destination Management

The Group's travel and destination management business, providing inbound and outbound travel solutions for corporate and leisure travellers.

Sabre Travel Network Lanka

A travel technology solutions provider offering global distribution, booking and reservation solutions to Sri Lanka's travel industry through its partnership with Sabre, a global leader in travel technology.

Property Development

The Group's property portfolio spans development and property management, including the ODEL Mall mixed-development project, the completed Everest Apartments and the management of Arcade Independence Square in Colombo.

Together, these businesses give the sector a diversified presence across hospitality, travel and property development, supported by international partnerships and strategically located assets.

OUR BUSINESSES



Retail

100%



Healthcare Services

55%



Financial Services

69%



Core Verticals

Softlogic Retail Holdings (Pvt) Ltd

- » Softlogic Retail (Pvt) Ltd
 - Suzuki Motors Lanka Ltd
 - SML Holdings (Pvt) Ltd
 - Dai-Nishi Securities (Pvt) Ltd
- » ODEL PLC
 - Softlogic Brands (Pvt) Ltd
 - ODEL Lanka (Pvt) Ltd
 - ODEL Apparels (Pvt) Ltd
 - ODEL Properties (Pvt) Ltd
 - ODEL Information Technology Services (Pvt) Ltd
 - ODEL Properties One (Pvt) Ltd
 - ODEL Restaurants (Pvt) Ltd
 - Cotton Collection (Pvt) Ltd
 - ODEL Apparel Holdings (Pvt) Ltd
 - ODEL Apparel Lanka (Pvt) Ltd
- » Softlogic Mobile Distribution (Pvt) Ltd
 - Softlogic Communications (Pvt) Ltd
- » Softlogic Communication Services (Pvt) Ltd
- » Softlogic International (Pvt) Ltd
- » Softlogic Restaurants (Pvt) Ltd
 - Softlogic JSM Entertainment (Pvt) Ltd
 - Silk Route Foods (Pvt) Ltd
 - Softlogic Healthy Concepts (Pvt) Ltd
- » Softlogic Retail One (Pvt) Ltd
- » Softlogic Supermarkets (Pvt) Ltd
- » Softlogic Rewards (Pvt) Ltd
- » Softlogic Pharmaceuticals (Pvt) Ltd
- » Softlogic Manufacturing (Pvt) Ltd
- » Footwear Retailer Ltd

Asiri Hospital Holdings PLC

- » Asiri Surgical Hospital PLC
 - Asiri AOI Cancer Centre (Pvt) Ltd
- » Central Hospital Ltd
- » Asiri Central Hospitals Ltd
- » Asiri Diagnostics Services (Pvt) Ltd
- » Asiri Hospital Matara (Pvt) Ltd
- » Asiri Laboratories (Pvt) Ltd
- » Asiri Hospital Galle (Pvt) Ltd
- » Asiri Diagnostic Services (Asia) Pte Ltd
- » Asiri Port City Hospital (Pvt) Ltd
- » Asiri Academy of Health Sciences (Pvt) Ltd
- » Fab Asiri (Pvt) Ltd

Softlogic Capital PLC

- » Softlogic Life Insurance PLC
 - Softlogic Life Insurance Lanka Ltd
 - Diamond Life Insurance Company Ltd
- » Softlogic Finance PLC
- » SCAP One (Pvt) Ltd
 - Softlogic Stockbrokers (Pvt) Ltd
 - Softlogic Asset Management (Pvt) Ltd
- » S R One (Pvt) Ltd



Leisure & Property

100%



Automobiles

100%



Information Technology
& Others

100%



Non-Core Verticals

Softlogic Properties (Pvt) Ltd

- » Softlogic City Hotels (Pvt) Ltd
- » Ceysand Resorts Ltd
- » Softlogic Destination Management (Pvt) Ltd
- » Sabre Travel Network Lanka (Pvt) Ltd

- » Future Automobiles (Pvt) Ltd
- » Softlogic Automobiles (Pvt) Ltd

- » Softlogic IT Holdings (Pvt) Ltd
 - Softlogic Information Technologies (Pvt) Ltd
 - Softlogic Computers (Pvt) Ltd
- » Softlogic Australia (Pty) Ltd
- » Softlogic BPO Services (Pvt) Ltd
- » Nextage (Pvt) Ltd (Associate Company)
- » Softlogic Corporate Services (Pvt) Ltd
- » Softlogic Healthcare Holdings Ltd
- » Softlogic Solar (Pvt) Ltd
- » Softlogic Energy Solutions (Pvt) Ltd

CHAIRMAN'S STATEMENT

The same entrepreneurial conviction that built Softlogic over more than three decades is today being applied with greater financial discipline, sharper capital allocation and a clear focus on sustainable returns.



A. K. Pathirage
Chairman/ Managing Director

Dear Stakeholders,

I present the Annual Report of Softlogic Holdings PLC for the financial year ended 31st March 2026, a year in which we made tangible financial and operational progress across the Group.

As Sri Lanka's economy moved further towards normalisation, improving operating conditions supported stronger performance across the Group. The growth in revenue and operating earnings demonstrates the underlying strength and continued relevance of our business models across key sectors.

Our challenge extends beyond restoring business volumes. It is to progressively reshape a capital and funding structure built for a very different economic trajectory, while protecting the underlying value of our businesses, brands and investments developed over more than three decades. During the year, we advanced this process through debt restructuring, monetizing non-core and underutilised assets and realigning major investments to current market realities.

Our operating businesses continue to demonstrate their ability to generate revenue and operating earnings. The greater challenge lies in progressively reshaping a capital and funding structure built for a very different economic trajectory, while protecting the underlying value of businesses, brands and investments developed over more than three decades.

While further work remains, the actions taken during the year have strengthened the foundation from which we are addressing the Group's financial position. The

improving performance of our operating businesses gives us greater confidence in the path ahead.

UNDERSTANDING OUR JOURNEY

Softlogic's growth over more than three decades has been driven by an ability to identify opportunities early and build businesses around them. From our beginnings in 1991 as a software business, we moved into personal computing and information technology, followed by mobile communications, consumer electronics, branded fashion and lifestyle retail, private healthcare, financial services, automobiles and leisure. As the Group evolved, our investment decisions continued to be shaped by the opportunities emerging from Sri Lanka's own economic development.

A significant phase of investment followed the end of Sri Lanka's three-decade conflict in 2009. The stronger economic outlook, rapid growth in tourism, rising consumer aspirations and investment in infrastructure created opportunities across several of the markets in which we operated. We aligned our investment strategy accordingly, committing substantial long term capital, particularly across Retail and Leisure, to businesses and developments positioned for the growth we anticipated in these sectors.

By 2019, however, the environment in which these investments were expected to mature began to change significantly. The Easter Sunday attacks dealt a severe setback to tourism and consumer confidence. Before the industry and wider economy could fully recover, the pandemic brought

Total Assets

Rs. 205.4 Bn

Total Revenue

Rs. 129.0 Bn

Total EBITDA

Rs. 17.8 Bn

Total Employees

11,044

CHAIRMAN'S STATEMENT

international tourism to a standstill and severely constrained retail and economic activity. This was followed by Sri Lanka's economic crisis, characterised by acute foreign exchange shortages, import restrictions, sharp currency depreciation, inflation and an unprecedented escalation in interest rates.

For Softlogic, the impact extended beyond the immediate disruption to business activity. Significant capital had already been committed to long term investments, largely funded through debt, with returns expected to materialise over an extended period. The disruption to business activity and cash generation, together with sharply higher financing costs, placed considerable pressure on the Group's capital and funding structure. While operating conditions have since improved, the financial impact remains significant given the scale and long term nature of the investments undertaken. Our focus is now firmly on realigning the Group's capital and funding structure, strengthening financial flexibility and preserving the underlying value of our businesses and investments.

SRI LANKA'S ECONOMIC RECOVERY

Sri Lanka's economy continued to recover during the year, with GDP expanding by 5.0% in 2025 for a second consecutive year. Inflation remained moderate, interest rates declined from the elevated levels experienced during the crisis, foreign exchange availability improved and the normalisation of imports supported a broader recovery in economic activity.

The recovery in tourism and improving consumer activity also provided a more supportive

Our focus is on translating the recovery across our businesses into stronger cash generation and improved financial outcomes.

environment for several of our key sectors. While external and geopolitical risks remain, the greater degree of economic stability has enabled our businesses to operate under more normalised conditions and pursue opportunities that had remained constrained in recent years.

FINANCIAL PERFORMANCE

The improving economic environment was reflected in a stronger operating performance across the Group during the year. Revenue increased 24% to Rs. 129 Bn, while EBITDA grew 43% to Rs. 17.8 Bn, with improved contributions across several of our key business sectors.

The growth in both revenue and operating earnings is important in assessing the Group's performance. It demonstrates the underlying strength of our businesses and their ability to respond as market conditions normalise. The recovery was supported by stronger consumer activity, improved product availability following the normalisation of imports, the continued recovery in tourism and improved performance across a number of our core operations.

The improvement in operating performance is encouraging and is increasingly reflected in the Group's financial results. Our focus remains on strengthening cash generation, improving operating efficiencies and progressively translating the recovery

across our businesses into stronger financial outcomes.

Our focus is therefore increasingly on the quality of growth: improving margins, strengthening cash generation, exercising greater discipline over working capital and capital allocation, and ensuring that operating gains translate progressively into improved financial outcomes. This remains central to rebuilding the Group's financial strength and creating a more sustainable platform for future growth.

STRATEGIC PROGRESS ACROSS OUR BUSINESSES

The year saw a number of important developments across our business portfolio, reflecting both the recovery in market activity and the strategic priorities specific to each sector. Accordingly, the nature of our focus varied across the portfolio. In sectors benefiting from the normalisation of imports and recovering consumer demand, the emphasis was on rebuilding volumes and capturing renewed market opportunities, while in others we continued to strengthen established market positions, expand capabilities and selectively pursue new avenues for growth.

Within Retail & Telecommunications, improving consumer activity and greater product availability supported a recovery across several of our businesses during the year. Our consumer electronics and telecommunications businesses

benefited from stronger availability and demand, while within fashion and lifestyle retail we continued to refine the ODEL portfolio, exiting selected underperforming stores and brands and redirecting inventory and resources towards stronger locations. This has allowed us to sharpen the portfolio while retaining the strength of ODEL as one of Sri Lanka's leading fashion and lifestyle retail platforms.

GLOMARK remains an important part of our retail strategy, and we are now preparing the business for its next phase of growth. Our approach is centred on building a more differentiated proposition, with greater emphasis on own-brand products and the introduction of new product categories. We also see considerable scope to broaden the offering by working with both Group businesses and selected external partners through consignment and tenant-based models, enabling us to expand the customer proposition while managing inventory investment more efficiently.

We also intend to progressively expand GLOMARK's store network, with two to three new stores planned for the next financial year and an average of four to five new stores annually thereafter. This expansion will encompass formats appropriate to the respective locations and markets. The smaller-format concept has been well received and provides a more flexible model for the broader expansion strategy.

The ODEL Mall remains the sector's most significant long term investment. During the year, we substantially recalibrated the project to reflect current market and funding realities. The development is now being progressed in phases, with Phase I prioritised and approximately 100 perches retained for future development for Phase II. The retail

component remains integral to the development, while the originally planned residential component has been replaced with saleable office space. The revised funding structure is expected to draw principally on advances from the pre-sale of office space. This is intended to enable us to progress the investment without additional debt funding, while preserving the significant long term value.

Healthcare continued to perform strongly, supported by growth across Asiri Health's hospital and its diagnostics network and increasing utilisation of specialised services. An important focus has been to derive greater value from the network already established by progressively strengthening the capabilities of our hospitals outside Colombo. This is increasingly evident in Kandy, where activity across cardiac, neurological and other specialised services continued to grow, and in Matara, where the commissioning of the District's first Cardiac Catheterization Laboratory significantly strengthened access to advanced cardiac care in the Southern Province. The reach of Asiri Laboratories, which served more than two million patients during the year, further complements this network and strengthens our position in diagnostics and preventive healthcare.

At the same time, we are increasing the complexity of care that can be delivered within Asiri Health. The commencement of Sri Lanka's first robotic surgery programme at Asiri Surgical Hospital represents an important step in this direction, while the development of liver transplantation further strengthens our capabilities in complex medicine. These advances build on established strengths across cardiac care, neurosciences and other specialised disciplines, enabling Asiri to address

a broader spectrum of healthcare needs within the country. Our priority is to continue deepening these capabilities while improving utilisation of the clinical expertise, technology and infrastructure already established across the network.

Financial Services continued to strengthen its position during the year, led by the growth of Softlogic Life Insurance and the progressive rebuilding of Softlogic Finance. Softlogic Life Insurance further consolidated its position as one of Sri Lanka's leading life insurers, recording strong growth and increasing its market share to 19.3%, while maintaining the largest customer base in the industry. The acquisition of Allianz Life Insurance Lanka further expanded its scale, distribution reach and customer base, strengthening the platform from which the business can pursue its next phase of growth.

Softlogic Life Insurance also continued to attract international institutional capital, securing USD15 Mn in long-term Tier 2 financing from Norfund and OP Fionfund Global Impact Fund I to support its continued expansion and strengthen its capital base. Building on its position in Sri Lanka, the business has now taken an important step into the regional market through the acquisition of a 60% controlling stake in Diamond Life Insurance in Bangladesh. This marks Softlogic Life Insurance's first international expansion and provides an opportunity to take the capabilities developed in Sri Lanka into a substantially larger, yet underpenetrated, life insurance market.

Softlogic Finance also made important progress in restoring its business platform, with the

CHAIRMAN'S STATEMENT

regulatory restrictions on its lending activities being lifted, enabling the business to progressively rebuild its lending portfolio. The focus remains on strengthening its core businesses, particularly secured lending, while maintaining greater discipline around asset quality, liquidity and capital.

Information Technology made further progress in moving up the value chain towards higher-value enterprise solutions and services, building on the technical expertise and longstanding customer relationships established across the sector. The business is increasingly combining infrastructure, software, systems integration, cybersecurity, cloud, AI, IoT and managed services to address more integrated enterprise requirements. This positions the sector to participate in the growing technology investment associated with Sri Lanka's digitalisation agenda and the modernisation of both public and private sector operations.

During the year, Softlogic Information Technologies achieved Dell Technologies Titanium Partner status, the highest tier within Dell's partner programme, reflecting the depth of technical capability within the business. We are also expanding our presence in areas such as secure digital identity, fintech and payment technologies, while developing industry-specific applications across sectors including healthcare and transportation. Beyond Sri Lanka, Softlogic Australia provides an

established platform in specialised software solutions, particularly across healthcare, aged care and food service.

The normalisation of vehicle imports marked an important turning point for the Automobile sector following several years of constrained activity. The return of Ford vehicles and Suzuki motorcycles has been met with encouraging demand, while our partnership with ATUL Auto has broadened our participation into passenger and commercial three-wheelers. Our focus is now on rebuilding the sector selectively, concentrating on product segments with sustainable demand, maintaining inventory discipline and strengthening after-sales capabilities to support growth.

In Leisure, the recovery in tourism has created a more supportive backdrop for our hotel investments. A significant development has been the transition of the management of our Colombo and Bentota hotels to Accor under its Pullman brand. The partnership brings the hotels under the management of one of the world's leading hospitality groups, with access to Accor's global distribution, loyalty and sales platforms, strengthening their international positioning and their ability to capture the recovery in Sri Lanka's tourism sector. Our focus is now on improving the operating and financial returns from these established assets, while addressing

the funding structure of the hotel business and its foreign currency exposure.

In Property, our focus remains on improving the performance and utilisation of the assets under management. At the Arcade Independence Square, we are strengthening the commercial proposition through an improved tenant mix and a broader range of uses aimed at increasing activity and footfall. The ODEL Mall, although part of our Retail strategy, reflects the same approach, with its scope, development phasing and funding structure re-calibrated to align with current market conditions and the Group's capital priorities.

OUTLOOK

The progress achieved during the year provides a stronger foundation for the next phase of Softlogic's transformation. The improvement in revenue and operating earnings across the Group demonstrates the underlying strength of our businesses. Our priority now is to ensure that this operating recovery translates progressively into stronger cash generation and an improved financial position.

We have moved forward on a number of the actions required to achieve this. The restructuring of banking facilities has progressed substantially, with a focus on extending repayment profiles and aligning debt-service obligations more closely with cash generation. Asset monetisation and other initiatives to strengthen the Group's capital and funding structure continue to be pursued, while the forthcoming exercise of warrants represents a further step towards strengthening the Group's equity base. At the same time, we have taken decisive action within the portfolio, rationalising

The improving performance across our businesses reinforces the strength and relevance of our business models and gives us confidence in the strategy we are pursuing.

underperforming operations and substantially recalibrating major investments such as the ODEL Mall to reflect current market conditions and funding realities.

Greater emphasis is being placed on cash generation, working capital discipline, cost efficiency and returns on capital. We will continue to monetise non-core and underutilised assets where appropriate, while directing resources towards businesses and investments with the capacity to deliver sustainable returns.

These measures form part of an integrated action plan addressing the Group's liquidity, debt-servicing capacity and capital structure. Their benefits are reflected in the improvement in the Group's financial performance. The results achieved, together with the initiatives currently underway, provide tangible evidence of the effectiveness of the action plan in addressing the matters underlying the going concern assessment highlighted in the Independent Auditor's Report.

Our course of action is clearly defined, and our focus remains firmly on execution. We will continue to build on the strength of Softlogic's businesses while preserving and enhancing the value created across the Group over more than three decades. The progress made and the actions now underway reinforce our confidence in the Group's ability to continue its operations and sustain its businesses over the long term..

APPRECIATION

I extend my sincere appreciation to our customers for their continued confidence in our brands and businesses, and to our business partners, principals, bankers, lenders and suppliers for their continued support and engagement throughout the year.

I thank my fellow Directors for their guidance and counsel, and our management teams and employees across the Group for their commitment and perseverance during a period that has required considerable change

across Softlogic. I also extend my appreciation to our shareholders for their continued confidence and patience as we work through the priorities before us.

There remains considerable work ahead, but our direction is clear. The same entrepreneurial conviction that built Softlogic over more than three decades is today being applied with greater financial discipline, sharper capital allocation and a clear focus on sustainable returns. We remain firmly committed to seeing this process through and building a stronger and more financially resilient Softlogic, capable of creating enduring value for our shareholders.

(Sgd.)

A. K. Pathirage

Chairman/ Managing Director

17 September 2026,
Colombo.

BOARD OF DIRECTORS



Mr. Ashok Pathirage

Chairman / Managing Director



Mr. Haresh Kaimal

Executive Director



Mr. Hemantha Gunawardena

Executive Director



Mr. Ranjan Perera

Executive Director



Prof. Ajantha Dharmasiri

Non-Independent Non-Executive Director



Mr. Thirukumar Nadarasa

Senior Independent Non-Executive Director



Mr. Shirish Saraf

Non-Independent Non-Executive Director



Mr. Imran Furkan

Independent Non-Executive Director



Mr. Chetan Gupta

Alternate Director to Mr. Shirish Saraf

BOARD OF DIRECTORS

Mr. Ashok Pathirage

Chairman/Managing Director

Mr. Ashok Pathirage, recognised as a visionary leader of Sri Lanka's corporate world, is the founding member and Chairman/Managing Director of Softlogic Group, one of Sri Lanka's leading conglomerates. He manages over 50 companies with a pragmatic vision providing employment to more than 11,000 employees. Mr. Pathirage manages and gives strategic direction to the Group which has a leading market presence in three core verticals, namely Retail, Healthcare Services and Financial Services and in three non-core verticals namely, IT, Leisure & Automobiles.

Asiri Hospital chain is the country's leading private healthcare provider which has achieved technological milestones in medical innovation and reliability in Sri Lanka's private healthcare services.

He is the Chairman/Managing Director of Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC and Odel PLC. He also serves as the Chairman of Softlogic Capital PLC and Softlogic Life Insurance PLC in addition to other companies of the Softlogic Group.

Mr. Haresh Kaimal

Executive Director

Mr. Haresh Kumar Kaimal is a Co-Founder of Softlogic Group and has served on the Board of Directors since the company's origin in 1991. He leads the Group-wide IT division, overseeing IT initiatives, infrastructure and digital transformation across its diverse businesses. Under his guidance,

Softlogic has implemented major systems such as Oracle E-Business Suite and Oracle Retail applications, along with industry-specific front-end tools.

In addition to the Group-wide responsibilities, he is an Executive Director of Softlogic BPO Services (Pvt) Ltd, Managing Director of Softlogic Supermarkets (Pvt) Ltd, represents the Board of Directors of Softlogic Life Insurance PLC, Softlogic Capital PLC, ODEL PLC, Asiri Hospitals Group and many other Group companies.

Mr. Hemantha Gunawardena

Executive Director

Mr. Hemantha Gunawardena is a Co-Founder of the Softlogic Group and has served on its Board since inception. With more than three decades of experience across technology, business development and corporate leadership, he has played an integral role in shaping the Group's strategic direction and supporting its evolution into one of Sri Lanka's leading diversified conglomerates.

Prior to co-founding Softlogic, Mr. Gunawardena led the software development division of a prominent Sri Lankan blue-chip company, building a strong foundation in technology-led business transformation.

Within the Group, Mr. Gunawardena serves as Chief Executive Officer of the Softlogic Retail Furniture Division, Managing Director of the Softlogic Automobile Sector and Chief Executive Officer of Softlogic Services. He also oversees the software operations of Softlogic

Australia (Pty) Ltd and serves as an Executive Director of Softlogic BPO Services (Pvt) Ltd.

In addition, Mr. Gunawardena serves as a Non-Executive Director on the Boards of Asiri Holdings PLC and Asiri Surgical Hospital PLC. His broad operational experience, entrepreneurial perspective and long-standing institutional knowledge continue to contribute meaningfully to the Group's governance, portfolio development and long-term value creation.

Mr. Ranjan Perera

Executive Director

Mr. Ranjan Perera is a Co-Founder and shareholder of Softlogic Group and a highly accomplished business leader with over three decades of experience in Retail, Consumer Electronics, Telecommunications, Pharmaceuticals, FMCG Distribution and Business Management.

Since the inception of the Softlogic Group, he has played a fundamental role in the Group's growth and diversification, leading several strategic business sectors and driving operational excellence across its retail distribution businesses. He possesses extensive expertise in business development, sales and marketing, supply chain management, retail operations and corporate leadership and has been instrumental in strengthening the Group's presence across multiple industries.

Mr. Perera currently serves as an Executive Director of Softlogic Holdings PLC and holds several leadership positions across the

Softlogic Group. He serves as Chief Executive Officer – Mobile Phone Operations, Chief Executive Officer – Retail Sector, Managing Director of Softlogic Pharmaceuticals (Pvt) Ltd, Managing Director – FMCG Channel and heads the Hire Purchase Division of the Retail Sector. He also oversees the Bata Operations through Footwear Retailer Ltd. In addition, he serves as a Non-Executive Director of Softlogic Finance PLC and Softlogic Capital PLC, and as a Director of Future Automobiles (Pvt) Ltd, ODEL Properties (Pvt) Ltd and ODEL Restaurants (Pvt) Ltd.

As a Co-Founder of the Softlogic Group, Mr. Perera has served on the Board since the Company's inception and has played a key role in its evolution into one of Sri Lanka's leading diversified conglomerates. Throughout his career, he has successfully led the Group's Retail, Mobile Communications, Pharmaceutical, FMCG and consumer businesses, contributing significantly to their expansion and market leadership. His extensive experience in strategic management, operational excellence, and business development has been instrumental in driving the sustained growth and success of the Softlogic Group.

Prof. Ajantha Dharmasiri Non-Independent Non-Executive Director

Prof. Ajantha Dharmasiri was appointed to the Board in 2016 as a Non-Executive Independent Director. He has a rare combination of being a Chartered Manager, Chartered HR Professional and

a Chartered Electrical Engineer. He is acclaimed as a conference speaker, corporate trainer, strategy consultant, author and an academic. He is the first home-grown Senior Professor in Management of the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, Sri Lanka and was a Director/Chairman of the Board of Management of it. He became the first Sri Lankan to lead both the Chartered Management Institute (CMI) – Sri Lanka Chapter and Chartered Institute of Personnel Management (CIPM). He is an Adjunct Professor at Price College of Business, University of Oklahoma.

He was the editor of the pioneering Sri Lankan Journal of Management (SLJM). Being a Commonwealth AMDISA Doctoral Fellow, Fulbright Postdoctoral Fellow, and a Commonwealth Postdoctoral Fellow, he is also an independent director of several boards. Prof. Dharmasiri likes to identify himself as one who transitioned from being an "Engineer of Electrical" to an "Engineer of Hearts and Minds".

Mr. Thirukumar Nadarasa Senior Independent Non-Executive Director

Mr. Thirukumar Nadarasa is a seasoned senior executive with over 33 years of CXX level operational and management experience working in a number of telecom operations in South East Asia, Middle East and Africa. He first joined Singapore Telecom (Singtel) in 1990 and was with them for 4 years including secondment to Thai operations. In

1994, he joined Hutchison Telecom International in Hong Kong, part of the Hutchison Whampoa conglomerate. He has been posted in various Asian countries including India, Indonesia, Myanmar, Thailand, Vietnam and Sri Lanka. In 2009, Mr. Nadarasa joined Bintel in Bahrain as the Group COO overseeing mobile operations in four West African countries. In 2012, Mr. Nadarasa rejoined Hutchison as CEO of Hutch Sri Lanka and successfully managed the complex merger with Etisalat Lanka. Mr. Nadarasa retired from the Hutchison group in September 2023.

Mr. Nadarasa holds a Bachelor of Science Honours degree in Electronic and Electrical Engineering from Loughborough University of Technology, UK. He also has a Master of Science degree in Telecom Technology from Aston University, UK. He has then obtained a Master of Science in Management Science from Imperial College, University of London, UK.

Mr. Nadarasa is an Associate Member of the Institution of Electrical Engineers UK.

BOARD OF DIRECTORS

Mr. Imran Furkan

Independent Non-Executive Director

Mr. Imran Furkan advises Boards and CEOs on Strategy, Market Expansion as well as Geo Political, Economic, Climate and Technology Risk Management. Currently serving as CEO of Tresync, Australia and as Chairman, Maharaja Foods PLC, Mr. Furkan is passionate about one thing - fostering collaboration. This is evidenced by his achievements in senior management and Board Directorship roles in industries such as Finance, Health, Food, Insurance, Retail, Regulatory and Industry Bodies, IT/GBS, Education, Commodities, Media, Not for Profit and Professional Services in the Asia-Pacific region. He is Senior Independent Director of Asiri Hospital Holdings PLC and Asiri Surgical Hospital PLC, and an Independent Non-Executive Director of Odel PLC, Softlogic Capital PLC and the Diamond Life Insurance Company in Bangladesh.

Mr. Furkan is a Board of Management member of the Lakshman Kadirgamar Institute and an Executive Committee member of The Interfaith Network (IFN), City of Greater Dandenong, Australia. He was an Independent Non-Executive Director of Trade Finance and Investments PLC in Sri Lanka. He also served as the CEO of SLASSCOM and the Sri Lanka Press Institute. He is a member of the Sri Lanka Institute of Directors and has also served on the Director Training Committee and Media and Public Relations Committees of the Sri Lanka Institute of Directors.

Mr. Furkan is a Fellow Member of both CPA Australia and CIMA UK, has an MBA from Australia, and a BA (Hons) Sustainable Performance Management from the UK.

Mr. Shirish Saraf

Non-Independent Non-Executive Director

Mr. Shirish Saraf joined the Board of Softlogic in April 2018 as the nominee Director of Samena Ceylon Holdings Ltd. Mr. Saraf has more than 28 years of private equity experience and is the Founder and Vice Chairman of Samena Capital. He is recognised as one of Asia's 25 Most Influential People in Private Equity (Asian Investor magazine) and is currently the Investment Manager and Head of the Investment Committee of the Samena Special Situations Funds.

Mr. Saraf has held numerous directorships and leadership positions across Samena's portfolio companies including Dynamatic Technologies, Tejas Networks and RAK Ceramics PJSC, among others. He has previously held board directorships including Aramex Holdings, Commercial Bank of Oman SAOG, EFG, Hermes, and Amwal Capital. Mr. Saraf was educated at Charterhouse (England) and the London School of Economics.

Mr. Chetan Gupta

Alternate Director to Mr. Shirish Saraf

Mr. Chetan Gupta is the Senior Executive Officer of Samena Capital Investments Ltd in Dubai. Mr. Gupta is a member of the Board of Directors of Samena Capital and of multiple portfolio companies. He is also a member of the Investment Committee for the Fund. Mr. Gupta has over 20 years of professional investment experience and is a qualified Chartered Financial Analyst (AIMR), Chartered Alternative Investment Analyst and holds a Masters in Management (Finance) from the University of Mumbai.

CORPORATE GOVERNANCE

As a respected conglomerate, we are committed to create an entity that is insightful, impactful and accountable for success and efficiency to generate a significant amount of growth and performance.

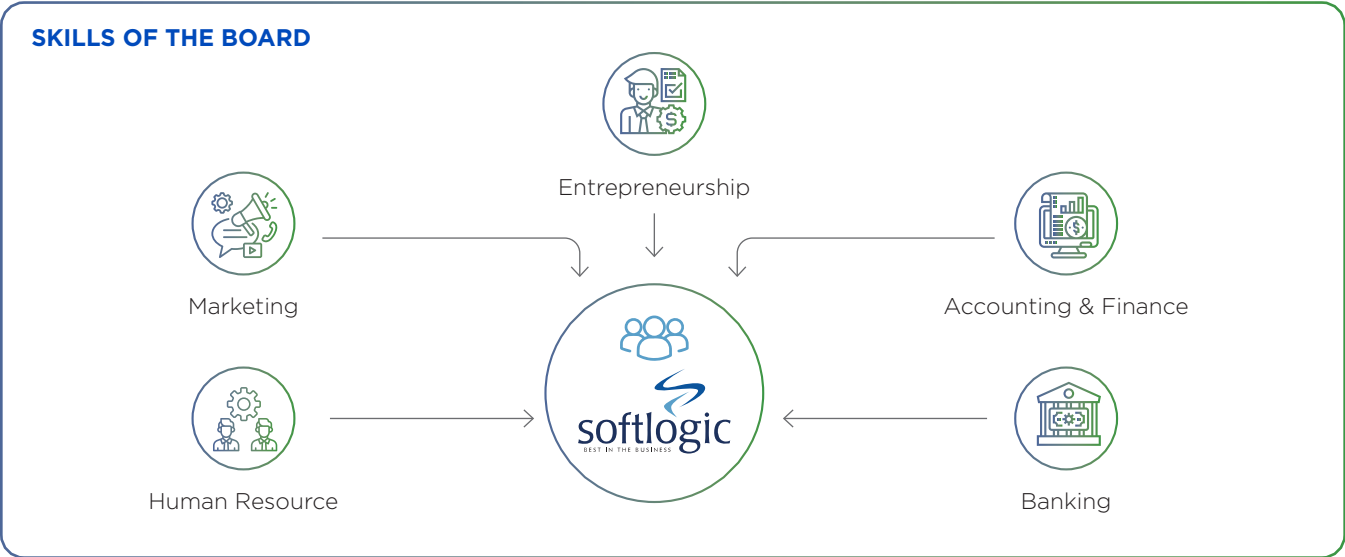
The fundamental relationship between the Board, Management, Shareholders and other Stakeholders are established by our governance structure. Corporate Governance (CG) is a framework of rules and practices by which an organisation is directed, controlled and managed. The CG framework provides an overview of the Corporate Governance structures, principles, policies and practices of the Board of Directors of Softlogic Holdings PLC (SHL). At Softlogic, the approach to CG is guided by ethical culture, stewardship, accountability, independence, continuous improvement, oversight of strategy and risk. The fundamental relationship between the Board, Management, Shareholders and other Stakeholders are established by our governance structure,

through which the ethical values and corporate objectives are set and plans for achieving those objectives and monitoring performances are determined. To serve the interests of shareholders and other stakeholders, the Company's Corporate Governance system is subject to ongoing review, assessment and improvement. The Board of Directors proactively adopts good governance policies and practices designed to align the interests of the Board and Management with those of shareholders and other stakeholders and to promote the highest standards of ethical behaviour and risk management at every level of the organisation.

BOARD OF DIRECTORS

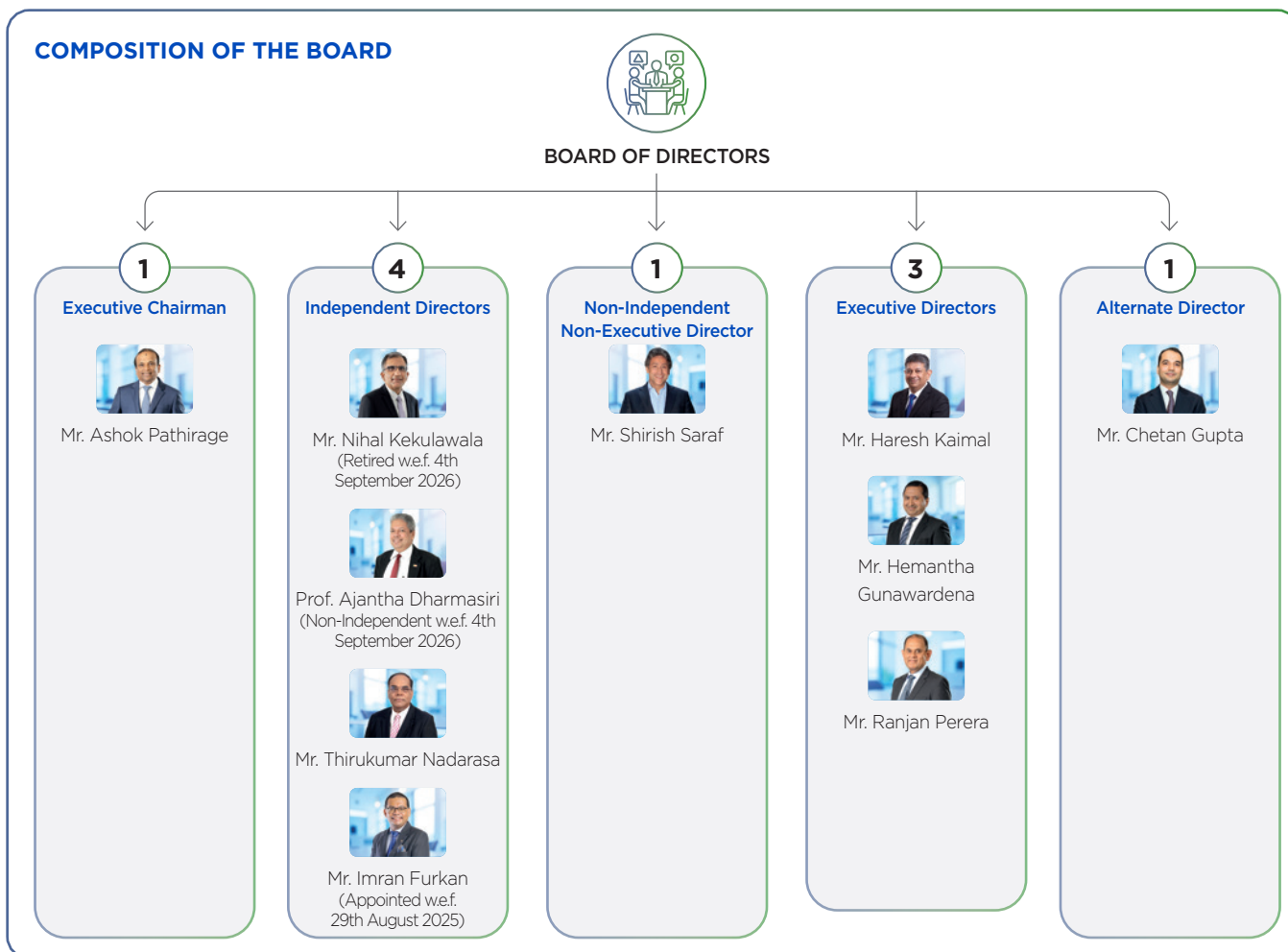
The Board of Directors are responsible for setting the strategic

direction of the Group, safeguarding assets, managing risks and setting the tone at the top. They have set in place governance frameworks to facilitate achievement of strategic goals and compliance with regulatory frameworks while balancing stakeholder interests. Composition of the Board is set out graphically on the previous page while profiles of the Directors as at date are given on pages 18 and 20. Directors provide annual declarations of their independence in accordance with the stipulations of the Listing Rules of the CSE and the guidelines of the Code of Best Practice. Board balance is facilitated with five Non-Executive Directors as at 31st March 2026 and four Non-Executive Directors as at date represented who are reputed leaders in their fields of expertise.

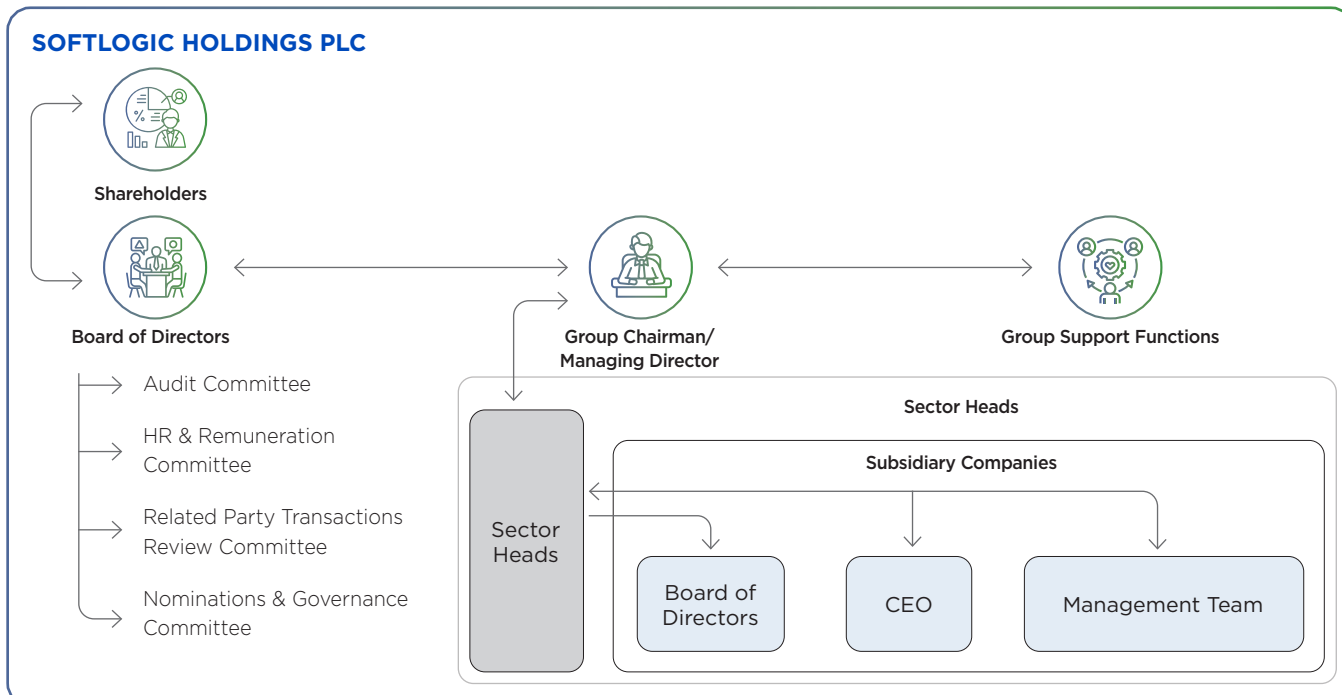


CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD



SOFTLOGIC HOLDINGS PLC



GOVERNANCE FRAMEWORK



EXTERNAL

- » Companies Act No. 07 of 2007
- » Listing Rules of the Colombo Stock Exchange
- » Code of Best Practice on Corporate Governance issued by the SEC and ICASL



INTERNAL

- » Articles of Association
- » Terms of References for Board Sub Committees
- » Comprehensive framework of policies, systems and procedures



GOVERNANCE SYSTEMS

- » Stakeholder engagement and management
- » Strategic planning
- » Risk management
- » Regulatory compliance
- » People management
- » Internal controls
- » Internal and external audit

COMMITTEES OF THE BOARD

The Board is supported by the following committees which facilitate effective discharge of its responsibilities. Minutes of the sub-committee meetings are circulated to the Board ensuring awareness of the activities of the sub-committees by all Board members.

GOVERNANCE OF THE BOARD SUB COMMITTEES

Sub-Committee	Composition	Mandate
Audit Committee	» Mr. M.I. Furkan - Chairman (Independent Non-Executive Director) » Mr. J.D.N. Kekulawala* (Senior Independent Non-Executive Director) » Prof. A.S. Dharmasiri** (Independent Non-Executive Director) » Mr. T. Nadarasa*** (Independent Non-Executive Director)	Responsible for ensuring the integrity of the Company's and Group's Financial Statements, appropriateness of accounting policies and effectiveness of internal control over financial reporting. Frequency of Meetings: Committee meets quarterly
HR & Remuneration Committee	» Prof. A.S. Dharmasiri ** - Chairman (Independent Non-Executive Director) » Mr. J.D.N. Kekulawala* (Senior Independent Non-Executive Director) » Mr. T. Nadarasa*** (Independent Non-Executive Director)	Responsible for determining remuneration policy and the terms of engagement and remuneration of the Chairman, the Board of Directors and the Executive Committees. Frequency of Meetings: Committee meets annually.
Related Party Transactions Review Committee	» Mr. M.I. Furkan - Chairman (Independent Non-Executive Director) » Mr. H.K. Kaimal (Executive Director) » Mr. T. Nadarasa*** (Independent Non-Executive Director)	To assist the Board in reviewing all related party transactions carried out by the Company and its listed companies in the Group in terms of the CSE Listing Rule 9. Frequency of Meetings: Committee meets quarterly

CORPORATE GOVERNANCE

Sub-Committee	Composition	Mandate
Nominations and Governance Committee (In terms of Rule 9.11 of CSE Listing Rules, the Nominations and Governance Committee was established w.e.f. 1st July 2024)	» Mr. T. Nadarasa*** - Chairman (Independent Non-Executive Director) » Mr. J.D.N. Kekulawala* (Senior Independent Non-Executive Director) » Prof. A.S. Dharmasiri** (Independent Non-Executive Director)	Responsible for the evaluation of the appointment of Directors to the Board of Directors and Board Committees of the Company.

* Retired w.e.f. 4th September 2026

** Deemed Non-Independent w.e.f. 4th September 2026

*** Appointed as Senior Independent Director w.e.f. 4th September 2026

MEETINGS

The Board meets on a frequent basis and dates for Board meetings are determined and communicated in advance at the beginning of the year with additional meetings being scheduled whenever deemed necessary. Meeting agenda and relevant papers are circulated to all Directors within 7 days prior to the meeting providing sufficient time for review facilitating the conduct of an effective meeting. Attendance at Board meetings and Sub Committee meetings during the year under review is given below;

Director	Board	Board Sub Committees			
		Audit Committee	HR & Remuneration Committee	Related Party Transactions Review Committee	Nominations & Governance Committee
Mr. A.K. Pathirage	2/2				
Mr. H.K. Kaimal	2/2			3/3	
Mr. G.W.D.H.U. Gunawardena	2/2				
Mr. R.J. Perera	2/2				
Mr. M.P.R. Rassool (Resigned w.e.f. 21st October 2025)	1/1				
Mr. J.D.N. Kekulawala (Retired w.e.f. 4th September 2026)	2/2	8/9	1/1		1/1
Prof. A.S. Dharmasiri	2/2	5/9	1/1	1/3	1/1
Mr. T. Nadarasa	2/2	9/9	1/1	3/3	1/1
Mr. M.I. Furkan (Appointed w.e.f. 29th August 2025)	1/1	5/5		2/2	
Mr. S. Saraf (Alternate Director - Mr. C.K. Gupta)	2/2				

COMPANY SECRETARY

Messrs. Softlogic Corporate Services (Pvt) Ltd function as Company Secretaries to the Group. The Company Secretaries

provide guidance to the Board as a whole and to individual Directors with regard to discharging of responsibilities.

The Company Secretaries facilitate and guide to ensure that the Board complies with the applicable rules, regulations and procedures and activities relating to the Board.

APPOINTMENT AND RE-ELECTION TO THE BOARD

- » Directors are appointed by the Board in a structured and transparent manner.
- » Appointments are made with due consideration given to the diversity of skills and experience within the Board.
- » As per the Company's Articles of Association, three of the Directors shall retire from office at each Annual General Meeting and offer themselves for re-election.
- » All Directors appointed during the year seek re-election at the subsequent AGM.
- » The Managing Director is not subject to retirement by rotation.

The following Directors thus retire and offer themselves for re-election:

- » Mr. H.K. Kaimal
- » Mr. G.W.D.H.U. Gunawardena
- » Mr. T. Nadarasa

The following Director was appointed during the year and re-elected at the Annual General Meeting of the Company held on 14th January 2026.

- » Mr. M.I. Furkan

CHAIRMAN & MANAGING DIRECTOR

The roles of the Chairman and the Managing Director are combined in one person due to the diversity of the Group's business operations in line with a number of large diversified holding companies.

INVESTMENT APPRAISAL

The Group's diverse business portfolio is reviewed periodically to determine their appropriateness to the Group's long term business goals, risks and opportunities for growth. Consequently, investment and divestment decisions, acquisitions

are key areas of focus for the Board with proposals reviewed for commercial viability, strategic alignment, operational, funding and risk implications. Systematic processes are in place to ensure the involvement of relevant persons when capital investment decisions are taken and numerous views are sought to ensure high quality decision making.

- » Board Composition & Appointment
- » Risk Management
- » Funding Structure of Group
- » Business Expansion
- » Financial Reporting
- » Performance Management

DIRECTORS' REMUNERATION

The Remuneration Committee makes recommendations to the Board on remuneration policy and remuneration of the Chairman and Managing Director, Executive Directors, Non-Executive Directors and Key Management Personnel in line with the business goals of the Company. Terms of Reference of this key sub-committee complies with the guidelines prescribed by the Code of Best Practice and other investor guidelines.

The Group's remuneration policy is designed to attract and retain talent which comprises of fixed income and a variable income which is linked to their performance. Non-Executive Directors' remuneration comprises only a fixed fee and does not have any variable component. No Director is able to determine his/ her own remuneration as Directors' Remuneration is a matter reserved for the Board as a whole with due consideration given to the recommendations of the Remuneration Committee of the Board.

The Report of Board Remuneration Committee is on page 90 provides further information. The aggregate remuneration paid to the Directors is disclosed in the Notes to the Financial Statements on page 154 of this Report.

SHAREHOLDER RELATIONS

Shareholder relations are managed through a structured process with multiple platforms facilitating shareholder engagement and timely dissemination of information.

The Annual General Meeting is the key platform for engagement and notice of the AGM and all relevant documents are circulated among shareholders at least 15 working days prior to the AGM.

The Chairman/ Managing Director, Board of Directors and External Auditors attend the Annual General Meetings to respond to queries that may be raised by the shareholders. In addition to the AGM, shareholder engagement is also facilitated by the Group's investor relations department which maintains a continuous dialogue with shareholders through the dissemination of announcements on material developments and quarterly performance. They are also a point of clarification for shareholders.

ACCOUNTABILITY AND AUDIT

Board responsibilities include presenting a balanced assessment of the Group's financial performance, position and prospects on a quarterly and annual basis.

This Annual Report has been prepared in discharge of this responsibility and includes the following declarations/ further information required by regulatory requirements and voluntary codes:

CORPORATE GOVERNANCE

- » Audited Financial Statements – pages 104 to 253
- » Statement of Directors' Responsibilities – page 94
- » Annual Report of the Board of Directors on the Affairs of the Company – pages 82 to 85
- » Management Discussion & Analysis – pages 39 to 81

The Audit Committee has oversight responsibility for monitoring and supervising financial processes to ensure integrity, accurate and timely financial reporting. It is also responsible for ensuring adequacy and effectiveness of the Internal Control and Risk Management processes and receives reports from Group Internal Audit and Group Risk Management in this regard. The Audit Committee comprises Non-Executive Directors all of whom are Independent for the financial year ended 31st March 2026.

Further, as at date the Audit Committee comprises three Non-Executive Directors, out of which two are independent and one is non-independent. The Chairman of the Audit Committee is a finance professional with extensive experience in the relevant areas whose profile is given on page 20. The Terms of Reference of the Audit Committee complies with the recommendations of the Code of Best Practice on Board Audit Committees issued by ICASL and guidelines stipulated by the SEC.

The Audit Committee is responsible for approving the terms of engagement of the external auditors including audit fees. The principal auditor has not provided any services which are stipulated as restricted by the SEC and the audit fees and non-audit fees paid by the Company to its auditors are separately disclosed on page 154 of the Notes to the Financial Statements.

The Board holds overall responsibility for determining the Group's risk appetite and implementing sound risk management and internal control systems to ensure that risk exposures are maintained within defined parameters. The Group's internal control systems are aimed at safeguarding shareholders investments and effectively managing risks that may impact the achievement of its strategic objectives.

A discussion on the Company's key risk exposures and mitigation mechanisms are given in the Risk Management Report on pages 34 to 38 of this Report. The Audit Committee annually reviews the effectiveness of the Group's risk and internal control systems.

A formalised whistle-blowing policy is in place enabling employees to raise concerns anonymously on unethical behaviour, breach of regulations and/ or violations of the Group's Code of Conduct. Such complaints are investigated and addressed through a formalised procedure and brought to the notice of the Board, serving as an overriding control mechanism.

The Board Related Party Transactions Review Committee has been set up in compliance with guidelines stipulated by the CSE. Directors individually declare their relevant transactions with the Company and its subsidiaries on a quarterly basis.

A formalised process is in place for identifying Related Party Transactions and avoiding conflicts of interest. All Related Party Transactions as defined by the applicable accounting standards are disclosed on Note 47 of the Financial Statements on pages 212 to 216 of this Report.

SHAREHOLDERS

All shareholders are encouraged to attend the Annual General Meeting of the Company and vote on the resolutions which form part of the agenda in accordance with matters reserved for shareholders.

Extraordinary General Meetings are also called to inform shareholders on material developments that impact their interests and their consent is obtained for the same in accordance with the provisions of the Companies Act.

SUSTAINABILITY REPORTING

The Group continues its efforts to embed Sustainability into its operations and report on how the Group manages risks stemming from economic, environmental and social factors. The Group's Annual Report is used as a platform to provide comprehensive sustainability communication to all stakeholders and this year we have enhanced the scope and coverage of our sustainability reporting by adopting a stakeholder value creation approach. Holistic sustainability reporting is a journey and we continue to improve the reports each year in discharging of our obligations.

Principle	Compliance and Implementation	Effective Date	Status
9	Corporate Governance		
9.1	Applicability of Corporate Governance Rules		
	The Company has to comply with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules.	1st October 2023	Complied
9.2	Policies		
9.2.1	The Company has to implement the policies below, and disclose on the Company website along with information regarding their existence and implementation details. a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk Management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	1st October 2024	Complied
9.2.2	The Company has to comply with the Internal Code of Business Conduct and ethics	1st October 2024	Complied
9.2.3 - 9.2.4	The policies have to be disclosed on the company website, and be updated on changes made to them throughout the year. All policies are accessible to shareholders upon a written request.	1st October 2024	Complied
9.3	Board Committees		
9.3.1 - 9.3.2	The Company has to maintain 4 mandatory committees required by CSE listing rules. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee The composition, responsibilities, and disclosures required in respect of the above Board committees have been disclosed.	1st October 2023	Complied
9.3.3	The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above.	1st October 2024	Complied

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders.		
9.4.1	The Company must maintains information required by 9.4.1 and the required information has been provided to the Exchange and/or the SEC upon request.	1st October 2023	Complied
9.4.2	The Company shall have established a policy to effectively communicate with shareholders and investors, which is outlined in both the Annual Report and on the website. Additionally, a designated contact person must be provided for communication purposes. This policy should ensure that all Directors are informed of any significant concerns or issues raised by shareholders. Furthermore, these concerns must be transparently addressed in the Annual Report and on the website.	1st October 2023	Complied
9.5	Policy on matters relating to the Board of Directors		
9.5.1	The Company has to adopt policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule No 9.5.1	1st October 2023	Complied
9.5.2	The Company has to adopt the Policy on matters relating to the Board of Directors.	1st October 2023	Complied
9.6	Chairperson and CEO		
9.6.1 – 9.6.4	The roles of Chairperson and CEO are occupied by distinct individuals; however as the Chairperson of the Company is not a Non-Executive Director the Company has designated a Senior Independent Director (SID)	1st October 2023	Complied
9.7	Fitness of Directors and CEOs		
9.7.1 – 9.7.2	Every member of the Director Board should be a fit and proper person to act as Director, CEO/MD as specified in the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3	1st October 2023	Complied
9.7.3 – 9.7.5	The Entity shall ensure that the Board of Directors are fit and proper to act as a Director.	1st April 2024	Complied
9.8	Board Composition		
9.8.1- 9.8.2	The Director Board should consist of a minimum of 05 Directors and a 1/3 of the Board should be independent. The Board of the Company consisted of 9 (Nine) Directors and 4 (Four) were independent as at 31st March 2026. Hence 1/3 of the total number of Directors were independent, as required.	1st October 2024	Complied
9.8.3- 9.8.4	The criteria for determining independence should be disclosed. Refer the Independence of Directors as at 31st March 2026	1st October 2023	Complied
9.8.5	Directors have to submit the formal declaration of independence annually. The Board has to review these annual declarations and other available information to verify adherence to the criteria for assessing independence.	1st October 2023	Complied

Principle	Compliance and Implementation	Effective Date	Status
9.9	Alternate Director		
	The Company should follow the requirements in appointing an Alternate Director.	1st January 2024	In progress
9.10	Disclosures relating to Directors		
9.10.1	The maximum no of Directorships should be in line with the policy on matters relating to the Board of Directors as per Rule No 9.5.1	1st October 2023	Complied
9.10.2	The Company should set out an immediate Market Announcement when making new appointments to the Board setting out the required information on the new appointment.	1st October 2023	Complied
9.10.3	An immediate Market Announcement should be made with regard to the changes to the composition of the Board and Board Committees referred to in Rule 9.3	1st October 2023	Complied
9.10.4	Director information required to Rule No. 9.10.4 has to be disclosed in the Annual Report.	1st October 2023	Complied
9.11	Nominations and Governance Committee		
9.11.1- 9.11.3	The Company should have a Nominations and Governance Committee and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board. The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2024	Complied
9.11.4	Composition of the Committee: The Nominations and Governance Committee comprised of three [3] Independent Non-Executive Directors as at 31st March 2026. An Independent Director serves as the Chairperson. The committee composition must be disclosed in the Annual Report.	1st October 2024	Complied
9.11.5	Functions of the Committee: The Committee must fulfil its duties by evaluating and recommending Director appointments, establishing selection criteria, reviewing the Board's structure, and updating governance policies in accordance with the stipulations outlined in Section 9.11.5, thereby ensuring compliance with regulatory requirements. The re-elections and new appointments have to be disclosed.	1st October 2024	Complied

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.11.6	Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) The names of Chairperson, Committee members and Directors; b) Committee appointment date; c) Nominating Director policy existence; d) Directors' periodic re-election requirement; e) Board diversity disclosure; f) Effective Director appointment policy demonstration; g) Re-elected Directors' details; h) Board and CEO performance evaluations; i) Independent Directors' awareness on major issues relating to the entity; j) New Directors' induction on governance; k) Annual updates on governance for Directors; l) Directors' independence confirmation; m) Listing Rules compliance statement, non-compliance explanation, and remedial actions.	1st October 2024	Complied
9.12	Remuneration Committee		
9.12.1 – 9.12.5	The Company should have a Remuneration Committee and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her remuneration. The Committee should operate under a set of written terms of reference that clearly outline its scope, authority, duties, and requirements for meeting quorum. Refer Remuneration Committee Report	1st October 2023	Complied
9.12.6	Composition of the Committee: The Company operates with a separate Remuneration Committee. The Remuneration Committee comprised three [3] Independent Non-Executive Directors and an Independent Director served as the Chairperson as at 31st March 2026. Refer Remuneration Committee Report	1st October 2024	Complied
9.12.7	Functions of the Committee: The committee should, recommend and assess the relevance of the remuneration payable to the Executive Directors of the Company.	1st October 2023	Complied
9.12.8	Disclosures: The Company should disclose that during the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) Chairperson and members of the Remuneration Committee and their Directorships. b) Statement on remuneration policy. c) Aggregate remuneration of Executive and Non-Executive Directors. For (a) and (b) refer Remuneration Committee Report For (c) refer Financial Statement disclosure	1st October 2023	Complied

Principle	Compliance and Implementation	Effective Date	Status
9.13	Audit Committee		
9.13.1	The Audit Committee of the Company shall perform the Audit and Risk Functions set out in Rule 9.13.	1st October 2023	Complied
9.13.2	The Committee has to operate under a set of written terms of reference that clearly outline its scope, authority, duties.	1st October 2023	Complied
9.13.3	Composition of the Committee: The Audit Committee comprised of four (4) Independent Non-Executive Directors as at 31st March 2026. During the year the Committee should compulsorily meet quarterly. Unless otherwise determined by the Audit Committee the Chief Executive Officer and the Chief Financial Officer shall attend by invitation. The Chairperson of the Committee shall be a member of a recognised professional accounting body.	1st October 2024	Complied
9.13.4	Functions of the Committee: The committee should oversee the entity's compliance with financial regulations, reviewing financial statements and accounting policies, recommending external auditor appointments, ensuring assurance on financial records and risk management, overseeing compliance with auditing standards and risk management, evaluating risk policies, taking corrective actions on excessive risks, reviewing audit effectiveness, establishing policies for external auditor engagement, justifying auditor changes when necessary, and promptly reporting breaches to the Board and relevant authorities.	1st October 2024	Complied
9.13.5	Disclosures: 1) Audit Committee Report. 2) Disclosure requirement: a) Chairperson and Audit Committee members' details. b) Risk management status for Listed Entity and Group. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) Confirmation of external auditors' independence. i) Auditor independence determination and engagement details. Refer Audit Committee Report.	1st October 2024	Complied
9.14	Related Party Transactions Review Committee		
9.14.1	The Company possesses a Related Party Transactions Review Committee and conforms to the requirements set out in Rule 9.14 of these Rules. The Committee operates under a set of written terms of reference that clearly outline its scope, authority, and duties.	1st October 2023	Complied

CORPORATE GOVERNANCE

Principle	Compliance and Implementation	Effective Date	Status
9.14.2	Composition of the Committee: The Committee comprises of two [2] Independent Non-Executive Directors and one [1] Executive Director. An Independent Director shall serve as the Chairperson.	1st April 2024	Complied
9.14.3	Functions of the Committee: The Company has to set up a Related Party Transactions Review Committee to oversee such transactions, with the aim of safeguarding shareholders' interests and preventing abuse by Directors, CEOs, or Substantial Shareholders. The rules prioritise the economic and commercial substance of transactions over the legal form or technicalities. The Committee is tasked with establishing and maintaining clear policies, procedures, and processes for identifying, clarifying, and reporting related party transactions across the Company's operations. Refer the Related Party Transactions Review Committee Report.	1st October 2023	Complied
9.14.4	General requirements: The Committee shall meet quarterly, ensuring thorough documentation of meeting minutes for the Board of Directors. Committee members shall have access to adequate expertise to evaluate proposed transactions, seeking professional advice when necessary. Approval from the Board of Directors is required for reviewed transactions as mandated by Rule 9.14.4. Directors with personal interests in such matters must abstain from participation and voting during relevant Board Meetings. Refer the Related Party Transactions Review Committee Report	1st October 2023	Complied
9.14.5 – 9.14.6	The Related Party Transactions Review Committee, shall review all related party transactions, while also considering any material changes to previously reviewed transactions under Rule 9.14.5. They may assess transaction details, and Director independence and may establish guidelines for ongoing deals, conducting annual compliance reviews. The Company shall obtain shareholder approval in the way of a special resolution when related party transactions listed in 9.14.6 occur.	1st October 2023	Complied
9.14.7	Disclosures: The non-recurrent related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets, the latest related party transactions which exceeded aggregate value of the 10% of the Equity or 5% of the Total Assets, the subsequent non-recurrent related party transactions which exceeded 5% of the Equity of the entity shall be disclosed by an immediate market announcement in accordance with Rule 9.14.7. Refer the Related Party Transactions Review Committee Report.	1st October 2023	Complied
9.14.8	Disclosures in the Annual Report: The transactions in the aggregate value of the non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Company, as per the latest Audited Financial Statements shall be disclosed in the Annual Report in the given format in Rule 9.14.8.	1st October 2023	Complied

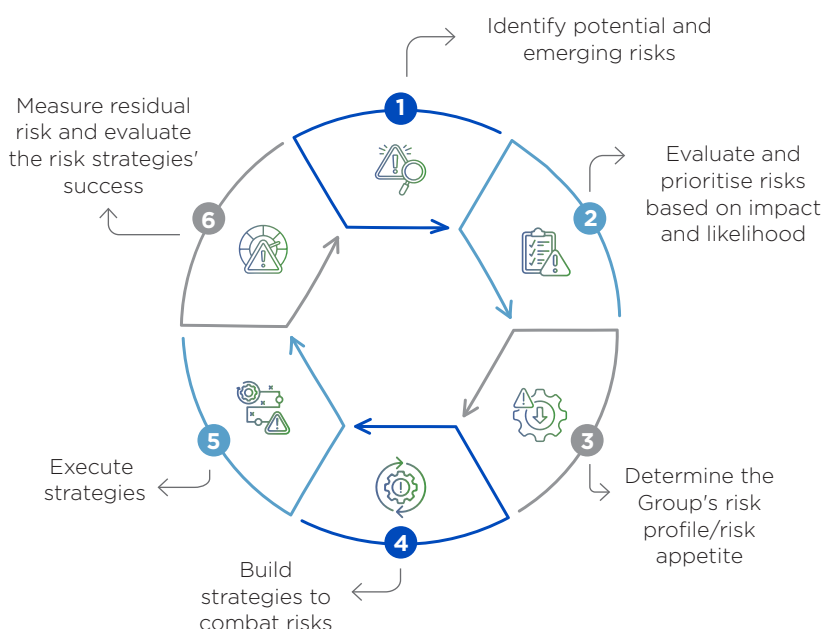
Principle	Compliance and Implementation	Effective Date	Status
9.14.9	Acquisition and Disposal of Assets from/to related parties except for transactions in 9.14.10 shall follow the requirements as per Rule 9.14.9.	1st October 2023	Complied
9.14.10	Exempted Related Party Transactions: The Company shall note the definition given under exempted related party transactions when determine the related party transactions of the Company.	1st October 2023	Complied
9.16	Additional disclosures		
	i) The Board of Directors shall disclose all material interests in Entity contracts and refrained from voting on such matters. Please refer Annual Report of the Board of Directors	1st October 2023	Complied
	ii) The Board shall review internal controls and obtain reasonable assurance of effectiveness and any inability to declare shall be explained. Please refer Annual Report of the Board of Directors	1st October 2023	Complied
	iii) The Board shall stay informed about applicable laws, rules, and regulations. Refer Annual Report of the Board of Directors	1st October 2023	Complied
	iv) The Board shall disclose instances of non-compliance and material fines in Entity-operated jurisdictions. Refer Annual Report of the Board of Directors	1st October 2023	Complied

RISK MANAGEMENT

Risk management is an integral part of the Group's governance and decision-making process and supports the achievement of its strategic and operational objectives. The Group adopts a structured and continuous approach to identify potential and emerging risks, evaluate and prioritise them based on their likelihood and potential impact, and determine appropriate risk responses within the Group's risk appetite.

The risk management process encompasses the identification and assessment of risks, determination of the Group's risk profile and risk appetite, development and execution of appropriate risk mitigation strategies, and ongoing evaluation of residual risks to assess the effectiveness of the strategies implemented. This enables the Group to proactively respond to changes in its operating environment and emerging threats while supporting informed decision-making and the sustainable creation of stakeholder value.

The Group's risk management process is illustrated below;



Following the identification and assessment of risks, the key risks relevant to the Group and its respective business sectors are summarised below, together with their assessed risk grades and principal risk management strategies.



High



Medium



Low

Risk Category	Risk	Risk Grade	Risk Management Strategies
Capital Structure / Going Concern Risk	Sustained losses, negative net assets and significant current liabilities may create material uncertainty over the Group's financial sustainability and constrain financial flexibility.		Management continues to strengthen operating cash flows, improve profitability and reduce financial leverage. A Board-approved liquidity and working capital enhancement plan is being implemented, supported by debt restructuring, capital strengthening, asset monetisation and other funding initiatives.
Liquidity & Refinancing Risk	Significant short-term obligations and reliance on borrowings create continuing liquidity and refinancing pressure.		Cash flows, working capital and funding requirements are closely monitored through rolling forecasts. Discussions with lending institutions continue to restructure repayment obligations and optimise the borrowing profile.

Risk Category	Risk	Risk Grade	Risk Management Strategies
Debt Restructuring Risk	Delays in completing the remaining debt restructuring arrangements could prolong financial pressure and increase refinancing requirements.		Management continues discussions with lending institutions on revised repayment structures, moratoriums and other restructuring arrangements. Restructured facilities and repayment commitments are closely monitored. The remedial-action programme confirms that the majority of the restructuring has progressed, with the remaining portion being pursued.
Negative Equity & Capital Raising Risk	Delays in planned equity and other capital-raising initiatives could affect deleveraging, liquidity and implementation of the Group's recovery strategy.		Management continues to pursue equity and other capital-raising alternatives and engage with potential investors. Capital raised is prioritised towards strengthening the Group's financial position and supporting its recovery programme.
Interest Rate & Borrowing Cost Risk	Changes in interest rates and borrowing costs may adversely affect finance costs, profitability and operating cash flows.		Interest-rate movements, borrowing costs and repayment schedules are continuously monitored. Restructuring, repricing and refinancing opportunities are pursued to reduce financing pressure.
Listing & Regulatory Risk	Continuing emphasis of matter on going concern and related regulatory requirements may affect investor confidence, market perception and the Company's ability to access capital markets.		Management continues to implement the remedial-action programme and maintain engagement with relevant regulatory and market authorities. Progress against remedial actions is monitored and material developments are communicated to stakeholders. The SEC has deferred the suspension of trading in the Company's securities until 30 June 2027.
ODEL Mall Funding & Execution Risk	The ODEL Mall project remains exposed to funding, construction, cost escalation, market demand and completion risks under the revised development strategy.		The project scope has been rationalised and the funding strategy revised to rely primarily on office-space pre-sales and external equity, reducing reliance on additional debt. Construction has resumed and project progress, funding and costs are closely monitored.
Cybersecurity & Information Security Risk	Cyberattacks, ransomware, system failures and data breaches could disrupt operations and result in financial, regulatory and reputational losses.		Cybersecurity controls, access management, network protection and data-loss prevention measures are continuously strengthened, supported by security testing and employee awareness programmes.
Technology & Digital Disruption Risk (Information Technology Sector)	Rapid technological change, cybersecurity threats and project execution risks may affect IT operations, customer relationships and business continuity.		Investment continues in cybersecurity, automation, managed services and digital capabilities, while technical expertise and technology partnerships are strengthened.

RISK & OPPORTUNITIES

Risk Category	Risk	Risk Grade	Risk Management Strategies
Profitability & Operating Leverage Risk	Continuing losses in certain businesses and fixed operating costs may adversely affect profitability and operating cash flows.		Business performance is regularly reviewed and underperforming operations are rationalised. Cost controls, productivity improvements, working-capital management and operational efficiencies are implemented to strengthen margins and cash generation.
Credit & Asset Quality Risk (Finance Sector)	Deterioration in borrower credit quality, loan recoveries and asset quality may increase impairment losses and affect financial performance.		Credit assessment, monitoring and recovery processes are strengthened, while non-performing exposures and repossessed assets are actively managed.
Clinical & Patient Safety Risk (Healthcare Sector)	Clinical errors, patient safety incidents and medical malpractice could result in financial, legal and reputational consequences.		Clinical governance, quality assurance and patient-safety protocols are maintained, supported by investment in medical technology, infrastructure and specialist expertise.
Market Risk (Financial Services Sector)	Changes in interest rates, financial-market conditions and asset prices may affect financial-sector portfolios and performance.		Asset and liability portfolios and market conditions are continuously monitored and managed prudently.
Foreign Exchange Risk	Exchange-rate volatility may increase the cost of imported products, vehicles, equipment and other inputs.		Foreign currency exposures are monitored, and appropriate sourcing, pricing and risk-management measures are applied.
Supply Chain Risk (Retail Sector & ICT Sector)	Supply-chain disruptions may affect product availability, costs and margins.		Alternative sources of supply and supplier relationships are maintained, supported by improved procurement and inventory planning. The Group has identified supply-chain disruption as an increasing risk.
Import & Product Availability Risk (Retail & ICT Sector)	Changes in import policies, tariffs and supply conditions may affect product availability and costs.		Procurement, supplier diversification and inventory levels are continuously reviewed.
Consumer Demand & Business Cycle Risk (Retail & ICT Sector)	Changes in consumer confidence, purchasing power, taxation and market conditions may affect sales volumes and margins.		Demand trends are monitored and cost optimisation, rationalisation and targeted promotional strategies are implemented.
Technology & Digital Disruption Risk (Retail & ICT Sector)	Rapid changes in digital technologies and customer preferences may affect competitiveness.		Digitalisation, technology-enabled customer engagement and new product and service offerings are continuously pursued.

Risk Category	Risk	Risk Grade	Risk Management Strategies
Healthcare Regulatory Risk (Healthcare Sector)	Changes in healthcare regulations, licensing requirements and professional standards may increase compliance requirements and costs.		Regulatory developments, licenses and quality standards are continuously monitored.
Human Capital Risk (Healthcare Sector)	Migration and resignation of specialised healthcare professionals may affect service capacity, clinical quality and business continuity.		Competitive remuneration, professional development, training and retention initiatives are maintained to strengthen critical capabilities.
Regulatory Capital Risk (Finance Sector)	Failure to maintain required regulatory capital could restrict financial services operations.		Capital adequacy and regulatory requirements are regularly monitored with appropriate capital planning and corrective action.
Insurance Risk (Insurance Sector)	Adverse claims experience, underwriting assumptions and investment-market movements may affect insurance profitability.		Underwriting, actuarial, claims and investment risks are regularly reviewed and managed.
Capital Market Risk (Financial Services Sector)	Market volatility and changes in trading activity may affect brokerage and investment-management income.		Market trends are monitored and revenue sources and customer channels are diversified.
IT Demand & Customer Concentration Risk (IT Sector)	Cautious technology spending or concentration in customers and technology partners may affect revenue growth.		Customer diversification and expansion of managed services, automation and BPO offerings are pursued.
Tourism & Occupancy Risk (Hotel Sector)	Changes in tourist arrivals, occupancy and travel patterns may affect hotel revenue and profitability.		Occupancy, yields and guest experience are monitored while international hotel-management expertise is leveraged.
Strategic Portfolio / Sector Exit Risk	Underperforming or non-strategic businesses may continue to consume financial and management resources if portfolio rationalisation is delayed.		Management continues to evaluate selected investments and sectors for disposal or exit and focuses resources on strategically important businesses. The remedial-action programme specifically includes disposal of selected non-strategic investments and phasing out from certain sectors.
Asset Monetization Risk	Delays in monetizing non-strategic assets may restrict cash generation and debt reduction.		Non-core assets are evaluated for disposal based on strategic relevance, marketability and value. Completed and planned disposals are monitored as part of the financial recovery programme.

RISK & OPPORTUNITIES

Risk Category	Risk	Risk Grade	Risk Management Strategies
Political & Regulatory Risk	Changes in government policies, taxation, import restrictions and regulatory requirements may affect business operations and market conditions.		Regulatory and policy developments are continuously monitored and business strategies are adjusted where required.
Human Resource Risk	Migration and resignation of skilled employees may affect service quality, specialist capabilities and business continuity across the Group.		Competitive remuneration, employee benefits, training, career development and retention initiatives are maintained.
Health & Safety Risk	Workplace accidents may result in injury, financial penalties, litigation and reputational damage.		Health and safety protocols, employee awareness and incident-management procedures are maintained.
Business Continuity Risk	System failures, natural disasters, security incidents or other unforeseen events could disrupt critical operations.		Business continuity and disaster-recovery arrangements are maintained for critical operations.
Reputational Risk	Service failures, regulatory matters, cyber incidents or adverse events within Group companies may affect stakeholder confidence.		Governance, compliance, customer-service and incident-management processes are maintained across the Group.
Customer Experience & Service Quality Risk	Inconsistent service quality may affect customer satisfaction, loyalty and revenue.		Customer feedback and service quality are monitored and businesses continue to improve service delivery and digital engagement.
Strategic Investment & Execution Risk	Strategic investments and projects may face execution delays, funding constraints or lower-than-expected returns.		Major investments and projects are evaluated and their milestones, funding requirements and expected returns are monitored.
ESG & Sustainability Risk	Evolving environmental, social and governance expectations may affect stakeholder confidence and long-term competitiveness.		ESG developments are monitored and relevant sustainability considerations are incorporated into business practices.

FINANCIAL REVIEW

ECONOMIC AND OPERATING ENVIRONMENT

Sri Lanka's economic recovery strengthened during the year, with real GDP expanding 5% in 2025 for a second consecutive year. Inflation returned to positive territory following a period of deflation, while lower interest rates, improved liquidity and stronger private sector credit supported the recovery in consumer and business activity. The external position also strengthened through improved foreign exchange liquidity, higher remittances and services inflows, and the rebuilding of official reserves.

Further progress was made in fiscal consolidation and sovereign debt restructuring under the IMF-supported reform programme. Stronger revenue mobilisation improved the fiscal position, while the normalisation of imports, including the resumption of motor vehicle imports, marked an important step in restoring economic activity.

Tourism also maintained its recovery during CY2025. Towards the latter part of the financial year, escalating tensions in the Middle East introduced renewed pressure through energy prices, tourism and foreign exchange markets. These pressures became more pronounced after year end, contributing to higher inflation and a subsequent tightening of monetary conditions. The completion of the Fifth and Sixth IMF programme reviews in May 2026 represented a further milestone in the reform programme.

The policy environment has also continued to evolve, with changes to vehicle import taxation and measures to moderate import-related foreign exchange demand, alongside ongoing reforms to VAT, SSCL and the tariff structure. The progressive implementation of the National Tariff Policy and cost-reflective energy

pricing are expected to remain important influences on import costs, consumer purchasing power and business activity.

For Softlogic, the broader economic recovery, improved credit conditions and normalisation of imports provide a more supportive environment across its consumer, technology, automobile and financial services businesses, while tourism conditions directly influence Leisure & Property. At the same time, movements in interest rates and exchange rates, taxation, import duties, energy costs and household purchasing power remain important determinants of demand, operating costs, financing conditions and the Group's overall financial performance.

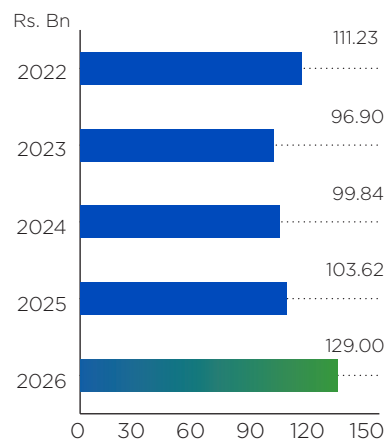
REVENUE

Softlogic recorded consolidated revenue of Rs. 129.0 Bn during the year, representing an increase of 24% compared with Rs. 103.6 Bn in the previous year. The improvement was broad-based, with higher revenue contributions across the Group's principal business sectors as economic activity strengthened and operating conditions normalised.

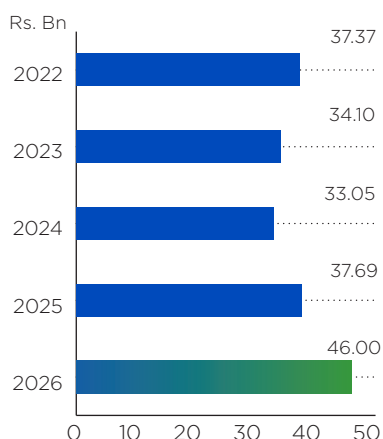
Financial Services remained the largest contributor to Group revenue, accounting for approximately 33%, supported primarily by the growth of the life insurance business. Retail & Telecommunications contributed approximately 30%, reflecting the recovery in consumer activity and improved product availability, while Healthcare Services accounted for approximately 27%, supported by sustained demand across the hospital and diagnostics network.

Information Technology contributed approximately 5% of Group revenue, while the Automobile sector increased its contribution to approximately 3%, reflecting

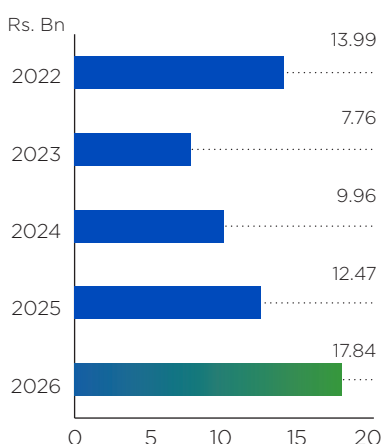
Group Revenue



Group Gross Profit



Group EBITDA



FINANCIAL REVIEW

the significant recovery following the resumption of vehicle imports. Leisure & Property accounted for approximately 2% of Group revenue.

PROFITABILITY

Consolidated gross profit increased 22% to Rs. 46.0 Bn, compared with Rs. 37.7 Bn in the previous year. The gross profit margin moderated to 35.7% from 36.4%, as cost of sales increased at a slightly faster pace than revenue. Despite this, the higher business volumes together with greater operating leverage supported a significant improvement in operating profitability.

Group EBITDA increased 43% to Rs. 17.8 Bn, compared with Rs. 12.5 Bn in the previous year, while operating profit increased 83% to Rs. 11.6 Bn from Rs. 6.4 Bn. The substantially stronger growth in operating profit relative to revenue reflects improved operating leverage, with the increase in operating expenses remaining below the rate of revenue growth.

The improvement in operating profitability was supported by greater operating leverage as revenue growth outpaced the increase in the Group's operating cost base. Combined distribution and administrative expenses increased 10%, compared with revenue growth of 24%, reducing the operating cost margin to 27.9% from 31.4% in the previous year. This was driven principally by administrative expenses, which increased 8.5%, while distribution expenses increased broadly in line with revenue. Other operating income increased by 27.4% to Rs. 1.57 Bn during the year.

Consequently, the Group's operating profit margin expanded to 9.0% from 6.1% in the previous year.

Finance expenses declined 15% to Rs. 13.7 Bn, while net finance costs reduced 16% to Rs. 5.9 Bn, providing further support to the Group's financial performance. The lower interest rate environment during much of the year contributed to the reduction in borrowing costs. Foreign exchange losses on foreign currency denominated borrowings, principally within the Leisure & Property sector, nevertheless remained a material component of finance costs, amounting to Rs. 639 Mn during the year compared with Rs. 668 Mn in the previous year.

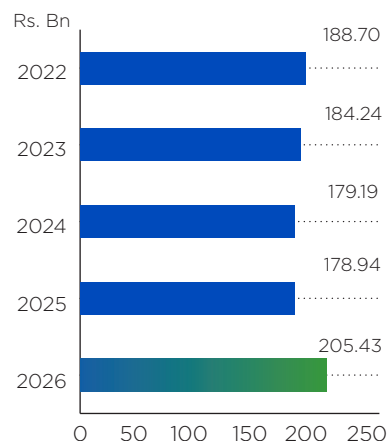
The Group recorded a profit before tax of Rs. 24 Mn, compared with a loss before tax of Rs. 7.49 Bn in the previous year. The considerable recovery in performance during the year marks an important shift in the Group's earnings trajectory and reflects the impact of the operational and financial measures implemented across the Group. The focus remains on sustaining this momentum and translating the stronger operating performance into a return to profitability.

FINANCIAL POSITION

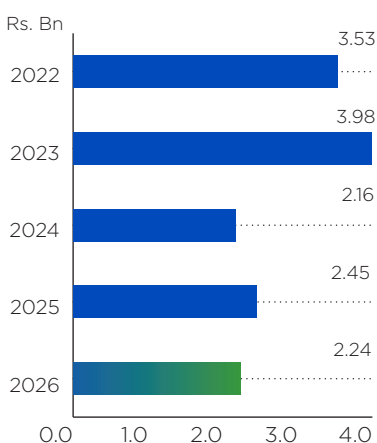
Assets and Liabilities

The Group's total asset base increased 15% to Rs. 205.4 Bn as at 31 March 2026, compared with Rs. 178.9 Bn at the previous year end. Non-current assets increased 7% to Rs. 141.7 Bn from Rs. 132.9 Bn, driven principally by higher non-current financial assets and other non-current assets. Property, plant and equipment remained the largest component of the Group's non-current operating asset base, increasing to Rs. 61.8 Bn from Rs. 60.6 Bn.

Total Assets



Capital Expenditure



Current assets increased 38% to Rs. 63.7 Bn from Rs. 46.0 Bn. Short-term investments increased substantially to Rs. 21.1 Bn from Rs. 13.3 Bn, while cash in hand and at bank more than doubled to Rs. 10.9 Bn from Rs. 5.3 Bn. Loans and advances increased to Rs. 5.4 Bn from Rs. 3.9 Bn, principally reflecting the expansion of financial services activity, while trade and other receivables increased to Rs. 11.6 Bn from Rs. 10.1 Bn.

Inventories remained relatively stable at Rs. 8.7 Bn, compared with Rs. 8.4 Bn in the previous year. This was despite the recovery in trading activity and normalisation of imports during the year, reflecting greater discipline over inventory deployment as product availability improved.

Total liabilities increased 13% to Rs. 248.4 Bn from Rs. 219.6 Bn. A significant component of this increase arose from insurance contract liabilities, which increased to Rs. 48.4 Bn from Rs. 33.7 Bn, in line with the expansion of the life insurance business.

Net interest bearing borrowings stood at Rs. 115.9 Bn as at 31 March 2026, compared with Rs. 117.6 Bn as at 31 March 2025. Net interest bearing borrowings comprise current and non-current interest bearing borrowings, the interest bearing components of other non-current financial liabilities, other current financial liabilities, and bank overdrafts, less cash and cash equivalents. During the year, the Group progressed the restructuring and realignment of its

borrowing profile through continued engagement with its lenders, focusing on extending repayment tenures and aligning debt service obligations more closely with operating cash generation.

Cashflow

Cash generation strengthened during the year, with net cash inflows from operating activities increasing by 60% to Rs. 14.0 Bn, compared with Rs. 8.8 Bn in the previous year. The improvement reflected the stronger operating performance of the Group, despite increased working capital requirements as activity levels recovered across several businesses.

Net cash inflows from investing activities amounted to Rs. 3.4 Bn during the year, compared with Rs. 1.6 Bn in the previous year, supported by proceeds from investment realisations and asset disposals as the Group progressed its asset monetization initiatives. Capital expenditure on property, plant and equipment amounted to Rs. 2.2 Bn, compared with Rs. 2.5 Bn in the previous year, reflecting a measured approach to capital deployment.

Net cash outflows from financing activities reduced substantially to Rs. 2.3 Bn, from Rs. 8.6 Bn in the previous year, reflecting movements in borrowings, lease liabilities and other financing arrangements during the year.

Consequently, the Group recorded a net increase in cash and cash equivalents of Rs. 15.1 Bn, with cash and cash equivalents increasing to

Rs. 19.7 Bn at year end from Rs. 4.6 Bn at the beginning of the year. Cash in hand and at bank stood at Rs. 10.9 Bn, compared with Rs. 5.3 Bn at 31 March 2025.

OUTLOOK

The stronger operating performance achieved during the year provides a more supportive base from which to address the Group's financial position. The immediate priority remains to translate the improvement in revenue and operating earnings into stronger and more consistent cash generation, while maintaining discipline over working capital, operating costs and capital expenditure.

The Group will continue to progress the restructuring of its borrowing arrangements, supported by the upcoming warrant exercise, the proceeds of which are expected to facilitate debt reduction and strengthen the Group's capital position.

Capital allocation will remain selective, with priority given to businesses and investments capable of generating stronger operating returns and cash flows. Together with the recovery underway across the Group's principal operating businesses, these measures are expected to progressively strengthen financial flexibility and support a more sustainable capital structure.

RETAIL & TELECOMMUNICATIONS



Softlogic's Retail & Telecommunications sector brings together a diversified portfolio spanning consumer electronics, mobile communications, fashion and lifestyle, footwear, furniture and home living, restaurants and supermarkets. The sector combines established international brands with Softlogic's own retail concepts and operates through an extensive network of stores, distribution channels, established e-commerce platforms and customer touchpoints across Sri Lanka.

The breadth of the portfolio enables the sector to participate across a wide range of consumer spending categories, from everyday essentials and food to mobile communications, household durables, fashion and lifestyle products.

INDUSTRY OVERVIEW

Sri Lanka's retail sector improved during the year as economic

recovery, better foreign exchange availability and the normalisation of imports restored product availability and supported consumer spending. Competition also intensified as retailers rebuilt inventories, reintroduced a wider range of products and brands, and competed more actively for recovering consumer demand.

Organised retail continued to gain relevance, although modern trade penetration remains relatively low in Sri Lanka. Greater preference for convenience, wider product choice, quality assurance and organised shopping environments provides scope for further formalisation, while competition increasingly centres on pricing, location, assortment and store productivity.

Consumer electronics and home appliances benefited materially from the return of imports. During CY2025 imports of home appliances

Sector Assets

Rs. 47.5 Bn

Sector Revenue

Rs. 38.2 Bn

Sector Employees

3,120

FASHION



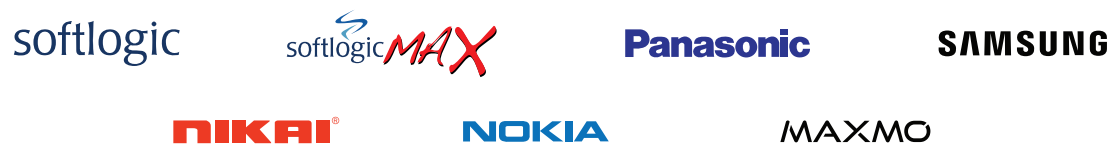
INTERNATIONAL WATCHES



EYEWEAR



CONSUMER ELECTRONICS



RESTAURANTS



SUPERMARKETS



ONLINE



FURNITURE



RETAIL & TELECOMMUNICATIONS

increased 29.6% to USD202 Mn and household and furniture items by 11% to USD153 Mn. Wider product availability revived competition across brands and price points, while affordability, instalment financing, after-sales service and warranty support remained important factors in purchasing decisions.

Mobile communications saw a strong recovery in supply during 2025, with imports of telecommunication devices increasing 56.4% to USD 222 Mn. The normalisation of imports enabled a broader range of devices and new models to return to the market, while frequent product launches and shorter replacement cycles supported activity. Competition intensified as the increased availability of devices, together with parallel imports, placed greater pressure on pricing across the category.

Fashion and lifestyle retail benefited from improved merchandise availability, with clothing and accessory imports increasing 16.8% to USD264 Mn. However, organised branded retailers face increasing competition from parallel imports, informal sellers and social media based businesses offering similar branded products with significantly lower operating overheads. This has increased price transparency and placed greater emphasis on authenticity, brand experience, merchandise freshness and the productivity of physical stores.

Supermarket retail remained highly competitive as consumers placed greater emphasis on value, convenience, fresh food, product choice and promotions. The relatively low penetration of organised modern trade provides room for further growth, while smaller neighbourhood formats, private label products, prepared foods and increasingly

convenient purchasing options are reshaping competition within the category.

The restaurant sector benefited from recovering consumer activity during the year, although affordability and value remained important considerations in discretionary spending. Within the quick service and casual dining segments, competition remained strong, with operators responding through menu innovation, locally relevant offerings, promotions and broader outlet reach. Consumer purchasing patterns have also become increasingly multi-channel, with dine-in complemented by takeaway, online delivery and direct ordering. While these channels provide restaurants with wider customer reach, food and operating costs, delivery economics and the ability to maintain consistent product and service standards remain important determinants of profitability.

Across several retail categories, the growth of online and social media commerce has lowered barriers to entry for smaller sellers operating with significantly lower overheads than organised retailers. This, together with the prevalence of grey market and parallel imports, has intensified price competition, particularly for branded merchandise. Formal retailers therefore increasingly differentiate through authenticity, warranty, after-sales service, product availability and customer experience, in addition to price.

The year consequently represented a stronger but more competitive retail environment, placing greater importance on merchandise selection, pricing, inventory turnover, store productivity and disciplined working capital management.

BUSINESS OVERVIEW

Consumer Electronics

Improved product availability following the normalisation of imports supported a stronger merchandise offering across Softlogic's international and own brands during the year, while the lower interest rate environment improved affordability and supported demand through established consumer financing and instalment options, including credit card easy payment schemes offered by leading banks. Building on the earlier rationalisation of the store network, the business focused on improving retail productivity, optimising product mix and inventory turnover, and directing working capital towards categories with stronger demand. Relationships with international principals, together with established warranty and after-sales capabilities, remained important competitive strengths in an increasingly competitive market.

Online sales continued to gain momentum during the year, with additional resources allocated to strengthen the digital sales channel and broaden customer reach. The business is also actively exploring opportunities to integrate electronics stores within selected GLOMARK locations, making greater use of the Group's existing retail footprint and customer traffic while providing a more capital-efficient avenue for expanding market reach.

Fashion & Lifestyle

The recovery in consumer spending supported stronger demand for fashion and lifestyle products during the year. Competition nevertheless remained intense across organised retail, online & social media channels, grey market and parallel imports. For authorised retailers of international brands, VAT, import duties and other

levies also affected landed costs and pricing, placing greater emphasis on disciplined sourcing, merchandise selection and efficient inventory management.

Against this environment, the business focused on improving productivity across ODEL, Cotton Collection and the international fashion brand portfolio managed through Softlogic Brands. The retail footprint was further rationalised through the closure of underperforming locations and the discontinuation of selected brands, while inventory and resources were redeployed towards stronger locations. This resulted in a leaner and more productive network, with improved store productivity and sales density across ODEL and Cotton Collection stores. Greater emphasis was also placed on merchandise planning, stock allocation and improving inventory turns and sell-through, supported by more disciplined promotional and markdown management.

Investment was increasingly directed towards brands and locations demonstrating stronger footfall, sales productivity and return potential. The Levi's partnership was further expanded with three new Exclusive Brand stores being added during the year, while the relocation from Colombo City Centre to Havelock City Mall reflected the strategy of aligning the store network more closely with its target customer base. The ODEL Brands Outlet Store format provided an additional channel for international branded merchandise, supporting stock rotation while addressing demand from more value-conscious consumers. ODEL and Cotton Collection also strengthened their merchandise proposition, complemented by improvements across the physical and digital customer journey.

ODEL Mall remains an important long term investment and an integral part of ODEL's future retail strategy. The Group remains committed to progressing the development, with its scope, phasing and funding structure recalibrated to reflect current market conditions and improve capital efficiency. Phase I has been reprioritised with a revised retail and office mix and a funding approach designed to progress the development without incremental debt funding.

ODEL Group revenue increased 24% to Rs. 7.3 Bn during the year, from Rs. 5.9 Bn in the previous year, reflecting the recovery in trading activity across the more focused retail network.

Furniture & Home Living

The furniture and home living business strengthened its offering during the year through a combination of imported products and local manufacturing, providing greater flexibility in sourcing, product development and pricing. The local manufacturing capability also enabled the business to respond more closely to market requirements while reducing dependence on imported finished products.

Greater emphasis was placed on merchandise mix, inventory turns and aligning stock with customer demand across furniture and home-living categories. The business also leveraged Softlogic's broader retail network and customer base to improve product visibility and cross-selling opportunities, complementing the Group's consumer electronics and household offering.

Restaurants

The restaurant business recorded strong growth during the year and has established itself as one of the Group's successful consumer businesses. As at 31 March 2026,

the business operated a network of 43 outlets, comprising 22 Burger King, 7 Baskin-Robbins, 6 Popeyes, 4 Délifrance, 3 Subway and 1 Crystal Jade outlet.

Growth during the year was driven by the existing network, with focus placed on outlet productivity, menu relevance and operating efficiencies. Dine-in was complemented by takeaway, online delivery and direct ordering, broadening customer access and supporting sales across the portfolio while maintaining the food quality and service standards of the Group's international franchise partners.

Délifrance and Burger King outlets were opened in Thalawathugoda in July 2026. The restaurant business is looking to further expand its brand portfolio, building on its strategy of partnering with internationally renowned franchise concepts. A new Popeyes outlet is scheduled to open at One Galle Face in September 2026, further extending the portfolio within Colombo's expanding mall-based dining market.

In line with this strategy, Mad Over Donuts will be introduced to Sri Lanka, adding an established dessert concept known for freshly made handcrafted doughnuts and complementary beverages. Another planned addition is Wow! Momo, one of India's fast-growing quick service restaurant brands, offering a range of momos alongside baos and other Asian inspired dishes. The business also plans to introduce Tiong Bahru Bakery, the popular Singaporean artisan bakery and café concept known for its French inspired pastries, particularly handmade croissants and viennoiserie, together with artisan breads and coffee.

The addition of these new franchises will further diversify the Group's restaurant portfolio and extend its

RETAIL & TELECOMMUNICATIONS

presence across quick service dining, bakery, café and dessert formats, providing additional avenues for growth.

Supermarkets

GLOMARK strengthened its position within the Group's retail portfolio during the year, with its supermarket proposition centred on fresh produce, groceries and a differentiated merchandise offering. The business focused on improving store productivity, merchandise mix and procurement efficiencies, while increasing the contribution from higher-margin categories and managing inventory more effectively.

The next phase of GLOMARK's development will place greater emphasis on differentiating its merchandise proposition through own-brand products and new product categories. The business also intends to make greater use of consignment and tenant-based models, working with Group businesses and selected external partners to broaden the range available to customers without requiring a corresponding increase in inventory investment.

The store network is also planned to expand progressively, with 2 to 3 new supermarkets targeted for the next financial year and an average of 4 to 5 stores annually thereafter. Expansion will be undertaken through formats appropriate to individual locations and catchments, including the smaller-format concept, which has been well received and provides a more flexible format for extending GLOMARK's reach.

Telecommunications

The normalisation of mobile device imports improved product availability during the year, enabling Softlogic to strengthen supply across its retail and dealer network in response

to recovering consumer demand. Supported by one of the strongest islandwide distribution networks in the market, Nokia and HMD devices were distributed nationally, while Softlogic serves as a national distributor for Samsung across territories allocated by the principal covering approximately half of the country. The lower interest rate environment, together with established consumer financing options, further supported affordability and demand for device upgrades.

Alongside its international brands, the Softlogic-branded mobile portfolio made significant progress during the year. Four feature phone models were launched, gaining strong traction in the 2G segment and establishing Softlogic as a market leader in feature phones. Building on this experience, the business expanded into Softlogic-branded smartphones, which have recorded encouraging market acceptance, complemented by a growing range of Softlogic-branded mobile accessories.

The portfolio is being broadened further, with preparations underway to introduce Softlogic-branded tablets, extending the offering into education, remote working and everyday digital use while leveraging the business's extensive distribution reach.

SECTOR PERFORMANCE

The Retail & Telecommunications sector recorded a stronger operating performance during the year, supported by the recovery in consumer activity, improved product availability and stronger trading across several of its businesses. Sector revenue increased 24% to Rs. 38.2 Bn, compared with Rs. 30.7 Bn in the previous year.

The improvement in trading activity, together with measures undertaken across the portfolio to improve store and brand productivity, inventory management and operating efficiencies, supported the sector performance during the year.

SECTOR OUTLOOK

Retail & Telecommunications remains an important part of Softlogic's consumer-oriented platform, supported by strengths developed over many years. Longstanding relationships with leading international principals and franchise partners, extensive retail and distribution infrastructure, recognised local brands and experience across a broad range of consumer categories provide a strong base from which to capture the recovery in consumer activity. The priority will be to use these strengths more effectively while improving productivity, working capital efficiency and returns.

In consumer electronics and telecommunications, normalised product availability creates greater opportunity to leverage the Group's islandwide reach. The international brand portfolio will be complemented by the further development of Softlogic's own brands across electronics and mobile devices, including smartphones, tablets and accessories. Digital commerce will assume a greater role, alongside opportunities to utilise the existing physical network more effectively through greater integration between retail formats.

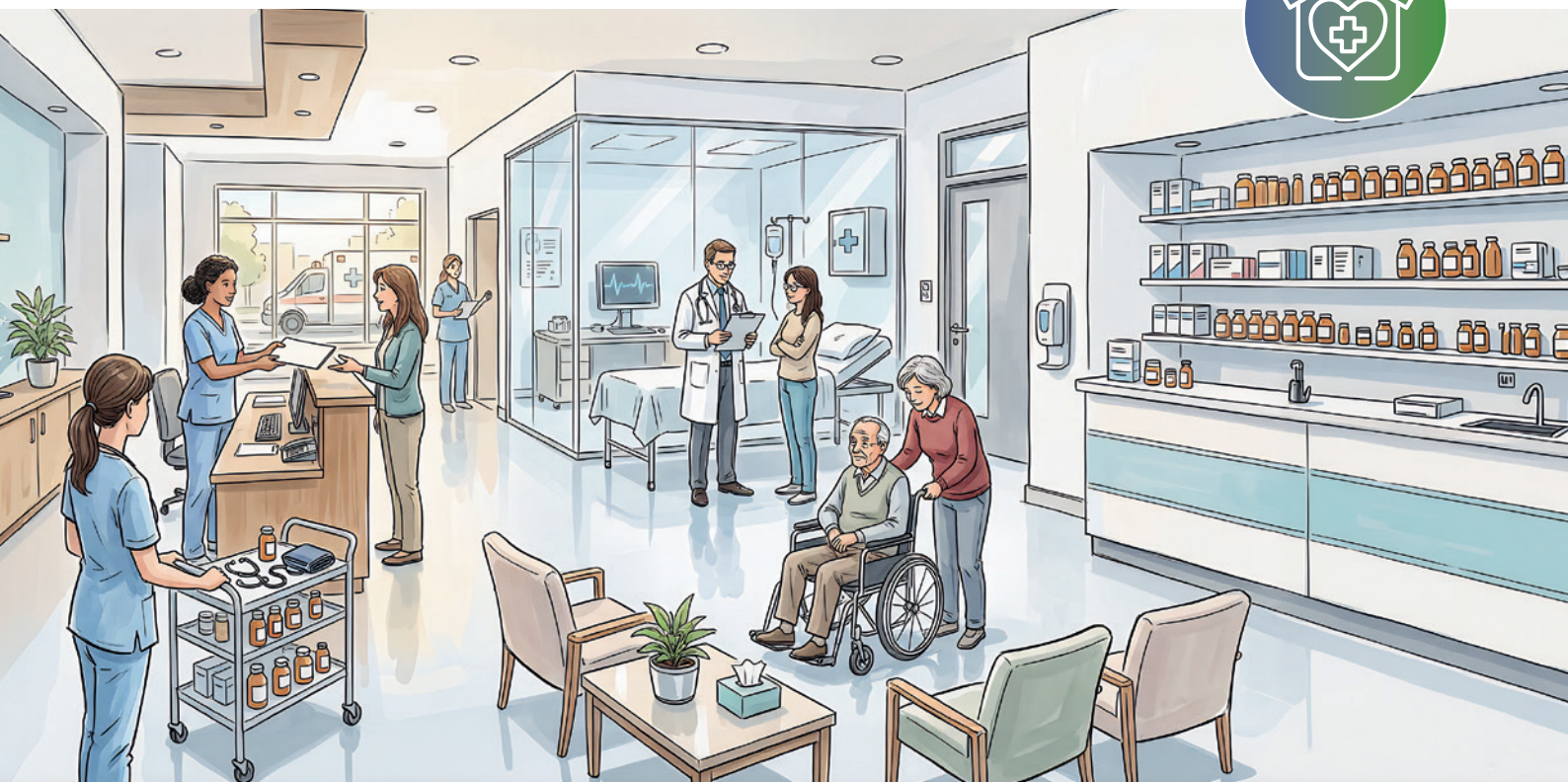
Fashion and lifestyle will remain focused on ODEL, Cotton Collection and selected international brands, with resources directed towards locations and brands demonstrating stronger sales productivity and return potential. The ODEL Mall remains integral to ODEL's longer-term strategy and will be

progressed under its revised phased development and funding structure.

GLOMARK will pursue its next phase of development through a more differentiated merchandise mix, greater emphasis on own-brand products and new categories, and progressive network expansion across appropriate store formats. The restaurant portfolio will also broaden through the introduction of new international franchise brands, adding further depth to a business that has recorded strong growth.

Across the sector, greater emphasis will be placed on store productivity, inventory turns, digital reach and disciplined capital deployment, while selectively expanding areas with stronger growth and return potential. This approach will allow Softlogic to capitalise on the brands, partnerships and market reach developed over many years while progressively strengthening the sector's operating performance and returns.

HEALTHCARE SERVICES



Softlogic's Healthcare Services sector brings together the Group's healthcare businesses under Asiri Health, comprising six hospitals across three provinces, an islandwide diagnostic laboratory network and healthcare education services. The hospital network provides a broad range of general and specialised care, supported by multi-specialty clinical expertise and advanced diagnostic capabilities.

INDUSTRY OVERVIEW

Sri Lanka's healthcare sector continued to operate within a more stable economic environment during the year, supporting demand for private healthcare across diagnostics, elective procedures and specialised treatment. At the same time, affordability remained an important consideration for patients, requiring private healthcare providers to balance the continued enhancement of clinical services with greater

efficiency and utilisation of existing infrastructure.

Longer term demographic and disease trends continue to shape the demand for healthcare. An ageing population, the growing prevalence of non-communicable diseases and greater awareness of preventive healthcare are reshaping healthcare needs, increasing demand for early diagnosis, ongoing management of chronic conditions and more specialised forms of treatment. This is progressively shifting the private healthcare market beyond conventional hospital care towards a broader continuum encompassing prevention, early diagnosis, treatment and longer term management of health conditions.

Healthcare delivery is also becoming increasingly specialised and technology-intensive. Advances in medical technology, minimally invasive procedures, robotic surgery,

Sector Assets

Rs. 66.0 Bn

Sector Revenue

Rs. 35.1 Bn

Sector Employees

5,355

precision medicine, digital healthcare and artificial intelligence are expanding the range of treatment available and changing patient expectations. For private healthcare providers, this requires continued investment not only in medical technology, but also in specialist clinical expertise, supporting infrastructure and internationally recognised standards of care. This trend is consistent with the direction identified in Asiri Health's own review, which highlights rapid advances in digital technologies, AI, precision medicine and minimally invasive procedures.

The expansion of advanced healthcare beyond Colombo represents another important development in the market. As specialist expertise and clinical infrastructure become more widely available in regional centres, patients are increasingly able to access complex treatment closer to home. This creates opportunities for established healthcare networks to broaden specialised services across the country while improving the utilisation of infrastructure already established outside Colombo. Asiri itself identifies the increasing availability of specialised care through its regional hospitals as an important development.

Medical tourism also presents an emerging opportunity for Sri Lanka's private healthcare sector. The country's clinical expertise, internationally accredited private hospitals, relative cost competitiveness and established tourism infrastructure provide a platform to attract patients seeking specialised treatment from regional and international markets. Realising this opportunity will increasingly depend on the ability of healthcare providers to build international referral networks, insurer and Third Party Administrator (TPA)

relationships and coordinated patient services capable of supporting the complete international patient journey.

BUSINESS OVERVIEW

Asiri Central Hospital

Asiri Central Hospital continued to advance its capabilities in complex tertiary care during the year, with developments across transplantation, cardiac care, emergency medicine and neurological diagnostics. A key area of progress was the continued development of the hospital's Liver Transplant Centre and dedicated transplant unit, bringing together the specialist medical, surgical and multidisciplinary expertise required to manage complex transplant cases. This complements the established Kidney Transplant Centre, which has completed more than 200 transplant surgeries since inception.

Cardiac care also recorded an important milestone, with the Asiri Heart Centre completing its first 100 paediatric heart surgeries during the year. This further strengthened the hospital's specialised cardiac offering, which combines surgical and interventional capabilities to manage increasingly complex cardiovascular conditions.

The hospital also introduced neurophysiology services, expanding its neurological diagnostic capabilities, while its Accident and Emergency service continued to operate under an emergency physician-led model. Clinical quality remained central to these developments, with Asiri Central successfully completing its fourth cycle of Joint Commission International (JCI) accreditation during the year, reinforcing the hospital's commitment to internationally recognised standards of patient care and safety.



Asiri Surgical Hospital

Asiri Surgical Hospital recorded a significant advancement in technology-led surgical care during the year with the establishment of Sri Lanka's first robotic surgery programme. Robotic-assisted surgery expanded the hospital's minimally invasive surgical capabilities, enabling selected complex procedures to be performed with greater precision and representing an important advancement in the application of medical technology within the local private healthcare sector.

The hospital also continued to advance its capabilities in liver transplantation, urology and oncology, supported by multidisciplinary specialist teams. Advanced cardiac care remained another important area, including Transcatheter Aortic Valve Implantation (TAVI) and other minimally invasive cardiac

HEALTHCARE SERVICES

interventions. Together with the hospital's established capabilities in kidney transplantation and other complex surgical disciplines, these developments further broadened the range of high-complexity procedures undertaken at the hospital.

A dedicated Hair Transplant Unit was also introduced during the year, extending the hospital's offering in elective care. Foreign patient activity increased during the year, providing further support to Asiri Health's efforts to develop medical tourism around specialised procedures and advanced clinical capabilities.

Asiri Surgical Hospital PLC recorded revenue of Rs. 7.0 Bn during the year, representing growth of 8.8% from Rs. 6.4 Bn in the previous year. Profit after tax increased significantly to Rs. 741 Mn from Rs. 193 Mn in FY2024/25, reflecting the stronger performance of the hospital during the year.

Asiri Medical Hospital

Asiri Medical Hospital continued to develop its capabilities across women's and children's health, fertility care and the management of chronic and lifestyle-related conditions during the year. Women's health and fertility remained important areas of specialisation, supported by the hospital's reproductive medicine and maternity capabilities and the specialist clinical and laboratory expertise available through its fertility centre.

The hospital also continued to develop services addressing chronic and lifestyle-related conditions, alongside mental healthcare and emergency care. This broader mix complements its specialist capabilities and positions the hospital to respond to changing healthcare requirements, including greater emphasis on preventive care,

early diagnosis and the ongoing management of chronic conditions.

Investment in patient infrastructure also continued, with the completion of the first phase of the hospital's room refurbishment programme. Ten patient rooms were upgraded as part of the programme, with improvements focused on enhancing patient comfort, functionality and the overall inpatient experience. The next phase includes the development of two modern operating theatre suites, targeted for completion by December 2026, further enhancing the hospital's surgical infrastructure and capabilities.

Asiri Hospital Holdings PLC recorded revenue of Rs. 15.7 Bn during the year, representing growth of 17% from Rs. 13.4 Bn in the previous year. Profit after tax stood at Rs. 1.1 Bn for the year. The steady revenue growth reflected continued demand across the hospital's broad range of clinical and diagnostic services.

Asiri Hospital Kandy

Asiri Hospital Kandy continued to strengthen its role as a major tertiary healthcare facility serving the Central Province and surrounding regions, with activity increasing across consultations, radiology, wellness and cardiology during the year. Its development reflects the wider shift towards providing advanced and specialised healthcare outside Colombo, enabling patients from the region to access a broader range of complex treatment closer to home.

The hospital achieved several important clinical milestones, including the delivery of its 10,000th baby and completion of its 2,000th coronary artery bypass graft (CABG) surgery, while more than 20,000 angiographies have been performed since inception. These milestones demonstrate the scale that has been

established in maternity and cardiac care and the increasing depth of specialist healthcare available through the Kandy facility.

Clinical capabilities were further broadened during the year through the introduction of a fetal medicine clinic and enhancements to ENT services. Improvements were also made to operating-theatre infrastructure, including laminar-flow capabilities, supporting higher standards of infection control for complex surgical procedures. These developments further strengthen the hospital's ability to provide specialised care to a wider regional patient base.

Asiri Hospital Galle

Asiri Hospital Galle maintained an important position in private healthcare across the Southern Province, providing both general and specialised services to patients from the region as well as international visitors. The hospital is the only private hospital in the Galle District accredited by the Australian Council on Healthcare Standards International (ACHSI), supporting its positioning around clinical quality and internationally recognised standards of care.

The hospital continued to strengthen its 24-hour Accident and Emergency capability and specialised surgical services during the year. Its location within one of Sri Lanka's principal tourism regions also gives the hospital a distinctive role in treating international visitors requiring emergency or planned medical care. A dedicated international patient-care team supports these patients through the treatment process, linking the hospital more closely with Asiri Health's wider medical tourism proposition.

The combination of emergency care, specialised treatment and international-patient capabilities provides Asiri Galle with a differentiated role within the network, serving both the healthcare requirements of the Southern Province and the needs arising from the region's substantial tourism activity.

Asiri Hospital Matara

Asiri Hospital Matara recorded an important advancement in specialised cardiac care during the year with the establishment of the first Cardiac Catheterisation Laboratory in the Matara District. Together with the hospital's Coronary Care Unit, the new facility significantly expanded cardiac diagnostic and treatment capabilities in Matara and enables selected procedures to be undertaken locally rather than requiring patients to travel to Colombo.

The hospital also continued to develop its specialist offering across psychiatry, paediatric and preventive healthcare, complementing its broader medical and surgical services. Strong utilisation and a growing patient catchment provide a basis for progressively expanding specialised services at the hospital in response to healthcare requirements in Matara and surrounding areas.

Asiri Laboratories

Asiri Laboratories recorded increased activity during the year, serving more than two million patients and performing over 15,000 diagnostic tests per day. Its network now comprises 94 collection centres, 17 satellite laboratories and laboratories across all six Asiri hospitals, providing the scale to support both routine diagnostics and increasingly specialised testing.

Specialised diagnostic capabilities were further advanced through the introduction of the BioFire® FilmArray® System, enabling rapid simultaneous molecular testing for multiple pathogens. Asiri Laboratories also introduced South Asia's first fully automated uroflowmetry system, extending its capabilities in specialised urological diagnostics.

Quality standards remained an important focus, with laboratories at Asiri Medical, Matara, Galle and Surgical completing ISO 15189:2022 surveillance audits, while Asiri Kandy's laboratory completed recertification. The business also progressed national certification of phlebotomists through NVQ qualifications, supporting the continued development of technical skills across the network.

Asiri AOI Cancer Centre

Asiri AOI Cancer Centre continued to provide specialised oncology care during the year as part of Asiri Health's broader cancer-care offering. Its multidisciplinary approach brings together specialist medical expertise, diagnostics and treatment capabilities required across the cancer-care journey.

The Centre's capabilities complement the oncology services available elsewhere across the Asiri network and are also relevant to the Group's developing medical-tourism proposition, particularly for international patients seeking specialised treatment in Sri Lanka.

Asiri Academy of Health Sciences

Asiri Academy of Health Sciences continued to develop its healthcare education offering during the year across its Colombo and Kandy locations, with the Kandy presence broadening access to healthcare education for students from the

Central Province and surrounding areas. Its programmes span nursing, biomedical sciences and other healthcare-related disciplines, including pathways from vocational qualifications through to higher education.

International education pathways were further developed through partnerships and articulation arrangements across the UK, New Zealand, Malaysia and Australia, providing students with opportunities to progress towards internationally recognised qualifications. The Academy's education activities also support the development of skilled healthcare professionals at a time when increasingly specialised healthcare delivery requires a broader pool of trained clinical and allied healthcare personnel.

SECTOR PERFORMANCE

The Healthcare Services sector delivered a strong performance during the year, supported by higher patient activity across the hospital network, continued growth in diagnostic services and increasing demand for specialised healthcare. Sector revenue increased 13% to Rs. 35.1 Bn from Rs. 31.0 Bn in the previous year, while operating profit increased 30% to Rs. 7.6 Bn from Rs. 5.9 Bn. Sector EBITDA improved 24% to Rs. 9.7 Bn.

The improvement in operating performance was supported by higher utilisation across the network together with the continued development of specialised clinical services and diagnostics. Despite continued pressure from imported pharmaceuticals, medical consumables, sophisticated medical equipment and other operating costs, the sector maintained its focus on operational efficiency and prudent capital allocation.

HEALTHCARE SERVICES

Profit before tax increased 42% to Rs. 7.3 Bn from Rs. 5.1 Bn, while profit after tax increased 39% to Rs. 4.9 Bn from Rs. 3.5 Bn in the previous year.

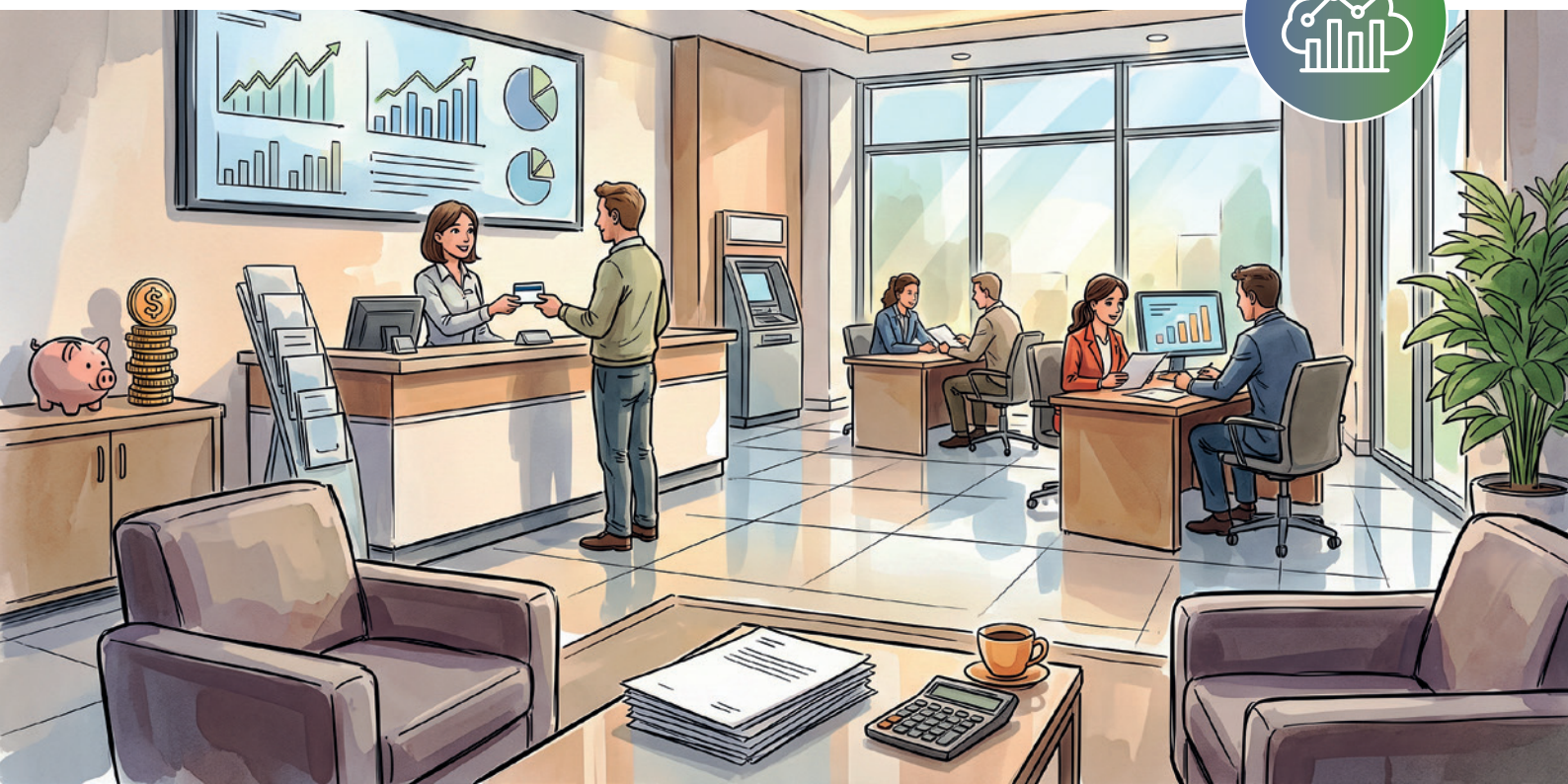
SECTOR OUTLOOK

Asiri Health is well positioned to build on its established hospital and diagnostic network, with the focus increasingly on deepening specialised clinical capabilities and improving utilisation across the existing healthcare platform. Investment will remain selective and directed towards areas where Asiri can strengthen clinical outcomes, enhance the productivity of its infrastructure and establish clear areas of competitive strength. Higher complexity medicine will remain central to this strategy. The capabilities developed across advanced surgery, transplantation, cardiac care, oncology and specialised diagnostics provide a strong foundation to further expand the range and complexity of treatment available within Sri Lanka.

At the same time, Asiri will continue to strengthen specialist services across its hospitals outside Colombo, broadening access to advanced healthcare while making greater use of the infrastructure already established across the regional network.

Medical tourism also presents an important opportunity to extend Asiri's specialised healthcare capabilities to international patients. The Group will continue to develop its international referral relationships and patient services, with particular emphasis on clinical areas where Sri Lanka can offer high-quality specialised treatment at a competitive cost. Oncology will be another important area of development, with the planned purpose-built standalone oncology hospital expected to complement the cancer-care capabilities already available across the Asiri network.

FINANCIAL SERVICES



Softlogic's Financial Services sector brings together the Group's businesses across life insurance, finance, stockbroking and asset management. Through these businesses, the sector participates across insurance protection, lending and deposit mobilisation, capital markets and investment management, providing the Group with key businesses linked to the national economy and a significant presence in Sri Lanka's financial services industry.

INDUSTRY OVERVIEW

Sri Lanka's financial services industry continued to benefit from the sustained improvement in domestic economic activity during the year. Strengthening private sector credit demand, improving business activity and increased confidence across financial markets supported higher levels of financial intermediation, creating a more favorable operating environment across lending,

insurance, capital markets and investment management.

The easing of vehicle import restrictions, together with improving economic conditions and increased demand for credit, contributed to a significant acceleration in activity within the non-bank financial sector. As at 31st March 2026, credit extended by finance companies had increased 52.4%, driven primarily by growth in vehicle financing and gold-backed lending. The sector also recorded continued improvements in asset quality, with the Stage 3 loan ratio declining to 4.4% from 8.6% as at 31st March 2025. Reflecting the growth in business volumes and improved asset quality, profit after tax across the sector increased by 28.8% during the year.

Sri Lanka's life insurance industry maintained strong growth, with Gross Written Premium increasing by 23.9% to Rs. 227.1 Bn in CY2025,

Sector Assets

Rs. 92.2 Bn

Sector Revenue

Rs. 42.5 Bn

Sector Employees

1,458

FINANCIAL SERVICES

from Rs. 183.3 Bn in CY2024. The growth reflects increasing demand for financial protection and long-term savings, supported by greater awareness of insurance and evolving customer needs. Distribution reach, product relevance and digital engagement remain important drivers of growth and competitive positioning within the industry.

Capital market conditions strengthened considerably during the financial year, supported by improving investor sentiment, stronger corporate earnings and greater confidence in the domestic economic recovery. All Share Price Index increased 33.2% during the financial year, closing at 21,066.2 points as at 31st March 2026, compared with 15,814.8 points a year earlier. Market capitalisation increased 34.8% to Rs. 7.55 Tn from Rs. 5.6 Tn, while average daily turnover increased to Rs. 5.5 Bn from Rs. 2.9 Bn in FY2024/25, reflecting significantly higher market activity during the year.

Sri Lanka's unit trust industry also continued to develop during the period. As at 31st December 2025, the industry managed around Rs. 587 Bn in assets, representing growth of 7.8% from the previous year. While fixed income funds continued to account for the largest share of industry assets, stronger inflows into equity related funds during 2025 reflected improving investor appetite for longer-term capital growth as domestic market conditions strengthened.

Overall, the improving economic and financial market environment during the financial year created broader opportunities across Sri Lanka's financial services industry. Stronger credit demand, continued expansion in life insurance, increased capital market activity and growth in professionally managed investments

provided a more supportive backdrop for financial institutions, while increasing competition continued to place emphasis on product relevance, distribution reach, digital capability, risk management and disciplined capital deployment.

BUSINESS OVERVIEW

Softlogic Life Insurance PLC

Softlogic Life maintained its strong growth momentum during 2025, further strengthening its position within Sri Lanka's life insurance industry. A major development during the year was the acquisition of 100% of Allianz Life Insurance Lanka Ltd in July 2025. The acquisition expanded Softlogic Life's distribution reach and customer base while providing additional scale to support the continued development of its life and health insurance business.

The Company continued to strengthen its protection-led business model, supported by a growing customer base and continued investment in technology and digital capabilities. Softlogic Life now protects more than 1.8Mn Sri Lankan lives through over 870,000 policies, whilst the integration of the Allianz Life business further broadened its distribution footprint. Digitalisation and artificial intelligence continued to be applied across underwriting, policy servicing and claims management, improving the speed and efficiency with which customers are served. These capabilities received international recognition during the year, with Softlogic Life winning AI Initiative of the Year at the 2025 Asia Insurance Industry Awards.

The Company also strengthened its capital base during the year through long term investment from Norfund and OP Fintfund Global Impact Fund I. The investment provides

 Softlogic
Capital

softlogic
LIFE

 Softlogic
Finance

 Softlogic
Stockbrokers

softlogic
INVEST

additional capital to support the continued expansion of the business, including the development of more inclusive protection solutions, whilst partnering with globally reputed funding agencies to develop business.

Softlogic Life recorded a revenue of Rs. 38.3 Bn during the year, representing a growth of 24%, with market share increasing to 19.3%. Profit after tax amounted to Rs. 4.2 Bn for the year.

In June 2026, Softlogic Life took an important step in its regional expansion strategy by entering into an agreement to acquire a 60% controlling interest in Diamond Life Insurance Company Ltd in Bangladesh for approximately USD1.9 Mn. The transaction marks Softlogic Life's first overseas acquisition and establishes a platform for its expansion into the Bangladesh life insurance market. It also provides an opportunity to leverage the Company's experience and

capabilities in life insurance within a significantly larger regional market.

Softlogic Finance PLC

Softlogic Finance made significant progress in restoring its operating platform during the year, following the completion of the measures required to strengthen its regulatory capital position. Having achieved full compliance with the minimum core capital requirements of the Central Bank of Sri Lanka, the remaining regulatory restrictions imposed on the Company were lifted with effect from 19th September 2025, enabling the business to resume normal operations.

The removal of these restrictions enabled Softlogic Finance to recommence accepting new deposits, reopen its distribution channels and progressively rebuild its lending activities. The Company has since focused on strengthening its core secured-lending businesses, particularly vehicle leasing and gold loans, while rebuilding its deposit franchise to support the renewed growth of the lending portfolio.

The year also saw further measures to strengthen the balance sheet and establish a more sustainable platform for growth. The Company progressed the restructuring of its balance sheet, including the transfer of identified financial assets under its capital restoration programme, while continuing to strengthen risk management and asset quality. With regulatory compliance restored, the emphasis has shifted towards rebuilding the operating business. The Company continues to strengthen its digital capabilities, distribution and risk management framework, with growth being pursued through a more focused secured-lending model.

Softlogic Finance achieved a profit after tax of Rs. 150 Mn during the year, maintaining profitability as the business transitioned back towards normal operations. As at 31st March 2026, the Company reported total assets of Rs. 7.3 Bn, a lending portfolio of Rs. 6.5 Bn and a deposit base of over Rs. 3.7 Bn. The Company also maintained a strong capital position, with a capital adequacy ratio of approximately 61%, providing capacity to support the progressive rebuilding of the business.

Softlogic Stockbrokers

Softlogic Stockbrokers benefited from the strong recovery in Sri Lanka's equity market during the year, with higher trading activity and increased investor participation creating a more supportive environment for the business. The significant increase in market turnover during the year supported greater activity across its retail, high-net-worth and institutional client segments.

The business continued to strengthen its research-led brokerage model, providing investors with company, sector and macroeconomic research alongside equity trading and advisory services. Investor engagement was also strengthened through research publications, market updates, webinars and investor forums, providing clients with greater access to market intelligence as activity on the Colombo Stock Exchange increased.

Digital capabilities remained an important area of development, with Softlogic Stockbrokers continuing to enhance its online trading proposition and analytical tools. The business provides clients with access to advanced charting and market analysis capabilities, complemented by StockGPT, its

specialised AI-based tool developed for the Colombo Stock Exchange. These capabilities, together with the business's established research and advisory platform, enabled Softlogic Stockbrokers to participate effectively in the renewed activity across Sri Lanka's capital market during the year.

Softlogic Asset Management

Softlogic Asset Management continued to develop its retail investment proposition under the Softlogic Invest brand, providing investors with professionally managed investment solutions across money market, fixed income and equity asset classes.

The Softlogic Money Market Fund remained an important part of the business, with assets under management exceeding Rs. 65 Bn and the number of unit holders surpassing 23,000 during the year. The Fund provides investors with access to a diversified portfolio of short term money market instruments, with an emphasis on capital preservation and liquidity.

The Softlogic Equity Fund and Softlogic Income Fund complement the money market offering, enabling the business to serve investors with different risk and return requirements, ranging from liquidity and income generation to longer-term capital growth.

Digital access also forms an important part of the Softlogic Invest proposition, providing investors with a convenient channel to access and manage professionally managed investment products.

FINANCIAL SERVICES

Softlogic Capital PLC

During FY2025/26, Softlogic Capital progressed the restructuring initiatives undertaken across its investment portfolio, including the capital restoration programme relating to Softlogic Finance. A key element of this process was the transfer of an identified portfolio of financial assets to SR One (Pvt) Ltd, a wholly-owned special purpose vehicle established under the restructuring framework approved by the Central Bank of Sri Lanka. This formed part of the measures undertaken to strengthen the financial position of the finance business and restore regulatory capital compliance.

At Company level, total operating income amounted to Rs. 1.5 Bn for the year. Total assets increased to Rs. 28.1 Bn from Rs. 21.2 Bn.

SECTOR PERFORMANCE

The Financial Services sector recorded a strong performance during the year, supported primarily by the continued growth of the life insurance business and the improving operating environment across the broader financial services industry. Sector revenue increased 31% to Rs. 42.5 Bn from Rs. 32.4 Bn in the previous year. Sector operating profit increased 38% to Rs. 5.5 Bn, while profit after tax increased 25% to Rs. 3.7 Bn.

The improvement was driven principally by the strong performance of the life insurance business, supported by higher business volumes and the increased scale of operations. The recovery in financial services activity during the year also provided a more supportive operating environment across the sector's finance, stockbroking and asset-management businesses.

SECTOR OUTLOOK

The improving economic environment is creating a broader opportunity across Financial Services, with stronger credit demand, continued growth in life insurance and increased participation in capital markets. Our focus will be on capturing these opportunities selectively, while maintaining appropriate capital, liquidity and risk disciplines across the sector. The rapid expansion in credit across the financial system also reinforces the importance of disciplined underwriting and asset quality as lending activity increases.

Within life insurance, the priority will be to build on the increased scale and distribution reach of Softlogic Life while deepening its position in protection and health-related insurance. Technology will remain central to improving distribution productivity, customer engagement and operating efficiency. The Company's entry into Bangladesh

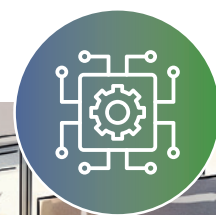
also opens a new dimension for growth, providing an opportunity to progressively extend its capabilities beyond the domestic market.

For Softlogic Finance, the emphasis will shift increasingly towards rebuilding scale following the resumption of normal operations. Growth will be pursued principally through secured lending, including vehicle and gold-backed financing, supported by the rebuilding of the deposit base, while maintaining strong capital and credit disciplines.

The stronger participation in Sri Lanka's capital markets provides further scope to develop Softlogic Stockbrokers and Softlogic Asset Management. Greater investor participation and the gradual broadening of household savings into professionally managed investments create opportunities to expand the Group's presence across both brokerage and fund management, supported by research, digital access and a broader range of investment solutions.

Across the portfolio, our approach will be to pursue profitable and disciplined growth, directing capital towards opportunities that can build scale and generate appropriate returns while strengthening the overall resilience of the Financial Services sector.

INFORMATION TECHNOLOGY



Softlogic's Information Technology sector brings together the Group's businesses across enterprise technology solutions, systems integration, technology distribution, business process services and specialised software solutions. The businesses serve private and public sector organisations across a diverse range of industries, supported by longstanding relationships with leading global technology principals. Their capabilities extend from enterprise infrastructure and cybersecurity to software, applications, managed services and digital solutions, enabling the Group to address increasingly integrated requirements across the enterprise. The Group's technology presence also extends to Australia through specialised software solutions and services.

INDUSTRY OVERVIEW

The information technology industry continued to evolve rapidly during the year, driven by increasing investment in digital infrastructure, cloud technologies, cybersecurity and artificial intelligence. Globally, the rapid adoption of AI continued to reshape technology investment across data centres, enterprise infrastructure and software, increasing demand for advanced computing and semiconductor capacity. Worldwide semiconductor sales increased 26.2% to approximately USD796 Bn in CY2025, with growth supported particularly by investment in data centre infrastructure and AI-related systems.

These developments are also changing the role of enterprise

Sector Assets

Rs. 6.4 Bn

Sector Revenue

Rs. 6.7 Bn

Sector Employees

521

INFORMATION TECHNOLOGY

technology providers. Organisations are increasingly looking beyond standalone hardware procurement towards integrated solutions encompassing infrastructure, software, cybersecurity, cloud and managed services. The growing complexity of enterprise technology environments, together with heightened requirements around data security, digital identity and system interoperability, is creating greater opportunities for systems integrators and solution providers with capabilities across multiple technology domains.

Sri Lanka's digital transformation gained further momentum during the year, supported by both Government-led initiatives and increasing technology investment across the private sector. The Government's digitalisation agenda envisages the development of critical digital public infrastructure, including digital identity, payment platforms and government data-exchange systems, alongside the wider digitalisation of public services. Sri Lanka's Digital Economy Blueprint targets a digital economy of approximately USD15 Bn and digital exports of USD5 Bn by 2030, providing a significant longer-term opportunity for technology companies participating in infrastructure modernisation, systems integration and digital-service delivery.

The expansion of digital payments, secure digital identity and increasingly connected business processes is also creating opportunities across fintech, cybersecurity and digital infrastructure. At the same time, greater adoption of AI, IoT, automation and data-driven solutions across industries is broadening the requirement for more sophisticated

technology solutions. Together, these developments are progressively shifting Sri Lanka's technology market from predominantly product-led procurement towards more integrated, solution-led and outcome-oriented technology investment.

BUSINESS OVERVIEW

Softlogic Information Technologies

Softlogic Information Technologies continued to strengthen its position in enterprise technology during the year, while progressively shifting the business beyond traditional hardware supply towards a broader role in technology modernisation and systems integration. Building on its established presence in corporate computing and longstanding relationships with leading global technology principals, the business is increasingly combining infrastructure, software, digital solutions and managed services to address more complex technology requirements across private sector enterprises and Government and public-sector organisations.

The business further developed its capabilities across enterprise infrastructure, cybersecurity, cloud, AI and IoT, while maintaining what management views as a leading position in edge computing within corporate Sri Lanka. Building on this foundation, its capabilities increasingly extend across the enterprise technology stack, connecting edge computing and connected technologies with data centres, cloud, applications and cybersecurity. AI and IoT solutions are also being applied across areas such as mobility, healthcare and manufacturing, alongside business process re-engineering solutions supporting more connected and data-driven operating environments.

Softlogic Information Technologies

DELL Technologies

XEROX **Lenovo**

HID **MATICA**

Seshaasai **E7 GROUP**

NUTANIX **bmc**

aruba **paloalto**
NETWORKS NETWORKS

CORNING **premium line**

FORTINET **CHECK POINT**

Sight
SEVENTH VISION



The application of AI, automation and analytics is also extending into technology operations, supporting more proactive monitoring, resilience and operational efficiency. Cybersecurity capabilities are similarly broadening beyond protection towards cyber resilience, identity, compliance and managed security as enterprise environments become increasingly connected.

The business is also extending its capabilities into industry-specific applications and digital platforms. In healthcare, these include applications supporting operations, connectivity,

data and service delivery, while its transportation solutions span smart ticketing, mobility, payments, passenger services and operational management.

Softlogic Information Technologies has also expanded its presence in fintech and secure digital solutions. The business has developed solutions spanning secure identity and credentials, digital identity verification and eKYC, payment card technologies and secure digital payment infrastructure. These capabilities are increasingly relevant as Sri Lanka accelerates its digital economy agenda and progresses initiatives such as Digital ID, which are expected to create wider opportunities in secure onboarding, enterprise access, digital payments, infrastructure modernisation and managed IT services.

The business's technical capabilities and relationships with global technology principals were further strengthened during the year. Its elevation to Dell Technologies Titanium Partner status, the highest tier within Dell's partner programme, represents an important milestone in its enterprise technology positioning. Softlogic Information Technologies also received more than five industry awards during the year for solutions in the technology modernisation space, including a regional ASSOCIO recognition for mobile solutions, further reflecting the development of its solution capabilities and market standing.

The strategic direction of the business is increasingly centred on moving higher up the technology value chain, combining its established strengths in enterprise computing with deeper systems integration, industry applications, software,

digital, AI, IoT and managed-service capabilities. This is progressively broadening its role from individual technology deployments towards more integrated and longer-term customer engagements, supporting organisations as they modernise infrastructure, strengthen cyber resilience, automate operations and prepare for increasingly AI-enabled business environments.

Softlogic Computers

During the year, Softlogic Computers continued to develop its business across point-of-sale, banking and other specialised technology solutions, serving customers primarily across the retail, hospitality, banking and financial services sectors. The business maintained and expanded its relationships with global technology principals including Epson, Riello, SCP and East, while strengthening its partnership with Zebra Technologies across enterprise mobile computing, barcode scanning, RFID and specialised printing solutions. Market coverage continued to be supported by its established network of solution providers, software developers and IT resellers.

Greater emphasis was placed on strengthening the solutions offered around its core product categories, supported by technical and after-sales capabilities. As customers increasingly modernise transaction and customer-facing environments, the business continued to pursue opportunities across point-of-sale, banking, enterprise printing, data capture and related automated workflow technologies.

Softlogic Australia

Softlogic Australia continued to build on its established position

Softlogic Computers



Softlogic Australia



in healthcare technology during the year, leveraging more than 25 years of domain expertise across the Australian healthcare sector. A key development was the rollout of its flagship ChefMax platform, including a national deployment across more than 50 Ramsay Health Care hospitals. The business also progressed transformation and integration initiatives across several other major healthcare networks, strengthening its presence within large-scale healthcare environments.

The ChefMax platform was further developed during the year, with greater functionality introduced across web and mobile applications, patient ordering, workflow automation, analytics and integration with hospital PAS, EMR and clinical systems. The business also advanced the application of AI

INFORMATION TECHNOLOGY

within its healthcare solutions, with development focused on AI-enabled workflows, intelligent automation and next-generation patient meal-ordering capabilities. These initiatives form part of the ongoing development of ChefMax from its traditional dietary management base towards a more integrated healthcare technology platform.

Softlogic Australia's capabilities go beyond its core healthcare software applications. Right IoT expanded its role in critical asset monitoring, currently supporting more than 100 clients, with development progressing towards remote asset supervision and control. The business also advanced its broader portfolio across food audit, laundry automation and enterprise resource planning solutions.

Softlogic Australia also strengthened its international presence during the year, with deployments across the Middle East including healthcare solutions in Qatar and Abu Dhabi and an enterprise resource planning implementation in Bahrain. These deployments complemented the business's established Australian operations and demonstrated the broader applicability of its proprietary technology and implementation capabilities.

Softlogic BPO Services

Softlogic BPO Services provides a centralised technology support platform for the Softlogic Group, managing key areas of IT infrastructure, user support and business-process requirements across Group companies. Its role in maintaining the availability and continuity of shared technology services enables individual businesses to operate on a more coordinated technology platform while accessing specialist support centrally.

As the Group's businesses increasingly adopt cloud-based applications, digital workflows and more integrated operating systems, the role of Softlogic BPO Services is evolving beyond conventional IT support. Greater emphasis is being placed on improving process efficiency, strengthening technology resilience and supporting the adoption of common digital platforms across the Group.

The business also retains scope to selectively extend these capabilities to external customers where its experience in managing multi-business technology environments provides a differentiated proposition.

SECTOR PERFORMANCE

The Information Technology sector recorded revenue of Rs. 6.7 Bn during the year, an increase of 10%. Revenue growth was supported by increased activity across infrastructure, systems integration and specialised technology solutions.

The sector remains focused on increasing the contribution from solutions, software and services, while maintaining discipline over working capital and the deployment of capital across the business.

SECTOR OUTLOOK

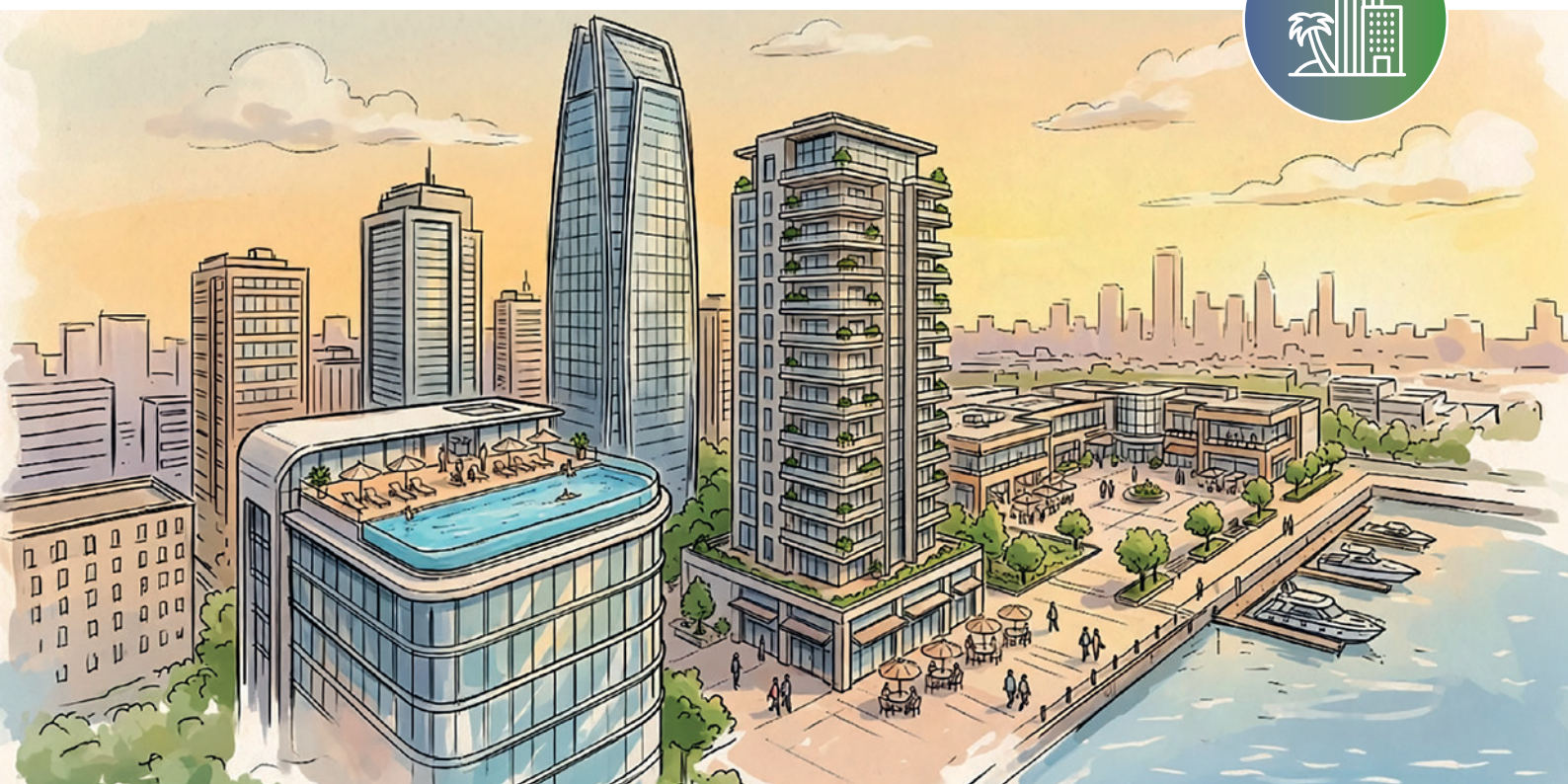
The accelerating pace of digitalisation across both the public and private sectors continues to create opportunities for the Information Technology sector. Sri Lanka's digital economy agenda and the planned modernisation of public services and digital infrastructure are expected to drive demand across enterprise infrastructure, systems integration, digital identity, payments, cloud, cybersecurity, AI and other emerging technologies.

Softlogic enters this next phase from an established position in Sri Lanka's enterprise technology market, supported by experience in delivering large and complex technology projects for Government and leading private sector organisations, together with longstanding relationships with global technology principals. As technology requirements become increasingly integrated and solution-led, the sector will seek to build on these strengths by expanding its participation across systems integration, software, cybersecurity, cloud, AI, IoT, industry applications and other higher value technology services.

The sector will also strengthen its established technology distribution businesses, while developing the specialised software and connected technology capabilities of Softlogic Australia. Building on its established healthcare technology presence, Softlogic Australia will focus on expanding multi-site and international deployments, and further advancing its capabilities across cloud, interoperability, IoT, analytics, automation and AI. These areas provide scope to broaden the application of its proprietary technology across a wider range of markets and healthcare environments.

Overall, the strategic direction of the sector is towards a broader and more integrated technology solutions business, combining its established strengths in enterprise computing and technology distribution with deeper capabilities in software, systems integration, applications and managed services. This broader capability positions the sector to participate in the next phase of technology investment both within Sri Lanka and through the specialised international capabilities of Softlogic Australia.

LEISURE & PROPERTY



LEISURE & PROPERTY

Softlogic's Leisure & Property sector brings together the Group's hospitality, travel and property businesses. Its hospitality portfolio comprises five-star city and resort hotels, complemented by businesses serving the travel industry. Within property, the Group's portfolio includes the ODEL Mall development and the management of Arcade Independence Square.

INDUSTRY OVERVIEW

Sri Lanka's tourism industry continued its recovery during the financial year, recording approximately 2.38 Mn tourist arrivals, an increase of 11.3% over the previous year. Calendar-year tourist arrivals reached a record 2.36 Mn in 2025, surpassing the previous record of 2.33 Mn arrivals recorded in 2018 and representing growth of 15.1% over 2024. Tourism earnings for the financial year amounted to

approximately USD3.05 Bn, although the recovery in earnings remained more moderate than the growth in tourist arrivals.

Tourism momentum remained strong at the beginning of 2026, with tourist arrivals increasing 9.7% in January and 16.2% in February. This trajectory was interrupted in March, when arrivals declined 19.8% to 183,979, reflecting the impact of the conflict in the Middle East and associated disruptions to international travel. This setback towards the close of the financial year highlighted the industry's continued sensitivity to geopolitical developments and global travel conditions.

Notwithstanding the disruption towards the end of the financial year, the overall recovery in tourism continued to support Sri Lanka's hospitality industry. The impact of this recovery, however, varied across the hotel market. City

Sector Assets

Rs. 24.6 Bn

Sector Revenue

Rs. 3.1 Bn

Sector Employees

502

LEISURE & PROPERTY

hotels benefited from the return of corporate and leisure travel and meetings, incentives, conferences and exhibitions (MICE) segment, while resort hotels remained more closely linked to international leisure demand, seasonality and trends across key source markets.

Across both segments, competition remained strong, requiring hotel operators to balance occupancy with room rates and overall revenue generation. Optimising Average Daily Rate (ADR) and Revenue per Available Room (RevPAR), strengthening international distribution and broadening revenue streams beyond accommodation remained important drivers of performance. Food and beverage, events and other ancillary offerings also continued to play an important role in diversifying hotel revenues and improving asset utilisation.

Within the property sector, improving macroeconomic stability and lower interest rates provided a more supportive environment for development activity, although construction costs, access to funding and changing demand patterns continued to shape investment decisions. These conditions placed greater emphasis on phased development, efficient capital deployment and ensuring that the scale and mix of new developments are aligned with prevailing demand.

For established commercial properties, the focus increasingly centred on maximising the productivity of existing space. Active tenant and category management, improving occupancy and introducing a broader mix of retail, dining, workspace and experiential uses remained important in driving

footfall, strengthening utilisation and generating recurring rental income.

BUSINESS OVERVIEW

Softlogic City Hotels

Softlogic's 219-room five-star city hotel in Colombo continued to benefit from the recovery in international travel during the year. Demand was supported by a combination of business and leisure travel, while dining, meetings and events complemented the rooms revenue and broadened the hotel's turnover base.

During the year, emphasis remained on strengthening occupancy and room yields, developing the food and beverage and events businesses and enhancing the overall guest experience. Its central Colombo location and range of accommodation, dining and event facilities continued to support a diverse customer base spanning international visitors, corporate clients and local patrons.

The management of the hotel transitioned to Accor in August 2026, with the property now operating as Pullman Colombo City Centre. Accor is a leading French hospitality group with an extensive global portfolio of hotel brands, while Pullman is its established premium brand with a strong presence across major international markets. The transition represents an important repositioning of the hotel within Colombo's premium hospitality market.

The hotel now benefits from access to Accor's extensive international distribution network, global sales capabilities and ALL – Accor Live Limitless, its global loyalty programme, strengthening its

pullman
COLOMBO CITY CENTRE

pullman
BENTOTA RESORT & SPA

softlogic
DESTINATION
MANAGEMENT

sabre
OFFICIAL PARTNER

visibility and reach across key international source markets. The Pullman platform also provides greater opportunities to broaden the hotel's customer base across corporate and leisure travel and MICE, while strengthening revenue generation from food and beverage, events and other non-room offerings.

Our focus is on leveraging the strength of the Pullman brand, Accor's global reach and the hotel's central Colombo location to drive stronger market penetration, broaden revenue streams and progressively improve the operating performance of the property.

Ceysand Resorts

Softlogic's 165-room beachfront resort in Bentota continued to benefit from the recovery in international leisure travel during the year. Set between the Bentota River and the Indian Ocean, the resort's distinctive location, together with its accommodation, dining, recreation and wellness offering, continued to support its appeal across international and domestic leisure markets.

During the year, the focus remained on strengthening occupancy and room yields, enhancing the guest experience and increasing the contribution from food and beverage, recreation and events. International leisure travellers remained the principal source of demand, complemented by local tourism during selected periods.

The management of the resort transitioned to Accor in August 2026, with the property now operating as Pullman Bentota Resort & Spa. The transition provides the resort with access to Accor's global distribution, sales and ALL loyalty platforms, strengthening its reach across key international leisure markets. Our focus is on leveraging the Pullman brand and the resort's distinctive Bentota location to strengthen occupancy and room yields, broaden non-room revenues and improve its overall operating performance.

Softlogic Destination Management

Softlogic Destination Management benefited from the broader recovery in international travel during the year, with improving activity across both inbound and outbound travel. A significant part of the business continues to be anchored by the travel requirements of Softlogic Group companies and employees, providing an established base of corporate travel activity, while the business also serves external corporate and leisure customers.

With international connectivity and travel activity continuing to improve, the focus is on building the external customer base while strengthening the business generated through the Group. Greater emphasis is also being placed on capturing opportunities from the continued recovery in inbound tourism and expanding the contribution from corporate and leisure travel.

Sabre Travel Network Lanka

Sabre Travel Network Lanka continued to provide global distribution and reservation solutions to Sri Lanka's travel industry, connecting travel agencies to airline and other travel content through the Sabre platform.

Following the Group's increase in ownership to 51% in the previous financial year, Sabre Travel Network Lanka operated as a subsidiary throughout the financial year.

During the year, the business continued to support the evolving distribution requirements of Sri Lanka's travel industry. The increasing adoption of New Distribution Capability (NDC) and other developments in airline retailing are changing the manner in which airline content and related products are made available to travel agencies and travellers, creating opportunities for more flexible and personalised offerings.

Property

The Group continued to manage its property portfolio with a focus on optimising existing assets and aligning development activity with capital availability, market demand and expected returns.

The ODEL Mall remains one of the Group's significant long term property developments. Following a comprehensive review of the project, the development has been repositioned through a phased approach, prioritising completion of Phase I while retaining approximately 100 perches of land for future development when market conditions are more favourable.

The project has also been redesigned to replace the original residential component with office space, reflecting changing market demand

and improving the commercial proposition of the development. The revised funding approach is centred on using proceeds from office space pre-sales to support the development, thereby limiting the requirement for additional debt funding.

At Arcade Independence Square, which continues to be managed by the Group, the focus remained on strengthening the property's tenant mix and increasing activity within the premises. Initiatives centred on attracting new tenants, enhancing the overall offering and increasing visitor engagement and footfall through events and other activations. The Group's experience in property development also includes Everest Apartments, a successfully completed residential development in Colombo, demonstrating its capability in taking large-scale residential projects from development through to completion.

SECTOR PERFORMANCE

The Leisure & Property sector recorded revenue of Rs. 3.1 Bn during the year, compared with Rs. 3.0 Bn in the previous year, representing an increase of 5%. Sector EBITDA improved to Rs. 303 Mn, compared with Rs. 74 Mn in the previous year.

Performance during the year was supported by the continued recovery in tourism and international travel, which contributed to improved activity across the hospitality and travel businesses. The full-year consolidation of Sabre Travel Network Lanka, following the increase in the Group's ownership to 51% in the previous financial year, also contributed to the sector's reported performance.

LEISURE & PROPERTY

SECTOR OUTLOOK

The outlook for Sri Lanka's tourism industry remains positive, supported by the continued recovery in tourist arrivals, improving international connectivity and the country's growing visibility across key source markets. While geopolitical developments remain a source of volatility, the underlying trajectory provides a more supportive environment for the Group's leisure businesses.

Our priority in hospitality is now firmly on improving the returns from the assets already established. The transition of both hotels to the Pullman brand provides an opportunity to reposition the properties within Accor's global network and strengthen their commercial performance. The emphasis in FY2026/27 will be on converting this enhanced market reach into stronger revenues, improved operating efficiencies and a progressively better contribution from the hotel portfolio.

Across our travel businesses, the recovery in international travel creates opportunities beyond the hotel portfolio. We intend to build on the Group's presence across travel management and distribution to capture a greater share of the

activity generated by the continued expansion of inbound, outbound and corporate travel.

Our approach to Property is centred on capital discipline and the productive deployment of assets. ODEL Mall will be progressed under its revised development and funding model, with the scale, phasing and composition of the project aligned more closely with market demand and available capital. Across the wider property portfolio, the priority will be to improve utilisation and recurring income while limiting additional capital commitments.

The strategic direction for Leisure & Property is therefore clear: to improve returns from the substantial asset base already established, strengthen cash generation and pursue further investment selectively, with capital commitments increasingly linked to demonstrable market demand and sustainable returns.

AUTOMOBILES



Softlogic's Automobile sector brings together the Group's businesses across passenger and commercial vehicles, motorcycles and three-wheelers. The portfolio includes the Ford franchise through Future Automobiles, Suzuki motorcycles through Suzuki Motors Lanka, and ATUL passenger and commercial three-wheelers through Softlogic Automobiles, supported by after-sales service and related automotive operations.

INDUSTRY OVERVIEW

Sri Lanka's automobile industry underwent a significant revival during the year following the removal of the remaining restrictions on motor vehicle imports with effect from February 2025. After almost five years of constrained supply, the reopening of imports restored product availability across passenger vehicles, commercial vehicles, motorcycles and three-wheelers, releasing substantial pent-up

demand and driving a sharp recovery in market activity.

Vehicle import expenditure reached approximately USD2.05 Bn in calendar year 2025, reflecting the scale of demand following the reopening of the market. Import momentum continued into 2026, with vehicle imports amounting to approximately USD613 Mn during the first three months of the year.

The recovery was also reflected in new vehicle registrations, which reached 362,100 in 2025. Motorcycles accounted for the largest share with 254,817 registrations, followed by 68,047 motor cars and 17,332 three-wheelers, as vehicle availability increased following the relaxation of import restrictions.

The reopening of the market also brought a significant increase in competition, with established brands returning alongside a wider range

Sector Assets

Rs. 1.6 Bn

Sector Revenue

Rs. 3.5 Bn

Sector Employees

88

AUTOMOBILES

of new entrants and vehicle models. While pent-up demand supported the initial recovery, affordability and access to financing continued to influence purchasing decisions. As the market progressively normalises, competitive pricing, disciplined inventory management and the strength of after-sales service and spare parts support are expected to become increasingly important determinants of market position.

BUSINESS OVERVIEW

Future Automobiles

Future Automobiles re-established Ford in the Sri Lankan market during the year, restoring new vehicle sales after several years of restricted availability. The return to the market was led by the Ford Ranger, with the Ranger Raptor attracting particular interest within the premium pick-up segment, while the Ranger Platinum and Ranger SV Limited broadened the range available to customers.

Alongside the return of new vehicle sales, the business continued to strengthen the customer proposition surrounding the Ford franchise. This included enhancing after-sales capabilities and spare parts support, while developing complementary offerings such as accessories and vehicle enhancement solutions. These activities broaden the revenue opportunity associated with the growing Ford vehicle base and deepen engagement with customers throughout the ownership cycle.

The business is focused on progressively rebuilding Ford's market presence through a combination of a well-positioned product portfolio, customer experience and sustained after-sales support, while responding selectively to opportunities emerging within the reopened vehicle market.

Softlogic Automobiles

Softlogic Automobiles broadened the Group's participation in the automobile market through its partnership with ATUL Auto, introducing passenger and commercial three-wheelers to Sri Lanka. The partnership extends the portfolio into a high-volume category serving both personal transportation and a broad range of commercial and income-generating applications.

During the year, the business concentrated on establishing the ATUL brand and developing the market infrastructure required to support its growth. Particular attention was given to building sales coverage and ensuring the availability of service and spare parts, which are important considerations in the three-wheeler market given the significant commercial utilisation of these vehicles.

Softlogic Automobiles also maintains a presence in the commercial vehicle market through King Long, while its collision repair operations provide an additional capability within the Group's wider automotive offering. Together, these activities provide the business with exposure across different areas of the market and opportunities to develop revenue streams extending beyond the initial sale of vehicles.

Suzuki Motors Lanka

Suzuki Motors Lanka resumed the import and distribution of Suzuki motorcycles during the year, returning the brand to a market that experienced particularly strong growth following the lifting of import restrictions. Suzuki's established presence in Sri Lanka provided a strong platform from which to reconnect with customers as motorcycles returned to the market.

The business concentrated on restoring product availability and rebuilding its market presence, supported by its sales, service and spare parts network. The scale of the opportunity is reflected in the wider market, where motorcycles accounted for 254,817 of the 362,100 new vehicle registrations recorded in 2025, making it by far the largest vehicle category by registration volume.

As the motorcycle market develops beyond the initial recovery in demand, Suzuki Motors Lanka will seek to strengthen the brand's position through an appropriate product offering, wider customer reach and continued emphasis on the ownership and after-sales experience.

SECTOR PERFORMANCE

The Automobile sector recorded a strong recovery in activity during the year as the resumption of vehicle imports allowed the Group's automotive businesses to return to more normal levels of operation. The reintroduction of Ford vehicles and Suzuki motorcycles, together with the Group's entry into the



passenger and commercial three-wheeler market through ATUL Auto, broadened the sector's participation in the recovering market.

Sector revenue increased to Rs. 3.5 Bn from Rs. 409 Mn in the previous year, while EBITDA increased to Rs. 418 Mn from Rs. 42 Mn. The sector reported a profit after tax of Rs. 231 Mn, compared with a net loss of Rs. 111 Mn in the previous year. The improvement reflected the resumption of new vehicle sales and stronger activity across the sector following several years in which import restrictions had materially constrained its operating scale.

The return to market also required the rebuilding of inventory and working capital across the businesses. Accordingly, growth during the year was managed with attention to inventory turnover, product availability and the capital required to support the renewed level of activity.

SECTOR OUTLOOK

The reopening of vehicle imports has restored significant opportunity to Sri Lanka's automobile industry after several years of constrained market activity. While the initial release of pent-up demand has driven a strong recovery, the market is expected to become increasingly competitive as supply normalises and customers gain access to a wider range of brands, products and financing options.

For the Group, the priority is to build a focused and commercially sustainable Automobile business, with growth pursued selectively in the vehicle categories and market segments where our franchise partnerships provide the strongest commercial opportunity. Beyond vehicle sales, we will continue to strengthen after-sales service,

spare parts and related offerings, deepening customer relationships and broadening revenue opportunities across the vehicle ownership cycle.

Greater emphasis will be placed on disciplined inventory and working capital management, while strengthening after-sales service, spare parts and other recurring revenue streams across the portfolio. These capabilities will become increasingly important as the vehicle base expands and the market moves beyond the initial phase of pent-up demand.

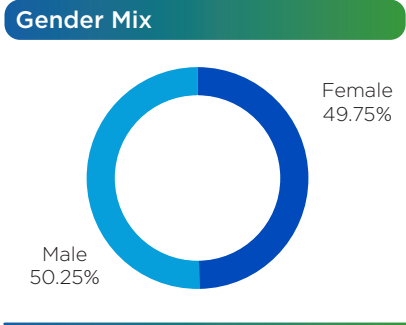
Our approach to further growth will remain selective, with capital deployment aligned to demonstrated market demand and the return potential of each opportunity. The objective is to build on the renewed opportunities created by the reopening of the market while developing a stronger, more sustainable and capital-disciplined Automobile sector.

HUMAN CAPITAL

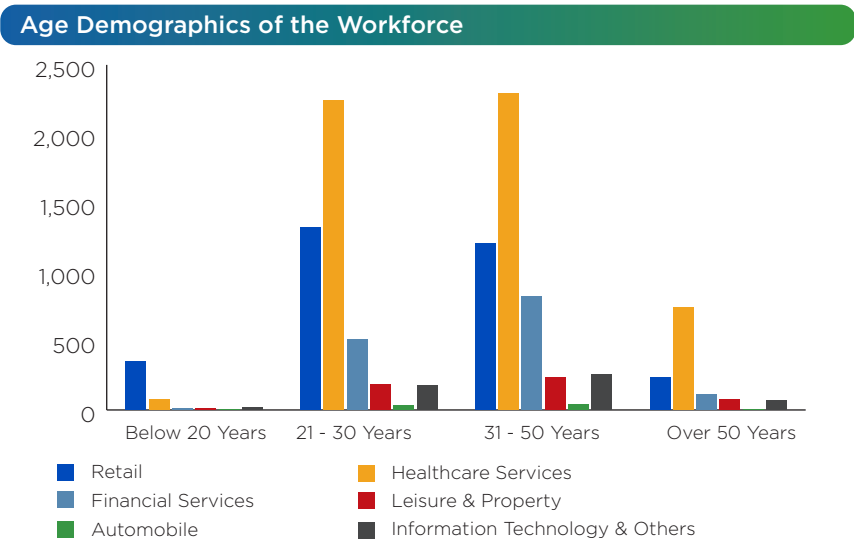
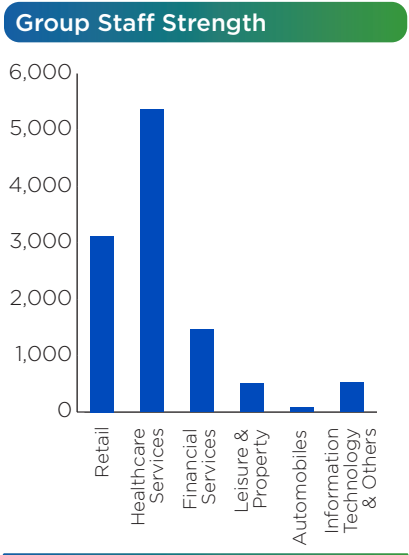
At Softlogic Holdings PLC, our people remain at the heart of our ability to create sustainable value and deliver excellence across our diverse portfolio of businesses. During the 2025/2026 financial year, the Group continued to strengthen its human capital by fostering a capable, diverse and engaged workforce, while investing in talent acquisition, employee development and retention. As at 31 March 2026, the Group's workforce comprised 11,044 employees across Retail, Healthcare Services, Financial Services, Leisure & Property, Automobiles and Information Technology & other sectors. With a continued focus on building capabilities for the future, the Group invested in employee development and training, while supporting a workforce that reflects diverse skills, experiences, age groups and backgrounds.

Our people remain at the heart of our ability to create sustainable value and deliver excellence across our diverse portfolio of businesses.

As at 31 March 2026, the Group's total workforce comprised 5,550 males and 5,494 females, reflecting a broadly balanced gender representation across the Group. Healthcare Services recorded the highest female representation, with 3,688 female employees, while the Group continued to maintain a workforce spanning a broad range of age groups.



The Group's workforce includes employees between 18-20 years, those between 21-30 years and 31-50 years, as well as employees above 50 years, creating a blend of emerging talent, experienced professionals and seasoned expertise. This diversity in age and experience supports knowledge sharing and contributes to the Group's ability to serve its customers and operate effectively across its diverse business sectors.



TALENT ACQUISITION

During the financial year 2025/2026, the Group continued to strengthen its talent pool in line with evolving business requirements. A total of 5,083 employees were recruited during the period from 1 April 2025 to 31 March 2026, with female recruits accounting for 2,892 of the total. Recruitment extended across all major business sectors and employee categories, supporting the Group's operational requirements while bringing new skills and capabilities into the organisation.

Across the Group's six sectors, the sourcing and recruitment process was managed efficiently to meet evolving business requirements. Following the completion of the selection process, successful candidates were onboarded within one to three months, depending on their notice period with their current employer.

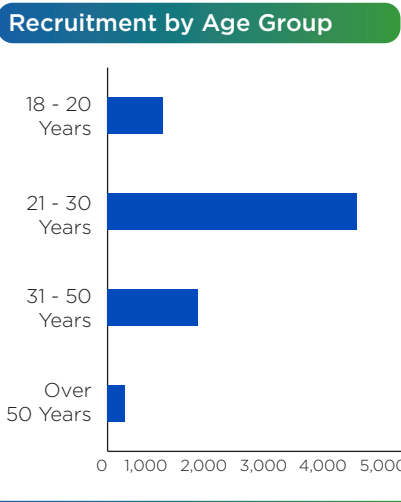
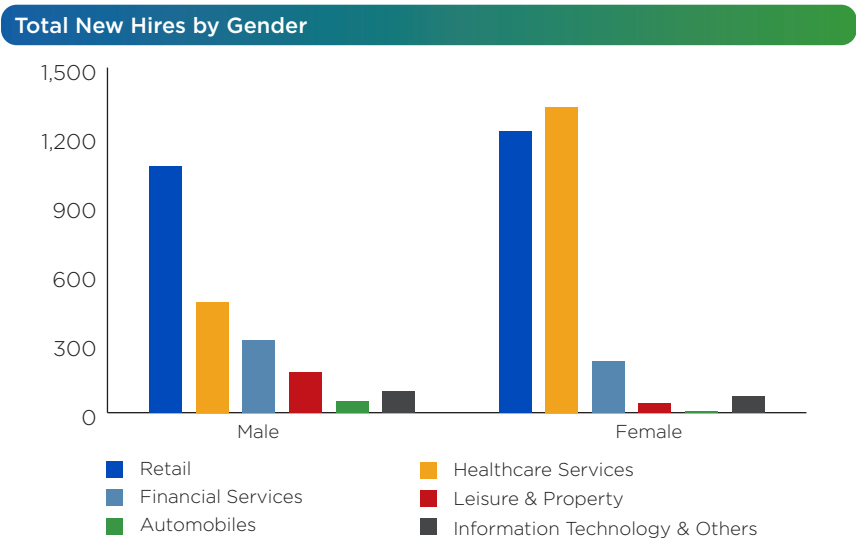
and private-sector institutions, training institutes and educational establishments, walk-in interviews and targeted recruitment drives. Collaboration across the Softlogic Group also enabled recruitment opportunities to be shared more broadly, increasing reach while creating access to a wider and more diverse talent pool.

For specialised and executive positions, a combination of digital recruitment platforms, the organisation's career channels, referrals and specialist recruitment partners continued to be utilised. Employee and management referrals remained an important source of talent, particularly where candidates with relevant industry experience and organisational fit were required.

The Group continued to broaden its talent acquisition reach through strategic partnerships with government organisations and educational institutions, including the National Apprentice and Industrial Training Authority (NAITA), the Tertiary and Vocational Education Commission (TVEC), and the Vocational Training Authority (VTA), as well as through participation in local government job fairs. These initiatives enabled the Group to expand its access to a diverse pool of talent and strengthen its recruitment pipeline.

The launch of the Softlogic Careers website further enhanced the Group's talent acquisition capabilities by providing prospective employees with a centralised platform to explore career opportunities across the Group and apply directly for available positions.

As part of the "A World of Opportunities" campaign, monthly



The healthcare sector continued to experience significant competition for skilled and experienced talent during the year, particularly in nursing and other critical healthcare-related positions. In response, Asiri Health adopted a broader and more proactive approach to talent acquisition, moving beyond conventional recruitment channels to reach potential candidates closer to where they live and study.

Recruitment activities were expanded through participation in job fairs and employment markets, engagement with government

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walk-in interviews were introduced to provide prospective candidates with greater access to employment opportunities across the Group and to showcase the diverse career paths available within its businesses.

The Retail Sector further strengthened its internal talent sourcing through the successful launch of the Employee Referral Programme, which generated 123 employee referrals between November 2025 and March 2026. The programme encouraged employees to actively contribute to the Group's talent acquisition efforts by identifying and recommending suitable candidates from their professional networks. In addition, internal vacancy opportunities across the Group are communicated to employees through vacancies@softlogic.lk, enabling existing employees to explore and apply for suitable positions within the Group.

RECRUITMENT WITH GREATER COST DISCIPLINE

Alongside improving recruitment reach and speed, greater attention was placed on recruitment cost optimisation. The organisation continued to balance the need for quality talent with the need to manage recruitment expenditure responsibly.

Institutional partnerships, referrals, recruitment drives and Group-wide initiatives were used wherever appropriate, while external agencies and head-hunters were selectively utilised for positions where specialist expertise or senior-level talent required a more targeted search.

This approach enabled recruitment resources to be deployed more strategically, with the objective of

maximising candidate reach while maintaining control over cost.

The Group incurred a total recruitment cost of over Rs. 10 Mn during the financial year 2025/2026. The key components of recruitment expenditure included advertising and talent sourcing costs, professional fees paid to recruitment agencies and headhunters and other costs associated with the recruitment process.

STRENGTHENING CLINICAL TALENT RECRUITMENT AND RETENTION

Clinical talent continued to remain a strategic workforce priority. The increasing mobility of healthcare professionals, both locally and internationally, together with growing competition within the healthcare sector, reinforced the need for a more deliberate approach to attracting and retaining clinical talent.

During the year, HR implemented targeted initiatives to strengthen clinical talent retention, including market benchmarking of remuneration, experience-based compensation and targeted allowances for specialised units and other critical clinical areas.

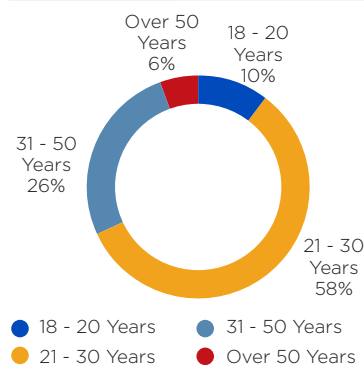
TALENT RETENTION - UNDERSTANDING OUR EMPLOYEES

The Group recognises that understanding the factors influencing employee turnover is essential to developing effective talent retention strategies. Accordingly, employee exit data, exit interviews and one-to-one discussions are regularly used to identify key reasons for employee departures, assess turnover trends and patterns and understand whether particular age groups or

stages of employment are more vulnerable to attrition. These insights enable the Group to take proactive measures to address employee concerns and strengthen retention.

During the year, several factors continued to influence employee turnover across the Group. These included changing expectations among younger employees, increased mobility within similar

Resignations by Age Group



industries, evolving expectations relating to career growth and compensation, changing preferences towards flexible or part-time employment, overseas employment opportunities, and the pursuit of full-time education, particularly among younger employees.

Across its businesses, the Group continued to implement a range of initiatives aimed at strengthening employee engagement, recognising performance and supporting long-term retention. Selected Sub Business Units (SBUs) of Softlogic Holdings PLC conduct Employee of the Month programmes, where high-performing employees are recognised through appreciation certificates and gift vouchers. These initiatives are intended to reinforce a culture of recognition and motivate

employees to achieve high standards of performance.

The Group also continued to strengthen partnerships with government vocational and training institutes, providing employees with opportunities to pursue recognised qualifications while continuing their employment. Such initiatives support employees in enhancing their skills and career prospects while contributing to the development of the Group's internal talent pipeline.

Dedicated Employee Relations support also remains an important component of the Group's retention approach. Regular visits to companies, departments and outlets, together with one-to-one discussions with employees, enable management to identify concerns at an early stage and take appropriate action to address them, thereby helping to proactively manage employee turnover.

During the year, Softlogic Finance PLC further strengthened its employee recognition initiatives by conducting an Employee Awards Ceremony to recognise and appreciate outstanding individual performance. Special recognition was given to employees who demonstrated exceptional performance in Gold Loan and Recovery operations, in line with the strategic importance of these areas to the business.

Looking ahead, the Group plans to further extend performance recognition initiatives across companies, with a focused approach to identifying and rewarding high-performing employees within each functional area. These initiatives are expected to strengthen employee motivation and engagement, support

talent retention and foster a culture of performance, recognition and continuous development across the Group

PERFORMANCE MANAGEMENT, REWARD & RECOGNITION

Strengthening a culture of accountability and performance

Performance management remained a central element of the Group's people strategy during 2025/26.

The Performance Management System continued to provide a structured framework through which employees understand their responsibilities, performance expectations and contribution to organisational objectives. The system links individual performance with business priorities while providing an opportunity to identify development needs, recognise contribution and address performance gaps.

Softlogic follows a comprehensive Performance Management System, covering Job Description review, annual KPI setting, mid-year performance assessments, competency evaluation and continuous feedback.

The process incorporates employee self-assessment followed by supervisor evaluation, with performance assessed against Key Performance Indicators (KPIs), competencies, organisational values and contributions beyond defined responsibilities. This structured approach promotes greater accountability, transparency and alignment between individual performance and the Group's strategic objectives, while supporting continuous employee development and performance improvement.

Continuous improvement through digital HR at Asiri Health

The digitalisation of performance management has provided a strong foundation for continuous improvement. Rather than treating digitalisation as a one-time transformation, HR continued to enhance the system and use technology to improve the quality, consistency and usefulness of performance information.

The evolution of the system has progressively strengthened the ability to incorporate relevant employee data, self-appraisal, weighted assessment criteria and performance-linked reward decisions.

Merit-based recognition

The linkage between performance and reward continued to strengthen the principle of meritocracy within the organisation.

Performance outcomes provide an important input into decisions relating to salary increments, promotions, recognition and development. At the same time, performance discussions provide an opportunity to identify employees requiring additional coaching, mentoring or support.

Feedback as an ongoing process

The emphasis during the year was increasingly on performance as a continuous conversation rather than an annual administrative exercise.

Managers and HR teams were encouraged to use performance discussions to clarify expectations, identify development needs, address concerns early and support employees in achieving stronger outcomes.

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REWARD AND RECOGNITION

Softlogic continues to foster a culture where performance, commitment and contribution are recognised and rewarded. Reward practices are aligned with performance outcomes, with high-performing employees recognised through performance-based increments, promotions, bonuses, salary adjustments, incentives and career progression opportunities where applicable.

Across the Retail sector of the Softlogic Group, a range of structured recognition programmes provides employees with opportunities to be acknowledged for their achievements and contribution. These include Employee of the Month, Employee of the Year, Best Performer, Best Supervisor, Best Retail Manager, Best Performing Outlet, Best Service Model Outlet, Support Functional Awards, Chairman's Award, Crew King, King Trainer, Sales Personality Awards and Service Awards. These initiatives encourage excellence, strengthen employee motivation and engagement and support the retention of high-performing talent.

As part of its commitment to recognising long-standing service, Softlogic Holdings PLC conducted a Service Appreciation Programme for long-serving employees. The initiative provides employees with a personal opportunity to meet the Chairman over coffee, creating a meaningful non-monetary experience to appreciate their loyalty and contribution to the Company.

Softlogic Stockbrokers also recognises outstanding performance through monthly Best Performer programmes, with the Best Performer of the Year selected based on overall performance, KPI achievement, target accomplishment and contribution to the organisation.

As a special form of recognition, the annual award includes an overseas tour, providing a memorable reward for exceptional performance and dedication.

Similarly, Softlogic Finance PLC recognises employee achievements through its annual Get-Together and Award Ceremony. In 2026, the Company conducted "IGNITE" - Annual Company Get-Together

and Award Ceremony, providing a platform to celebrate achievements and recognise high-performing employees across the organisation.

Further, Softlogic Reward Points were provided to employees each April and December as a token of appreciation for their contribution and commitment.



Overall, these reward and recognition initiatives reinforce a performance-driven culture while enabling the Group to appreciate employee contribution, celebrate excellence and strengthen employee engagement and retention.

EMPLOYEE DEVELOPMENT

Softlogic Group continued to strengthen its focus on employee development during 2025/26 by providing learning opportunities aligned with both organisational requirements and individual development needs. Training needs are identified through an annual Training Needs Analysis (TNA), which incorporates skill gaps identified through the annual performance appraisal process. This approach enables the Group to align learning interventions with employees' performance, competencies and areas for development.

To ensure learning and development remains a continuous process throughout the year, an annual training calendar is developed based on identified training needs and organisational priorities. This provides employees across different levels and functions with regular opportunities to participate in relevant learning and development programmes throughout the year.

In addition to the annual training plan, learning interventions are arranged in response to emerging requirements identified by individual companies, departments and employees. This enables the Group to provide timely and relevant development opportunities as business needs, roles and skills requirements evolve.

Throughout the year, targeted training programmes and workshops were conducted for different



employee categories and levels, covering technical, product and soft skills. These programmes were supported by external trainers and subject matter experts where specialised expertise was required.

A key area of progress has been the continued development of internal trainers within the Group. Employees with relevant expertise and experience are increasingly engaged to share their knowledge and conduct training in areas including technical skills, product knowledge and soft skills. This internal training capability has strengthened in recent years, enabling the Group to leverage its own talent and organisational knowledge while promoting knowledge sharing across the workforce.

Building capability for today's healthcare environment

Learning and development remained a core component of the healthcare sector people strategy during 2025/26.

Training was increasingly viewed not simply as a compliance requirement but as an investment in clinical excellence, operational readiness, leadership capability, customer experience and long-term organisational capacity.

The annual training agenda continued to address three broad areas: clinical and healthcare capability; safety, compliance and operational readiness; and customer service, professionalism and leadership.

Clinical excellence and emergency preparedness

Clinical training remained a significant component of the annual learning agenda, particularly in areas that directly support patient safety and emergency preparedness.

Programmes covering Basic Life Support, Advanced Life Support, Immediate Life Support, Neonatal Life Support and First Aid continued to strengthen the readiness of employees to respond effectively during critical situations.

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Specialised clinical development programmes for nurses, medical officers and other healthcare professionals were also conducted as part of the organisation's commitment to Continuous Professional Development.

Safety and regulatory readiness

Workplace safety and emergency preparedness continued to receive focused attention. Training and awareness programmes covered areas such as fire safety, emergency response, evacuation, waste management, spill management and other relevant workplace safety requirements.

The year also saw increased emphasis on policy awareness and compliance, particularly in areas linked to workplace conduct, employee wellbeing, safety and organisational governance.

Customer care and professionalism

Asiri Health's service proposition depends not only on clinical excellence but also on the quality of every employee interaction with patients, families and colleagues.

Accordingly, customer care, communication, professionalism and service excellence remained important elements of the learning agenda.

Leadership and management development

Leadership development received increased attention during the year, recognising that the quality of management at every level has a direct impact on employee engagement, productivity and service delivery.

The Leadership Excellence Programme and other management development interventions were designed to strengthen leadership capability, decision-making, communication, people management and problem-solving

Support for lifelong learning

Softlogic Group supports lifelong learning by encouraging employees to pursue continuous professional and personal development beyond their day-to-day roles. Experienced senior employees also contribute as mentors to new recruits, providing guidance and sharing their knowledge and experience to help employees build their capabilities and reach their full potential.

To further support employees in their professional development, the Group provides educational assistance, examination reimbursements and professional membership reimbursements for approved qualifications and memberships relevant to employees' current roles. These initiatives enable employees to pursue recognised professional qualifications and enhance their knowledge and expertise while supporting the Group's long-term talent development objectives.

Softlogic Life places particular emphasis on developing specialised industry expertise by providing support for insurance-related and actuarial qualifications. During FY2025, the Company continued to invest in professional development by supporting employees pursuing professional qualifications, certifications and industry-recognised memberships, contributing to both individual career growth and the strengthening of organisational capability.

SUCCESSION PLANNING & BUILDING THE FUTURE LEADERSHIP PIPELINE

Softlogic Group continued to invest in developing a strong pipeline of future leaders during 2025/26, recognising the importance of nurturing talent and building leadership capabilities for the Group's long-term growth. By identifying high-potential employees, providing development opportunities and enabling career progression, the Group continues to prepare its people to take on greater responsibilities and contribute to the organisation's future success.

Softlogic Finance PLC maintains a structured Succession Planning framework to ensure business continuity and the availability of suitably qualified and experienced talent for critical and key positions. As part of the Company's regulatory obligations, the Succession Plan is reviewed and submitted annually to the Central Bank of Sri Lanka (CBSL) in accordance with applicable regulatory requirements. The succession planning process focuses on identifying potential successors for key positions, assessing their readiness and competencies and identifying appropriate development requirements to support their progression into future leadership roles. The plan is reviewed periodically to reflect changes in the organisation, business requirements and talent availability.

A similar focus on building the future leadership pipeline is maintained at Asiri Health, where succession planning continues to form part of its longer-term approach to organisational resilience.

In a healthcare environment where leadership continuity and specialised expertise are critical, succession planning is not simply about replacing an individual when a vacancy occurs. It is about identifying capability gaps early, understanding the organisation's future requirements and deliberately developing people who can take on greater responsibility.

Creating opportunities for internal growth

During the year, greater emphasis was placed on creating opportunities for employees to broaden their experience and develop an understanding beyond their immediate roles.

Development opportunities included leadership programmes, mentoring, structured training, cross-functional exposure and greater involvement in business initiatives.

Management Trainee Programme

As part of its efforts to build a strong future leadership pipeline, Softlogic Group commenced the Management Trainee Programme 2025/26 on 1 October 2025, providing a structured platform for young graduates to gain broad exposure to the Group's diverse businesses and develop the capabilities required for future managerial roles.

Following a structured selection process, 11 young graduates were selected for the programme. The programme was designed to provide a comprehensive and immersive development experience through exposure to multiple Group companies, functional areas and business environments.

The programme was structured across four key phases, covering Group induction and foundation building, cross-functional rotations, capability development and business immersion. Trainees were

provided with opportunities to gain operational and strategic exposure, participate in skill-building and leadership programmes.

The final phase focused on business immersion, where trainees were placed within selected business units under the guidance of senior leaders and assigned KPI-linked deliverables. The programme is expected to conclude with final evaluations and project presentations, followed by the placement of successful trainees in junior managerial roles across the Group.

Through this initiative, Softlogic Group aims to develop a pool of future-ready managerial talent with a broad understanding of the Group's businesses, strong functional capabilities and the leadership mindset required to contribute to the Group's continued growth.



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EMPLOYEE ENGAGEMENT

Employee engagement initiatives across the Softlogic Group continued to focus on strengthening employee connection, organisational pride, motivation, wellbeing and participation. Throughout the year, employees across the Group participated in a diverse range of cultural, religious, recreational and employee-focused activities that created opportunities to connect, celebrate, collaborate and strengthen relationships across the Group.

Key initiatives during the year included Bakmaha Ulela, Vesak Bakthi Gee, Poson Dansala, Dharmadeshana and Pirith Ceremonies, the Softlogic Premier League, World AIDS Day, International Women's Day, Independence Day celebrations, Odel Idol, Children's Day, Environment Day, New Year celebrations and the Long Service Awards Ceremony. Odel Idol, in particular, provided a platform for employees to showcase their talents and celebrate creativity across the Group. Collectively, these initiatives fostered a stronger sense of belonging, collaboration and

organisational pride, while creating opportunities for employees to connect and engage beyond their day-to-day roles.

Softlogic Premier League 2026

The Softlogic Premier League 2026 was a Group-wide employee engagement initiative that brought together employees from 10 Group companies representing six sectors, creating a platform for teams across the Group to compete, connect and build camaraderie beyond their day-to-day work environment.

The tournament provided employees with an opportunity to showcase their sporting talent, strengthen teamwork and enjoy a spirit of healthy competition while interacting with colleagues from across different companies and business sectors. The enthusiasm extended beyond the participating teams, with employees from across the Group coming together to cheer and support their respective teams, creating an energetic and vibrant atmosphere throughout the tournament.

More than a sporting event, the Softlogic Premier League served as a platform for fostering team spirit, cross-company relationships, camaraderie and a stronger sense of belonging to the Softlogic Group, reinforcing the Group's commitment to creating opportunities for employees to connect, engage and celebrate together.

Employee wellbeing at Softlogic Life PLC also remained a key area of focus, alongside similar initiatives undertaken across other companies within the Group. Employees at Softlogic Life were provided access to a fully confidential Employee Assistance Programme (EAP) through an independent service

provider, enabling them to obtain professional counselling support at their convenience. The Company also conducted regular mental wellbeing initiatives, including webinars, awareness campaigns, educational communications and guided wellness activities, supporting employees' mental, emotional and physical wellbeing. Quarterly wellbeing pulse surveys were conducted to monitor employee sentiment and identify opportunities for further support and intervention.

As part of its holistic approach to wellbeing, employees were offered complimentary wellness programmes covering mindfulness, relaxation techniques, journaling, stress management and yoga. These programmes provided employees with opportunities to prioritise their personal wellbeing alongside their professional commitments.

The Company continued to promote diversity, inclusion and empowerment through targeted engagement programmes. During the year, a special Women's Day initiative was conducted under the "4Her" platform, providing employees with knowledge, awareness and personal development opportunities while recognising and supporting women in the workplace.

Recognising the importance of family engagement, Softlogic Life extended selected engagement initiatives to employees' families. A Children's Development Programme was conducted for employees' children, focusing on public speaking, confidence building, communication skills and personal development. This initiative reflected the Company's commitment to supporting the broader wellbeing and development of employee families.



Employees were also provided with opportunities to participate in team outings, departmental engagement activities and collaborative events aimed at strengthening teamwork, improving interpersonal relationships and enhancing team cohesion. These efforts were complemented by recognition initiatives, learning opportunities, wellness campaigns and other employee-focused activities conducted throughout the year.

Creating a stronger sense of belonging at Healthcare Sector

Employee engagement during 2025/26 was approached as a broader cultural priority rather than a series of isolated events at Asiri Health. With a large and diverse workforce operating across hospitals and other healthcare facilities, creating opportunities for employees to connect, celebrate, participate and feel part of the wider Asiri family remained important.

Celebrating our people and professions - Employee appreciation days provided opportunities to recognise the contribution of employees across the organisation. Nurses' Day was particularly significant given the central role of nursing teams in healthcare delivery.

Religious and cultural observances - Asiri Health continued to recognise the cultural and religious diversity of its workforce through activities associated with important national and religious occasions. New Year celebrations, Vesak, Poson, Christmas and other religious and cultural initiatives created opportunities for employees to participate collectively and strengthen relationships across departments and entities.

Staff offers and employee benefits

- Throughout the year, HR also facilitated employee-focused sales and activation programmes in collaboration with external vendors. These initiatives provided staff with access to special rates and discounts across categories including food, groceries, cosmetics, footwear, garments and other products, particularly around seasonal and special occasions.

Employee welfare

Employee welfare remained a key priority across the Softlogic Group during the year, with initiatives focused on supporting employees and their families, enhancing workplace well-being and providing practical benefits that contribute to a positive employee experience.

Employees across the Group continued to enjoy special discounts at retail outlets, providing added value through access to products and services across the Group's retail network.

Continuing a valued tradition for the 13th consecutive year, children of non-executive employees at both Retail and ICT sectors were provided with book and shoe gift vouchers ahead of the new academic year. This initiative reflects the Group's continued commitment to supporting employees' families and contributing towards their children's educational needs.

Similarly, Asiri Health continued to recognise that employee engagement extends beyond the workplace. The Grade 5 Scholarship Felicitation Programme held in January 2026 recognised scholarship achievers among employees' children. Approximately 80 children of staff were recognised, with each

recipient receiving a gift package valued at approximately LKR 10,000, including a school bag and vouchers.

As part of its efforts to promote employee well-being and work-life balance, the Group introduced special half-day birthday leave, enabling employees to spend meaningful time with their loved ones on their birthdays.

Improvements were also made to employee accommodation and meal facilities, with a focus on enhancing the quality and comfort of these essential employee provisions.

The Group also introduced "Careware Corner", a dedicated clothing support initiative established at the Softlogic Training Centre to assist newly recruited employees who may need support in arranging suitable workwear. The initiative provides practical assistance to employees as they transition into the workplace, helping them begin their careers with greater confidence and dignity.

The Group's commitment to employee welfare was further demonstrated through its Support in Distress initiative following Cyclone Ditwah. Employees affected by the cyclone were supported through a financial assistance programme, with contributions from both the Company and employees. The initiative provided much-needed support to affected colleagues as they worked towards recovery and rebuilding their lives.

Overall, these initiatives reflect the Group's continued focus on caring for employees beyond the workplace, strengthening a culture of support, inclusivity and belonging across Softlogic.

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CSR

The Softlogic Group continued to support communities through a range of Corporate Social Responsibility (CSR) initiatives during the year, focusing on community needs, public awareness, youth development and education.

The Group partnered with a temple in Minuwangoda and provided necessary fabric donations to support its Sunday School activities, contributing towards the needs of the local community. This initiative reflects the Group's commitment to supporting local communities and contributing towards meaningful community-based activities.

At Softlogic Life, Corporate Social Responsibility is viewed as an extension of the Company's purpose and commitment to creating a positive impact beyond its commercial operations. During FY2025/2026, CSR initiatives focused on addressing key national and community needs, particularly in the areas of public health awareness, youth development and community engagement. These initiatives were designed to create sustainable value while contributing to the wellbeing and resilience of the communities we serve.

Dengeez & Chikky G – Chikungunya Awareness and Community Action

In response to the resurgence of chikungunya across Sri Lanka, Softlogic Life launched "Dengeez & Chikky G", a nationwide awareness and prevention campaign aimed at educating communities on disease prevention and reducing mosquito breeding sites. Beyond awareness creation through engaging educational content, the initiative included large-scale community clean-up programmes

conducted in collaboration with the Ministry of Health and the Ministry of Mass Media. These programmes engaged schools, local communities, volunteers, and public stakeholders in practical disease prevention efforts, transforming awareness into meaningful community action.

#BadExamples – Children's Day Social Reflection Initiative

To commemorate Children's Day 2025, Softlogic Life launched #BadExamples, a social awareness campaign encouraging adults to reflect on the influence of their behaviour has on children. Through thought-provoking storytelling and digital engagement, the campaign highlighted the importance of creating positive environments for children and reinforced the Company's commitment to supporting the wellbeing and future development of Sri Lanka's younger generation.

Hope Carols – A Message of Unity and Resilience

During December 2025, Softlogic Life participated in Hope Carols, a special initiative conducted as part of the "Lights of Hope" Christmas Zone organised by the Colombo Municipal Council and the Western Provincial Council. Through a musical message centred on hope, unity, and resilience, the initiative brought communities together and reflected the Company's commitment to standing alongside Sri Lankans during both challenging and celebratory moments.

Through these initiatives, Softlogic Life continued to strengthen its role as a responsible corporate citizen by supporting national priorities, promoting social awareness, and contributing to the sustainable development of communities across Sri Lanka.

Youth Development and Financial Literacy

As part of its Corporate Social Responsibility initiatives, Softlogic Stockbrokers conducted an educational session for members of the Capital Market Club of Royal College, Colombo, to enhance their knowledge of capital markets. The students also had the opportunity to visit the trading room and observe live trading activities, providing them with valuable practical exposure to capital market operations.

Overall, these initiatives reflect the Group's continued commitment to creating meaningful social impact through community support, awareness, education and youth development.

Employee Wellbeing, Health & Safety

Employee wellbeing and workplace safety remained an important priority across the Softlogic Group, with initiatives focused on creating safe working environments while supporting employees' physical, personal and professional wellbeing.

Within the Retail Sector, employee wellbeing and workplace safety were supported through specialised Health & Safety training programmes, together with broader employee development initiatives. Key programmes included "Workplace Health & Safety", "Empower Your Personality", "Motivation and Employee Development", and other training initiatives aimed at supporting employee wellbeing, confidence and personal development.

Softlogic Footwear Retailer (Pvt) Ltd (Bata) continued to promote a safe and healthy working environment across its offices,

factories, distribution centre and retail operations. Key measures included fire safety and emergency preparedness, first-aid facilities and trained first-aiders, provision of PPE for production employees, workplace safety inspections, safety signage and awareness programmes, and regular maintenance of machinery and equipment.

Particular attention was given to production-related hazards, machinery safety and material handling, with an EHS Coordinator overseeing and monitoring EHS activities across the operations. These measures reinforce the Group's commitment to maintaining safe, healthy and supportive workplaces for its employees.

Across the Softlogic Group, employees have access to a formal grievance-handling process through which concerns can be raised and addressed. The Group's open-door policy further encourages employees to communicate openly, ensuring that their concerns are heard and given due attention. HR teams across the Group's sectors remain accessible to employees, providing guidance and support and serving as a channel through which employees can raise concerns, seek assistance and have their grievances addressed appropriately.

Together, these practices reinforce the Group's commitment to fostering safe, inclusive and supportive workplaces where employees feel heard, valued and empowered to speak openly.

Recognition and Achievements – FY2025/2026

During FY2025/2026, companies across the Softlogic Group continued to earn recognition for their achievements and contributions across their respective sectors. These accolades reflect the Group's continued pursuit of excellence, innovation and value creation, while reinforcing the strength of its businesses and brands. The recognition received during the year is a testament to the commitment and dedication of our teams in delivering high standards and creating value for our stakeholders.

Softlogic Restaurants (Pvt) Ltd was recognised for its commitment to employee development, receiving the Excellence Award for Best Learning & Development at the Great HR Awards organised by the Chartered Institute of Personnel Management (CIPM).

Softlogic Life achieved significant recognition across multiple national and international platforms. At the CMA Excellence in Integrated Reporting Awards, the Company received the Overall Excellence in Integrated Reporting – Gold Award, together with the Insurance Sector Winner, Best Disclosure on Strategic Focus, Ten Best Integrated Reports, and Best Disclosure on Capitals awards. The Company was also recognised at the South Asian Federation of Accountants (SAFA) Awards, receiving a Bronze Award for Life Insurance, while the Best Corporate Citizen Sustainability Awards recognised the Company as a Category Award Winner for Financial Performance.

The Company's marketing, sustainability and communications efforts were also recognised through the Dragons of Sri Lanka, where it



received a Gold Award for Cause, Environment & Sustainability and a Bronze Award for Integrated Marketing, as well as a Black Dragon Award in the Media Category at the Dragons of Asia.

Further recognition came through the 5th Emerging Asia Insurance Awards, where Softlogic Life was recognised as Best Health Insurer, and received awards for Best Innovation – LED Technology and Best Strategy for Insurance Spreading, in addition to being named Runner-up for Best Customer Oriented Company. At the Effie Awards, the Company received a Silver Award for Disease Awareness & Education Advocacy and a Bronze Award for Crisis Response/Critical Pivot, while also being named a finalist in the Media Idea, Insurance and Seasonal Marketing categories.

The Company's continued focus on technology and innovation was recognised at the 29th Asia Insurance Industry Awards, where it received the AI Initiative of the Year award and was shortlisted for Digital Insurer of the Year. Softlogic

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Life was also recognised as Service Brand of the Year at the SLIM Brand Excellence Awards, while the Global Economics Awards recognised the Company for Best AI-Powered Innovation in Life & Health Insurance. At the Asian Technology Excellence Awards, the Company received the Technology Excellence Award for AI – Financial Services | Sri Lanka.

Softlogic Life also received industry and brand recognition at the Gazet International Awards, being named Insurance Brand of the Year – Sri Lanka and Life Insurance Company of the Year – Sri Lanka. Its strong brand standing was further reflected in its Rank #33 in Brand Finance's 100 Most Valuable Brands. The Company was also ranked No. 3 in the LMD Customer Excellence Ranking for Life Insurance.

Softlogic Stockbrokers was recognised for the quality of its research, receiving the Silver Award for Best Sector Research Report for its report on the Renewable Energy Sector at the Annual Capital Market Awards, conducted by the CFA Society Sri Lanka.

Collectively, these recognitions underscore the Group's commitment to excellence, innovation, responsible business practices and stakeholder value, while reflecting the capabilities and contributions of its employees and businesses across diverse sectors.

ADVANCING HR THROUGH DIGITALISATION

Moving from digitalisation to continuous improvement

Digital HR continued to be an important enabler of efficiency, transparency and better decision-making during the year.

Digital HR continued to be an important enabler of efficiency, transparency and better decision-making during the year

The Healthcare sector continued to enhance its digital Performance Management System, demonstrating the value of replacing manual processes with structured digital platforms. Building on this foundation, HR continued to identify opportunities to streamline processes, strengthen data quality and reduce unnecessary administrative effort, supporting greater efficiency and consistency in performance management.

Improving HR process efficiency

Several HR processes were reviewed during the year with the objective of reducing turnaround time, strengthening controls and improving service to employees and management.

Recruitment processes, employee benefits, policy implementation, attendance-related processes and employee petty cash claims were among the areas where greater process discipline and standardisation were pursued.

HR as a data-informed function

As HR systems continue to mature, greater emphasis is being placed on using workforce information to understand trends and support management decisions.

Areas such as recruitment activity, employee movement, performance, attendance, training, remuneration and workforce requirements provide valuable data for identifying emerging risks and opportunities.

Softlogic Life continued its HR digital transformation journey during by focusing on process automation 2025/2026, workflow optimisation, and the use of technology to enhance service delivery, employee experience, and operational efficiency.

A key milestone during the year was the development of a structured HR AI & Automation Roadmap, designed to identify opportunities to automate repetitive processes, improve data management, strengthen reporting capabilities, and enhance overall HR service effectiveness.

As part of this roadmap, several digital transformation initiatives were designed and implemented, including:

- » End-to-End Confirmation Workflow Automation – Digitisation of the employee confirmation process, enabling automated workflows, approval routing, tracking, and record management.
- » CV Bank Project – Development of a centralised candidate database to improve talent pooling, candidate retrieval, and recruitment efficiency.
- » HRIS Issue Tracking System – Introduction of a structured platform to record, monitor, and resolve HRIS-related issues, improving accountability and responsiveness.

These initiatives have contributed to reducing manual administrative effort, improving process

transparency, strengthening data management practices, and enhancing the overall employee and HR user experience.

Looking ahead, the Company will continue to leverage digital technologies, workflow automation, artificial intelligence, and self-service platforms to further streamline HR operations, improve decision-making through better data availability, and support a more digitally enabled workforce.

Diversity, Dignity and Fair Treatment at Work

The Softlogic Group is committed to fostering a diverse, inclusive and respectful workplace where employees are provided with equal opportunities for employment, career development and personal growth based on their capabilities, qualifications, suitability and potential.

The Group does not tolerate discrimination or harassment and is committed to ensuring fair and equitable treatment throughout the employee lifecycle, including recruitment, career progression, training, transfers and other terms and conditions of employment.

Maintaining dignity and respect at work is a key principle across the Group. A zero-tolerance approach to sexual harassment is maintained, with all concerns treated seriously and addressed through established procedures. Employees are encouraged to raise concerns without fear of victimisation, with complaints handled with appropriate confidentiality, fairness and respect.

Through these practices, the Group continues to promote a workplace culture in which employees feel safe,

valued, respected and empowered, while reinforcing individual and collective responsibility for maintaining a professional and inclusive working environment.

WHISTLEBLOWER POLICY

The Softlogic Group maintains a Whistleblower Policy to promote ethical conduct, transparency and accountability across the organisation.

The policy provides employees and other relevant stakeholders with an avenue to raise concerns regarding suspected unethical conduct, violations of laws, regulations or the Group's Code of Business Conduct and Ethics.

The Softlogic Group is committed to ensuring that concerns raised in good faith are treated seriously and appropriately, while protecting individuals from retaliation or victimisation for raising such concerns. The policy reinforces the Group's commitment to accountability, responsible conduct and maintaining an environment where individuals feel confident to speak up.

LOOKING AHEAD

The Softlogic Group remains committed to strengthening its human capital as a key enabler of sustainable growth and long-term value creation. By continuing to invest in talent, develop future-ready capabilities, recognise performance, promote employee wellbeing and engagement, and leverage digital solutions, the Group aims to create an environment where employees can grow, contribute and realise their full potential. As the Group continues to evolve, its focus will remain on building a capable, diverse, engaged and future-ready workforce that is aligned with the Group's strategic priorities and values.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of Softlogic Holdings PLC have pleasure in presenting to the members of their report together with the Audited Financial Statements of the Company and the Audited Consolidated Financial Statements of the Group for the year ended 31st March 2026.

GENERAL

Softlogic Holdings PLC is a Public Limited Company which was incorporated under the Companies Act No. 17 of 1982 as a Private Limited Company on 25th February 1998, re-registered under the Companies Act No. 7 of 2007 on 17th December 2007, converted to a Public Limited Liability Company on 10th December 2008, and listed on the Colombo Stock Exchange on 20th June 2011. The name of the Company was changed to Softlogic Holdings PLC on 25th August 2011.

The Company was registered on the Diri Savi Board of the Colombo Stock Exchange and transferred to the Watch list due to emphasis of matter on Going Concern contained in the Annual Report 2021/22, 2022/23, 2023/24 and 2024/25. The Securities & Exchange Commission (SEC) has granted a deferment of the trading suspension of the securities of the Company until 30th June 2027 and an official statement to that effect has been made to Colombo Stock Exchange (CSE) vide disclosure dated 14th August 2026.

PRINCIPAL ACTIVITIES AND NATURE

The principal activities of the Company are holding investments and providing management services and financial assistance to its subsidiaries. The business activities of other companies within the Group are information & communication technology, automobile sales and after sales, consumer electronic retailing, garment manufacturing

& fashion retailing, hoteliering, quick service restaurant operations, development of apartments, provision of financial services, life insurance services, stock brokering services, management of Unit Trusts, healthcare services, management consultancy and financial advisory services.

FUTURE DEVELOPMENTS

An indication of likely future developments is set out in the Chairman's Review on pages 10 to 15 and Sector Reviews on pages 42 to 67 of this report.

PERFORMANCE REVIEW

The Financial Statements reflect the state of affairs of the Company and the Group. This report forms an integral part of the Annual Report of the Board of Directors.

FINANCIAL STATEMENTS

Section 168 (b) of the Companies Act require that the Annual Report of the Directors include financial statements of the Company, in accordance with Section 151 of the Companies Act and Group financial statements for the accounting period, in accordance with Section 152 of the Companies Act. The requisite financial statements of the Company are given on pages 104 to 253 of the Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company to reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting

Standards. A statement in this regard is given on page 94.

AUDITOR'S REPORT

The Auditor's Report on the financial statements is given on pages 96 to 103 of the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are given on pages 112 to 253 of the Annual Report. There was no change in the accounting policies adopted from the previous year.

PROPERTY, PLANT & EQUIPMENT

The details and movement of property, plant and equipment during the year under review is set out in Note 21 to the Financial Statements on pages 161 to 167.

CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of property, plant and equipment for the Company and the Group amounted to Rs. 0.26 Mn (2025 Rs. 2.24 Mn) and Rs. 2,242.88 Mn (2025 Rs. 2,454.80 Mn) respectively. Details of capital expenditure and their movements are given in Note 21 to the Financial Statements on pages 161 to 167 of the Annual Report.

In addition to the above, a sum of Rs. 1,086.97 Mn (2025 Rs. 1,025.94 Mn) has been incurred by the Group in respect of the ODEL Mall project.

RESERVES

The accumulated losses for the Company amounted to Rs. 9,572.01 Mn (2025, retained earnings of the Company were negative and amounted to Rs. 13,067.43 Mn) and accumulated losses for the Group Rs. 92,527.87 Mn (2025 Rs. 84,283.88

Mn). The movement and composition of the Capital and accumulated losses are disclosed in the Statement of Changes in Equity.

DONATIONS

During the year, donations made by the Group amounted to Rs. 2.72 Mn (2025 Rs. 2.08 Mn).

STATED CAPITAL

The stated capital of the Company as at 31 March 2026 was Rs. 14,146,382,253 represented by 1,395,257,979 shares. There was no change in the stated capital of the Company during the year under review.

EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No circumstances have arisen, and no material events have occurred after the date of the Statement of Financial Position, which would require adjustments to or disclose

in the accounts other than those disclosed in Note 52 to the Financial Statements.

TAXATION

The information relating to income tax and deferred taxation is given in Note 19 to the Financial Statements.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief are satisfied that all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable on behalf of, and in respect of, the employees of the Company and the Group, and all other known statutory dues as were due and payable by the Company and the Group as at the date of the Statement of Financial Position have been paid or, where relevant provided for except as specified in Note 50 to the Financial Statements, covering contingent liabilities.

DIRECTORATE

The following Directors held Office during the year under review. The biographical details of the Board members are set out on pages 18 to 20.

- » Mr. A.K. Pathirage
(Chairman/ Managing Director)
- » Mr. H.K. Kaimal
- » Mr. G.W.D.H.U. Gunawardena
- » Mr. R.J. Perera
- » Mr. M.P.R. Rassool
(Resigned w.e.f. 21st October 2025)
- » Mr. J.D.N. Kekulawala
(Retired w.e.f. 4th September 2026)
- » Prof. A.S. Dharmasiri
- » Mr. T. Nadarasa
- » Mr. M.I. Furkan
(Appointed w.e.f. 29th August 2025)
- » Mr. S. Saraf
- » Mr. C.K. Gupta (Alternate Director to Mr. S. Saraf)

DIRECTORS' SHAREHOLDING

The relevant interests of Directors in the shares of the Company are as follows:

Name of Director	No of Shares as at 31/03/2026	No of Shares as at 31/03/2025
Mr. A.K. Pathirage	616,407,331	616,407,331
Mr. H.K. Kaimal	80,439,792	80,439,792
Mr. G.W.D.H.U. Gunawardena	71,333,852	71,333,852
Mr. R.J. Perera	75,437,508	75,437,508
Mr. M.P.R. Rassool (Resigned w.e.f. 21st October 2025)	-	-
Mr. J.D.N. Kekulawala (Retired w.e.f. 4th September 2026)	-	-
Prof. A.S. Dharmasiri	-	-
Mr. T. Nadarasa	-	-
Mr. M.I. Furkan (Appointed w.e.f. 29th August 2025)	-	-
Mr. S. Saraf	-	-
Mr. C.K. Gupta (Alternate Director to Mr. S. Saraf)	-	-

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31 March 2026 was Rs. 66.31 Mn (2025 - Rs. 65.16 Mn). The remuneration of the Directors is determined by the Board.

DIRECTORS' INTERESTS IN CONTRACTS AND PROPOSED CONTRACTS WITH THE COMPANY

Directors' interests in contracts, both direct and indirect, are referred to in Note 47 to the Financial Statements. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

INTERESTS REGISTER

The Interests Register is maintained by the Company as per the Companies Act No. 07 of 2007. All Directors have disclosed their interests pursuant to Section 192(2) of the said Act.

FIT AND PROPER ASSESSMENT CRITERIA OF THE BOARD OF DIRECTORS

The Directors hereby confirm that the Directors and CEO of the Company satisfy the Fit and Proper Assessment Criteria stipulated in Section 9.7 of the Listing Rules of the Colombo Stock Exchange for the year.

SHAREHOLDERS' INFORMATION

The distribution of shareholders is indicated on page 254 of the Annual Report. There were 10,552 registered shareholders as at 31 March 2026 (31 March 2025 - 9,917).

SHARE INFORMATION

Information on share trading is given on page 255 of the Annual Report.

INTERNAL CONTROL

The Directors are responsible for the governance of the Company including the establishment and maintenance of the Company's system of internal control.

Internal control systems are designed to meet the particular needs of the organisation concerned and the risk to which it is exposed and by their nature can provide reasonable, but not absolute assurance against material misstatement or loss. The Directors are satisfied that a strong control environment is prevalent within the Company and that the internal control systems referred to above are effective.

RISK MANAGEMENT

The Group's risk management objectives and policies and the exposure to risks, are set out in pages 34 to 38 of the Annual Report.

CORPORATE GOVERNANCE

The report on Corporate Governance is given on pages 21 to 33 of the Annual Report.

The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.

The Company complied with all applicable laws and regulations in conducting its business and has not engaged in any activity contravening the relevant laws and regulations. Officers responsible for ensuring compliance with the provisions in various laws and regulations, confirm compliance in each quarter to the Board Audit Committee.

All endeavours have been made to ensure that shareholders in each category have been treated equitably in accordance with the original Terms of Issue.

The business is a Going Concern with supporting assumptions or qualifications as necessary, and that the Board of Directors has reviewed the Company's Corporate/Business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements of the Company are prepared based on the Going Concern assumption.

The Board of Directors has conducted a review of internal controls covering financial, operational and compliance controls, risk management and has obtained a reasonable assurance of their effectiveness and proper adherence.

The Company has complied with the Listing Rules issued by CSE. Refer pages 27 to 33 for measures taken and compliance status.

THE AUDITORS

The Board Audit Committee reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the Group's use of the auditors for non-audit services and the balance of audit and non-audit fees paid to the auditors.

The Auditors of the Company, Messrs. Ernst & Young, Chartered Accountants were paid Rs. 2.48 Mn as audit fees for the financial year ended 31 March 2026 (2025 Rs. 8.78 Mn) by the Company. Details of which are given in Note 18 to the Financial Statements.

As far as the Directors are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an impact on their independence. The Auditors also do not have any interest in the Company.

Having reviewed the independence and effectiveness of the external auditors, the Audit Committee has recommended to the Board that the existing auditors, Messrs. Ernst & Young, Chartered Accountants be re-appointed. Ernst & Young have expressed their willingness to continue in office and ordinary resolution re-appointing them as auditors and authorising the Directors to determine their remuneration will be proposed at the forthcoming AGM.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties are given in Note 47 to the Financial Statements.

During the year 2025/2026, there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange. As required by Section 9.3.2 (d) of the Listing Rules, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules. The Directors have disclosed the transactions with Related Parties in terms of Sri Lanka Accounting Standard (LKAS 24), Related Party Disclosures in Note 47 on pages 212 to 216 which is adopted in the preparation of these Financial Statements.

GOING CONCERN

The Directors, having assessed the environment within which it operates, considers that with the liquidity and working capital enhancement plan, it would provide the Group with adequate financial resources to mitigate the concern. The Directors deem that the Group will have access to sufficient financial resources to meet its obligations as they fall due. Accordingly, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Monday the 19 October 2026 at 10.00 am. The Notice of the Annual General Meeting is on page 258 of the Annual Report.

(Sgd.)

Mr. A. K. Pathirage
Chairman/Managing Director

(Sgd.)

Mr. H. K. Kaimal
Director

(Sgd.)

Softlogic Corporate Services (Pvt) Ltd
Secretaries

17 September 2026
Colombo

BOARD AUDIT COMMITTEE REPORT

SCOPE OF THE COMMITTEE

The Board Audit Committee supports the Board of Directors in fulfilling in discharging its oversight responsibilities in relation to financial reporting, Internal Audit function, compliance with laws & regulations, internal controls and risk management and External Auditors' performance and their independence. The scope, functions and responsibilities are adequately set out in the terms of reference of the Committee which has been approved by the Board and is reviewed annually. The Committee places reliance on other Audit Committees in the Group without prejudicing the independence of those Committees. However, the Committee reviews the minutes of those committees' meetings and receives appropriate briefings on matters arising from those. The effectiveness of the Committee is evaluated annually by each member of the Committee and the results are communicated to the Board.

COMPOSITION

The Audit Committee is appointed by the Board of Directors and comprised four Independent Non-Executive Directors as of 31st March 2026. The current members of the Audit Committee are as follows and profiles of them appear in the Board of Directors section of this Annual Report.

- » Mr. M.I. Furkan - Chairman, Independent Non-Executive Director (Appointed w.e.f. 4th September 2025)
- » Mr. J.D.N. Kekulawala - Member, Senior Independent Non-Executive Director (Appointed w.e.f. 9th January 2019)*

- » Prof. A.S. Dharmasiri - Member, Independent Non-Executive Director** (Appointed w.e.f. 20th October 2016)
- » Mr. T. Nadarasa - Member, Independent Non-Executive Director*** (Appointed w.e.f. 10th June 2024)

Mr. D. Vitharanage, Group Head-Chief Internal Auditor/Chief Risk Officer served as the Committee's Secretary. The composition of the Committee enables a blend of financial and audit expertise and wide business and regulatory experience to fulfil its responsibilities.

MEETINGS

The Audit Committee met on nine occasions during the year under review and made recommendations on the quarterly and annual financial statements before they were considered and approved by the Board of Directors.

The attendance at Audit Committee meetings was as follows:

Name	Meetings Attended
Mr. M.I. Furkan (Appointed w.e.f. 4th September 2025)	5/5
Mr. J.D.N. Kekulawala	8/9
Prof. A.S. Dharmasiri	5/9
Mr. T. Nadarasa	9/9

The Group Head of Finance attended the Committee's meetings by invitation and other members of the Senior Management attended meetings by invitation when necessary. The Committee meets with the External Auditors, with no members of Management present, to

cover matters they wish to discuss confidentially.

ACTIVITY & FOCUS, AND REPORTING

The Committee has continued to focus its attention mainly on the following during the year:

1. The integrity of the Company's and Group's financial statements, including the reasonableness of assertions made, the appropriateness of accounting policies used, the adequacy of presentation and disclosures made and the effectiveness of internal control over financial reporting. This has continued to be a major thrust of the Committee;
 - a. Interactions with the External Auditors of the Holding Company, and the Group companies not covered by separate Board Audit Committees, on their audit plans, observations and key findings.
 - b. Review and follow-up of observations in Management Letters presented by external auditors, with relevant Group companies and;
 - c. Discussion with property valuers and actuaries entrusted with valuation of retirement gratuities.
2. Procedures in place to examine the Company's ability to continue as a going concern.
3. The work and performance of the Internal Auditors.
4. Review of procedures in place to monitor compliance with applicable Laws and Regulations.

* Retired w.e.f. 4th September 2026

** Deemed Non-Independent w.e.f. 4th September 2026

*** Appointed as Senior Independent Director w.e.f. 4th September 2026

5. Review of steps focused on IT Security.
6. Greater formalisation of processes enabling whistle-blowing.

Following each quarterly meeting at which financial statements are reviewed, the Committee briefs the Group Chairman/Managing Director from time to time. These meetings draw attention to matters requiring consideration and action and also on matters of importance. Generally, these meetings are scheduled at the request of the Committee.

COMPLIANCE

The Committee obtained representations from Group Managing Director/ Chief Executive Officer and Group Head of Finance on the adequacy of provisions made for possible liabilities. The Committee also reviewed reports tabled during the Board Meetings with regard to statutory payments and filing of Returns. Having made necessary observations, the Audit Committee is of the view that the Company has complied with Companies Act No.07 of 2007, regulations & directions of Securities Exchange Commission, Colombo Stock Exchange and Sri Lanka Accounting Standards.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasised on upholding ethical values of the staff members.

In this regard, Code of Ethics, Whistle-Blowers Policies and Anti-Corruption Policies were put in place and followed educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent

investigations into incidents reported through Whistle-Blowing or identified through other means. The Whistle-Blower Policy guarantees strict confidentiality of the identity of the Whistle-Blowers.

FINANCIAL STATEMENTS

The Committee reviewed Interim Financial Statements of all four quarters and the Annual Financial Statements prior to publication. During the review, the Audit Committee ensured that Financial Statements were prepared in compliance with Sri Lanka Accounting Standards and applicable regulatory requirements. The Committee assessed the appropriateness of the Company's whistleblowing policy to ensure the Company's arrangement for confidentiality of information and its sources.

EVALUATION OF THE COMMITTEE

The Chairman of the Audit Committee is a member of a recognised professional accounting body. An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year. Considering the overall conduct of the Committee and its contribution on the overall performance of the Group, the Committee has been rated as effective.

REAPPOINTMENT OF EXTERNAL AUDITORS

As far as the Members are aware, the Auditors do not have any relationship (other than that of an auditor) with the Company that would have an

impact on their independence. The Auditors also do not have any interest in the Company.

The Audit Committee has proposed to the Board of Directors, having considered their independence and performance, that the incumbent auditors M/S Ernst & Young, Chartered Accountants be re-appointed for the year ending 31 March 2027 at the upcoming Annual General Meeting.

The current Auditors Messrs Ernst and Young were appointed as external auditors in FY 2005/2006 and continue to hold that position at present. A partner rotation of the auditors takes place periodically and the last rotation of the audit partner took place in 2023.

(Sgd.)

Mr. M.I. Furkan
Chairman
Board Audit Committee

17 September 2026
Colombo

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

PURPOSE

The purpose of the Related Party Transactions Review Committee is to conduct an appropriate review of Softlogic Group's related party transactions and to ensure that interests of shareholders and other stakeholders are considered when engaging in related party dealings, hence preventing Directors, Key Management Personnel or substantial shareholders taking advantage of their positions. The Committee ensures adherence to the Rule 9 of the Listing Rules and guided by the Code of Best Practices on related party transactions issued by the Securities & Exchange Commission of Sri Lanka (SEC) and CA Sri Lanka. The Committee states opinions in accordance with the charter of the Related Party Transactions Review Committee. It reviews the charter and policies while making recommendations to the Board as and when deemed necessary.

COMPOSITION

The Related Party Transactions Review Committee comprised two Independent Non-Executive Directors, including the Chairman, and one Executive Director as at 31st March 2026 as follows;

- » Mr. M.I. Furkan – Chairman
Independent Non-Executive Director (Appointed to the Committee w.e.f. 4th September 2025)
- » Mr. H.K. Kaimal – Member
Executive Director
- » Mr. T. Nadarasa – Member
Independent Non-Executive Director ***

- » Prof. A.S. Dharmasiri – Chairman
– Independent Non-Executive Director ** (Resigned from the Committee w.e.f. 4th September 2025)

The Group Head of Finance attends the meeting by invitation. Softlogic Corporate Services (Pvt) Ltd, serves as Secretaries to the Committee.

Name	Meetings Attended
Mr. M.I. Furkan (Appointed w.e.f. 4th September 2025)	2/2
Mr. H.K. Kaimal	3/3
Mr. T. Nadarasa	3/3
Prof. A.S. Dharmasiri (Resigned from the Committee w.e.f. 4th September 2025)	1/3

ROLES AND RESPONSIBILITIES

1. Reviewing in advance all proposed related party transactions of the Company in compliance with the Code.
2. Adopting policies and procedures to review related party transactions and reviewing and overseeing existing policies and procedures.
3. Determining whether related party transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the respective Companies.
4. If related party transactions are ongoing (recurrent related party transactions) the Committee establishes guidelines for senior management to follow in its ongoing dealings with the relevant related party.

5. Ensuring that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transactions to the Committee.
6. If there is any potential conflict in any related party transaction, the Committee may recommend the creation of a special committee to review and approve the proposed related party transaction.
7. Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and detailed manner.

REVIEW OF THE RELATED PARTY TRANSACTIONS DURING THE YEAR

The Committee reviewed all proposed Related Party Transactions of Softlogic Holdings PLC and scrutinised such transactions to ensure that they are no less favourable to the Group than those generally available to an unaffiliated third party in a similar circumstance. The activities of the Committee have been communicated to the Board quarterly through tabling minutes of the meeting of the Committee at Board Meetings.

Relevant disclosures have been made to the Colombo Stock Exchange in compliance with regulations. Details of Related Party Transactions entered by the Group during the above period are disclosed in Note 47 to the Financial Statements.

** Deemed Non-Independent w.e.f. 4th September 2026

*** Appointed as Senior Independent Director w.e.f. 4th September 2026

During the year 2025/2026, there were no non-recurrent or recurrent related party transactions that exceeded the respective thresholds mentioned in the Listing Rules of the Colombo Stock Exchange.

The Committee adopted the policies and procedures aligns with CSE Listing Rules when reviewing the Related Party Transactions.

The deceleration by the Board of Directors as an affirmative statement of the compliance with the Listing Rules pertaining to related party transactions is given on page 85 of the Annual Report.

(Sgd.)

Mr. M.I. Furkan

Chairman

*Related Party Transactions Review
Committee*

17 September 2026
Colombo

HR & REMUNERATION COMMITTEE REPORT

PURPOSE

The primary objective of the Committee is to ensure that the organisation's remuneration policy and practices are fair, competitive, and are consistent with the Group's strategic objectives, risk appetite, values and overall interests of stakeholders. This includes reviewing and recommending compensation packages for senior executives, overseeing performance evaluation and incentive programmes. Additionally, the committee plays a crucial role in promoting a positive organisational culture, enhancing employee engagement, and attracting and retaining top talent.

The Committee's duties and obligations are outlined in its formal Terms of Reference (TOR).

COMMITTEE COMPOSITION AND MEETING

The Human Resources and Remuneration Committee comprised only of Independent Non-Executive Directors. The members of the Human Resources and Remuneration Committee as of 31 March 2026 and their attendance at the meetings held are as follows:

ATTENDANCE AT MEETINGS

Name	Meeting Attended
Prof. A.S. Dharmasiri** Chairman (Independent Non-Executive Director)	1/1
Mr. J.D.N. Kekulawala* – Member (Senior Independent Non-Executive Director)	1/1
Mr. T. Nadarasa*** – Member (Independent Non-Executive Director)	1/1

* Retired w.e.f. 4th September 2026

** Deemed Non-Independent w.e.f. 4th September 2026

*** Appointed as Senior Independent Director w.e.f. 4th September 2026

The Chairman of the Group, who also serves as the Managing Director and Ms. Buddhika Manage, Group Director of Human Capital, attend Committee Meetings by invitation. During these meetings, the Committee delved into the intricate relationship between remuneration and the organisation's culture, as well as how our remuneration structures impact our strategic behaviours. A thorough review of our executive remuneration offerings was undertaken with the aim of optimising the structure of our packages to enhance competitiveness.

ACTIVITIES OF THE YEAR

During the year, the HR & Remuneration Committee undertook strategic initiatives to align remuneration practices with the Group's long-term goals. Key efforts focused on addressing high attrition rates due to mass emigration and skill loss within an economically challenged context. Competitive salary adjustments were made to maintain critical workforce retention during periods of hyperinflation. New incentivisation programmes were established to recognise exceptional employee performances against KPIs, fostering a positive corporate culture and enhancing overall engagement levels. These measures collectively sought to bolster the organisation's ability to recruit and retain top talent amidst in difficult market circumstances.

OUR REWARD FRAMEWORK

Our Reward Framework serves as a cornerstone in our commitment to aligning remuneration practices with our organisational objectives. Through a meticulous review process, we have customised our

policies to address the challenges posed by high labour turnover and economic instability, ensuring that our compensation strategies remain competitive and sustainable. By implementing targeted increments to retain key talent amidst hyperinflation and introducing innovative incentive schemes to recognise exceptional performance, we aim to foster a culture of excellence and engagement within our workforce. This framework not only reinforces our dedication to attracting and retaining top talent but also underscores our ongoing efforts to promote a positive organisational culture that values and rewards achievement.

REMUNERATION PACKAGE OF DIRECTORS

a) Remuneration of Directors

No remuneration is paid to Non-Executive Directors other than the Directors' fees paid based on their participation at Board meetings and other Sub-Committee meetings.

b) Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

c) Share Option Plans for Directors

The Company does not have a share option plan for Directors.

d) Personal Loans for Directors

No Director is entitled to Company loans.

Total fees and remuneration paid to all Directors including the Managing Director and the Chairman are disclosed in Note 18 on page 154 in this report.

THE YEAR AHEAD

The Remuneration Committee remains committed to overseeing the alignment of the remuneration policy with the Group's strategic direction. The Committee's objective is to appropriately incentivise performance in accordance with the Company's business goals, ultimately enhancing shareholder value through sustainable growth.

(Sgd.)

Prof. A.S. Dharmasiri

Chairman

HR & Remuneration Committee

17 September 2026

Colombo

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of Softlogic Holdings PLC was established by the Board of Directors of the Company and reports directly to the Board.

SCOPE

The Nominations and Governance Committee was established to ensure the Board's oversight and control over the selection of Directors. The Committee has the authority to discuss the issues under its purview and report back to the Board of Directors with recommendations, enabling the Board to take a decision on the matter. The Committee focuses on the following objectives in discharging its responsibilities;

- » To implement a procedure to select Directors to the Board.
- » Provide advice and recommendations to the Board or the Chairman on any such appointment.
- » To ensure that the Directors are fit and proper persons to hold office.
- » To consider and recommend the re-election of current Directors, taking into account the performance and contribution made by them towards the overall discharge of the Board's responsibilities.
- » A member of the Committee opts out in decisions relating to his own appointment.

COMPOSITION

The Nominations and Governance Committee of Softlogic Holdings PLC was established on 01st July 2024 and comprises the following Directors.

- » Mr. T. Nadarasa *** – Independent Non-Executive Director – Chairman
- » Mr. J.D.N. Kekulawala* – Senior Independent Non-Executive Director – Member
- » Prof. A.S. Dharmasiri** – Independent Non-Executive Director – Member

MEETINGS

The Nominations and Governance Committee shall meet as and when required. The Committee's attendance at meetings is provided below:

Name	Meeting Attended
Mr. T. Nadarasa	1/1
Mr. J.D.N. Kekulawala	1/1
Prof. A.S. Dharmasiri	1/1

CONCLUSION

The Committee continues to work closely with the Board of Directors in relation to the structure, size and composition of the Board ensuring the diversity and balance of skills, knowledge and experience. The Committee is satisfied that the representation of skills, knowledge and experience on the Board is appropriate for the Company's current needs at Board level.

(Sgd.)

Mr. T. Nadarasa

Chairman

Nominations and Governance Committee

17 September 2026
Colombo

* Retired w.e.f. 4th September 2026

** Deemed Non-Independent w.e.f. 4th September 2026

*** Appointed as Senior Independent Director w.e.f. 4th September 2026

REPORT OF SENIOR INDEPENDENT DIRECTOR

This report is presented in compliance with the requirement set out in Section 9.6.3 (e) of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange which came into effect on 01st October 2023. The requirement of appointing a “Senior Independent Director” (SID) to Softlogic Holdings PLC is in accordance with Section 9.6.3 (a) ii of the revised Listing Rules on Corporate Governance of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

ROLE AND RESPONSIBILITIES OF SENIOR INDEPENDENT DIRECTOR

In terms of the role and responsibilities of the SID, the principal role of the SID is to support the Chairman in his role and duties, acting as an intermediary for the Non-Executive Directors and to facilitate the due exercise of the functions of the Chairman with the Non-Executive Directors as and when necessary. The role and the responsibilities vested on the SID of the Board is relevant in the current context of Corporate Governance regulations, standards, and best practices which are frequently reviewed and revised by regulators.

Senior Independent Director’s role is to ensure requisite governance standards are complied with while providing necessary assistance to the Chairman of the Board through discussion and communication between Non-Executive and Independent Directors of the Company in addressing matters relevant to the Board as a whole to enhance the overall effectiveness of the Board.

(Sgd.)

Mr. T. Nadarasa

Senior Independent Director

17 September 2026
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The responsibilities of the Directors, in relation to the financial statements of the Company differ from the responsibilities of the Auditors, which are set out in the Report of the Auditors on pages 96 to 103.

The Companies Act No. 07 of 2007 stipulates that the Directors are responsible for preparing the Annual Report and the financial statements. Company law requires the Directors to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the Company at the end of the financial year, and of the Statement of Comprehensive Income of the Company and the Group for the financial year, which comply with the requirements of the Companies Act.

The Directors consider that, in preparing financial statements set out on pages 104 to 253 of the Annual Report, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgments and estimates and that all applicable accounting standards have been followed. The Directors confirm that they have justified in adopting the going concern basis in preparing the financial statements considering the liquidity and working capital enhancement plan, which would provide the Group with adequate financial resources to mitigate the concern. The Directors deem that the Group will have access to sufficient financial resources to meet its obligations as they fall due.

The Directors are responsible for keeping proper accounting records, which disclose reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure the financial statements comply with the Companies Act No. 07 of 2007 and are prepared in accordance with Sri Lanka Accounting Standard (SLFRS/ LKAS).

They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal control.

The Directors are required to prepare financial statements and to provide the external auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their independent audit opinion.

The Directors are of the view that they have discharged their responsibilities as set out in this statement.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and other known statutory dues as were due and payable by the Company as at the date of the Statement of Financial Position have been paid or, where relevant provided for, in arriving at the financial results for the year under review except as specified in Note 50 to the Financial Statements covering contingent liabilities.

(Sgd.)

Mr. A. K. Pathirage
Chairman/Managing Director

(Sgd.)

Mr. H. K. Kaimal
Director

17 September 2026
Colombo

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INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF SOFTLOGIC HOLDINGS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Softlogic Holdings PLC (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (“the Group”), which comprise the statement of financial position as at 31 March 2026, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 5.1 to the financial statements, which indicate that the Group incurred a loss after tax of Rs. 3,592 Mn (2025: Rs. 11,085 Mn) for the year ended 31 March 2026. As at that date, the accumulated losses of the Company and Group were Rs.9,572 Mn (2025: Rs.

13,067 Mn) and Rs. 92,528 Mn (2025: Rs. 84,284 Mn), respectively. Furthermore, the Group’s and Company’s current liabilities exceeded its current assets by Rs. 67,849 Mn (2025: 68,740 Mn) and Rs. 37,891 Mn (2025: Rs. 30,345 Mn), respectively. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s and Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue The Group derives its revenue of Rs. 128,995 Mn from several operating segments as disclosed in Note 13 to the financial statements. This was a key audit matter due to: » Materiality of the revenues reported by the Group during the year. » Complexity of revenue recognition due to involvement of multiple divisions to provide medical services in relation to the healthcare operating segment which contributes 30% to the Group revenue.	Our audit procedures, with the involvement of the component auditors, included the following key procedures: » Obtained an understanding of the nature of revenue contracts entered in to by the industry segments of the Group. » Tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue. » Performed appropriate analytical procedures to understand and assess the reasonableness of the reported revenues. » Tested revenue transactions and the appropriateness of revenue recognized during the year and particularly towards the year end, by reviewing the sales invoices and relevant supporting documents. We also assessed the adequacy of the disclosures made in note 13 to the financial statements.

INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
Interest Bearing Loans and Borrowings As of the reporting date, the Group reported total interest bearing borrowings of Rs. 118,123 Mn, of which Rs. 70,390 Mn was reported as current liabilities and the balance Rs. 47,733 Mn as non-current liabilities, as disclosed in Notes 39, 43, 45 and 9.3.3 to the financial statements. This was a key audit matter due to: » The materiality of the interest-bearing borrowings balance which represents 48% of the Group's total liabilities as of the reporting date; and » The existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements.	Our audit procedures included the following key procedures: » Obtained an understanding of the terms and conditions attached to borrowings, by perusing the loan agreements and other contractual documents. » Obtained direct confirmations from financial institutions for outstanding amounts as of the reporting date. » Obtained management's assessment of future cash flows and its plans to meet debt service obligations as per existing contractual arrangements related to borrowings and evaluated the appropriateness of significant judgments and reasonableness of assumptions used by management. Our procedures included reviewing all the restructured facility letters from financial institutions. » Assessed the maturity profile of the Group's borrowings focusing on the management's plans to meet the debt obligations maturing within the next twelve months and working capital requirements. We also assessed the adequacy and appropriateness of the disclosures made in Notes 39, 43, 45 and 9.3.3 relating to interest bearing borrowings.

Key audit matter	How our audit addressed the key audit matter
Insurance contract liabilities Life insurance contract liabilities amounting to Rs. 48,384 Mn, represent 15% of total liabilities of the Group as at 31 March 2026, and are determined based on an actuarial valuation as described in Note 38 to the financial statements. This was a key audit matter due to: » Materiality of the reported life insurance contract liabilities. » The degree of management assumptions, judgements and estimation uncertainty associated with the actuarial valuation of life insurance contract liabilities and liability adequacy test carried out to determine the adequacy of the carrying value of life insurance contract liabilities. » Key areas of significant judgments, estimates and assumptions used in the valuation of the life insurance contract liabilities included the following: » Determination of assumptions such as mortality rates, morbidity rates, bonus rates, discount rates, persistency ratio and related claim handling expenses as disclosed in Note 38 to the financial statements.	Our audit procedures included the following key procedures: » Assessed the competence, capabilities and objectivity of management's actuarial expert involved in the liability valuation process. » Performed audit procedures to test the controls over the process of estimating the insurance contract liabilities. » Involved an internal expert to assess the reasonableness of the assumptions used in the valuation of the insurance contract liabilities. » Reconciled the movements in insurance contract liabilities during the year with the movements in the financial results. We also assessed the adequacy and appropriateness of the disclosures made in Notes 38 relating to the financial statements.

INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
Allowances for expected credit losses Allowance for expected credit losses amounting to Rs. 4,340 Mn arising from loans and advances of Rs. 10,597 Mn (Note 28 and 32) is determined by the management based on the accounting policies described in Note 28.3 and 32.1. These collectively contributed 5% to the Group's total assets. This was a key audit matter due to: » The involvement of significant management judgements, assumptions and level of estimation uncertainty associated in management's expectation of future cash flows to recover such financial assets; and » The materiality of the reported amount of Allowance for expected credit losses and use of complex calculations in its determination Key areas of significant judgements, assumptions and estimates used by management included assumed future occurrence of events and/or transactions and forward-looking macroeconomic scenarios and their associated weightages, which are subject to inherently heightened levels of estimation uncertainty.	Our audit procedures included the following key procedures: » Assessed the alignment of the Group's allowance for expected credit losses computations and underlying methodology including responses to market economic volatility with its accounting policies, based on the best available information up to the date of our report. » Evaluated the design, implementation, and operating effectiveness of controls over estimation of allowance for expected credit losses, which included assessing the level of oversight, review and approval of allowance for expected credit losses, policies and procedures by the Board and the management. » Tested the completeness, accuracy and reasonableness of the underlying data used in the allowance for expected credit losses computations by cross checking to relevant source documents and accounting records. » Evaluated the reasonableness of credit quality assessments and related stage classifications. » Assessed the reasonableness of the judgements, assumptions and estimates used by the Management in assumed future occurrence of events and/or transactions including the value and the timing of cash flow forecasts, status of recovery actions of the collaterals, forward-looking macroeconomic scenarios and their associated weightages. » Assessed the adequacy of the related financial statement disclosures set out in Notes 28 and 32 of the financial statements.

Key audit matter	How our audit addressed the key audit matter
Carrying value of ODEL Mall project As at 31 March 2026, the Group's statement of financial position includes Other Non- Current Assets amounting to Rs. 18,504 Mn relating to the ODEL mall project, as disclosed in Note 29 and 33 to the financial statements. This was a key audit matter due to: » The materiality of the reported balances which collectively amount to Rs. 18,504 Mn and represent 10% of the total assets of the Group, and the possible impairment indicators that may exist due to the heightened costs of completing the project. » The degree of significant management assumptions, judgements and estimates associated with deriving. » The estimated future cash flows in value-in-use (VIU) calculations used to ascertain the recoverable amount of Other Non-Current assets such as cost to complete the project, forecast occupancy levels, expected profitability and margins, cost, discount rate, terminal growth rate, revised project timeline and the forecast funding; and » Net Realizable Value (NRV) of Apartments – Work in progress included in Other Current Assets; as disclosed in Notes 29 and 33 to the financial statements	Our audit procedures included the following key procedures: » Inspected the project status reports and the certificates issued by the project manager to identify the status of the project and the estimated and actual costs incurred as of reporting date. » Assessed whether capitalized cost met the recognition criteria forth in the accounting policies and applicable accounting standards. » Gained an understanding of how management has forecast its discounted future cash flows. Obtained the VIU computation from management and tested calculation of the discounted future cash flows and the completeness and accuracy of the underlying data used. » Based on the best available information up to the date of the audit report, we assessed the reasonableness of the significant assumptions, judgements and estimates such as forecast occupancy levels, expected profitability and margins, discount rate, terminal growth rate, revised project timeline and the forecast funding of the project in cashflow projections to determine the recoverable amount of the project. We also performed a sensitivity analysis of significant assumptions used to evaluate the effect on the value-in-use calculations. » Tested NRV of the apartments - work in progress to the selling prices contracted in the project. We also assessed the adequacy of the Group's disclosures in Notes 29 and 33 to the financial statements.

INDEPENDENT AUDITOR'S REPORT



Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to



draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.

17 September 2026

Colombo

Partners: G G S Manatunga FCA, Y A De Silva FCA, W K B S P Fernando FCA FCMA (UK) FCCA, B E Wijesuriya FCA FCMA (UK), R N de Saram ACA FCMA (UK), N M Sulaiman FCA FCMA (UK), L K H L Fonseka FCA, P V K N Sajeewani FCA, A A J R Perera FCA ACMA (UK), N Y R L Fernando ACA, D N Gamage FCA ACMA (UK), C A Yalagala ACA ACMA (UK), P S Paranavitane ACA ACMA (UK) LLB (Colombo), B Vasanthan ACA ACMA (UK), W D P L Perera ACA, M U M Mansoor ACA, S B G Jayawardena ACA ACMA (UK) ACCA

Principals: T P M Ruberu FCMA (UK) FCCA MBA, G B Goudian ACMA (UK), D L B Karunathilaka ACMA (UK), W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhthivel B.Com (Sp)

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INCOME STATEMENT

In Rs. '000	Note	GROUP		COMPANY	
For the year ended 31 March		2026	2025	2026	2025
Continuing operations					
Revenue from contracts with customers		87,297,515	71,577,809	2,964,452	1,824,860
Revenue from insurance contracts		40,652,664	30,842,349	-	-
Interest income		1,045,164	1,201,987	-	-
Total revenue	13	128,995,343	103,622,145	2,964,452	1,824,860
Cost of sales		(82,997,459)	(65,930,406)	(139,454)	(342,235)
Gross profit		45,997,884	37,691,739	2,824,998	1,482,625
Dividend income	14	-	-	1,501	963,901
Other operating income	15	1,570,882	1,232,817	73,698	29,774
Distribution expenses		(5,169,257)	(4,216,646)	-	-
Administrative expenses		(30,764,541)	(28,357,133)	2,578,437	639,812
Results from operating activities		11,634,968	6,350,777	5,478,634	3,116,112
Finance income	16	7,840,118	9,121,780	2,146,015	2,969,759
Finance costs	17	(13,696,166)	(16,113,368)	(4,127,059)	(5,559,778)
Net finance cost		(5,856,048)	(6,991,588)	(1,981,044)	(2,590,019)
Change in insurance contract liabilities	38.2	(5,780,932)	(6,094,342)	-	-
Change in fair value of investment properties	23	20,650	(768,237)	9,400	90,401
Share of profit of equity accounted investees	26.2	5,594	16,759	-	-
Profit/ (loss) before tax	18	24,232	(7,486,631)	3,506,990	616,494
Tax expense	19.1	(3,616,547)	(3,598,547)	(5,727)	(31,861)
Profit/ (loss) for the year		(3,592,315)	(11,085,178)	3,501,263	584,633
Attributable to:					
Equity holders of the parent		(8,629,329)	(15,051,608)		
Non-controlling interests		5,037,014	3,966,430		
		(3,592,315)	(11,085,178)		
Loss per share					
Basic		(6.18)	(11.19)		

Figures in brackets indicate deductions/ losses.

The accounting policies and notes as set out in pages 112 to 253 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000 For the year ended 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Profit/ (loss) for the year		(3,592,315)	(11,085,178)	3,501,263	584,633
Other comprehensive income					
Continuing operations					
Other comprehensive income to be reclassified to the income statement in subsequent periods					
Currency translation of foreign operations		(12,223)	2,505	-	-
Net change in fair value on derivative financial instruments	39.6	(286,961)	723,559	-	-
Net change in financial instruments at fair value through other comprehensive income		(398,325)	(541,406)	-	-
Net other comprehensive profit/ (loss) to be reclassified to the income statement in subsequent periods		(697,509)	184,658	-	-
Other comprehensive income not to be reclassified to the income statement in subsequent periods					
Revaluation of land and buildings	21.1	2,435,504	1,084,504	-	-
Re-measurement gain/ (loss) on employee benefit liabilities	41	(384,227)	(70,425)	(8,337)	7,202
Share of other comprehensive income of equity accounted investments (net of tax)	26.2	-	398	-	-
Net change in equity instruments at fair value through other comprehensive income		643,949	1,414,557	29,090,346	25,701,604
Tax on other comprehensive income not to be reclassified to the income statement in subsequent periods	19.2.1	(558,292)	(238,506)	(5,573,012)	(8,404,672)
Net other comprehensive income not to be reclassified to the income statement in subsequent periods		2,136,934	2,190,528	23,508,997	17,304,134
Other comprehensive income for the year, net of tax		1,439,425	2,375,186	23,508,997	17,304,134
Total comprehensive profit/ (loss) for the year, net of tax		(2,152,890)	(8,709,992)	27,010,260	17,888,767
Attributable to:					
Equity holders of the parent		(7,932,226)	(13,695,935)		
Non-controlling interests		5,779,336	4,985,943		
		(2,152,890)	(8,709,992)		

Figures in brackets indicate deductions/ losses.

The accounting policies and notes as set out in pages 112 to 253 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Assets					
Non-current assets					
Property, plant and equipment	21	61,829,507	60,608,976	27,896	46,847
Right-of-use assets	22.1	9,255,420	7,863,836	6,887	4,066
Investment properties	23	252,350	1,520,400	1,159,200	1,149,800
Intangible assets	24	7,691,743	7,692,458	-	720
Investments in subsidiaries	25	-	-	142,537,494	109,984,030
Investments in equity accounted investees	26	-	13,170	-	9,750
Non-current financial assets	27	38,219,756	31,871,109	19,407,902	16,077,799
Rental receivable on lease assets and hire purchase	28.1	191,851	1,049,363	-	-
Other non-current assets	29	19,606,401	18,586,207	-	-
Deferred tax asset	19.2.2	4,675,668	3,698,724	-	-
		141,722,696	132,904,243	163,139,379	127,273,012
Current assets					
Inventories	30	8,697,741	8,432,620	-	-
Trade and other receivables	31	11,616,746	10,118,155	400,589	254,996
Loans and advances	32	5,435,344	3,944,571	-	-
Rental receivable on lease assets and hire purchase	28.2	547,063	436,153	-	-
Amounts due from related parties	47.1	99,695	102,825	2,386,728	3,154,363
Other current assets	33	5,369,406	4,422,867	627,238	360,543
Short term investments	34	21,072,595	13,325,964	20,646	17,663
Cash in hand and at bank	35	10,865,817	5,250,765	45,470	9,937
		63,704,407	46,033,920	3,480,671	3,797,502
Total assets		205,427,103	178,938,163	166,620,050	131,070,514
Equity and Liabilities					
Equity attributable to equity holders of the parent					
Stated capital	36	14,146,383	14,146,383	14,146,383	14,146,383
Accumulated losses		(92,527,870)	(84,283,884)	(9,572,005)	(13,067,432)
Other components of equity	37	11,956,195	10,617,850	86,155,220	62,640,387
		(66,425,292)	(59,519,651)	90,729,598	63,719,338
Non-controlling interest		23,496,809	18,812,703	-	-
Total equity		(42,928,483)	(40,706,948)	90,729,598	63,719,338

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Non-current liabilities					
Insurance contract liabilities	38	48,383,637	33,671,063	-	
Interest bearing borrowings	39	44,542,380	44,345,812	14,276,130	16,720,649
Lease liabilities	22.2	8,123,827	6,641,441	4,269	1,369
Public deposits	40	1,474,033	1,892,855	-	-
Deferred tax liabilities	19.2.2	8,256,644	7,974,765	20,095,463	14,516,724
Employee benefit liabilities	41	2,830,312	2,323,707	143,006	151,984
Other deferred liabilities	42.2	-	21,914	-	21,622
Other non-current financial liabilities	43	3,191,145	7,999,675	-	1,795,972
		116,801,978	104,871,232	34,518,868	33,208,320
Current liabilities					
Trade and other payables	44	32,635,003	28,625,446	6,379,592	6,080,476
Amounts due to related parties	47.2	2,008	3,361	324,602	239,927
Income tax liabilities	19.1.4	5,287,156	3,624,124	-	-
Other current financial liabilities	45	45,795,389	40,042,820	24,516,232	20,287,220
Current portion of interest bearing borrowings	39	24,594,734	21,609,262	6,495,707	3,745,548
Current portion of lease liabilities	22.2	1,682,786	1,466,036	2,749	2,610
Other current liabilities	46	10,187,175	7,549,444	3,644,420	3,703,697
Public deposits	40	2,261,817	2,380,177	-	-
Bank overdrafts	35	9,107,540	9,473,209	8,282	83,378
		131,553,608	114,773,879	41,371,584	34,142,856
Total liabilities		248,355,586	219,645,111	75,890,452	67,351,176
Total equity and liabilities		205,427,103	178,938,163	166,620,050	131,070,514

I certify that the Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

(Sgd.)

C. K. Amarasekara
Head of Finance

The Board of Directors is responsible for these financial statements.

Signed for and on behalf of the Board.

(Sgd.)

A. K. Pathirage
Chairman

(Sgd.)

H. K. Kaimal
Director

17 September 2026
Colombo

Figures in brackets indicate losses.

The accounting policies and notes as set out in pages 112 to 253 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Group

In Rs. '000	Stated capital	Attributable to equity holders of parent Restricted regulatory reserve	Non-distributable regulatory loss allowance reserve	Revaluation reserve	Foreign currency translation reserve
As at 01 April 2024	12,119,235	309,613	1,280,511	13,397,639	(130,448)
Profit/ (loss) for the year	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	316,847	2,505
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-
Total comprehensive income/ (loss)	-	-	-	316,847	2,505
Proceeds from issue of shares	2,027,148	-	-	-	-
Share issue expenses	-	-	-	-	-
Transfer to non-distributable regulatory loss allowance reserve	-	-	(575,201)	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-
Subsidiary dividend to non-controlling interest	-	-	-	-	-
As at 31 March 2025	14,146,383	309,613	705,310	13,714,486	(127,943)
Profit/ (loss) for the year	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	1,075,969	(12,223)
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-
Total comprehensive income/ (loss)	-	-	-	1,075,969	(12,223)
Transfer to non-distributable regulatory loss allowance reserve	-	-	(476,628)	-	-
Acquisition of subsidiaries	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-
Subsidiary dividend to non-controlling interest	-	-	-	-	-
As at 31 March 2026	14,146,383	309,613	228,682	14,790,455	(140,166)

Company

In Rs. '000	Stated capital	Fair value reserve of financial assets at FVOCI	Accumulated losses	Total equity
As at 01 April 2024	12,119,235	45,412,911	(13,723,532)	43,808,614
Profit for the year	-	-	584,633	584,633
Other comprehensive income	-	17,299,093	5,041	17,304,134
Equity investments at FVOCI reclassified to retained earnings	-	(71,617)	71,617	-
Total comprehensive income/ (loss)	-	17,227,476	661,291	17,888,767
Proceeds from issue of shares	2,027,148	-	-	2,027,148
Cost for issue of shares	-	-	(5,191)	(5,191)
As at 31 March 2025	14,146,383	62,640,387	(13,067,432)	63,719,338
Profit for the year	-	-	3,501,263	3,501,263
Other comprehensive income/ (loss)	-	23,514,833	(5,836)	23,508,997
Total comprehensive income/ (loss)	-	23,514,833	3,495,427	27,010,260
As at 31 March 2026	14,146,383	86,155,220	(9,572,005)	90,729,598

Figures in brackets indicate deductions/ losses.

The accounting policies and notes as set out in pages 112 to 253 form an integral part of these financial statements.

	Fair value reserve of financial assets at FVOCI	Attributable to equity holders of parent Statutory reserve fund	Other reserves	Cash flow hedge reserve	Accumulated losses	Total	Non- controlling interest	Total equity
	(1,183,528)	263,436	(1,636,236)	(3,100,577)	(69,593,779)	(48,274,134)	18,074,203	(30,199,931)
	-	-	-	-	(15,051,608)	(15,051,608)	3,966,430	(11,085,178)
	340,389	-	-	723,075	(27,143)	1,355,673	1,019,513	2,375,186
	181,364	-	-	-	(181,364)	-	-	-
	521,753	-	-	723,075	(15,260,115)	(13,695,935)	4,985,943	(8,709,992)
	-	-	-	-	-	2,027,148	-	2,027,148
	-	-	-	-	(5,191)	(5,191)	-	(5,191)
	-	-	-	-	575,201	-	-	-
	-	-	428,461	-	-	428,461	209,168	637,629
	-	-	-	-	-	-	(4,456,611)	(4,456,611)
	(661,775)	263,436	(1,207,775)	(2,377,502)	(84,283,884)	(59,519,651)	18,812,703	(40,706,948)
	-	-	-	-	(8,629,329)	(8,629,329)	5,037,014	(3,592,315)
	85,724	-	-	(286,961)	(165,406)	697,103	742,322	1,439,425
	(74,121)	-	-	-	74,121	-	-	-
	11,603	-	-	(286,961)	(8,720,614)	(7,932,226)	5,779,336	(2,152,890)
	-	-	-	-	476,628	-	-	-
	-	-	-	-	-	-	(231,357)	(231,357)
	-	-	1,026,585	-	-	1,026,585	(166,864)	859,721
	-	-	-	-	-	-	(697,009)	(697,009)
	(650,172)	263,436	(181,190)	(2,664,463)	(92,527,870)	(66,425,292)	23,496,809	(42,928,483)

STATEMENT OF CASH FLOWS

In Rs. '000 For the year ended 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Cash flows from/ (used in) operating activities					
Profit/ (loss) before tax from continuing operations		24,232	(7,486,631)	3,506,990	616,494
Adjustments for:					
Finance income	16	(7,840,118)	(9,121,780)	(2,146,015)	(2,969,759)
Dividend income	14	-	-	(1,501)	(963,901)
Finance cost	17	13,696,166	16,113,368	4,127,059	5,559,778
Change in fair value of investment property	23	(20,650)	768,237	(9,400)	(90,401)
Gain on bargain purchases	15	(11,055)	-	-	-
Share of profit of equity accounted investees	26.2	(5,594)	(16,759)	-	-
Gratuity provision and related cost	41	496,582	479,008	21,956	27,944
Provisions for/ write-off of impaired receivables		92,111	525,324	(3,624,839)	(1,402,955)
Provisions for/ write-off of inventories	30.1	316,621	39,591	-	-
Provisions for/ write-off of other non current assets		370,083	893,829	-	-
Provisions for/ write-off of loans and advances	9.1.8.2	(187,462)	(136,779)	-	-
Provisions for/ write-off of investments in lease and hire purchase	9.1.14.2	(92,103)	(155,015)	-	-
Depreciation of property, plant and equipment	21	3,457,700	3,713,252	13,685	21,450
Loss/ (profit) on sale of property, plant and equipment and derecognition of right-of-use assets	15	(75,293)	49,231	(43,254)	1,032
Gain on sale of Investment property	15	(16,886)	-	-	-
Impairment of investments		(3,697)	(646,565)	-	(30,000)
Amortisation/ impairment of intangible assets	24	307,571	283,812	720	1,031
Amortisation of right-of-use assets	22.1	2,245,807	2,119,930	27,285	11,616
Impairment and derecognition of property, plant & equipment and intangible assets		199,073	13,538	-	-
Operating profit before working capital changes		12,953,088	7,435,591	1,872,686	782,329
(Increase)/ decrease in inventories		(581,851)	1,436,730	-	-
Increase in trade and other receivables		(1,510,260)	(1,183,719)	(523,569)	(567,030)
Increase in loans and advances		(1,382,325)	(65,808)	-	-
Decrease in investments in lease and hire purchase		838,756	2,668,039	-	-
Increase in other current assets		(603,860)	(1,799,624)	(266,695)	(148,056)
(Increase)/ decrease in amounts due from related parties		3,130	(2,182)	133,344	(583,336)
Increase in trade and other payables		2,584,955	5,070,504	273,710	118,203
Increase/ (decrease) in amounts due to related parties		(1,353)	(25,558)	72,872	42,574
Increase/ (decrease) in other current liabilities		2,652,213	2,667,813	(80,900)	2,827,551
Increase/ (decrease) in deferred income		(27,756)	40,340	-	-
Decrease in public deposits		(537,182)	(3,208,340)	-	-
Increase in insurance contract liabilities		5,780,928	5,911,933	-	-
Cash generated from operations		20,168,483	18,945,719	1,481,448	2,472,235
Finance income received		7,329,233	6,431,231	34	2,859
Finance expenses paid		(10,285,137)	(12,787,136)	(1,334,236)	(2,641,555)
Dividends received		-	24,000	1,501	963,901
Tax paid		(2,755,832)	(3,519,751)	-	-
Gratuity paid	41	(410,992)	(294,281)	(27,468)	(16,064)
Net cash flow from operating activities		14,045,755	8,799,782	121,279	781,376

In Rs. '000 For the year ended 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Cash flows from/ (used in) investing activities					
Purchase and construction of property, plant and equipment	21	(2,242,878)	(2,454,804)	-	(1,082)
Addition to intangible assets	24	(147,646)	(46,529)	-	(1,751)
Addition to investment property	23	-	-	-	(6,199)
Increase in other non-current assets		(465,895)	(950,327)	-	-
(Purchase)/ disposal of short term investments (net)		3,529,533	626,667	-	77,677
Dividends received		1,165	159,401	-	-
(Purchase)/ disposal of non-current financial assets		2,481,234	4,212,840	-	-
Acquisition of business, net of cash acquired	8.1	(1,145,718)	-	-	-
Acquisition of controlling interest in equity accounted investee		(3,367)	-	(3,367)	-
Proceeds from disposal of investment property		1,305,586	-	-	-
Proceeds from sale of property, plant and equipment		90,868	70,534	48,781	3,290
Net cash flow from investing activities		3,402,882	1,617,782	45,414	71,935
Cash flows from/ (used in) financing activities					
Proceeds from issue of shares		-	2,027,148	-	2,027,148
Proceeds from shareholders with non-controlling interest on issue of shares in subsidiaries		-	3,884	-	-
Direct cost on issue of shares		-	(5,191)	-	(5,191)
Dividend paid to non-controlling interest		(690,088)	(4,458,761)	-	-
Increase in interest in subsidiaries		(337)	(439)	-	-
Proceeds from disposal of controlling interest in subsidiaries		860,497	659,184	-	480,700
Proceeds from long term borrowings		4,816,697	2,088,229	902,164	1,006,067
Repayment of long term borrowings		(8,790,942)	(10,251,922)	(1,378,153)	(2,513,439)
Repayment of lease liabilities		(3,076,588)	(2,867,952)	(3,670)	(52,567)
Decrease in other non-current financial liabilities		(356,420)	(123,886)	-	-
Proceeds from/ (repayment of) other current financial liabilities (net)		4,893,264	4,377,152	423,595	(1,806,076)
Net cash flow used in financing activities		(2,343,917)	(8,552,554)	(56,064)	(863,358)
Net increase/ (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning		4,623,645	2,757,208	(73,441)	(63,394)
Effect of exchange rate changes		(4,094)	1,427	-	-
Cash and cash equivalents at the end		19,724,271	4,623,645	37,188	(73,441)
Analysis of cash and cash equivalents					
Favourable balances					
Cash in hand and at Bank	35	10,865,817	5,250,765	45,470	9,937
Short term investments	34	17,965,994	8,846,089	-	-
Unfavourable balances					
Bank overdrafts	35	(9,107,540)	(9,473,209)	(8,282)	(83,378)
Cash and cash equivalents		19,724,271	4,623,645	37,188	(73,441)

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 112 to 253 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE AND GROUP INFORMATION

Reporting entity

Softlogic Holdings PLC is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business of the company is located at No. 14, De Fonseka Place, Colombo 5.

Softlogic Holdings PLC became the holding company of the Group during the financial year 2002/2003.

Consolidated financial statements

The Financial Statements for the year ended 31 March 2026, comprise “the Company” referring to Softlogic Holdings PLC as the holding company and “the Group” referring to the companies that have been consolidated therein.

Approval of financial statements

The financial statements for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 17 September 2026.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the Financial Statements is set out in the “Statement of Directors’ Responsibilities” of the Annual Report.

Statement of compliance

The financial statements, which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the “Financial Statements”) have been prepared in accordance with Sri Lanka Accounting Standards (hereinafter referred to as SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No. 7 of 2007.

Principal activities and nature of operations

Holding Company

Softlogic Holdings PLC, the Group’s holding company, provides management services, warehouse management facilities, facilitating funding requirements and other value added services to the group companies.

Subsidiaries and associates

The business activities of other companies within the Group are information & communication technology, automobile sales and after sales, consumer electronic retailing, garment manufacturing & fashion retailing, hoteliering, quick service restaurant operations, development of apartments, provision

of financial services, life insurance services, stock brokering services, management of Unit Trust, healthcare services, management consultancy and financial advisory services.

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

2 BASIS OF PREPARATION AND SUMMARY OF MATERIAL POLICY INFORMATION

Basis of preparation

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for investment properties, land and buildings, fair value through profit or loss financial assets, derivative financial instruments, and fair value through other comprehensive income financial assets, which have been measured at fair value.

Each material class of similar items is presented separately or aggregated in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial, as permitted by the Sri Lanka Accounting Standard - LKAS 1 ‘Presentation of Financial Statements’.

Presentation and functional currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs.), the Group’s functional and presentation currency, which is the currency of the primary economic environment in which the holding company operates. Each entity in the Group uses this currency of the primary economic environment in which it operates as its functional currency except for entities incorporated outside Sri Lanka and Asiri Port City Hospital (Private) Limited which was established under the Colombo Port City Economic Commission.

All values are rounded to the nearest thousand Sri Lankan Rupees (Rs. ‘000) except when otherwise indicated.

The following subsidiaries use a functional currency other than the Sri Lankan Rupee (Rs.).

Name of the subsidiary	Country of incorporation	Functional currency
Softlogic Australia (Pty) Ltd	Australia	Australian Dollar (AUD)
Asiri Diagnostic Services (Asia) Pte Ltd	Singapore	Singapore Dollar (SGD)
Asiri Port City Hospital (Pvt) Ltd	Sri Lanka	United States Dollar (USD)

Comparative information

Comparative information, including quantitative, narrative and descriptive information, is disclosed in respect of the previous period in the financial statements.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

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 Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'.

Offsetting

Assets and liabilities or income and expenses are not set off unless required or permitted by the Sri Lanka Accounting Standards.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

A summary of material accounting policy information has been disclosed along with relevant individual notes in the subsequent pages.

The accounting policies presented with each note, have been applied consistently by the Group.

Other significant accounting policies not covered with individual notes

The following accounting policies, which have been applied consistently by the Group, are considered significant and are not covered in any other sections.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on a current/ non-current classification.

An asset is current when it is:

- » expected to be realised, or intended to be sold or consumed, in the normal operating cycle;
- » held primarily for the purpose of trading;
- » expected to be realised within twelve months from the reporting date;

- » cash or a cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when it is:

- » expected to be settled in the normal operating cycle;
- » incurred primarily for the purpose of trading;
- » due to be settled within twelve months after the reporting date; or a
- » not backed by an unconditional right to defer settlement for at least twelve months after the reporting date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4 FOREIGN CURRENCY TRANSLATION, FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The consolidated financial statements are presented in Sri Lanka Rupees (Rs.), which is the holding company's functional and presentation currency. This functional currency is the currency of the primary economic environment in which virtually all the entities of the Group operate, except for entities incorporated outside Sri Lanka and Asiri Port City Hospital (Pvt) Ltd, which was established under the Colombo Port City Economic Commission. All foreign exchange transactions are converted to the functional currency at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currencies are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. The gain or loss arising on non-monetary item is subsequently valued at fair value, in keeping with the recognition of gains or losses on other fair value items.

Foreign operations

The statement of financial position and income statement of overseas subsidiaries and associates, which are deemed to be foreign operations, are translated to Sri Lanka Rupees (Rs.) at the rate of exchange prevailing at the

NOTES TO THE FINANCIAL STATEMENTS

reporting date and at the average annual rate of exchange for the period, respectively.

The exchange differences arising on translation are taken directly to the statement of other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in the statement of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

The exchange rates applicable during the period were as follows:

	Statement of financial position 31-03-2026	Income statement 31-03-2026
Australian Dollar	216.35	201.50
Singapore Dollar	244.26	236.22
United States Dollar	317.79	308.97
Pound Sterling	416.37	408.14

5 SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements of the Group, the management has made judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income, expenses and its disclosure of contingent liabilities. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgements and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

The management considered the following items, where significant judgements, estimates and assumptions have been used in preparing these financials statements.

5.1 Going concern

Company and Group's Current Liabilities

For the year ended 31 March 2026, the Company and the Group reported profit/(loss) after tax of Rs. 3,501 Mn (2025 - Profit of Rs. 585 Mn) and loss of Rs. 3,592 Mn (2025 - Loss of Rs. 11,085 Mn), respectively. As at that date, current liabilities exceeded current assets by Rs. 37,891 Mn (2025 - Rs. 30,345 Mn) for the Company and Rs. 67,849 Mn (2025 - Rs. 68,740 Mn) for the Group.

Accumulated losses stood at Rs. 9,572 Mn (2025 - Rs. 13,067 Mn) for the Company and Rs. 92,528 Mn (2025 - Rs. 84,284 Mn) for the Group, while the Group reported a negative net asset position of Rs. 42,929 Mn (2025 - Rs. 40,707 Mn).

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's and Group's ability to continue as a going concern. However, the financial statements have been prepared and presented on a going concern basis. This determination relies on a Board-approved liquidity and working capital enhancement plan aimed at reducing financial leverage, securing continuous financial support from lending institutions, and meeting obligations as they fall due.

In forming this view, the Board evaluated base case plans, potential downsides, and expected proceeds from the liquidity and working capital enhancement plan. Based on this assessment, the Board is confident that the Company and the Group will continue to operate as a going concern for the foreseeable future.

Key initiatives implemented by the Group management to mitigate the net current liability position of Group include:

Financial Performance Overview

Financial Metric	Full Year Performance (FY 2024/25)	Full Year Performance (FY 2025/26)
Revenue / Turnover	Rs. 103,622 Mn	Rs. 128,995 Mn
Gross profit margin (%)	36.37%	35.66%
Operating profit	Rs. 6,351 Mn	Rs. 11,635 Mn
Profit / (losses) before taxation	(Rs. 7,487 Mn)	Rs. 24 Mn

During FY2025/26, the Group reported improvements in revenue and operating results compared with the previous financial year. Revenue growth continued across several business segments, and operating performance improved relative to FY2024/25. For the first quarter of FY2026/27, the Group recorded continued revenue growth compared to the corresponding period and performance remained broadly in line with management's expectations. However, the Group reported a pre-tax loss during the quarter. Management attributes this to the continued impact of prevailing economic conditions and financing-related costs.

Going Concern Statement

Non-completion of the liquidity/working capital enhancement plan may slow down the Group's ability to turn it around to its full potential. The going concern basis has been adopted as the directors believe that the Group has realistic plans for the future growth of the business and every expectation of successfully completing the liquidity/working capital enhancement plan given below.

Liquidity/ working capital enhancement plan	Actions already implemented and planned
Renegotiation of debt repayment plans with lending institutions and restructuring of debts	Offer letters were signed and received for loans amounting to Rs. 47,541 Mn up to 2025/26 and Rs. 12,233 Mn between the year end and reporting date. As disclosed in Note 52.4, the Group has obtained 6-, 12-, and 18-month grace periods on capital repayments, enabling it to minimize cash outflows from financing activities. Based on the rescheduled loans, Rs. 18,082 Mn is to be paid in FY 26/27, and Rs. 41,808 Mn is to be paid thereafter. As of the issue date of this report, the Group has submitted further loan restructuring request letters amounting to Rs. 15,689 Mn to financial institutions, which are currently pending Credit Committee approval. The Group has secured Banking Facility Support Letters amounting to Rs. 13,152 Mn from the financial institutions where these restructure requests are pending.
Raise funding from overseas banks and private placements	The Board is currently working with a few overseas banks and institutions to raise funds for subsidiary companies.
Disposal of identified strategic investments and phasing out of certain Group sectors	The Board has been actively engaged in discussions with potential buyers and investors for the leisure sector, and it intends to continue these efforts in 2026/27.
Equity infusion - Softlogic Holding PLC	The Company's major shareholders, Mr. Asoka Kariyawasam Pathirage and Samena Ceylon Holdings Limited, have fully subscribed to their rights entitlements and exercised their warrants. Rs. 498 Mn has been received to date, and upon collection of the remaining Rs. 777 Mn warrant proceeds, total funds raised will amount to Rs. 1,274 Mn. The funds raised through the rights issue and the issuance of warrants will be utilized to settle Group debts and meet working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

Liquidity/ working capital enhancement plan	Actions already implemented and planned
Implementing cost control and rationalization plans	The Group is implementing cost controls, operational rationalizations, and improved working capital management across all business segments. Management closely monitors actual financial performance against the Board-approved budget and is satisfied with the Group's latest financial performance.
Implementing aggressive marketing strategies to attract and boost both international and domestic customer footfall	The Group has implemented several initiatives to strengthen revenue generation over the next 12 months, especially in the branded apparel segment. To capitalize on the expected increase in tourist arrivals, the Group is expanding tourist-focused product offerings, reviving key in-store concepts, and opening pop-up stores in high-traffic tourist areas. Additionally, the consignment portfolio has been broadened with new partners, providing a stable contribution to the sales mix. New distribution arrangements and fast-moving, high-margin product lines have also been introduced. Improved stock inflows and consistent inventory availability have driven strong performance across major categories, positioning the business for sustained revenue growth. Furthermore, the Group will continue offering attractive discount schemes, customer loyalty programs, and other promotional activities across its Retail and Healthcare sectors. Finally, continued investment in new healthcare technology, an innovative product mix, and creative marketing initiatives in the Life Insurance segment will contribute positively toward significant revenue growth.
Long-term financing for ODEL Mall	As detailed in Note 29.2 to the financial statements, Management intends to raise Rs 6,100 Mn in funding to complete the construction of the ODEL Mall.

The Board believes that with the liquidity and working capital enhancement plan will provide the Group with adequate financial resources. Even in a reasonable worst-case scenario, the Group will be able to realize its assets and discharge its liabilities as they fall due. The Directors believe that the Group will have access to sufficient financial resources to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

5.2 New Acquisitions, strategic divestments and efforts in debt restructuring

Description	FY 2025/26	Subsequent 3 Months (Q1 FY 2026/27)
New acquisitions and new alliances with global leaders	Acquisition of Allianz Life Insurance Lanka Limited	Acquisition of 60% stake in Diamond Life Insurance Company Limited (Bangladesh) Leisure Sector: Hotel Management Agreement with internationally renowned hotel operator Accor Group, and the rebranding of the Colombo and Bentota hotels as Pullman brand hotels

The acquisition of Allianz Life Insurance Lanka Limited contributed to an increase in the Group total assets from Rs. 178,938 Mn in FY 2024/25 to Rs. 205,427 Mn in FY 2025/26. As of the end of Q1 2026/27, total assets stood at Rs. 209,573 Mn.

Description	FY 2025/26	Subsequent 3 Months (Q1 FY 2026/27)
Strategic divestments	Disposals of identified non-strategic investments and the partial divestment of controlling stake in some subsidiaries generated Rs. 2,166 Mn in cash inflows for the Group.	The partial divestment of controlling stakes in some subsidiaries generated Rs. 619 Mn in cash inflows for the Group.
Continuous efforts in debt restructuring and foreign debt financing	During the financial year, the Group signed new offer letters for debt restructuring amounting to Rs. 6,858 Mn. Furthermore, Softlogic Life Insurance PLC secured a USD 15.00 Mn foreign currency loan to fund its future development.	During Q1 of FY 2026/27, the Group signed new offer letters for debt restructuring amounting to Rs. 12,233 Mn.

Continuous efforts in debt restructuring and foreign debt financing remained a priority.

5.3 Other significant accounting judgements, assumptions and estimation

Other significant areas of critical judgements, assumptions and estimation uncertainties, in applying accounting policies that have significant effects on the amounts recognised in the financial statements of the Group are detailed in the following notes.

» Valuation of property, plant & equipment	The Group performed impairment testing for non-current assets with the indicators of impairment in accordance with the accounting policies stated in Note 21 Property, Plant and equipment, Note 22.1 Right-of-use assets, Note 23 Investment property and Note 24 Intangible assets. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amounts of cash generating units are the higher of asset's fair value less costs of disposals and value in use. These calculations require the use of estimates, assumptions and judgements. The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium.
» Recognition of right-of-use assets	
» Valuation of investment property	
» Valuation of intangible assets	
» Valuation of investment in subsidiaries	
» Deferred taxation and taxes	
» Employee benefit liability	
» Valuation of insurance contract liabilities	
» Provisions and contingent liabilities	
» Valuation of financial liabilities at fair value through profit or loss	
» Valuation of derivative financial instruments	The Group assesses the fair value of its property, plant and equipment and investment property based on valuations determined by independent qualified valuers' best estimate based on the market conditions that prevailed, which in the valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.
» Provision for expected credit loss of trade receivables and contract assets	
» Provision for expected credit loss of loans & advances and lease & hire purchase receivables	
» Segregation of work-in-progress - Odel Mall Project	

NOTES TO THE FINANCIAL STATEMENTS

6 CHANGES IN ACCOUNTING STANDARDS

There are no significant changes to the accounting standards for the financial year under review.

7 BASIS OF CONSOLIDATION AND MATERIAL PARTLY OWNED SUBSIDIARIES

ACCOUNTING POLICY

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2026. The financial statements of the subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated. Control over an investee is achieved when the Group is exposed to or has rights to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee.

Control over an investee

Specifically, the Group controls an investee if, and only if, the Group has:

- » power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- » exposure, or rights, to variable returns from its involvement with the investee
- » the ability to use its power over the investee to affect its returns

Subsidiaries that are consolidated have been listed in note 25.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies unless otherwise stated.

Transactions eliminated on consolidation

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Loss of control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value.

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

Non-controlling interest (NCI)

Non-controlling interests, which represent the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position separately from equity attributable to the shareholders of the parent.

7.1 Names and financial information of material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests (NCI) is provided below:

In Rs. '000	Asiri Hospital Holdings PLC		Healthcare Service Asiri Surgical Hospital PLC		Central Hospital Ltd	
	2026	2025	2026	2025	2026	2025
Summarised income statement for the year ended 31 March						
Revenue	15,705,063	13,389,481	7,014,757	6,448,458	8,754,926	8,143,503
Other income	178,591	1,597,690	142,698	151,771	85,246	69,661
Operating expenses	(12,688,864)	(10,707,978)	(6,147,963)	(6,159,325)	(7,676,502)	(7,451,404)
Finance income	580,300	237,447	583,187	559,759	627,703	645,750
Finance expenses	(1,643,533)	(1,588,068)	(325,174)	(378,336)	(389,551)	(434,382)
Profit before tax	2,131,557	2,928,572	1,267,505	622,327	1,401,822	973,128
Tax expense	(1,060,305)	(606,264)	(526,967)	(428,831)	(462,721)	(303,654)
Profit for the year	1,071,252	2,322,308	740,538	193,496	939,101	669,474
Other comprehensive income	2,354,317	639,930	546,952	418,998	422,051	323,758
Total comprehensive income	3,425,569	2,962,238	1,287,490	612,494	1,361,152	993,232
Profit attributable to material NCI	1,001,535	493,667	432,346	291,337	618,340	591,420
Summarised statement of financial position as at 31 March						
Current assets	7,988,990	6,247,804	6,670,956	5,264,986	3,873,387	3,269,831
Non-current assets	62,362,765	57,480,397	11,497,716	10,479,181	14,711,398	14,113,818
Total assets	70,351,755	63,728,201	18,168,672	15,744,167	18,584,785	17,383,649
Current liabilities	14,392,051	12,562,870	7,065,657	5,823,517	6,371,761	6,599,063
Non-current liabilities	18,535,519	17,167,258	2,428,919	2,534,044	1,533,840	1,466,554
Total liabilities	32,927,570	29,730,128	9,494,576	8,357,561	7,905,601	8,065,617
Effective holding % owned by NCI	44.42	44.42	55.56	55.56	44.57	44.57
Accumulated balance of material NCI	16,624,028	15,102,131	4,819,206	4,103,894	4,759,982	4,153,282
Summarised cash flow information for the year ended 31 March						
Cash flows from/ (used in) operating activities	1,409,995	1,273,251	31,090	(340,911)	401,606	1,078,009
Cash flows from/ (used in) investing activities	(263,893)	(2,063,938)	236,388	629,940	154,689	881,819
Cash flows from/ (used in) financing activities	(728,598)	671,090	(554,377)	(411,524)	(629,053)	(2,099,299)
Net increase/ (decrease) in cash and cash equivalents	417,504	(119,597)	(286,899)	(122,495)	(72,758)	(139,471)

NOTES TO THE FINANCIAL STATEMENTS

In Rs. '000	Financial Services			
	Softlogic Finance PLC		Softlogic Life Insurance PLC	
	2026	2025	2026	2025
Summarised income statement for the year ended 31 March				
Revenue	920,623	1,133,205	38,262,770	30,842,349
Other income	304,207	377,021	31,797	5,986
Operating expenses	(1,144,799)	(1,319,381)	(32,896,457)	(27,003,930)
Change in insurance contract liabilities	-	-	(5,792,843)	(6,094,342)
Finance income	248	229	6,532,700	8,908,426
Finance expenses	(39,748)	(45,941)	(276,410)	(854,204)
Profit before tax	40,531	145,133	5,861,557	5,804,285
Tax expense	109,925	-	(1,711,650)	(1,658,484)
Profit for the year	150,456	145,133	4,149,907	4,145,801
Other comprehensive income/ (loss)	(4,363)	331	541,196	788,541
Total comprehensive income	146,093	145,464	4,691,103	4,934,342
Profit attributable to material NCI	53,788	39,185	2,664,998	2,641,740
Dividend paid to NCI	-	-	919,595	4,450,067
Summarised statement of financial position as at 31 March				
Current assets	5,696,091	5,743,469	31,972,943	20,209,020
Non-current assets	1,642,849	2,238,781	34,342,467	34,539,665
Total assets	7,338,940	7,982,250	66,315,410	54,748,685
Current liabilities	2,608,479	2,971,234	5,168,792	5,273,988
Non-current liabilities	1,650,008	2,076,654	47,387,754	39,197,503
Total liabilities	4,258,487	5,047,888	52,556,546	44,471,491
Effective holding % owned by NCI	34.81	33.22	65.17	64.59
Accumulated balance of material NCI	1,072,335	974,935	8,966,288	6,637,635
Summarised cash flow information for the year ended 31 March				
Cash flows from/ (used in) operating activities	(727,570)	560,511	6,643,645	6,547,591
Cash flows from/ (used in) investing activities	790,483	(26,314)	(1,672,726)	4,315,662
Cash flows used in financing activities	(88,086)	(640,387)	(257,723)	(9,298,106)
Net increase/ (decrease) in cash and cash equivalents	(25,173)	(106,190)	4,713,196	1,565,147

The above information is based on amounts before intercompany eliminations.

8 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

Business combination & goodwill

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the income statement in accordance with SLFRS 9. Other contingent consideration that is not within the scope of SLFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if the events or changes in the circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro rata to the carrying amount of each asset in the unit.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of goodwill

Goodwill is tested for impairment annually (as at 31 March) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

NOTES TO THE FINANCIAL STATEMENTS

8.1 Obtaining control of subsidiaries

FY 2025/26

During the financial year 2025/26, the Group acquired the following two entities, excluding changes in the controlling interests held in its direct and indirect investments in subsidiaries.

- » In June 2025, Softlogic Holdings PLC increased its controlling interest in Sabre Travel Network Lanka (Pvt) Ltd from 40.00% to 51.00%, making the entity a subsidiary of the Group.
- » In July 2025, Softlogic Life Insurance PLC, a subsidiary of Softlogic Holdings PLC, acquired 100.00% of the ordinary shares of Softlogic Life Insurance Lanka Ltd (formerly known as Allianz Life Insurance Lanka Ltd), making the entity a subsidiary of the Group.

FY 2024/25

There were no changes to the Group structure other than increase or decrease in controlling stakes in direct and indirect subsidiaries.

The acquisitions had the following effect on the Group's assets and liabilities.

In Rs. '000 For the year ended 31 March	Note	2026
Property, plant and equipment	21.1	26,332
Right-of-use assets	22.1	21,203
Intangible assets	24	201,864
Non-current financial assets		7,915,460
Other non-current assets		29,514
Deferred tax assets	19.2.2	549,854
Trade and other receivables		71,549
Other current assets		412,666
Short term investments		1,845,817
Cash in hand and at bank		284,000
Insurance contract liabilities	38.1	(8,766,827)
Employee benefit liabilities	41	(36,788)
Lease liabilities	22.2	(23,629)
Trade and other payables		(1,436,124)
Income tax liabilities	19.1.4	(11,054)
Net identifiable assets		1,083,837
Non-controlling interest holding		921,223
Gain on bargain purchases		(11,055)
Intangible recognised on acquisition	24	144,341
		2,138,346
Investment by non-controlling interest		(689,865)
Carrying value of equity accounted investees transferred to investments in subsidiaries		(18,763)
		1,429,718
Total purchase price paid		
Cash consideration		1,429,718
Cash at bank and in hand acquired		(284,000)
		1,145,718

9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities consist of public deposits, borrowings, lease liabilities, trade & other payables, bank overdrafts and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise loans and advances, rental receivable on lease assets & hire purchase, trade & other receivables, cash and short-term deposits that flow directly from its operations. The Group also holds other financial instruments such as investments in equity instruments.

The Group is exposed to market risk including credit risk, currency risk, interest rate risk, price risk and liquidity risk. Risk management is carried out under policies approved by the Board of Directors of the Group. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial and non-financial performance.

Risk management framework

The Board of Directors of Softlogic Holdings PLC and its Group companies have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify, assess and take action on the risks faced by the Group falling within their risk appetite. Risk management policies and systems are reviewed regularly along with the risk register to reflect changes in market conditions and the Group's activities.

The Group through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees clearly understand their roles and obligations.

The Group's Integrated Risk Management Committee (IRMC) has been designated to oversee how management monitors compliance with the Group's risk management policies and procedures, and to review the adequacy of the risk management framework in relation to the risks faced by the Group. The committee will be assisted in its oversight by the Group's Risk Management Department and cluster risk units. Internal Audit undertakes regular reviews of risk management practices. The results of this are reported to the Audit Committee, which supports the Risk Management process through its findings and other deliberations.

9.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to

credit risk from its operating activities (primarily for trade receivables and customer lending) and from its investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit evaluation procedures. In addition, receivable balances are monitored on an ongoing basis.

The hire purchase and lease portfolio is broad based, accounting for 86,247 contracts (2025 - 87,645 contracts), and the risk of non-payment is mitigated by credit approval processes. There is no concentration risk on any single region, customer or sector in particular; collection of dues from customers are robust with the delinquency rate being better than the financial industry average.

With respect to credit risk arising from other financial assets of the Group, such as cash and cash equivalents, available-for-sale financial investments and short term investments, the Group's exposure to credit risks arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk.

9.1.1 Credit Risk - Default risk

Default risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. It arises from lending, trade finance, treasury and other activities undertaken by the Group. The Group has in place standards, policies and procedures for the control and monitoring of all such risks.

9.1.2 Credit Risk - Concentration risk

The Group seeks to manage its credit concentration risk exposure through diversification of its lending, investing and financing activities to avoid undue concentrations of risks with individuals or groups of customers in specific businesses. It also obtains security when appropriate. The types of collateral obtained include cash margins, mortgages over properties and pledges over equity instruments.

The prospect of an impairment is analysed at each reporting date on an individual basis for major clients. Less significant receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual historical data.

NOTES TO THE FINANCIAL STATEMENTS

9.1.3 Risk exposure

The tables below show the maximum exposure to credit risk for the various components, presented on a gross basis before the effect of mitigation through the use of collateral arrangements.

Risk Exposure - Group

In Rs. '000 As at 31 March 2026	Note	Non-current investments	Loans and advances	Rental receivable on leased assets & hire purchases
Government securities	9.1.4	32,787,975	-	-
Corporate debt securities	9.1.5	4,768,108	-	-
Deposits with banks and Unit Trusts	9.1.6	77,970	-	-
Loans to executives	9.1.7	-	-	-
Loans and advances	9.1.8	-	5,517,722	-
Policyholders loans	9.1.9	-	430,250	-
Trade receivables	9.1.10	-	-	-
Other receivables	9.1.11	-	-	-
Reinsurance receivables	9.1.12	-	-	-
Amounts due from related parties	9.1.13	-	-	-
Rental receivable on leased assets & hire purchase	9.1.14	-	-	738,914
Cash in hand and at bank	9.1.15	-	-	-
Total credit risk exposure		37,634,053	5,947,972	738,914
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-
Financial assets at fair value through OCI	9.2.3.1	73,075	-	-
Total equity risk exposure		73,075	-	-
Total		37,707,128	5,947,972	738,914

In Rs. '000 As at 31 March 2025	Note	Non-current investments	Loans and advances	Rental receivable on leased assets & hire purchases
Government securities	9.1.4	22,555,347	-	-
Corporate debt securities	9.1.5	5,210,895	-	-
Deposits with banks and Unit Trusts	9.1.6	8,603	-	-
Loans to executives	9.1.7	-	-	-
Loans and advances	9.1.8	-	4,007,066	-
Policyholders loans	9.1.9	-	363,534	-
Trade receivables	9.1.10	-	-	-
Other receivables	9.1.11	-	-	-
Reinsurance receivables	9.1.12	-	-	-
Amounts due from related parties	9.1.13	-	-	-
Rental receivable on leased assets & hire purchase	9.1.14	-	-	1,485,516
Cash in hand and at bank	9.1.15	-	-	-
Total credit risk exposure		27,774,845	4,370,600	1,485,516
				"
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-
Financial assets at fair value through OCI	9.2.3.1	3,670,235	-	-
Total equity risk exposure		3,670,235	-	-
Total		31,445,080	4,370,600	1,485,516

Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties	Total	% of allocation
-	-	11,341,064	-	44,129,039	50.52
-	-	2,620,286	-	7,388,394	8.45
-	-	6,524,063	-	6,602,033	7.55
-	29,872	-	-	29,872	0.03
-	-	-	-	5,517,722	6.31
-	-	-	-	430,250	0.49
-	8,114,730	-	-	8,114,730	9.29
-	2,878,298	-	-	2,878,298	3.29
-	593,846	-	-	593,846	0.68
-	-	-	99,695	99,695	0.11
-	-	-	-	738,914	0.85
10,865,817	-	-	-	10,865,817	12.43
10,865,817	11,616,746	20,485,413	99,695	87,388,610	100.00
-	-	587,182	-	587,182	88.93
-	-	-	-	73,075	11.07
-	-	587,182	-	660,257	100.00
10,865,817	11,616,746	21,072,595	99,695	88,048,867	

Cash in hand and at bank	Trade and other receivables	Short term investments	Amounts due from related parties	Total	% of allocation
-	-	4,857,717	-	27,413,064	43.93
-	-	3,318,585	-	8,529,480	13.67
-	-	5,131,343	-	5,139,946	8.24
-	55,972	-	-	55,972	0.09
-	-	-	-	4,007,066	6.42
-	-	-	-	363,534	0.58
-	6,891,630	-	-	6,891,630	11.04
-	2,667,800	-	-	2,667,800	4.27
-	502,753	-	-	502,753	0.81
-	-	-	102,825	102,825	0.16
-	-	-	-	1,485,516	2.38
5,250,765	-	-	-	5,250,765	8.41
5,250,765	10,118,155	13,307,645	102,825	62,410,351	100.00
"					
-	-	18,319	-	18,319	0.50
-	-	-	-	3,670,235	99.50
-	-	18,319	-	3,688,554	100.00
5,250,765	10,118,155	13,325,964	102,825	66,098,905	

NOTES TO THE FINANCIAL STATEMENTS

Risk Exposure - Company

In Rs. '000 As at 31 March 2026	Note	Non-current investments	Cash in hand and at banks	Trade and other receivable	Short term investments	Amounts due from related parties	Total	% of allocation
Loans to executives	9.1.7	-	-	9,600	-	-	9,600	0.04
Trade receivables	9.1.10	1,803,955	-	362,009	-	-	2,165,964	9.75
Other receivables	9.1.11	-	-	28,980	-	-	28,980	0.13
Amounts due from related parties	9.1.13	17,589,468	-	-	-	2,386,728	19,976,196	89.88
Cash in hand and at bank	9.1.15	-	45,470	-	-	-	45,470	0.20
Total credit risk exposure		19,393,423	45,470	400,589	-	2,386,728	22,226,210	100.00
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-	20,646	-	20,646	58.78
Financial assets at fair value through OCI	9.2.3.1	14,479	-	-	-	-	14,479	41.22
Total equity risk exposure		14,479	-	-	20,646	-	35,125	100.00
Total		19,407,902	45,470	400,589	20,646	2,386,728	22,261,335	

Risk Exposure - Company

In Rs. '000 As at 31 March 2025	Note	Non-current investments	Cash in hand and at banks	Trade and other receivable	Short term investments	Amounts due from related parties	Total	% of allocation
Loans to executives	9.1.7	-	-	14,059	-	-	14,059	0.07
Trade receivables	9.1.10	1,405,265	-	209,882	-	-	1,615,147	8.29
Other receivables	9.1.11	-	-	31,055	-	-	31,055	0.16
Amounts due from related parties	9.1.13	14,658,055	-	-	-	3,154,363	17,812,418	91.43
Cash in hand and at bank	9.1.15	-	9,937	-	-	-	9,937	0.05
Total credit risk exposure		16,063,320	9,937	254,996	-	3,154,363	19,482,616	100.00
Financial assets at fair value through profit or loss	9.2.3.1	-	-	-	17,663	-	17,663	54.95
Financial assets at fair value through OCI	9.2.3.1	14,479	-	-	-	-	14,479	45.05
Total equity risk exposure		14,479	-	-	17,663	-	32,142	100.00
Total		16,077,799	9,937	254,996	17,663	3,154,363	19,514,758	

9.1.4 Government securities

As of 31 March 2026, as shown in the table above, 50.52% (2025 - 43.93%) of the Group's debt securities comprise investments in government securities, which consist of treasury bonds, bills and reverse repo investments. Government securities are usually considered risk free due to the sovereign nature of the instrument.

9.1.5 Corporate debt securities

As of 31 March 2026, corporate debt securities comprising 91.33% (2025 - 90.56%) of the total investments for the Group were rated "BBB" or better.

As at 31 March	GROUP			
	2026		2025	
	Rs. '000	Rating % of total	Rs. '000	Rating % of total
Fitch/ LANKA rating				
AA	515,904	6.98	517,565	6.07
AA-	421,576	5.71	421,577	4.94
A+	1,583,089	21.43	-	-
A	3,220,270	43.59	4,673,520	54.79
A-	28,433	0.38	28,424	0.33
BBB+	978,469	13.24	2,083,487	24.43
BBB-	217,622	2.95	-	-
Not rated	423,031	5.72	804,907	9.44
Total	7,388,394	100.00	8,529,480	100.00

9.1.6 Deposits with banks and Unit Trusts

Deposits with banks consist mainly of fixed and call deposits.

As at 31 March 2026, 98.15% (2025 - 100%) of the fixed and call deposits were rated "A-" or better for the Group.

As at 31 March	GROUP			
	2026		2025	
	Rs. '000	Rating % of total	Rs. '000	Rating % of total
Fitch rating				
AA	363,184	5.50	-	-
AA-	1,447,186	21.92	22,703	0.44
A+	82,039	1.24	-	-
A	708,755	10.74	38,929	0.76
A-	-	-	1,009,656	19.64
BBB+	17,419	0.26	-	-
BBB	104,759	1.59	-	-
BB	182	-	182	-
Unit trust	3,878,509	58.75	4,068,445	79.16
Not rated	-	-	31	-
Total	6,602,033	100.00	5,139,946	100.00

NOTES TO THE FINANCIAL STATEMENTS

9.1.7 Loans to executives

The loans to executives portfolio consists largely of short-term distress loans granted to executive staff. The respective business units have taken the necessary powers of attorney/ promissory notes as collateral for the loans granted.

9.1.8 Loans and advances

As a part of the overall risk management strategy, the Boards of Directors of the respective companies in the Financial Services cluster, have delegated responsibility for the oversight of credit risk to their Board Credit & Recoveries Committee and Credit Risk Committee. The Company Credit Risk Monitoring Unit reports to the Risk Committee through the Chief Risk Officer, who is responsible for the management of the Company's credit risk, including:

- » Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting.
- » Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Heads of Credit, Board Credit & Recoveries Committee or the board of directors as appropriate.
- » Reviewing and assessing credit risk. Heads of Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- » Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer.
- » Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Heads of Credit who may require appropriate corrective action to be taken.
- » Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.
- » Conducting regular internal audits of business unit and the company to ensure compliance with establish credit policies.

The table below shows the maximum exposure to credit risk for components of the statement of financial position. The maximum exposure is shown on a gross basis, before the effect of mitigation through the use of collateral agreements.

Loans and advances excluding loans to life policyholder

In Rs. '000	Note	Consumer loan receivables	Factoring receivables	Gold loan receivables	Other loan receivables	Personal loan receivables	Revolving loan receivables	SME loan receivables	Group	
As at 31 March									2026	2025
Assets at amortised cost										
Individually impaired										
- gross amount		-	125,765	-	3,520,698	510,897	909,389	880,065	5,946,814	4,809,480
- unearned income		-	-	-	(408,870)	(24)	-	(183)	(409,077)	(525,563)
Gross carrying amount		-	125,765	-	3,111,828	510,873	909,389	879,882	5,537,737	4,283,917
- allowance for impairment	9.1.8.2	-	(125,765)	-	(1,865,715)	(496,325)	(896,278)	(398,709)	(3,782,792)	(3,088,045)
Net carrying amount		-	-	-	1,246,113	14,548	13,111	481,173	1,754,945	1,195,872
For the rest of portfolio where collective impairment is applicable										
- gross amount		8,607	26,264	3,219,189	652,422	46,730	54,314	25,534	4,033,060	3,575,433
- unearned income		-	-	-	(113,640)	(1,405)	(185)	(110)	(115,340)	(27,867)
Gross carrying amount	9.1.8.1	8,607	26,264	3,219,189	538,782	45,325	54,129	25,424	3,917,720	3,547,566
- allowance for impairment	9.1.8.2	(8,607)	(20,379)	(6,790)	(93,085)	(16,813)	(3,571)	(5,698)	(154,943)	(736,372)
Net carrying amount		-	5,885	3,212,399	445,697	28,512	50,558	19,726	3,762,777	2,811,194
Total net carrying amount		-	5,885	3,212,399	1,691,810	43,060	63,669	500,899	5,517,722	4,007,066

9.1.8.1 Age analysis of facilities considered for collective impairment

In Rs. '000 As at 31 March	Consumer loan receivables	Factoring receivables	Gold loan receivables	Other loan receivables	Personal loan receivables	Revolving loan receivables	SME loan receivables	Total 2026	2025
Category									
Stage 1 facilities	-	36	2,799,376	403,031	8,352	48,922	-	3,259,717	1,719,672
Stage 2 facilities	-	-	397,636	-	852	-	-	398,488	381,230
Stage 3 facilities	8,607	26,228	22,177	135,751	36,121	5,207	25,424	259,515	1,446,664
Total	8,607	26,264	3,219,189	538,782	45,325	54,129	25,424	3,917,720	3,547,566

9.1.8.2 Movement in impairment allowance for loans advances

In Rs. '000 As at 31 March	Movement in specific impairment allowance		Movement in collective impairment allowance		Movement in impairment allowance	
	2026	2025	2026	2025	2026	2025
At the beginning of the year	3,088,045	2,177,254	736,372	1,783,942	3,824,417	3,961,196
Net impairment charge for the year	(138,498)	91,121	(48,964)	(227,900)	(187,462)	(136,779)
Transfer during the year	833,245	819,670	(532,465)	(819,670)	300,780	-
At the end of the year	3,782,792	3,088,045	154,943	736,372	3,937,735	3,824,417

9.1.8.3 Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements.

As at 31 March In Rs. '000	2026		2025	
	Maximum exposure to credit risk	Net exposure	Maximum exposure to credit risk	Net exposure
Loans and receivables	11,203,337	2,379,841	8,478,768	4,100,922

9.1.9 Loans to life policyholders

Softlogic Life Insurance PLC issued loans to life policyholders of the company, considering the surrender value of their life policies as collateral. As at the reporting date, the value of policy loans granted amounted to Rs. 430.25 Mn (2025 - Rs. 363.53 Mn) and their related surrender value is more than the carrying value.

NOTES TO THE FINANCIAL STATEMENTS

9.1.10 Trade receivables

Customer credit risk is managed by each business unit according to the Group's established policies, procedures, and controls relating to customer credit risk management. The credit quality of each customer is assessed based on a credit rating scorecard, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and the balances of major customers are, where feasible, covered by bank guarantees or other forms of credit insurance.

In Rs. '000 As at 31 March	GROUP						COMPANY	
	Non hire purchase debtors	2026 Hire purchase debtors	Total	Non hire purchase debtors	2025 Hire purchase debtors	Total	2026 Total	2025 Total
Trade receivable settlement profile								
Current/ 0 - 30 days	5,722,956	708	5,723,664	3,766,346	83,726	3,850,072	68,440	136,177
31 - 60 days	1,094,110	448	1,094,558	1,504,088	2,165	1,506,253	200,965	57,172
61 - 90 days	365,165	577	365,742	783,583	1,462	785,045	293,334	107,841
91 - 120 days	251,004	1,192	252,196	256,679	1,520	258,199	3,441	8,371
> 121 days	623,763	69,613	693,376	498,815	11,733	510,548	1,599,784	1,305,586
Impaired	1,482,712	1,726,983	3,209,695	1,416,322	1,717,343	3,133,665	43,498	64,212
Gross amount	9,539,710	1,799,521	11,339,231	8,225,833	1,817,949	10,043,782	2,209,462	1,679,359
Less : Unearned income	-	(14,806)	(14,806)	-	(19,556)	(19,556)	-	-
Gross carrying value	9,539,710	1,784,715	11,324,425	8,225,833	1,798,393	10,024,226	2,209,462	1,679,359
Less : Impairment provision								
Individually assessed impairment provision	(78,799)	-	(78,799)	(102,590)	-	(102,590)	(43,498)	(64,212)
Collectively assessed impairment provision	(1,403,913)	(1,726,983)	(3,130,896)	(1,312,663)	(1,717,343)	(3,030,006)	-	-
Total	8,056,998	57,732	8,114,730	6,810,580	81,050	6,891,630	2,165,964	1,615,147

The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Less significant receivables are grouped into homogeneous groups and assessed for impairment collectively. The calculation is based on actual historical data.

9.1.11 Other receivables

The Group's other receivables consist mainly of dues receivable from foreign suppliers. At each reporting period end, the management assesses the recoverability of these receivable balances and makes the necessary provisioning for any doubtful balances.

9.1.12 Reinsurance receivable

As a part of its overall risk management strategy, the Group cedes insurance risk through proportional, non-proportional, and specific risk reinsurance treaties. While these treaties mitigate insurance risk, the recoverables from reinsurers and receivables arising from ceded reinsurance expose the company to credit risk. The following steps are taken to manage reinsurance risk:

- » Policy guidelines are approved by the Board of Directors annually, in line with the guidelines issued by the Insurance Regulatory Commission of Sri Lanka.
- » Counterparty limits are set each year and are subject to regular reviews, during which management assesses the creditworthiness of reinsurers to update the reinsurance strategy and ascertain the allowance for impairment of reinsurance assets.
- » Outstanding reinsurance receivables are reviewed monthly to ensure that all dues are collected or set off against payables.
- » Close professional relationships are maintained with reinsurers.
- » No cover is issued without confirmation of reinsurance, except for non-reinsurance business.

As at the reporting date reinsurance receivables amounted to Rs. 593.85 Mn (2025 - Rs. 502.75 Mn). This consists mainly of reinsurance receivables on paid claims amounting to Rs. 424.00 Mn (2025 - Rs. 395.80 Mn) and the reinsurance share of claim reserve (receivables on outstanding claims) of Rs. 169.85 Mn (2025 - Rs. 106.95 Mn) as at 31 March 2026.

9.1.13 Amounts due from related parties

The Group's dues from related parties consist mainly of dues from associate companies and receivables from KMPs. The Company's balance consists mainly of balances due from affiliate companies.

9.1.14 Rental receivable on lease assets & hire purchase

As a part of the overall risk management strategy, the Boards of Directors of the respective companies in the Financial Services cluster have delegated responsibility for overseeing credit risk to the Credit & Recoveries Committee and the Company's Credit Risk Committee. The company's Credit Risk Monitoring Unit reports to the Risk Committee through the Chief Risk Officer, who is responsible for managing of the Company's credit risk, including:

- » Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting.
- » Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by the Heads of Credit, the Board Credit & Recoveries Committee, or the Board of Directors, as appropriate.
- » Reviewing and assessing credit risk. Heads of Credit assess all credit exposures in excess of designated limits prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- » Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and issuers.
- » Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk, and product types. Regular reports on the credit quality of local portfolios are provided to Heads of Credit, who may require appropriate corrective action to be taken.
- » Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.
- » Ensuring regular audits of business units and Company credit processes are undertaken by Internal Audit.

NOTES TO THE FINANCIAL STATEMENTS

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. This is shown gross, before the effect of mitigation through the use of collateral agreements.

In Rs. '000	Note	Rental receivable on lease assets	Rental receivable on hire purchase	Total	Rental receivable on lease assets	Rental receivable on hire purchase	Total
As at 31 March				2026			2025
Assets at amortised cost							
Individually impaired							
- gross amount		250,278	-	250,278	260,125	-	260,125
- unearned income		(4,476)	-	(4,476)	(19,152)	-	(19,152)
Blue carrying amount		245,802	-	245,802	240,973	-	240,973
- allowance for impairment	9.1.14.2	(227,942)	-	(227,942)	(207,914)	-	(207,914)
Net carrying amount		17,860	-	17,860	33,059	-	33,059
For the rest of portfolio, where collective impairment applies							
- gross amount		916,216	71,554	987,770	1,719,578	77,187	1,796,765
- unearned income		(91,945)	-	(91,945)	(194,555)	-	(194,555)
Blue carrying amount	9.1.14.1	824,271	71,554	895,825	1,525,023	77,187	1,602,210
- allowance for impairment	9.1.14.2	(130,178)	(44,593)	(174,771)	(102,242)	(47,511)	(149,753)
Net carrying amount		694,093	26,961	721,054	1,422,781	29,676	1,452,457
Total Net carrying amount		711,953	26,961	738,914	1,455,840	29,676	1,485,516

9.1.14.1 Age analysis of facilities considered for collective impairment

In Rs. '000	Rental receivable on lease assets	Rental receivable on hire purchase	Total	Rental receivable on lease assets	Rental receivable on hire purchase	Total
As at 31 March			2026			2025
Category						
Stage 1 facilities	335,273	-	335,273	649,765	-	649,765
Stage 2 facilities	22,772	-	22,772	215,518	-	215,518
Stage 3 facilities	466,226	71,554	537,780	659,740	77,187	736,927
Total	824,271	71,554	895,825	1,525,023	77,187	1,602,210

9.1.14.2 Movement in impairment allowance

In Rs. '000	Movement in specific impairment allowance		Movement in collective impairment allowance		Total movement in impairment allowance	
As at 31 March	2026	2025	2026	2025	2026	2025
At the beginning of the year	207,914	304,397	149,753	208,285	357,667	512,682
Net impairment charge for the year	(35,223)	(96,483)	(56,880)	(58,532)	(92,103)	(155,015)
Transfer/ movement during the year	55,251	-	81,898	-	137,149	-
At the end of the year	227,942	207,914	174,771	149,753	402,713	357,667

Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral agreements.

As at 31 March In Rs. '000	2026		2025	
	Maximum exposure to credit risk	Net exposure	Maximum exposure to credit risk	Net exposure
Lease and hire purchase receivables	1,141,627	-	2,056,890	1,485,515

9.1.15 Cash in hand and at bank

Deposits with banks consist mainly of fixed and call deposits. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed annually, and may be updated during the year, subject to appropriate approval. The limits are set to minimise the concentration of risks, and therefore, mitigate financial loss through a counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position is represented by the carrying amounts shown.

9.2 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will adversely deviate because of changes in market movements.

Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk (such as equity price risk and commodity risk). Financial instruments affected by market risk which include borrowings, trade payables, short-term investments and equity investments.

9.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to changes in market interest rates relates significantly to the Group's long-term debt obligations.

9.2.1.1 Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

In Rs. '000	GROUP		COMPANY	
	Nominal amount		Nominal amount	
As at 31 March	2026	2025	2026	2025
Fixed rate instrument				
Financial assets	54,257,311	38,236,205	20,125,292	17,284,549
Financial liabilities	(68,054,860)	(67,277,357)	(21,591,224)	(18,567,108)
	(13,797,549)	(29,041,152)	(1,465,932)	(1,282,559)
Variable rate instruments				
Financial assets	21,410,141	13,953,164	-	22,925
Financial liabilities	(62,451,119)	(59,845,653)	(22,346,036)	(24,568,682)
	(41,040,978)	(45,892,489)	(22,346,036)	(24,545,757)

NOTES TO THE FINANCIAL STATEMENTS

9.2.1.2 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings that may be affected. Provided all other variables are held constant, the Group's profit before tax is affected through the impact on floating-rate borrowings as follows:

In Rs. '000	Increase in basis points		Effect on profit before tax	
	Rupee borrowings	Other currencies	GROUP	COMPANY
2026	+ 100 b.p	+ 50 b.p	(384,594)	(223,460)
	- 100 b.p	- 50 b.p	384,594	223,460
2025	+ 100 b.p	+ 50 b.p	(366,966)	(245,458)
	- 100 b.p	- 50 b.p	366,966	245,458

The interest rate sensitivity analysis uses a basis points spread based on currently market conditions.

9.2.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of adverse fluctuations in foreign exchange rates. The Group's exposure to the risk of fluctuations in foreign exchange rates relates primarily to the Group's operating activities and foreign currency borrowings.

Management has established a policy that requires the company and its subsidiaries to manage their foreign exchange risk within the limits of maximum exposure.

9.2.2.1 Foreign currency sensitivity

The following table demonstrates the sensitivity to possible changes in the USD/LKR exchange rate, provided that all other variables are held constant.

The Group's exposure to foreign currencies other than USD is not material.

In Rs. '000	Increase in exchange rate USD	Effect	
		on profit before tax	on equity
2026	+ 5%	(209,917)	(410,158)
	- 5%	209,917	410,158
2025	+ 5%	(347,087)	(405,614)
	- 5%	347,087	405,614

The Group manages its foreign currency risk using a balanced approach involving forward contracts on exposures expected to occur within a maximum 24-month period.

Where the hedge lacks economic substance, it is the Group's policy to negotiate with counterparties or banks to obtain the most advantageous position for the Group.

9.2.2.2 Foreign exchange risk in operating activities

The exposure arises mainly from foreign currency obligations related to operating activities where, fluctuations in the foreign exchange rate may occur during a 3-6 month credit period.

9.2.3 Equity price risk

9.2.3.1 Listed equity investments

The Group holds listed and unlisted equity securities which are susceptible to market price risk arising from uncertainties about their future values.

The Group manages this risk through diversification and by placing limits on individual and total equity instruments. The Senior Management of individual business segments receives periodic reports on the equity investment portfolios and the respective Boards of Directors review and approve all equity investment decisions.

Group

As at 31 March	Financial assets at fair value through profit or loss				Financial assets at fair value through OCI			
	2026		2025		2026		2025	
	Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
Application Software	10,332	1.76	-	-	-	-	-	-
Banks	166,105	28.38	9,840	53.71	-	-	3,611,202	100.00
Capital goods	164,794	28.15	142	0.78	314	100.00	126	-
Consumer Durables & Apparel	26,713	4.56	-	-	-	-	-	-
Consumer Services	19,498	3.33	18	0.10	-	-	-	-
Diversified Financials	8,401	1.43	-	-	-	-	-	-
Energy	8,848	1.51	8,026	43.81	-	-	-	-
Food Beverage & Tobacco	19,482	3.33	-	-	-	-	-	-
Household & Personal Products	10,578	1.81	-	-	-	-	-	-
Independent Power Producers & Energy Traders	15,534	2.65	-	-	-	-	-	-
Insurance	205	0.04	205	1.12	-	-	-	-
Materials	48,257	8.24	88	0.48	-	-	-	-
Telecommunication Services	24,135	4.12	-	-	-	-	-	-
Transportation	62,586	10.69	-	-	-	-	-	-
	585,468	100.00	18,319	100.00	314	100.00	3,611,328	100.00
Unquoted equity investments	1,714		-		72,761		58,907	
Total	587,182		18,319		73,075		3,670,235	

Company

As at 31 March	Financial assets at fair value through profit or loss			
	2026		2025	
	Rs. '000	%	Rs. '000	%
Banks	11,798	57.14	9,637	54.56
Energy	8,848	42.86	8,026	45.44
	20,646	100.00	17,663	100.00

9.2.3.2 Unquoted equity investments

Investments in unquoted securities are made with the board approval.

NOTES TO THE FINANCIAL STATEMENTS

9.2.3.3 Sensitivity analysis

The following table demonstrates the sensitivity of cumulative changes in fair value to reasonably possible changes in equity prices, assuming all other variables are held constant. The effect of a decrease in equity prices is expected to be equal and opposite to the effect of the increase shown.

This table considers only quoted equity shares classified as short-term and long-term financial assets.

In Rs. '000	GROUP			COMPANY	
	Change in equity price	Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity
2026					
Quoted equity investments listed on the Colombo Stock Exchange	+ 10%	58,547	31	2,065	Nil
	- 10%	(58,547)	(31)	(2,065)	Nil
2025					
Quoted equity investments listed on the Colombo Stock Exchange	+ 10%	1,832	361,133	1,766	Nil
	- 10%	(1,832)	(361,133)	(1,766)	Nil

9.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, Commercial papers, finance leases and hire purchase contracts to ensure it always has sufficient liquidity to meet its liabilities when due under normal and stressed conditions. The Group assessed the concentration of risk with respect to refinancing its debt and concluded that it was normalizing in most of the sectors. Access to sources of funding is sufficient and debt maturing within 12 months can be rolled over with existing lenders.

9.3.1 Net current debt

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Short term investments	21,072,595	13,325,964	20,646	17,663
Cash in hand and at bank	10,865,817	5,250,765	45,470	9,937
Total liquid assets	31,938,412	18,576,729	66,116	27,600
Other current financial liabilities	45,795,389	40,042,820	24,516,232	20,287,220
Current portion of interest bearing borrowings	24,594,734	21,609,262	6,495,707	3,745,548
Current portion of lease liability	1,682,786	1,466,036	2,749	2,610
Public deposits	2,261,817	2,380,177	-	-
Bank overdrafts	9,107,540	9,473,209	8,282	83,378
Total current debt	83,442,266	74,971,504	31,022,970	24,118,756
Net current debt	51,503,854	56,394,775	30,956,854	24,091,156
Adjustments for;				
Unutilised approved banking facilities	190,020	3,586,929	-	-
	51,313,834	52,807,846	30,956,854	24,091,156

Furthermore, the Group will manage its liquidity position by utilizing excess cash flows from its operating cycle, restructuring short-term financial commitments, and drawing on commercial paper and revolving loan facilities.

As at reporting date, liquid assets amounted to Rs. 30,541.97 Mn (2025 - Rs. 16,631.19 Mn) comprised liquid assets portfolio of Softlogic Finance PLC, Softlogic Life Insurance PLC and Softlogic Life Insurance Lanka Ltd (formerly known as Allianz Life Insurance Lanka Ltd).

9.3.2 Liquidity risk management

An optional combination of positive and negative cash flows, along with investment returns and contractual obligations maturing, is collated through an intra-day cash reporting system for all business segments. High-value contractual outflows are processed through various control filters. The Group is in the process of building a “Liquidity Dashboard” alongside the implementation of its ERP program. This would help further accelerate the review and identification of debt maturities relating to the net liquidity position on a daily basis, enabling proactive funding mobilisation and reinvestment of cash surpluses. It would also help reschedule maturity profiles to distress cash flows and align them with actual investment tenors. This would engender optimal liquidity positioning, reduce borrowing costs, and enhance reinvestment income.

9.3.3 Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2026 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	27,774,140	12,710,433	11,963,201	11,030,292	15,809,891	15,973,102	95,261,059
Lease liabilities	2,777,163	2,957,855	1,941,511	1,353,779	1,003,309	3,909,226	13,942,843
Other non-current financial liabilities	-	2,681,861	509,284	-	-	-	3,191,145
Trade and other payables	32,635,003	-	-	-	-	-	32,635,003
Amounts due to related parties	2,008	-	-	-	-	-	2,008
Other current financial liabilities	45,795,389	-	-	-	-	-	45,795,389
Public deposits	1,993,466	1,441,975	251,075	28,157	23,744	6	3,738,423
Bank overdrafts	9,107,540	-	-	-	-	-	9,107,540
	120,084,709	19,792,124	14,665,071	12,412,228	16,836,944	19,882,334	203,673,410

The table below summarises the maturity profile of the company's financial liabilities as at 31 March 2026 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	6,524,674	3,909,245	3,873,414	3,882,131	3,429,829	2,829,321	24,448,614
Lease liabilities	3,300	3,000	1,600	-	-	-	7,900
Trade and other payables	6,379,592	-	-	-	-	-	6,379,592
Amounts due to related parties	324,602	-	-	-	-	-	324,602
Other current financial liabilities	24,516,232	-	-	-	-	-	24,516,232
Bank overdrafts	8,282	-	-	-	-	-	8,282
	37,756,682	3,912,245	3,875,014	3,882,131	3,429,829	2,829,321	55,685,222
Contractual undiscounted cash flows - Financial Guarantees	31,037,536	1,751,779	2,028,352	1,934,634	3,549,067	396,000	40,697,368

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The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2025 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	27,370,851	14,806,040	10,663,825	9,687,809	9,568,122	14,494,982	86,591,629
Lease liabilities	2,455,846	2,310,612	1,822,563	1,324,177	1,035,772	4,545,841	13,494,811
Other non-current financial liabilities	-	7,370,675	629,000	-	-	-	7,999,675
Trade and other payables	28,625,446	-	-	-	-	-	28,625,446
Amounts due to related parties	3,361	-	-	-	-	-	3,361
Other current financial liabilities	40,042,820	-	-	-	-	-	40,042,820
Public deposits	2,380,533	485,342	1,258,098	62,201	87,213	-	4,273,387
Bank overdrafts	9,473,209	-	-	-	-	-	9,473,209
	110,352,066	24,972,669	14,373,486	11,074,187	10,691,107	19,040,823	190,504,338

The table below summarises the maturity profile of the company's financial liabilities as at 31 March 2025 based on contractual undiscounted payments.

In Rs. '000	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total
Interest bearing loans and borrowings	4,892,756	4,803,313	3,682,569	3,685,952	3,704,898	3,531,490	24,300,978
Lease liabilities	2,610	3,483	-	-	-	-	6,093
Other Non-current financial liabilities	-	1,795,972	-	-	-	-	1,795,972
Trade and other payables	6,080,476	-	-	-	-	-	6,080,476
Amounts due to related parties	239,927	-	-	-	-	-	239,927
Other current financial liabilities	20,287,220	-	-	-	-	-	20,287,220
Bank overdrafts	83,378	-	-	-	-	-	83,378
	31,586,367	6,602,768	3,682,569	3,685,952	3,704,898	3,531,490	52,794,044
Contractual undiscounted cash flows - Financial Guarantees	25,959,182	2,436,528	2,627,471	2,782,051	2,694,555	6,040,853	42,540,640

9.3.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders, or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2026.

The Group monitors capital using a gearing ratio for the company and subsidiaries: net debt divided by total capital plus net debt, which is monitored closely by senior management. Net debt of the Group includes all interest-bearing loans and borrowings less cash and cash equivalents.

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Net debt	125,662,700	125,698,490	45,257,899	42,626,809
Equity	(42,928,483)	(40,706,948)	90,729,598	63,719,338
Capital and total net debt	82,734,217	84,991,542	135,987,497	106,346,147
Gearing ratio - (X)	1.52	1.48	0.33	0.40

10 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURE

Fair value measurement

Fair value related disclosures for financial instruments and non- financial assets that are measured at fair value are disclosed in this note. Additional fair value related disclosures, including valuation methods, significant estimates, and assumptions, are also provided in:

	Note
Property, plant and equipment under revaluation model	21
Investment properties	23
Investment in subsidiaries	25
Investment in unquoted equity shares	26
Financial instruments	11

ACCOUNTING POLICY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either:

- » in the principal market for the asset or liability, or
- » in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted equity instruments, and for non-recurring measurement, such as assets held-for-sale in discontinued operations.

External valuers are involved for the valuation of significant assets, such as land and building and investment properties, and significant liabilities, such as insurance contracts. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

10.1 Financial assets and liabilities by fair value hierarchy - Group

The Group held the following financial instruments carried at fair value in the statement of financial position:

Financial assets

In Rs. '000 As at 31 March	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
Financial assets						
Financial assets at fair value through OCI						
Quoted equity instruments	314	3,611,328	-	-	-	-
Unquoted equity instruments	-	-	-	-	58,906	58,906
Government securities	18,305,440	6,710,895	3,724,599	3,050,346	-	-
Financial assets at fair value through P&L						
Quoted equity instruments	587,181	18,320	-	-	-	-
Debt instruments	-	-	-	-	1,652,950	-
Government securities	478,373	429,691	80,017	-	-	898,668
Unit Trust	-	-	3,874,116	4,061,436	-	-
Total	19,371,308	10,770,234	7,678,732	7,111,782	1,711,856	957,574

The fair value of all the listed equity instruments was calculated as of 31 March 2026 based on closing traded prices.

Non-financial assets

In Rs. '000 As at 31 March	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
Non-financial assets measured at fair value						
Land and buildings	-	-	-	-	33,416,749	32,606,186
Buildings on leasehold land	-	-	-	-	14,419,076	13,500,955
Investment property	-	-	-	-	252,350	1,520,400
Total	-	-	-	-	48,088,175	47,627,541

In determining the fair value of non-financial assets measured at fair value, the highest and best use of the properties has been considered, including the current condition of the properties, future usability, and associated redevelopment requirements. Furthermore, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

10.2 Financial assets and liabilities by fair value hierarchy - Company

The Company held the following financial instruments carried at fair value in the statement of financial position:

Financial assets

In Rs. '000 As at 31 March	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
Financial assets						
Financial assets at fair value through P&L						
Quoted equity instruments	20,646	17,663	-	-	-	-
Financial assets at fair value through OCI						
Quoted equity instruments	-	-	-	-	56,172,567	41,760,338
Unquoted equity instruments	-	-	-	-	86,364,927	68,223,692
Total	20,646	17,663	-	-	142,537,494	109,984,030

Non-financial assets

In Rs. '000 As at 31 March	Level 1		Level 2		Level 3	
	2026	2025	2026	2025	2026	2025
Non-financial assets measured at fair value						
Investment property	-	-	-	-	1,159,200	1,149,800
Total	-	-	-	-	1,159,200	1,149,800

In determining the fair value of non-financial assets, the highest and best use of the properties was considered, including their current condition, future usability, and redevelopment requirements. Furthermore, the valuers referenced market evidence of transaction prices for similar properties, applying appropriate adjustments for size and location. The appraised fair values are rounded within the established range.

11 FINANCIAL INSTRUMENTS

11.1 Financial assets

ACCOUNTING POLICY

Initial recognition and subsequent measurement

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the Solely Payment of Principal and Interest (SPPI) test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient they are measured at the transaction price.

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

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. For the purpose of subsequent measurement financial assets are classified in four categories.

- » Financial assets at amortised cost
- » Financial assets at amortised cost
- » Financial assets at fair value through OCI with recycling of cumulative gains and losses
- » Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- » Financial assets at fair value through profit or loss

Debt instruments

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

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

The Group's financial assets at amortised cost include trade receivables and short term investments.

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Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payment of principal and interest, are measured at fair value through other comprehensive income (FVOCI). The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- » The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- » The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

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 a separate line item in the income statement.

Equity instruments

Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded

derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payment of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses 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.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

11.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the income statement.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

Derecognition

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

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an

intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the statement of other comprehensive income (OCI). The gain or loss in relation to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors that could affect the reported fair value of financial instruments, are further explained in Note 11.

Derivative Financial Instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps and forward

NOTES TO THE FINANCIAL STATEMENTS

commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement.

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either,

- » hedges of the fair value of recognised assets or liabilities, or a firm commitment (fair value hedge);
- » hedges of a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction (cash flow hedge);
- » hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction, the relationship between hedging instruments and the hedged items, as well as its risk management objectives and strategies for undertaking various hedging transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 39.5. Movements on the hedging reserve in the Other Comprehensive Income statement (OCI) are shown in the same note. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Financial instruments

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9 - Financial Instruments.

Financial assets by category - Group

In Rs. '000	Financial assets at amortised cost		Financial assets at fair value through OCI		Financial assets fair value through profit or loss		Total
	2026	2025	2026	2025	2026	2025	
As at 31 March							
Financial instruments in non-current assets							
Non-current financial assets	15,392,236	17,823,727					
Rental receivable on lease assets and hire purchase	191,851	1,049,363	-	-	-	-	
Financial instruments in current assets							
Trade and other receivables	11,616,746	10,118,155	-	-	-	-	10,118,155
Loans and advances	5,435,344	3,944,571	-	-	-	-	3,944,571
Rental receivable on lease assets and hire purchase	547,063	436,153	-	-	-	-	436,153
Amounts due from related parties	99,695	102,825	-	-	-	-	102,825
Short term investments	15,138,219	8,533,756	490,652	440,639	5,443,724	4,351,569	13,325,964
Cash in hand and at bank	10,865,817	5,250,765	-	-	-	-	5,250,765
Total	59,286,971	47,259,315	22,088,944	13,431,349	6,672,952	5,408,241	66,098,905

Financial liabilities by category - Group

In Rs. '000	Financial liabilities measured at amortised cost		Total	
	2026	2025	2026	2025
As at 31 March				
Financial instruments in non-current liabilities				
Interest bearing borrowings	44,542,380	44,345,812	44,542,380	44,345,812
Lease liabilities	8,123,827	6,641,441	8,123,827	6,641,441
Public deposits	1,474,033	1,892,855	1,474,033	1,892,855
Other non-current financial liabilities	3,191,145	7,999,675	3,191,145	7,999,675
Financial instruments in current liabilities				
Trade and other payables	32,635,003	28,625,446	32,635,003	28,625,446
Amounts due to related parties	2,008	3,361	2,008	3,361
Other current financial liabilities	45,795,389	40,042,820	45,795,389	40,042,820
Current portion of interest bearing borrowings	24,594,734	21,609,262	24,594,734	21,609,262
Current portion of lease liabilities	1,682,786	1,466,036	1,682,786	1,466,036
Public deposits	2,261,817	2,380,177	2,261,817	2,380,177
Bank overdrafts	9,107,540	9,473,209	9,107,540	9,473,209
Total	173,410,662	164,480,094	173,410,662	164,480,094

NOTES TO THE FINANCIAL STATEMENTS

Financial instruments

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9 - Financial Instruments.

Financial assets by category - Company

In Rs. '000	Financial assets at amortised cost		Financial assets at fair value through OCI		Financial assets fair value through profit or loss		Total	
As at 31 March	2026	2025	2026	2025	2026	2025	2026	2025
Financial instruments in non-current assets								
Non-current financial assets	19,393,423	16,063,320	14,479	14,479	-	-	19,407,902	16,077,799
Financial instruments in current assets								
Trade and other receivables	400,589	254,996	-	-	-	-	400,589	254,996
Amounts due from related parties	2,386,728	3,154,363	-	-	-	-	2,386,728	3,154,363
Short term investments	-	-	-	-	20,646	17,663	20,646	17,663
Cash in hand and at bank	45,470	9,937	-	-	-	-	45,470	9,937
Total	22,226,210	19,482,616	14,479	14,479	20,646	17,663	22,261,335	19,514,758

Financial liabilities by category - Company

In Rs. '000	Financial liabilities measured at amortised cost		Total	
As at 31 March	2026	2025	2026	2025
Financial instruments in non-current liabilities				
Interest bearing borrowings	14,276,130	16,720,649	14,276,130	16,720,649
Lease liabilities	4,269	1,369	4,269	1,369
Other non-current financial liabilities	-	1,795,972	-	1,795,972
Financial instruments in current liabilities				
Trade and other payables	6,379,592	6,080,476	6,379,592	6,080,476
Amounts due to related parties	324,602	239,927	324,602	239,927
Other current financial liabilities	24,516,232	20,287,220	24,516,232	20,287,220
Current portion of interest bearing borrowings	6,495,707	3,745,548	6,495,707	3,745,548
Current portion of lease liabilities	2,749	2,610	2,749	2,610
Bank overdrafts	8,282	83,378	8,282	83,378
Total	52,007,563	48,957,149	52,007,563	48,957,149

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- » The fair value of quoted equities, debentures and bonds is based on price quotations in an active market at the reporting date.
- » The fair value of unquoted instruments, banks loans, and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- » Fair value of unquoted ordinary shares has been estimated using a Discounted Cash Flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- » Approximately 89.55% of loans and advances, rental receivable on lease assets and hire purchase have a remaining maturity of less than one year. Therefore, fair value of the lending portfolio approximates to the carrying value at the reporting date. All loans and advances are granted with fixed interest rate terms.

12. SRI LANKA ACCOUNTING STANDARDS (SLFRS) ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that have been issued, but are not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS - 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of which insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- » a specific adaptation for contracts with direct participation features (the variable fee approach)
- » a simplified approach (the premium allocation approach) mainly for short-duration contracts

The Group has an implementation program underway to implement SLFRS 17. The program is responsible for setting accounting policies and developing application methodologies, establishing appropriate processes and controls, sourcing appropriate data and implementing actuarial and finance system changes.

NOTES TO THE FINANCIAL STATEMENTS

The Group intends to adopt the SLFRS 17 financial statements on its mandatory effective date, which is currently expected to be 2026.

Summary of the requirements	Possible impact to the Financial Statements
SLFRS 17 Insurance Contracts replaces SLFRS 4 and introduces a comprehensive measurement framework for insurance contracts. Under the new standard, insurance contract liabilities are measured as the present value of future cash flows, adjusted for a risk adjustment for non-financial risk and a contractual service margin (CSM). The CSM represents the unearned profit of insurance contracts and is recognised in profit or loss over the coverage period as insurance services are provided. Losses identified at initial recognition are recognised immediately in the Income Statement. SLFRS 17 also requires insurance contracts to be grouped into portfolios of contracts with similar risks and managed together, with further segmentation based on profitability and year of issue. Revenue is recognised as insurance services are delivered rather than when premiums are received, and the standard requires a clear separation of insurance, investment and deposit components. At transition, entities are required to determine the CSM as if SLFRS 17 had always been applied (full retrospective approach). Where this is impracticable, entities may apply either the modified retrospective approach or the fair value approach. The selected transition approach may significantly impact shareholders' equity at transition and the future pattern of profit recognition from in-force insurance contracts.	The adoption of SLFRS 17 represents a significant change to the accounting and reporting framework for insurance contracts and will result in enhanced presentation, measurement and disclosure requirements in the Financial Statements. The new standard introduces complex measurement models and requires the application of significant judgement, new estimation techniques and enhanced data and system capabilities. Consequently, the implementation of SLFRS 17 may alter the timing and pattern of profit recognition compared with the previous accounting framework. During the year under review, the Audit Committee continued to oversee the Company's SLFRS 17 implementation programme in preparation for its mandatory adoption effective 1 January 2026. The programme focuses on establishing accounting policies and methodologies, enhancing actuarial and finance systems, strengthening processes and controls, and ensuring the availability and integrity of required data. Significant progress was achieved during the year, including the finalisation of key technical interpretations and accounting policy decisions. System implementation is currently in progress, with testing and data population underway. The Committee reviewed regular updates from management to monitor progress against the implementation roadmap and to ensure readiness for the adoption of SLFRS 17.

SLFRS 17 introduces a globally consistent framework that aligns reported earnings more closely with the delivery of insurance services and enhances transparency and comparability across the insurance industry. While the Standard changes the timing and presentation of earnings, it does not affect the underlying economics, cash flows or long-term profitability of the Group.

Reflecting on the Economics of Long-Term Insurance

Life insurance creates value over many years. Under SLFRS 17, expected future profits from insurance contracts are recognised over the coverage period through the Contractual Service Margin (CSM), representing unearned profit from the in-force portfolio. Earnings are therefore recognised in line with the provision of services. Growth in profitable new business increases the CSM, providing greater visibility into future earnings potential and sustainable value creation.

A Clearer View of Performance

SLFRS 17 enhances performance reporting by separating operating results from market-driven effects:

- » Insurance service result – reflecting the underlying profitability of insurance operations, including CSM release and experience variances
- » Insurance finance income or expense – reflecting the impact of changes in financial assumptions such as discount rates

The Group has elected to present the impact of changes in discount rates for applicable contracts in Other Comprehensive Income (OCI) to reduce volatility in profit or loss.

Insurance revenue represents services provided during the period rather than premiums received and therefore may not be directly comparable with historical premium trends.

Expected Financial Effects

- » The adoption of SLFRS 17 is expected to result in:
- » An adjustment to opening equity at transition (1 January 2025) reflecting the updated measurement of insurance liabilities and recognition of

the CSM under the fair value approach where full retrospective application is impracticable

- » A more stable earnings profile over time due to the systematic release of CSM
- » Changes in reported revenue patterns reflecting the service-based revenue model
- » Potential changes in performance metrics, including Return on Equity (ROE), due to the revised equity base and profit recognition pattern

These changes are accounting-related and do not affect the underlying cash generation, capital strength or economic value of the business.

Application of SoAT on the Figures in the first and second interim reporting periods of the initial year of adoption

SLFRS 17 Insurance Contracts becomes effective for annual reporting periods commencing on or after 1 January 2026. Due to implementation challenges within the insurance industry, CA Sri Lanka has permitted insurers to continue applying SLFRS 4 Insurance Contracts for the first and second interim reporting periods of the initial year of adoption, provided that additional disclosures are made regarding the anticipated impact of SLFRS 17.

Softlogic Life Insurance PLC has undertaken a structured, multi-year transformation to implement SLFRS 17, the new insurance accounting standard replacing SLFRS 4. The initiative began with early gap assessments and design phases, and has progressed through system development, policy formulation, and operational readiness. By early 2026, the Company had achieved key milestones, including the implementation of a dedicated SLFRS 17 calculation engine, ensuring that the front-end operational systems as well as accounting and actuarial developments in place, engagement of actuarial and accounting experts, and the refinement of accounting policies to enhance consistency and transparency in financial reporting. The Company remains on track for full compliance by the 1 January 2026 effective date, with parallel runs and transition financial statements forming part of the final implementation phase.

The implementation of SLFRS 17 at Softlogic Life Insurance PLC represents a fundamental shift from a largely premium-based accounting model under SLFRS 4 to a fulfilment cash flow (FCF) driven measurement framework. The Company has transitioned to a model that explicitly measures insurance contract liabilities as the sum of discounted probability-weighted future cash flows, a risk adjustment for non-financial risk, and the contractual service margin (CSM). For long-term life insurance portfolios, the General Measurement Model (GMM) has been predominantly applied, while simplified approaches such as the Premium Allocation Approach (PAA) and Variable Fee Approach (VFA) are used where eligibility criteria are met. This has required significant recalibration of actuarial methodologies,

including assumptions relating to mortality, persistency, expenses, and discount rates, with increased emphasis on current estimates and explicit risk quantification.

A key technical focus area has been the operationalisation of the CSM, which defers unearned profits and releases them systematically over the coverage period based on service patterns. This introduces improved volatility management compared to legacy accounting, particularly through the separation of insurance service results from insurance finance income or expenses. The Company has also determined appropriate discount rate methodologies (top-down or bottom-up approaches) and defined portfolios and groups of contracts at a more granular level, in line with SLFRS 17 grouping requirements. These changes have necessitated the deployment of an integrated actuarial valuation engine and sub-ledger architecture capable of handling high volume, policy-level data and producing multi-dimensional disclosures.

From a systems and data perspective, Softlogic Life Insurance PLC has undertaken extensive data model redesign and integration across actuarial, finance, and IT systems to ensure consistency and auditability. The introduction of an SLFRS 17 sub-ledger enables automated postings, reconciliation with the general ledger, and the generation of required disclosures such as roll-forwards of insurance liabilities and CSM movements. Parallel run milestones are critical for validating measurement outputs against SLFRS 4 and identifying transition impacts, including the treatment of loss components for onerous contracts and the selection of transition approaches (full retrospective, modified retrospective, or fair value). Overall, the implementation enhances the granularity and economic relevance of financial reporting, while also introducing greater complexity in modelling, controls, and governance.

SLFRS 18 Presentation and Disclosure in Financial Statements

The Group is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures. A comprehensive evaluation, including transition planning and implementation activities, is expected to be completed prior to the adoption of the standard.

Amendments to SLFRS 9 and SLFRS 7 Classification and Measurement of Financial Instruments

The amendments are not expected to have a material impact on the Group financial statement

SLFRS 19 Subsidiaries without public accountability: Disclosures

The amendments are not expected to have a material impact on the Group financial statement

NOTES TO THE FINANCIAL STATEMENTS

13 REVENUE

ACCOUNTING POLICY

Continuing operations

Revenue recognition

Revenue from contracts with customers

Under SLFRS 15 - Revenue from Contracts with Customers, revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of goods

Under SLFRS 15 - Revenue from contracts with customers; Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of goods.

Rendering of services

Under SLFRS 15 - Revenue from contracts with customers; Revenue from service performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group has several operating segments which are described in Note 49 to these financial statements.

Performance obligations

The Group's uses following specific criteria in recognising the revenue.

Financial Services

Life insurance business - Gross Written Premiums (GWP)

Gross written premiums comprise the total premiums received/receivable for the whole period of cover provided by contracts entered into during the accounting period. Gross written premium is generally recognised in full at the inception of the policy.

Gross recurring premiums on life insurance contracts are recognised as revenue when payable by the policyholder (policies within the 30 day grace period are considered as due). Premiums received in advance are not recorded as revenue and recorded as a liability until the premium is due unless the relevant policy conditions require such premiums to be recognised as income. Benefits and expenses are provided against such revenue to recognise profits over the estimated life of the policies. For single premium business, revenue is recognised on the date on which the policy is effective.

Income from leases, hire purchases, loans and advances

Under both SLFRS 9 and LKAS 39, interest income and interest expense is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. Interest income on interest bearing financial assets measured at FVOCI under SLFRS 9, similarly to interest bearing financial assets classified as available for sale or held to maturity under LKAS 39 is also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income on overdue rentals

Overdue charges of leasing, loans and hire purchases have been accounted when the receipt is established.

Healthcare Services

Healthcare sector revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured, regardless of when the payment is being made after considering discounts, offers given to the customers, consultations, and services provided under packages.

Retail Sector

Retail sector revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, which is generally upon delivery of the goods. The output method will provide a faithful depiction in recognising revenue.

Contract Balances

Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has

transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services.

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Sale of goods	46,809,674	36,449,683	-	-
Rendering of services	40,487,841	35,128,126	2,964,452	1,824,860
Total revenue from contracts with customers	87,297,515	71,577,809	2,964,452	1,824,860
Revenue from insurance contracts	40,652,664	30,842,349	-	-
Interest income on lease and hire purchase receivables	196,475	582,707	-	-
Interest income	848,689	619,280	-	-
	128,995,343	103,622,145	2,964,452	1,824,860

13.1 Business segment analysis

In Rs. '000 For the year ended 31 March	GROUP	
	2026	2025
Automobiles	3,513,573	408,850
Financial Services	42,468,501	32,413,264
Healthcare Services	35,057,466	31,022,450
Information Technology	6,696,936	6,086,456
Leisure	3,099,637	2,962,289
Other	2,415	8,349
Retail	38,156,815	30,720,487
	128,995,343	103,622,145

NOTES TO THE FINANCIAL STATEMENTS

14. DIVIDEND INCOME

ACCOUNTING POLICY

Dividend income is recognised when the Company's right to receive the payment is established.

In Rs. '000 For the year ended 31 March	COMPANY	
	2026	2025
Dividend income from investments in subsidiaries and equity accounted investees	1,501	963,901
	1,501	963,901

15. OTHER OPERATING INCOME

ACCOUNTING POLICY

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

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

Fee and commission income

Fee and commission income from services includes mainly documentation and processing fees for the service provided in processing loan facilities for customers.

Other income

Other income is recognised on an accrual basis.

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Commission income	565	20,847	-	-
Fees received	95,530	54,934	-	-
Other laboratory income	75,900	69,311	-	-
Profit/ (loss) on sale of property, plant and equipment and derecognition gain/ (loss) on right of use assets and liabilities	75,293	(49,231)	43,254	-
Gain on disposal of investment property and real estate	16,886	-	-	-
Sundry income	1,295,653	1,136,956	30,444	29,774
Gain on bargain purchase	11,055	-	-	-
	1,570,882	1,232,817	73,698	29,774

16. FINANCE INCOME

ACCOUNTING POLICY

Finance income comprises interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss and gains on the re-measurement to fair value of any pre-existing interest in an acquiree recognised in the income statement.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income on the income statement.

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Interest income	980,975	164,461	34	1,802
Interest income from related party	-	-	1,825,921	2,640,072
Dividend income on				
- financial assets at fair value through OCI	1,165	159,181	-	-
- financial assets at fair value through P&L	-	266	-	-
Net change in fair value of financial instruments at fair value through P&L	1,946,813	2,531,149	-	-
Exchange gain on foreign currency financial instruments	68,873	151,064	-	-
Finance income on other financial instruments	4,842,292	6,115,659	320,060	327,885
	7,840,118	9,121,780	2,146,015	2,969,759

17. FINANCE COSTS

ACCOUNTING POLICY

Finance costs comprise interest expenses on borrowings, unwinding of the discount on provisions, fair value losses on financial assets at fair value through profit or loss and impairment losses recognised on financial assets (other than trade receivables).

Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter

period where appropriate, to the net carrying amount of the financial liability.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Interest expense on borrowings	8,541,963	9,506,456	1,496,437	2,013,610
Finance cost on other financial instruments	2,516,100	3,111,682	231,465	665,845
Interest expense on intercompany borrowings	-	-	2,368,385	2,652,189
Change in fair value on financial assets at fair value through P&L	2,390	(2,559)	-	-
Exchange loss on foreign currency loan conversion	638,725	668,025	-	-
Finance cost on lease liabilities	1,061,077	1,159,037	1,749	16,428
Other finance expenses	935,911	1,670,727	29,023	211,706
	13,696,166	16,113,368	4,127,059	5,559,778

NOTES TO THE FINANCIAL STATEMENTS

18. PROFIT/ (LOSS) BEFORE TAX

ACCOUNTING POLICY

Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Company and Group’s performance.

Profit/ (loss) before tax is stated after charging all expenses including the following:

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Remuneration to Executive and Non-Executive Directors	650,710	684,225	66,308	65,163
Auditors' remuneration				
- Audit	94,319	80,781	2,482	8,782
- Non audit	311	41,437	311	304
Cost of defined employee benefit				
- Defined benefit plan cost	496,582	479,008	21,956	27,944
- Defined contribution plan cost - EPF/ETF	1,510,408	1,365,685	38,956	53,300
Staff expenses	16,459,391	14,630,693	275,281	433,785
Depreciation of property, plant and equipment	3,457,700	3,713,252	13,685	21,450
Amortisation/ impairment of intangible assets	503,094	289,542	720	1,031
Amortisation of rights of use assets	2,245,807	2,119,930	27,285	41,088
Donations	2,719	2,081	-	-
Provisions for/ (reversal) of impaired receivables	92,111	525,324	(3,624,838)	(1,355,165)
Provision/ (reversal) for impairment of inventories	316,621	39,591	-	-
Loss/ (profit) on sale of property, plant and equipment and derecognition gain on right-of-use assets	(75,293)	49,231	(43,254)	1,032
Impairment and derecognition of property, plant and equipment	3,550	7,808	-	-
Provision for/ (reversal of) impairment of investments	(3,696)	(646,601)	-	-
Provision/ (reversal) for guarantee contract	-	(77,790)	-	(77,790)

19 TAXATION

19.1 Income tax

ACCOUNTING POLICY

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income is recognised in Other

Comprehensive Income and not in the Income Statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanisms.

19.1.1 Tax expense

In Rs. '000		GROUP		COMPANY	
For the year ended 31 March	Note	2026	2025	2026	2025
Current income tax					
Current tax charge		4,002,363	3,114,474	-	-
Under provision of income tax of previous years		167,585	131,208	-	-
Written-off of tax receivables		-	46,275	-	-
Withholding tax on dividends		91,052	840,585	-	-
Total income tax expense	19.1.3	4,261,000	4,132,542	-	-
Deferred income tax					
Relating to origination and reversal of temporary differences	19.2.1	(644,453)	(533,995)	5,727	31,861
		3,616,547	3,598,547	5,727	31,861

19.1.2 Reconciliation between current tax charge and the accounting profit

In Rs. '000		GROUP		COMPANY	
For the year ended 31 March		2026	2025	2026	2025
Profit/ (loss) before tax		24,232	(7,486,631)	3,506,990	616,494
Dividend income from Group companies		653,107	5,775,414	(583)	(963,901)
Share of results of equity accounted investees		(5,595)	(16,758)	-	-
Other consolidation adjustments		322,973	(4,914,256)	-	-
Profit/ (loss) after adjustment		994,717	(6,642,231)	3,506,407	(347,407)
Profits not liable for income tax		(2,367,321)	(3,832,979)	(55,636)	-
Resident dividend		(654,272)	(5,934,814)	(919)	-
Adjusted accounting loss chargeable to income taxes		(2,026,876)	(16,410,024)	3,449,852	(347,407)
Deductible expenses		(10,795,468)	(6,882,277)	(65,735)	(185,099)
Non-deductible expenses		15,586,226	20,663,240	(3,060,435)	(1,015,749)
Current year tax losses not utilised		15,490,035	16,230,135	-	-
Set off against tax losses		(4,076,617)	(2,887,302)	(323,682)	(1,802)
Taxable income/ (loss)		14,177,300	10,713,772	-	(1,550,057)

NOTES TO THE FINANCIAL STATEMENTS

19.1.3 Reconciliation between tax expense and the product of accounting profit

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Tax effect on chargeable profits	2,806,561	1,820,596	-	-
Tax effect on deductible expenses	1,895,624	2,191,156	-	-
Tax effect on non-deductible expenses	(699,822)	(897,278)	-	-
Under provision for previous years	167,585	131,208	-	-
Other income based taxes				
Withholding on dividends	91,052	840,585	-	-
Other tax expenses				
Written-off of tax receivables	-	46,275	-	-
Total income tax expense	4,261,000	4,132,542	-	-
Income tax charged at				
Standard rate	3,751,830	2,932,019	-	-
Other concessionary rates	250,533	182,455	-	-
Under provision for previous year	167,585	131,208	-	-
	4,169,948	3,245,682	-	-
Other income based taxes				
Withholding on dividends	91,052	840,585	-	-
Charge for the year	4,261,000	4,086,267	-	-
Other tax expenses				
Written-off of tax receivables	-	46,275	-	-
Total income tax expense	4,261,000	4,132,542	-	-

Entities operating in Sri Lanka of the Group have used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 01 October 2022) for income and deferred taxation. Accordingly, income tax rates of 30% has been used for profits of all segments except for the Central Hospital Ltd and Asiri Hospital Galle (Pvt) Ltd.

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax laws of Sri Lanka do not provide for Group taxation.

19.1.4 Income tax liabilities

In Rs. '000 As at 31 March	GROUP	
	2026	2025
At the beginning of the year	3,624,124	2,959,644
Acquisition of subsidiary	11,054	-
Charge for the year	4,261,000	4,086,267
Taxation on PAR bonus	216,798	182,135
Impairment of tax receivables	-	46,275
Payments and set off against refunds	(2,825,820)	(3,650,197)
At the end of the year	5,287,156	3,624,124

19.2 Deferred tax

ACCOUNTING POLICY

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

Deferred tax liabilities are recognised for all taxable temporary differences except:

- » where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- » in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- » where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- » in respect of deductible temporary differences associated with investments in subsidiaries and

associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement, either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

No deferred tax asset or liability has been recognised in the companies enjoying Board of Investment (BOI) Tax Holidays' if no qualifying assets or liabilities continue beyond the BOI tax holiday period.

NOTES TO THE FINANCIAL STATEMENTS

19.2.1 Deferred tax charge / (release)

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2026	2025	2026	2025
Income statement				
Deferred tax expense arising from:				
Accelerated depreciation for tax purposes	416,435	246,385	(2,308)	360
Revaluation of investment property to fair value	(39,135)	(225,765)	2,906	29,320
Employee benefit liabilities	684	(59,059)	5,194	(3,232)
Benefit arising from tax losses	(1,189,704)	(688,258)	-	-
Others	167,267	192,702	(65)	5,413
	(644,453)	(533,995)	5,727	31,861
Other comprehensive income				
Deferred tax expense arising from:				
Revaluation of land and building to fair value	622,404	241,187	-	-
Actuarial gains/ (loss) on employee benefit liabilities	(64,436)	(10,841)	(2,501)	2,160
Net change in fair value of investment in subsidiaries	-	-	5,575,513	8,402,512
Others	324	8,160	-	-
	558,292	238,506	5,573,012	8,404,672

Deferred tax has been computed at 30% for all standard rate companies (including listed companies), at 15% for Central Hospital Ltd and at 20% for Asiri Hospital Galle (Pvt) Ltd.

19.2.2 Deferred tax liability

Group

In Rs. '000	Assets		Liabilities	
As at 31 March	2026	2025	2026	2025
At the beginning of the year	3,698,724	3,386,539	7,974,765	7,856,963
Acquisition of subsidiary	549,854	-	-	-
Charge and release	399,640	321,750	281,879	117,802
Effect of movements in exchange rates	27,450	(9,565)	-	-
At the end of the year	4,675,668	3,698,724	8,256,644	7,974,765

The closing deferred tax asset and liability balance of the group relates to the following:

In Rs. '000	Assets		Liabilities	
As at 31 March	2026	2025	2026	2025
Revaluation of building to fair value	(44,127)	-	9,277,721	8,699,443
Revaluation of investment property to fair value	(29,865)	(28,890)	-	40,110
Accelerated depreciation for tax purposes	(441,669)	(503,317)	2,265,930	1,787,849
Employee benefit liabilities	174,013	156,974	(434,204)	(387,491)
Losses available for offset against future taxable income	2,563,010	1,950,984	(2,664,059)	(2,027,332)
Provision for bad debts	922,385	915,010	(52,052)	(22,124)
Unclaimed impairment provisions	889,029	670,326	(27,392)	(40,635)
Others	642,892	537,637	(109,300)	(75,055)
	4,675,668	3,698,724	8,256,644	7,974,765

19.2.3 Deferred tax liability

Company

In Rs. '000 As at 31 March	Liability	
	2026	2025
At the beginning of the year	14,516,724	6,080,191
Charge and release	5,578,739	8,436,533
At the end of the year	20,095,463	14,516,724

The closing deferred tax liability balance of the company relates to the following:

In Rs. '000 As at 31 March	Liability	
	2026	2025
Revaluation of investment property to fair value	316,700	313,794
Accelerated depreciation for tax purposes	5,704	8,012
Employee benefit liabilities	(42,902)	(45,595)
Net change in fair value of investment in subsidiaries	19,816,000	14,240,487
Others	(39)	26
	20,095,463	14,516,724

19.3 Sales tax

Revenues, expenses, assets and liabilities are recognised net of the amount of sales tax except:

- » where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- » where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Accounting judgements, estimates and assumptions

The Group is subject to income tax and other taxes including VAT. Significant judgment was required to determine the total provision for current, deferred and other taxes due to the uncertainties that exist with respect to the interpretation of applicability of tax laws at the time of the preparation of these financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and assumptions made or future changes

to such assumptions may require future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

The Group has tax losses in subsidiaries that have a history of losses that do not expire and may not be used to offset other tax liabilities, where the subsidiaries have no avenues available that could partly support the recognition of these losses as deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

19.4 Applicable rates of income tax

The tax liability of resident companies are computed at the standard rate of 30% except for the following companies which enjoy full or partial exemptions and concessions.

Exemptions/ concessions granted under the Board of Investment Law/ Inland Revenue Act

Company	Basis	Exemption or concessions	Period concessions
Central Hospital Ltd	Providing healthcare services	15%	Open ended
Asiri Hospital Galle (Pvt) Ltd	Providing healthcare services	20%	Open ended

Income tax rates of off-shore subsidiaries

Company	Country of incorporation	Rate
Softlogic Australia (Pty) Ltd	Australia	30%

19.5 Tax losses carried forward

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Tax losses brought forward	81,427,369	72,014,724	13,631,050	12,299,055
Adjustments on finalisation of liability	(7,075,543)	(2,464,989)	(1,802)	(216,260)
Acquisition of subsidiary	1,568,395	-	-	-
Tax losses arising during the year	15,490,035	16,230,135	-	1,550,057
Exempt tax losses not allowed to carry forward	-	(1,465,199)	-	-
Utilisation of tax losses	(4,076,617)	(2,887,302)	(323,682)	(1,802)
	87,333,639	81,427,369	13,305,566	13,631,050

The Group has tax losses amounting to Rs. 69,429.90 Mn (2025 - Rs. 65,752.21 Mn) available to offset against future taxable profits but not utilised for recognition of these losses as deferred tax assets.

As per the Gazette Notification No. 2064/53 issued by the Department of Inland Revenue in relation to the transitional provisions, any unclaimed loss as at 31 March 2018 is deemed to be a loss incurred for the year of assessment commencing on or after 01 April 2018 and shall be carried forward up to 6 years.

20 LOSS PER SHARE (LPS)

ACCOUNTING POLICY

Basic LPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted number of ordinary shares outstanding during the year.

20.1 Basic loss per share

In Rs. '000 For the year ended 31 March	Note	GROUP	
		2026	2025
Losses attributable to equity holders of the parent - continuing operations		(8,629,329)	(15,051,608)
Weighted average number of ordinary shares in issue	20.2	1,395,257,979	1,345,132,145
Basic loss per share - continuing operations (Rs.)		(6.18)	(11.19)

20.2 Amount used as denominator

For the year ended 31 March	GROUP	
	2026	2025
Ordinary shares at the beginning of the year	1,395,257,979	1,192,543,209
Shares issued during the year	-	202,714,770
Adjusted weighted average number of ordinary shares	1,395,257,979	1,345,132,145

20.3 Warrants

As at the reporting date, the Group had 121,628,862 warrants outstanding. These warrants have been excluded from the calculation of diluted earnings per share as their inclusion would have an anti-dilutive effect, since the Group reported a loss for the year. The warrants may have a dilutive effect on earnings per share in future periods, subject to the Group reporting profits and the applicable conditions for dilution being met.

21. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment is charged subsequent to the date of the revaluation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognised in the Statement of Other Comprehensive Income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement. A revaluation deficit is recognised in the Income Statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Where land and buildings are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. Revaluation of land and buildings is done with sufficient frequency to ensure that the fair value of the properties does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

Assets	Years
Buildings	40 - 75
Buildings on leasehold land	40 - 60 or over the period of lease
Plant and machinery	4 - 10
Computer equipment, furniture & fittings	2 - 10
Motor vehicles	4 - 8

The useful life and residual values of assets are reviewed, and adjusted if required, at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS

Capital work-in-progress

Capital work in progress consists of the cost of assets, labour and other direct costs associated with property, plant and equipment being constructed by the Group. Once the assets become operational, the related costs are transferred from construction in progress to the appropriate asset category and are depreciated together with the related asset.

Impairment of property, plant and equipment

Capital work in progress consists of the cost of assets, labour and other direct costs associated with property, plant and equipment being constructed by the Group. Once the assets become operational, the related costs are transferred from construction in progress to the appropriate asset category and are depreciated together with the related asset.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in

use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement, except that impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of comprehensive income to the extent that they reverse a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

21.1 Group

In Rs. '000	Land and buildings	Buildings on leasehold land	Plant and machinery	Computer, equipment, furniture and fittings	Motor vehicles	Capital work-in-progress	Total	
As at 31 March							2026	2025
Freehold assets								
Cost or Valuation								
At the beginning of the year	33,012,802	21,002,066	14,362,169	17,771,361	749,300	1,174,710	88,072,408	85,673,598
Acquisition of subsidiary	-	-	-	144,231	-	-	144,231	-
Additions	53,982	92,887	1,022,094	803,714	1,745	268,456	2,242,878	2,454,804
Disposals	-	(94,106)	(110,418)	(105,531)	(80,073)	-	(390,128)	(544,623)
Transfers*	(313,690)	(248,242)	416,743	(462,715)	47,735	(150,033)	(710,202)	(594,879)
Impairment/ derecognition	1,854	-	-	(7,524)	(2,000)	-	(7,670)	(412)
Revaluations	1,184,944	1,250,560	-	-	-	-	2,435,504	1,084,504
Effect of movements in exchange rates	-	172	-	1,583	-	-	1,755	(584)
At the end of the year	33,939,892	22,003,337	15,690,588	18,145,119	716,707	1,293,133	91,788,776	88,072,408
Total value of assets	33,939,892	22,003,337	15,690,588	18,145,119	716,707	1,293,133	91,788,776	88,072,408
Freehold assets								
Accumulated depreciation								
At the beginning of the year	406,616	3,668,946	8,962,087	13,798,052	627,731	-	27,463,432	24,801,609
Acquisition of subsidiary	-	-	-	117,899	-	-	117,899	-
Charge for the year	426,719	785,024	1,101,263	1,109,800	34,894	-	3,457,700	3,713,252
Disposals	-	(89,082)	(102,117)	(94,553)	(73,867)	-	(359,619)	(425,906)
Transfers*	(313,690)	(345,326)	369,535	(468,456)	40,386	-	(717,551)	(632,429)
Impairment/ derecognition	1,854	-	-	(3,974)	(2,000)	-	(4,120)	7,396
Effect of movements in exchange rates	-	133	-	1,395	-	-	1,528	(490)
At the end of the year	521,499	4,019,695	10,330,768	14,460,163	627,144	-	29,959,269	27,463,432
Total accumulated depreciation	521,499	4,019,695	10,330,768	14,460,163	627,144	-	29,959,269	27,463,432
Carrying value								
As at 31 March 2026	33,418,393	17,983,642	5,359,820	3,684,956	89,563	1,293,133	61,829,507	
As at 31 March 2025	32,606,186	17,333,120	5,400,082	3,973,309	121,569	1,174,710		60,608,976

* Transfers include the accumulated depreciation amounting to Rs. 659.02 Mn (2025 - Rs. 623.81 Mn) as at revaluation date that was eliminated against the gross carrying amount of the revalued assets.

NOTES TO THE FINANCIAL STATEMENTS

21.2 Company

In Rs. '000	Plant and machinery	Furniture and fittings	Computer and office Equipment,	Motor vehicles	Total	
As at 31 March					2026	2025
Freehold assets						
Cost						
At the beginning of the year	2,556	54,213	74,180	193,341	324,290	310,612
Additions	-	-	260	-	260	2,242
Derecognition	-	(7,134)	(4,101)	-	(11,235)	-
Transfers	-	-	(171)	(27,658)	(27,829)	18,269
Disposals	-	-	(124)	-	(124)	(6,834)
At the end of the year	2,556	47,079	70,044	165,683	285,362	324,289
Total value of assets	2,556	47,079	70,044	165,683	285,362	324,289
Freehold assets						
Accumulated depreciation						
At the beginning of the year	956	45,097	65,584	165,806	277,443	249,531
Charge for the year	320	3,507	5,007	4,851	13,685	21,448
Derecognition	-	(4,127)	(2,981)	-	(7,108)	-
Transfers	-	-	(171)	-	(171)	8,975
Disposals	-	-	(124)	(26,259)	(26,383)	(2,512)
At the end of the year	1,276	44,477	67,315	144,398	257,466	277,442
Total accumulated depreciation	1,276	44,477	67,315	144,398	257,466	277,442
Carrying value						
As at 31 March 2026	1,280	2,602	2,729	21,285	27,896	
As at 31 March 2025	1,600	9,116	8,596	27,535		46,847

21.3 Revaluation of land and buildings

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. The valuation techniques used are appropriate in the circumstances, for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The

date of the most recent revaluation was on 31 March 2026 except revaluation of land and building of Softlogic Life Insurance PLC, Softlogic Properties (Pvt) Ltd, Softlogic City Hotels (Pvt) Ltd and Footwear Retailers (Pvt) Ltd.

The changes in fair value are recognised in other comprehensive income and in the statement of equity. As a result of the valuations of land and buildings the surplus arising from the change in fair value was Rs. 2,435.50 Mn (2025 - Rs. 1,084.54 Mn) which has been credited to the revaluation reserve. Further during the reporting period.

Details of Group's land and buildings stated at valuations are indicated below:

GROUP

Company	Property	Method of valuation	Extent	No of buildings	Capitalising rate	Range of estimates for significant unobservable inputs				Correlation to fair value
						Per perch value - Rs. Mn.		Per square foot value - Rs.		
						2026	2025	2026	2025	
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)										
Land of										
Softlogic Holdings PLC	14, De Fonseka Place, Colombo 05	OMV	22.45 P	-	-	22.00	21.50	-	-	Positive
Suzuki Motors Lanka Ltd	371, New Nuge Road, Peliyagoda	OMV	28.39 P	-	-	4.20	3.95	-	-	Positive
Building of										
Softlogic Information Technologies (Pvt) Ltd	14, De Fonseka Place, Colombo 05	DCC/ IM	-	1 building	5.35%	-	-	6,950 - 13,900	7,000 - 14,000	Positive
Suzuki Motors Lanka Ltd	371, New Nuge Road, Peliyagoda	DCC	-	1 building	9.85%	-	-	5,150 - 7,500	4,850 - 7,300	Positive
Future Automobiles (Pvt) Ltd	1124/5, Parliament Rd., Battaramulla	IM (*last year DCC)	-	2 buildings	-	-	-	170 - 245 (rent per Sq. Ft.)	3,850 - 10,750*	Positive
Land and building of										
Softlogic Holdings PLC	262, Gangarama Road, Piliyandala	OMV/ DCC	1 A 2 R 21 P	6 buildings	-	1.75	1.55	930 - 6,950	950 - 7,000	Positive
Odel PLC	29 A, Jayathilaka Mw., Panadura	OMV/ DCC/ IM	1 R 2.16 P	1 building	-	5.10	4.85	5,450 - 7,900	5,550 - 8,000	Positive
	18 & 20, Sama Mw., Boralesgamuwa	OMV/ DCC	20.0 P	2 buildings	-	3.10	2.98	6,000 - 6,750	6,250 - 6,800	Positive
Odel Properties (Pvt) Ltd	475/32, Kotte Road, Rajagiriya	OMV/ DCC/ IM	1 R 7.42 P	1 building	-	12.00	11.25	6,400 - 9,450	6,500 - 9,500	Positive
Property valuations by Mr. S Sivaskantha (Chartered Valuer)										
Land of										
Softlogic Properties (Pvt) Ltd	24, Dharmapala Mw., Kollupitiya, Colombo 03	OMV	2 R 11.68 P	-	-	23.50	22.00	-	-	Positive
Building of										
Asiri Surgical Hospital PLC	21, Kirimandala Mw., Colombo 05	IA	-	3 buildings	7.50%	-	-	12,000 - 23,750	11,000 - 22,000	Positive
	AOI Cancer Care Centre	IA	-	1 building	8.00%	-	-	34,562	33,750	Positive
Asiri Hospital Holdings PLC	907, Peradeniya Road, Kandy	IA	-	1 building	8.00%	-	-	26,750	25,000	Positive
Ceysand Resorts Ltd	Ceysands Resort & Spa, Bentota	IA	-	19 buildings	8.50%	-	-	7,250 - 22,750	946 - 33,400	Positive
Softlogic City Hotels (Pvt) Ltd	24, Dharmapala Mw., Kollupitiya, Colombo 03	DCC	-	1 building	-	-	-	26,000	26,000	Positive
Footwear Retailer (Pvt) Ltd	250/32, Ground floor, Liberty Plaza Complex, Kollupitiya	IA	-	1 Condominium Unit	5.50%	-	-	375 (rent per Sq. Ft.)	823 (rent per Sq. Ft.)	Positive

NOTES TO THE FINANCIAL STATEMENTS

Company	Property	Method of valuation	Extent	No of buildings	Capitalising rate	Range of estimates for significant unobservable inputs				Correlation to fair value
						Per perch value - Rs. Mn.		Per square foot value - Rs.		
						2026	2025	2026	2025	
Land and building of										
Asiri Hospital Holdings PLC	181, Kirula Road, Colombo 05	IA	1 A 2 R 13.98 P	4 buildings	7.50%	16.63	15.75	9,000 - 25,250	8,600 - 23,750	Positive
Central Hospital Ltd	114, Norris Canal Road, Colombo 10	IA	1 A 21.03 P	1 building	7.50%	16.65	15.50	7,500 - 20,000	7,000 - 18,500	Positive
Asiri Hospital Matara (Pvt) Ltd	26, Esplanade Road, Uyanwatta, Matara	IA	1 A 2 R 1.5 P	5 buildings	8.50%	2.48	2.25	2,500 - 20,500	2,250 - 19,250	Positive
Asiri Hospital Galle (Pvt) Ltd	59, Wackwella Road, Galle	IA	3 R 33.20 P	6 buildings	8.50%	9.00	8.50	8,250 - 17,750	7,750 - 16,500	Positive
Footwear Retailer (Pvt) Ltd	100, General Sir John Kotalawala Road, Ratmalana	OMV/ DCC	4 A 2R 11.50 P	3 buildings	-	2.20	2.10	6,750 - 10,500	8,000 - 10,000	Positive
	23A, Janapriya Mawatha, Panadura	OMV/ DCC	4 P	1 building	-	5.85	5.50	5,250 - 9,000	5,000 - 8,500	Positive
	15, Matara Road, Tangalle	OMV/ DCC	2.90 P	1 building	-	4.00	3.75	8,500	8,000	Positive
Property valuations by Mr. A Senevirathne (Chartered Valuation Surveyor)										
Land and building of										
Softlogic Life Insurance PLC	283, R A De Mel Mw., Kollupitiya, Colombo 03	OMV/ IM	8.0 P	1 building		17.00	15.00	15,000	15,000	Positive

Summary description of valuation methodologies:

The valuer has used valuation techniques such as market values and discounted cash flow methods where there was lack of comparable market data available based on the nature of the property.

Open Market Value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct Capital Comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidence of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with the capitalised value of similar property in the locality.

Income method (IM)

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

Residual method (RM)

The residual method is based on the concept that the value of a property with development potential is derived from the value of the property after development minus the cost of undertaking that development, including a profit for the developer.

21.4 Land and buildings

In Rs. '000 As at 31 March	GROUP	
	2026	2025
At cost	3,566,210	3,832,165
At valuation	47,835,825	46,107,141
	51,402,035	49,939,306

Land and buildings carries at cost mainly comprises buildings on leasehold lands owned by Group's Retail sector companies including Odel PLC, Softlogic Brands (Pvt) Ltd, Softlogic Supermarkets (Pvt) Ltd and Softlogic Restaurants (Pvt) Ltd.

21.5 Carrying value

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At cost	13,993,682	14,501,835	27,896	46,847
At valuation	47,835,825	46,107,141	-	-
	61,829,507	60,608,976	27,896	46,847

21.6 The carrying amount of revalued land and buildings if they were carried at cost less depreciation, would be as follows:

In Rs. '000 As at 31 March	Land and buildings	Buildings on leasehold land	GROUP	
			2026	2025
Cost	14,611,706	9,099,116	23,710,822	23,630,855
Accumulated depreciation	(2,712,275)	(2,064,712)	(4,776,987)	(4,410,234)
Carrying value	11,899,431	7,034,404	18,933,835	19,220,621

21.7 Property, plant and equipment pledged as securities

Group land and buildings with a carrying value of Rs. 17,545.74 Mn (2025 - Rs. 16,470.98 Mn) have been pledged as security for term loans obtained, details of which are disclosed in note 53.

21.8 Fully depreciated but still in use

Group property, plant and equipment with a cost of Rs. 16,594.67 Mn (2025 - Rs. 15,336.11 Mn) have been fully depreciated and continue to be in use by the Group. The cost of fully depreciated assets in the Company amounts to Rs. 165.51 Mn (2025 - Rs.173.64 Mn).

21.9 Permanent fall in value of property, plant and equipment

There is no permanent fall in the value of property, plant and equipment which requires a provision for impairment other than the details disclosed under note 18 and note 22.1 to the financial statements.

21.10 Title restriction on property, plant and equipment

There were no restrictions that existed on the title to the property, plant and equipment of the Group/ Company as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

22 RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

Set out below are the accounting policies of the Group upon adoption of SLFRS 16, which have been applied from the date of initial application:

Right-of-use assets

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

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit

in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Expenses relating to short term leases and leases of low value assets amounting to Rs. 884.69 Mn (2025 - Rs. 390.19 Mn) has recognised in income statement.

22.1 Right-of-use assets

GROUP

In Rs. '000 As at 31 March	GROUP		COMPANY	
	Leasehold properties	Motor vehicles	Total	Total
			2026	2025
Cost				
At the beginning of the year	17,140,140	31,868	17,172,008	15,230,069
Acquisition of subsidiary	21,203	-	21,203	-
Additions	3,667,618	94,312	3,761,930	3,084,135
Disposals	-	-	-	(7,850)
Transfers	154,830	(24,018)	130,812	(18,269)
Derecognition	(1,153,983)	-	(1,153,983)	(1,112,678)
Exchange difference	6,399	3,385	9,784	(3,399)
At the end of the year	19,836,207	105,547	19,941,754	17,172,008
Accumulated amortisation				
At the beginning of the year	9,288,364	19,808	9,308,172	7,952,066
Amortisation expense	2,242,140	3,667	2,245,807	2,119,930
Disposals	-	-	-	(6,803)
Transfers	45,026	(18,920)	26,106	(14,105)
Derecognition	(897,664)	-	(897,664)	(740,562)
Exchange difference	2,543	1,370	3,913	(2,354)
At the end of the year	10,680,409	5,925	10,686,334	9,308,172
Carrying value				
As at 31 March 2026	9,155,798	99,622	9,255,420	6,887
As at 31 March 2025	7,851,776	12,060		7,863,836

22.2 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March 2026 and 31 March 2025.

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	8,107,477	7,441,778	3,979	206,135
Acquisition of subsidiary	23,629	-	-	-
Additions	3,861,542	3,001,445	30,106	27,411
Derecognition	(311,194)	(624,902)	-	(193,447)
Interest expense	1,100,083	1,159,037	1,749	16,428
Payments	(2,979,818)	(2,870,141)	(28,816)	(52,548)
Exchange difference	4,894	260	-	-
At the end of the year	9,806,613	8,107,477	7,018	3,979
Repayable within one year	1,682,786	1,466,036	2,749	2,610
Repayable after one year	8,123,827	6,641,441	4,269	1,369
	9,806,613	8,107,477	7,018	3,979

NOTES TO THE FINANCIAL STATEMENTS

22.3 Amounts recognised in income statement relating to right-of-use assets

Following are the amounts recognised in the income statement

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Amounts recognised in income statement				
Amortisation of right-of-use assets	2,245,807	2,119,930	27,285	41,087
Interest expense on lease liabilities	1,061,077	1,159,037	1,749	16,428

23. INVESTMENT PROPERTIES

ACCOUNTING POLICY

Properties held to earn rental income and properties held for capital appreciation have been classified as investment property.

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are evaluated at frequent intervals by an accredited external, independent valuer.

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future

economic benefits are expected. Any gains or losses on derecognition or disposal are recognised in the income statement in the year of derecognition or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted using the Group accounting policy for property, plant and equipment.

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	1,520,400	2,288,637	1,149,800	1,053,200
Change in fair value during the year	20,650	(768,237)	9,400	90,401
Additions during the year	-	-	-	6,199
Disposals during the year	(1,288,700)	-	-	-
At the end of the year	252,350	1,520,400	1,159,200	1,149,800

23.1 Amounts recognised in income statement relating to investment properties

Following are the amounts recognised in the income statement.

In Rs. '000 For the year ended 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Amounts recognised in income statement				
Revenue	-	-	115,365	140,216
Direct operating expenses	-	-	5,923	65,593

23.2 Accounting judgements, estimates and assumptions

The fair value of investment properties is ascertained by independent valuations carried out by Chartered Valuation Surveyors, who have recent experience in valuing properties of similar category in similar location. Investment property is appraised by the independent valuers in accordance with LKAS 40, SLFRS 13 and the 8th edition of International Valuation Standards published by the International Valuation Standards Committee (IVSC). In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within a range of values. The date of the most recent revaluation was on 31 March 2026.

Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

Changes in fair value of lands and buildings which are recognised as investment properties are recognised in the income statement. The valuer has used the open market approach in determining the fair value of the land. Further details on fair value of investment properties are disclosed in the below note.

Valuation details of investment properties - Group

Company	Property	Method of valuation	Extent	Range of estimates for significant unobservable inputs		Correlation to fair value
				Per perch value - Rs. Mn		
				2026	2025	
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)						
Land of						
Softlogic Retail (Pvt) Ltd	Dekatana, Gampaha	OMV	20 A 2 R 27 P	0.07	0.06	Positive
Softlogic Communications (Pvt) Ltd	Kahandamodara Road, Kahaduwa, Ranna	OMV	44.7 P	0.11	0.09	Positive
	Matara - Hambanthota Road, Ranna, Tangalle	OMV	27.7 P	0.15	0.13	Positive
	Udaya Mw., Heiyanthuduwa, Biyagama	OMV	14 P	0.75	0.38	Positive
	Bogamuwa Village, Agunakolapalassa	OMV	2 R 2.18 P	0.06	0.04	Positive

NOTES TO THE FINANCIAL STATEMENTS

Company	Property	Method of valuation	Extent	No of buildings	Range of estimates for significant unobservable inputs				Correlation to fair value
					Per perch value - Rs. Mn.		Per square foot value - Rs.		
					2026	2025	2026	2025	

Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)

Land and building of

Softlogic Communications (Pvt) Ltd	Jayabima Road, Panagoda	OMV	15.58 P	2 buildings	0.93	0.75	6,000 - 6,250	5,250 - 5,500	Positive
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Valuation details of investment properties - Company

Company	Property	Method of valuation	Extent	No of buildings	Range of estimates for significant unobservable inputs				Correlation to fair value
					Per perch value - Rs. Mn.		Per square foot value - Rs.		
					2026	2025	2026	2025	

Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)

Land and building of

Softlogic Holdings PLC	14, De Fonseka Place, Colombo 05	OMV	22.45 P	-	22.00	21.50	-	-	Positive
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Land and building of

Softlogic Holdings PLC	262, Gangarama Road, Piliyandala	IM	1 A 2 R 21 P	6 buildings	1.75	1.55	930 - 6,950	950 - 7,000	Positive
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Summary description of valuation methodologies are disclosed under property, plant and equipment and note no. 21.3 to the financial statements.

24 INTANGIBLE ASSETS

ACCOUNTING POLICY

Basis of recognition

An intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged against income in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with infinite useful lives are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash generating unit level. The useful life of an intangible asset with an infinite life is reviewed annually to determine whether infinite life assessment continues to be supportable. If not, the change in the useful life assessment from infinite to finite is made on a prospective basis.

Goodwill

Goodwill is initially measured at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in

the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Lease rights

Lease rights acquired as part of a business combination, are capitalised if they meet the definition of an intangible asset and the recognition criteria are satisfied. Leased rights are amortised on a straight-line basis over their estimated useful life.

Present Value of acquired In-force Business (PVIb)

The present value of future profits on a portfolio of long term life insurance contracts as at the acquisition date is recognised as an intangible asset based on a valuation carried out by an independent actuary. Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses.

The PVIb is amortised over the average useful life of the related contracts in the portfolio. The amortisation charge and any impairment losses would be recognised in the consolidated income statement as an expense.

Purchased software

Purchased software is recognised as an intangible asset and is amortised on a straight line basis over its useful life.

Software licenses

Software license costs are recognised as an intangible asset and amortised over the period of the related license.

Brand name

Brands acquired as part of a business combination, are capitalised as Brands if they meet the definition of an intangible asset and are tested for impairment annually or more frequently if events or changes in the circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

A summary of the policies applied to the Group's intangible assets is as follows:

Intangible	Useful life	Acquired/ internally generated	Impairment testing
Goodwill	Indefinite	Acquired	annually or when an indication of impairment exists
Lease rights	Over the remaining lease period	Acquired	when an indication of impairment exists
Purchased software	3 - 5 years	Acquired	when an indication of impairment arises
Present Value of acquired In-force Business (PVIB)	16 years	Acquired	when an indication of impairment exists
Brand name	Indefinite	Acquired	annually or when an indication of impairment exists

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

In Rs. '000	Goodwill	Lease right	PVIB	Brand name	Others*	GROUP		COMPANY	
						Total		Computer	Software
As at 31 March						2026	2025	2026	2025
Cost / carrying value									
At the beginning of the year	4,763,210	892,406	1,980,620	1,509,085	1,828,638	10,973,959	10,939,776	3,553	6,028
Acquisition of subsidiary	144,341	-	-	-	253,484	397,825	-	-	-
Additions	-	-	-	-	147,646	147,646	46,529	-	1,751
Impairment/ derecognition	-	-	-	-	(195,689)	(195,689)	(4,626)	(1,751)	(4,226)
Exchange translation difference	-	-	-	-	18,760	18,760	(7,720)	-	-
At the end of the year	4,907,551	892,406	1,980,620	1,509,085	2,052,839	11,342,501	10,973,959	1,802	3,553
Accumulated amortisation and impairment									
At the beginning of the year	-	312,966	1,681,466	-	1,287,069	3,281,501	2,998,913	2,833	6,028
Acquisition of subsidiary	-	-	-	-	51,620	51,620	-	-	-
Amortisation	-	22,484	123,789	-	161,298	307,571	283,812	720	1,031
Impairment/ derecognition	-	-	-	-	(166)	(166)	1,104	(1,751)	(4,226)
Exchange translation difference	-	-	-	-	10,232	10,232	(2,328)	-	-
At the end of the year	-	335,450	1,805,255	-	1,510,053	3,650,758	3,281,501	1,802	2,833
Carrying value									
As at 31 March 2026	4,907,551	556,956	175,365	1,509,085	542,786	7,691,743		-	
As at 31 March 2025	4,763,210	579,440	299,154	1,509,085	541,569		7,692,458		720

* Other intangible assets include purchased software and software licenses, other license fee and franchise fee paid on acquiring operational rights.

Goodwill and brand names

Goodwill and brand names acquired through business combinations have been allocated to six cash generating units (CGU's) for impairment testing as follows:

In Rs. '000	Goodwill		Brand name	
As at 31 March	2026	2025	2026	2025
Information Technology	14,087	14,087	-	-
Retail	1,358,790	1,358,790	998,180	998,180
Leisure	182,207	182,207	4,169	4,169
Financial Services	962,083	817,742	-	-
Healthcare Services	2,358,921	2,358,921	506,736	506,736
Others	31,463	31,463	-	-
	4,907,551	4,763,210	1,509,085	1,509,085

Present Value of acquired In-force Business (PVIB)

Upon acquiring a controlling stake in Softlogic Life Insurance PLC (previously known as Asian Alliance Insurance PLC), the Group recognised in the consolidated financial statements intangible assets representing the present value of future profits on SLI's portfolio of long term life insurance contracts at the acquisition date, known as the present value of acquired in-force business (PVIB). PVIB recognised at the acquisition date is being amortised over the life of the business acquired and reviewed annually for any impairment in value.

24.1 Accounting judgements, estimates and assumptions

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-Use (VIU). The fair value less costs to sell calculation is based on available data from an active market in an arm's length transaction of similar assets, or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The recoverable amount of all CGUs have been determined based on the higher of fair value less costs to sell and its Value-in-Use (VIU) calculation. VIU is determined by discounting the future cash flows generated from continuing use of the unit. The recoverability of quoted entities determined based on share price existed as at reporting date. The key assumptions used are given below:

Business growth

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year, based on industry growth rates. Cash flows beyond the five-year period are extrapolated using the growth rates disclosed in Note 25.

Inflation

Budgeted cost inflation is the inflation rate, based on projected economic conditions.

Discount rate

The discount rate used is the risk free rate increased by an appropriate risk premium. The discount rates used in the VIU calculations for each entity are disclosed in Note 25.

Margin

Budgeted gross margins are the gross margins achieved in the year preceding, adjusted for projected market conditions and business plans.

NOTES TO THE FINANCIAL STATEMENTS

25 INVESTMENT IN SUBSIDIARIES

ACCOUNTING POLICY

Investments in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. Following initial recognition, investments in subsidiaries are accounted in accordance with SLFRS 9 - Financial Instruments.

In Rs. '000 As at 31 March	Note	COMPANY 2026	2025
Fair value of quoted investments	26.1	56,172,567	41,760,338
Fair value of unquoted investments	26.2	86,364,927	68,223,692
		142,537,494	109,984,030

25.1 Group quoted investments

In Rs. '000 As at 31 March	GROUP		COMPANY		2026	2025
	No of shares	Effective holding %	No of shares	Holding %		
Financial assets at FVOCI						
Asiri Hospital Holdings PLC	641,981,927	55.59	627,025,050	55.12	44,825,841	38,363,275
Asiri Surgical Hospital PLC	422,555,413	44.45	-	-	-	-
Odel PLC	531,841,736	98.79	-	-	-	-
Softlogic Capital PLC	677,652,893	69.35	677,652,893	69.35	11,308,244	3,362,438
Softlogic Finance PLC	807,846,671	57.82	5,657,598	0.59	23,774	22,795
Softlogic Life Insurance PLC	158,863,093	34.83	148,121	0.05	14,708	11,830
					56,172,567	41,760,338

Group quoted investments

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Market Value				
Asiri Hospital Holdings PLC	19,708,845	16,563,134	19,249,669	16,177,246
Asiri Surgical Hospital PLC	6,507,353	4,986,154	-	-
Odel PLC	6,435,285	5,690,707	-	-
Softlogic Capital PLC	9,419,375	3,727,091	9,419,375	3,727,091
Softlogic Finance PLC	5,008,649	5,033,056	35,077	30,551
Softlogic Life Insurance PLC	12,931,456	11,693,708	12,057	10,724
	60,010,963	47,693,850	28,716,178	19,945,612

25.2 Group unquoted investments

In Rs. '000 As at 31 March	GROUP		Number of shares	Holding %	COMPANY	
	Number of shares	Effective holding %			2026	2025
Financial assets at FVOCI						
Asiri A O I Cancer Centre (Pvt) Ltd	2,700,000	22.22	-	-	-	-
Asiri Academy of Health Sciences (Pvt) Ltd	1	55.59	-	-	-	-
Asiri Central Hospitals Ltd	10,342,335	52.61	-	-	-	-
Asiri Diagnostic Services (Asia) Pte Ltd	1	55.59	-	-	-	-
Asiri Diagnostics Services (Pvt) Ltd	273,221	36.99	-	-	-	-
Asiri Hospital Galle (Pvt) Ltd	44,000,002	55.59	-	-	-	-
Asiri Hospital Matara (Pvt) Ltd	25,999,999	55.59	-	-	-	-
Asiri Laboratories (Pvt) Ltd	100,000	55.59	-	-	-	-
Asiri Port City Hospital (Pvt) Ltd	1	55.59	-	-	-	-
Central Hospital Ltd	214,539,804	55.44	-	-	-	-
Ceysand Resorts Ltd - Voting Shares	17,087,669	99.98	-	-	-	-
- Non-voting Shares	134,250	99.96	-	-	-	-
Cotton Collection (Pvt) Ltd	5,100,100	98.79	-	-	-	-
Dai-Nishi Securities (Pvt) Ltd	49,999,998	99.99	-	-	-	-
Footwear Retailer Ltd	34,646,875	100.00	-	-	-	-
Future Automobiles (Pvt) Ltd	19,300,000	100.00	19,300,000	100.00	1,483,552	523,426
Odel Apparel Holdings (Pvt) Ltd	1	98.79	-	-	-	-
Odel Apparel Lanka (Pvt) Ltd	1	98.79	-	-	-	-
Odel Apparels (Pvt) Ltd	2	98.79	-	-	-	-
Odel Information Technology Services (Pvt) Ltd	1	98.79	-	-	-	-
Odel Lanka (Pvt) Ltd	27,000,002	98.79	-	-	-	-
Odel Properties (Pvt) Ltd	1,081,002	98.79	-	-	-	-
Odel Properties One (Pvt) Ltd	311,331,100	98.79	-	-	-	-
Odel Restaurants (Pvt) Ltd	100,000	98.79	-	-	-	-
Sabre Travel Network Lanka (Pvt) Ltd	936,735	51.00	936,735	51.00	38,512	-
Silk Route Foods (Pvt) Ltd	5,100	51.00	-	-	-	-
SML Holdings (Pvt) Ltd	149,999	99.99	-	-	-	-
S R One (Pvt) Ltd	1,000,001	69.35	-	-	-	-
SCAP One (Pvt) Ltd	158,910,940	69.35	-	-	-	-
Softlogic Asset Management (Pvt) Ltd	5,000,002	69.35	-	-	-	-
Softlogic Australia (Pty) Ltd - Ordinary Shares	1,900,002	100.00	1,900,002	100.00	-	10,786
- Preference Shares	256,578	100.00	256,578	100.00	-	31,687
Softlogic Automobiles (Pvt) Ltd	5,000,000	100.00	5,000,000	100.00	227,076	359,098
Softlogic B P O Services (Pvt) Ltd	5,100,000	100.00	5,100,000	100.00	18,457	62,493
Softlogic Brands (Pvt) Ltd	716,368	98.79	-	-	-	-
Softlogic City Hotels (Pvt) Ltd	575,569,836	100.00	-	-	-	-
Softlogic Communication Services (Pvt) Ltd	100	100.00	-	-	-	-
Softlogic Communications (Pvt) Ltd	10,442,153	100.00	-	-	-	-
Softlogic Computers (Pvt) Ltd	200,000	100.00	-	-	-	-
Softlogic Corporate Services (Pvt) Ltd	2,725,002	100.00	2,725,002	100.00	108,280	105,187

NOTES TO THE FINANCIAL STATEMENTS

In Rs. '000 As at 31 March	GROUP		COMPANY		2026	2025
	Number of shares	Effective holding %	Number of shares	Holding %		
Softlogic Destination Management (Pvt) Ltd	100,000	100.00	100,000	100.00	-	-
Softlogic Energy Solutions (Pvt) Ltd	51	51.00	-	-	-	-
Softlogic Healthcare Holdings Ltd	100,000	100.00	100,000	100.00	-	-
Softlogic Healthy Concepts (Pvt) Ltd	1,230,001	100.00	-	-	-	-
Softlogic Information Technologies (Pvt) Ltd	436,496	100.00	-	-	-	-
Softlogic International (Pvt) Ltd	669,808	100.00	-	-	-	-
Softlogic IT Holdings (Pvt) Ltd	543,789,636	100.00	543,789,636	100.00	5,817,772	6,514,577
Softlogic JSM Entertainment (Pvt) Ltd	1	100.00	-	-	-	-
Softlogic Life Insurance Lanka Ltd (formerly known as Allianz Life Insurance Lanka Ltd)	133,462,350	34.83	-	-	-	-
Softlogic Mobile Distribution (Pvt) Ltd	137,786,330	100.00	-	-	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	2,500,000	100.00	-	-	-	-
Softlogic Properties (Pvt) Ltd	1,173,821,208	100.00	483,821,208	100.00	2,508,428	2,449,706
Softlogic Restaurants (Pvt) Ltd	154,500,000	100.00	-	-	-	-
Softlogic Retail (Pvt) Ltd	489,345,616	99.99	-	-	-	-
Softlogic Retail Holdings (Pvt) Ltd	1,371,812,380	100.00	1,371,812,380	100.00	76,162,850	58,166,732
Softlogic Retail One (Pvt) Ltd	100,000	100.00	100,000	100.00	-	-
Softlogic Rewards (Pvt) Ltd	100,000	100.00	100,000	100.00	-	-
Softlogic Solar (Pvt) Ltd	100	100.00	100	100.00	-	-
Softlogic Stockbrokers (Pvt) Ltd	23,500,000	55.55	-	-	-	-
Softlogic Supermarkets (Pvt) Ltd	164,918,851	93.90	-	-	-	-
Suzuki Motors Lanka Ltd	13,959,994	99.99	-	-	-	-
					86,364,927	68,223,692

Accounting judgements, estimates and assumptions Impairment of investment in subsidiaries

The Company measures the investment in subsidiaries at fair value at each balance sheet date using Discounted Cash Flow methodology (DCF), residual income, appraisal value and Net Assets methodology.

Changes in fair value of quoted and unquoted investment in subsidiaries are recognised in the Statement of Other Comprehensive Income statement. The management has used either Discounted Cash Flow Methodology (DCF) or Net Assets Methodology approach in determining the fair value of each entity. Further details on fair value of quoted and unquoted investments are disclosed in the below note.

Investment made in	Valuation methodology used	Terminal Growth		Discount Rate		Correlation to fair value
		2026	2025	2026	2025	
Asiri Hospital Holdings PLC	DCF based on proportionate fair valuation of assets and liabilities of Asiri Hospital Holdings PLC	4.00%	5.00%	14.00% - 14.50 %	13.42% - 15.85%	Positive
Softlogic Capital PLC	NAV based on proportionate fair valuation of assets and liabilities of Softlogic Capital PLC	5.00%	5.00%	14.60% - 16.80%	15.44% - 15.60%	Positive

Investment made in	Valuation methodology used	Terminal Growth		Discount Rate		Correlation to fair value
		2026	2025	2026	2025	
Future Automobiles (Pvt) Ltd	DCF Methodology	5.00%	5.00%	10.26%	18.14%	Positive
Softlogic Automobiles (Pvt) Ltd	DCF Methodology	5.00%	5.00%	15.00%	15.74%	Positive
Softlogic IT Holdings (Pvt) Ltd	NAV based on proportionate fair valuation of assets and liabilities of Softlogic IT Holdings (Pvt) Ltd	5.00%	5.00%	15.00% - 15.13%	22.40% - 15.62%	Positive
Softlogic Properties (Pvt) Ltd	NAV based on the share of fair value attributable to Softlogic Properties (Pvt) Ltd investments in its subsidiary companies	5.00%	5.00%	12.90%	11.63% - 12.07%	Positive
Softlogic Retail Holdings (Pvt) Ltd	NAV based on proportionate fair valuation of assets and liabilities of Softlogic Retail Holdings (Pvt) Ltd	5.00%	5.00%	12.00% - 15.49%	11.52% - 20.00%	Positive
Softlogic Australia (Pty) Ltd	Net Asset Basis	-	-	-	-	
Softlogic B P O Services (Pvt) Ltd	Net Asset Basis	-	-	-	-	
Softlogic Corporate Services (Pvt) Ltd	Net Asset Basis	-	-	-	-	
Softlogic Destination Management (Pvt) Ltd	Net Asset Basis	-	-	-	-	
Softlogic Healthcare Holdings Ltd	Net Asset Basis	-	-	-	-	
Softlogic Retail One (Pvt) Ltd	Net Asset Basis	-	-	-	-	
Softlogic Rewards (Pvt) Ltd	Net Asset Basis	-	-	-	-	
Softlogic Solar (Pvt) Ltd	Net Asset Basis	-	-	-	-	

Investment made in	Valuation methodology used	Persistence Factor		Discount Rate		Correlation to fair value
		2026	2025	2026	2025	
Softlogic Finance PLC	Residual Income	0.60	0.60	16.80%	18.72%	Positive

Investment made in	Valuation methodology used	Risk Discount Rate		Correlation to fair value
		2026	2025	
Softlogic Life Insurance PLC	Appraisal value	16.00%	17.00%	Positive

NOTES TO THE FINANCIAL STATEMENTS

26 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

ACCOUNTING POLICY

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

Associate companies of the Group which have been accounted for under the equity method of accounting are:

Name of the company	Country of incorporation	Effective holding %
Gerry's Softlogic (Pvt) Ltd	Pakistan	-
Nextage (Pvt) Ltd	Sri Lanka	50.00
Softlogic Manufacturing (Pvt) Ltd	Sri Lanka	20.00

The The considerations assessed in determining significant influence a similar to those in determining control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The income statement reflects the Group's share of the results of operations of associates. OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from

transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's shares of profit or loss of associates is shown on the face of the income statement outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate venture and its carrying value, and then recognises the loss as 'Share of results of equity accounted investees' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

The accounting policies of associate companies conform to those of the Group.

The equity method of accounting has been applied for associates using their financial statements for the corresponding financial period or a matching 12 month period. In the case of associates whose reporting date is different to Group's reporting date, adjustments are made for significant transactions or events up to 31 March.

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2026	2025	2026	2025
Investments in equity accounted investees	26.1	-	13,170	-	9,750
		-	13,170	-	9,750

26.1 Group investments in equity accounted investees

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Investments in associates					
Unquoted					
Gerry's Softlogic (Pvt) Ltd		-	-	2,700	2,700
Nextage (Pvt) Ltd		-	-	1,250	1,250
Sabre Travel Network Lanka (Pvt) Ltd		20,013	20,013	-	9,750
Softlogic Manufacturing (Pvt) Ltd		-	-	-	-
		20,013	20,013	3,950	13,700
Less : impairment of investment in equity accounted investees		-	-	(3,950)	(3,950)
		20,013	20,013	-	9,750
Share of profit accruing to the group	26.2	5,594	16,759	-	-
Share of OCI accruing to the group	26.2	-	398	-	-
Share of associate companies dividend of equity accounted investees		-	(24,000)	-	-
Change in controlling stake to investment in subsidiary		(25,607)	-	-	-
		-	13,170	-	9,750

26.2 Summarised financial information of equity accounted investees

In Rs. '000 As at 31 March		
	2026	2025
Group share of:		
Revenue	48,617	85,024
Operating expenses	(45,106)	(73,247)
Other income	2,083	4,982
Profit for the year	5,594	16,759
Group share of:		
Share of other comprehensive income of equity accounted investees	-	398
Net share of other comprehensive income for the year	-	398
Group share of:		
Total assets	-	43,494
Total liability	-	(24,407)
Net assets	-	19,087
Deferred tax on undistributable profits	-	(5,917)
Goodwill	-	-
	-	13,170
Contingent liabilities	Nil	Nil
Capital commitments	Nil	Nil
Adjustment on losses exceeding interest in equity accounted investees	10,260	6,078

NOTES TO THE FINANCIAL STATEMENTS

27. NON - CURRENT FINANCIAL ASSETS

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Other quoted equity investments	27.1	314	3,611,328	-	-
Other unquoted equity investments	27.2	72,761	58,907	14,479	14,479
Other non-equity investments	27.3	38,146,681	28,200,874	19,393,423	16,063,320
		38,219,756	31,871,109	19,407,902	16,077,799

27.1 Other quoted equity investments

In Rs. '000 As at 31 March	Number of shares	GROUP	
		2026	2025
ACL Cables PLC	3,696	314	126
Cargills Bank PLC	-	-	218,120
National Development Bank PLC	-	-	3,393,082
		314	3,611,328

27.2 Other unquoted equity investments

In Rs. '000 As at 31 March	Number of shares	GROUP		Number of shares	Company	
		2026	2025		2026	2025
Digital Health (Pvt) Ltd	3,000,000	58,282	44,428	-	-	-
Jendo Innovations (Pvt) Ltd	9,868,429	14,479	14,479	9,868,429	14,479	14,479
		72,761	58,907		14,479	14,479

27.3 Other non-equity investments

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Debentures		4,768,108	5,210,895	-	-
Fixed deposits		31,289	8,572	-	-
Government securities		32,787,975	22,555,347	-	-
Loans and advances	32	512,628	426,029	-	-
Receivables from related parties	47.3	-	-	19,393,423	16,063,320
Placement with banks and financial institutions		46,681	31	-	-
		38,146,681	28,200,874	19,393,423	16,063,320

28 RENTAL RECEIVABLE ON LEASE ASSETS AND HIRE PURCHASE

ACCOUNTING POLICY

Initial recognition and measurement

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised. Amounts

receivable under finance leases are included under "Rentals receivable on leased assets". Leasing balances are stated in the statement of financial position after deduction of initial rentals received, unearned lease income and the provision for impairment losses.

28.1 Receivable from one to five years

In Rs. '000 As at 31 March	GROUP					
	Rental receivable on lease assets	2026 Rental receivable on hire purchase	Total	Rental receivable on lease assets	2025 Rental receivable on hire purchase	Total
Rental receivables	331,820	-	331,820	1,438,387	-	1,438,387
Unearned income	(75,978)	-	(75,978)	(201,308)	-	(201,308)
Impairment	(63,991)	-	(63,991)	(187,716)	-	(187,716)
	191,851	-	191,851	1,049,363	-	1,049,363

28.2 Receivable within one year

In Rs. '000 As at 31 March	GROUP					
	Rental receivable on lease assets	2026 Rental receivable on hire purchase	Total	Rental receivable on lease assets	2025 Rental receivable on hire purchase	Total
Rental receivables	834,674	71,554	906,228	541,316	77,187	618,503
Unearned income	(20,443)	-	(20,443)	(12,399)	-	(12,399)
Impairment	(294,129)	(44,593)	(338,722)	(122,440)	(47,511)	(169,951)
	520,102	26,961	547,063	406,477	29,676	436,153
Total rental receivables	711,953	26,961	738,914	1,455,840	29,676	1,485,516

NOTES TO THE FINANCIAL STATEMENTS

28.3 Accounting judgements, estimates and assumptions

Impairment of rental receivables

For rental receivables on lease assets and hire purchases, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

28.3.1 Analysis of rental receivable on lease assets and hire purchase on maximum exposure to credit risk

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2026
Gross rental receivables - subject to collective impairment	335,273	22,772	783,582	1,141,627
Allowance for expected credit losses (ECL)	(1,397)	(234)	(401,082)	(402,713)
	333,876	22,538	382,500	738,914

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Gross rental receivables - subject to collective impairment	649,765	215,519	977,899	1,843,183
Allowance for expected credit losses (ECL)	(3,693)	(4,564)	(349,410)	(357,667)
	646,072	210,955	628,489	1,485,516

28.3.2 Movement in allowance for expected credit losses (ECL)

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2026
Balance as at 01 April 2025	3,693	4,564	349,410	357,667
Transfer/ movement during the year	6	6	137,137	137,149
Charge to income statement	(2,302)	(4,336)	(85,465)	(92,103)
	1,397	234	401,082	402,713

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Balance as at 01 April 2024	6,926	26,413	479,343	512,682
Charge to income statement	(3,233)	(21,849)	(129,933)	(155,015)
	3,693	4,564	349,410	357,667

29 OTHER NON-CURRENT ASSETS

In Rs. '000 As at 31 March	Note	GROUP	
		2026	2025
Rent advances		1,102,681	799,371
Work-in-progress - Odel Mall project	29.1	18,503,720	17,786,836
		19,606,401	18,586,207

29.1 Work-in-progress - Odel Mall project

Odel Properties One (Pvt) Ltd, a fully own subsidiary of Odel PLC is engaged in the development and construction of an integrated complex with an approximate area of 595,000 sq. ft., comprising of retail and associate facilities, offices and a car park.

Work-in-progress - Odel Mall project includes advances paid to contractors, directly attributable cost incurred on the project and borrowing cost capitalised. The amount of borrowing costs capitalised during the year ended 31 March 2026 was Rs. 894.92 Mn (2025 - Rs. 893.83 Mn).

Reconciliation of work-in-progress - Odel Mall project

In Rs. '000 As at 31 March	GROUP	
	2026	2025
At the beginning of the year	17,786,836	15,501,899
Additions during the period	1,086,967	1,025,935
Transfer of apartment inventory in WIP	-	2,152,831
Impairment during the period	(370,083)	(893,829)
At the end of the year	18,503,720	17,786,836

29.2 Current status of Odel Mall project

Following a comprehensive evaluation of the project's financial and operational feasibility, management has decided to rationalize and reduce the scope of the Odel Mall development. The originally planned apartment component will no longer proceed. Instead, the space allocated for apartments will be repurposed and developed as office space.

This strategic revision reflects management's assessment of prevailing market conditions, projected returns, and long term sustainability of the project. Converting the area into office space is considered the most viable option, offering a more predictable revenue stream, lower development risk, and enhanced alignment with the current commercial property demand profile. The refined scope also allows the project to be completed more efficiently while optimizing capital deployment and improving the Group's future cash flow position.

29.3 Future funding

"The revised funding plan is expected to be supported through advances from the sale of office space, supplemented by external equity. The Company has also sought a restructuring of the existing syndicated loan and accrued interest, and the consortium of banks led by Hatton National Bank PLC has responded positively and is evaluating restructuring options. This restructuring is expected to ease near term cash flow pressures and align debt service commitments with the updated project timeline.

Based on the revised funding plan, the Management intends to raise Rs 6,100 Mn funding by way of pre-sale of office space and external equity participation to complete the construction of the ODEL Mall.

NOTES TO THE FINANCIAL STATEMENTS

29.4 Accounting judgements, estimates and assumptions

Impairment of work-in-progress - Odel Mall project

The construction of the Odel Mall Project has been significantly impacted by changes in the economic and political environment in Sri Lanka over recent years. These challenges led to the temporary suspension of construction work occasionally from late 2022, during 2023 and 2024.

As a result of these events, the Company identified an indication of impairment for the work in progress on the Odel Mall project. In compliance with LKAS 36 – Impairment of Assets, an impairment assessment was conducted, and the Company recognized an impairment loss in the financial year ended 31 March 2026.

29.4.1 Impairment losses recognised in the Income Statement

The impairment loss recognized in relation to the work in progress for the Odel Mall Project amounted to Rs. 370.08 Mn (2025 - Rs. 893.83 Mn).

29.5 Other non-current assets pledged as securities

Group other non-current assets with a carrying value of Rs. 5,400.00 Mn have been pledged as security for term loans obtained, details of which are disclosed in note 53.

29.6 Revaluation of land component in other non-current assets

Accounting judgements, estimates and assumptions

The Group uses the revaluation model of measurement of land included under other non-current assets. The Group engaged independent expert valuers, to determine the fair value of its land. Fair value is determined by reference to market-based evidence of transaction prices for similar properties.

Details of Group's land included under other non-current assets stated at valuations are indicated below:

Group

Company	Property	Method of valuation	Extent	Range of estimates for significant unobservable inputs		Correlation to fair value
				Per perch value - Rs. Mn.		
				2026	2025	
Property valuations by Mr. G W G Abeygunawardene (Chartered Valuation Surveyor)						
Odel PLC	Dr. C W W. Kannangara Mw., Colombo 07	OMV/ DCC	1A1R1258 P	20.50 - 22.00	20.50 - 22.00	Positive

30. INVENTORIES

ACCOUNTING POLICY

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is:

- » Manufactured finished goods - cost of direct materials and direct labour and an appropriate proportion of fixed overheads based on normal operating capacity
- » Purchased finished goods - at actual cost on first-in first-out basis or weighted average cost
- » Apartment inventory and apartment inventory in WIP - actual cost
- » Other stock - actual cost

In Rs. '000	Note	GROUP	
As at 31 March		2026	2025
Finished goods		6,104,734	5,704,942
Other stocks		3,638,110	3,986,807
		9,742,844	9,691,749
Less - provision for write-down of inventories	30.1	(1,045,103)	(1,259,129)
		8,697,741	8,432,620

30.1 Movement in provision for write-down of inventories

In Rs. '000	GROUP	
As at 31 March	2026	2025
At the beginning of the year	1,259,129	1,277,634
Provision for write-down of inventories	316,621	39,591
Written off during the year	(530,647)	(58,096)
At the end of the year	1,045,103	1,259,129

31 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other financial receivables are recognised as other receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Reinsurance receivables

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance receivables represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

NOTES TO THE FINANCIAL STATEMENTS

In Rs. '000	Note	GROUP		COMPANY	
As at 31 March		2026	2025	2026	2025
Trade receivables	31.1	8,114,730	6,891,630	362,009	209,882
Reinsurance receivables		593,846	502,753	-	-
Loans to executives		29,872	55,972	9,600	14,059
Other receivables	31.2	2,878,298	2,667,800	28,980	31,055
		11,616,746	10,118,155	400,589	254,996

31.1 Trade receivables

In Rs. '000	Note	Gross	Unearned income	GROUP		COMPANY	
As at 31 March				2026	2025	2026	2025
Hire purchase debtors		1,799,521	(14,806)	1,784,715	1,798,393	-	-
Trade receivables		9,539,710	-	9,539,710	8,225,833	405,507	274,094
		11,339,231	(14,806)	11,324,425	10,024,226	405,507	274,094
Less - provision for impairment of trade receivables	31.3.1			(3,209,695)	(3,132,596)	(43,498)	(64,212)
		11,339,231	(14,806)	8,114,730	6,891,630	362,009	209,882

31.2 Other receivables

In Rs. '000	GROUP		COMPANY	
As at 31 March	2026	2025	2026	2025
Other receivables	2,926,412	2,715,914	77,094	79,169
Less - provision for impairment of other receivables	(48,114)	(48,114)	(48,114)	(48,114)
	2,878,298	2,667,800	28,980	31,055

31.3 Accounting judgements, estimates and assumptions

Impairment of receivables

The Group assesses the evidence of impairment of receivables at both an individual asset and at a collective level. All individually significant receivables are individually assessed for impairment by considering objective evidence i.e. significant financial difficulties or default in payments of a customer. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Receivables that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the probability of default, the timing of recoveries, and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends.

31.3.1 Movement in provision for trade receivables

In Rs. '000	GROUP		COMPANY	
As at 31 March	2026	2025	2026	2025
At the beginning of the year	3,132,596	2,632,818	64,212	272,142
Provision for impairment of trade receivables	92,111	525,324	(20,714)	(207,930)
Written offs during the year	(15,012)	(25,546)	-	-
At the end of the year	3,209,695	3,132,596	43,498	64,212

32 LOANS AND ADVANCES

ACCOUNTING POLICY

Initial recognition and measurement

Loans and advances are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs.

Policyholders loans are granted up to 90% of the surrender value of a life insurance policy at a rate equivalent to the market rate.

Subsequent measurement

Loans and advances are initially recognised at fair value, which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'interest income' in the income statement. The losses arising from impairment are recognised in 'impairment charge for loans and advances' in the income statement.

In Rs. '000	Gross	Unearned income	GROUP	
As at 31 March			2026	2025
Consumer loan receivables	8,607	-	8,607	8,980
Factoring receivables	152,029	-	152,029	117,711
Gold loan receivables	3,219,189	-	3,219,189	1,830,579
Other loan receivables	4,173,120	(522,510)	3,650,610	3,494,340
Personal loan receivables	557,627	(1,429)	556,198	599,052
Revolving loan receivables	963,703	(185)	963,518	833,667
SME loan receivables	905,599	(293)	905,306	947,154
Gross loan receivable	9,979,874	(524,417)	9,455,457	7,831,483
Less - Allowance for impairment			(3,937,735)	(3,824,417)
	9,979,874	(524,417)	5,517,722	4,007,066
Policyholders loans	-	-	430,250	363,534
	9,979,874	(524,417)	5,947,972	4,370,600
Loans and advances				
Receivable within one year			5,435,344	3,944,571
Receivable after one year (Note - 27.3)			512,628	426,029
			5,947,972	4,370,600

NOTES TO THE FINANCIAL STATEMENTS

32.1 Accounting judgements, estimates and assumptions

32.1.1 Impairment of loans and advances

Analysis of loan receivables on maximum exposure to credit risk

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2026
Gross loan receivables				
- subject to individual impairment (excluding policyholders loans)				
Consumer loan receivables	-	-	8,607	8,607
Factoring receivables	36	151,993	-	152,029
Gold loan receivables	2,799,376	397,636	22,177	3,219,189
Other loan receivables	403,031	-	3,247,579	3,650,610
Personal loan receivables	8,352	852	546,994	556,198
Revolving loan receivables	48,923	-	914,595	963,518
SME loan receivables	-	-	905,306	905,306
Gross loan receivable	3,259,718	550,481	5,645,258	9,455,457
Less - Allowance for expected credit losses (ECL)	(19,566)	(1,316)	(3,916,853)	(3,937,735)
	3,240,152	549,165	1,728,405	5,517,722

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Gross loan receivables				
- subject to individual impairment (excluding policyholders loans)				
Consumer loan receivables	-	-	8,980	8,980
Factoring receivables	86	-	117,625	117,711
Gold loan receivables	1,432,708	376,100	21,771	1,830,579
Other loan receivables	152,324	1,362	3,340,654	3,494,340
Personal loan receivables	40,698	3,768	554,586	599,052
Revolving loan receivables	-	-	833,667	833,667
SME loan receivables	-	-	947,154	947,154
Gross loan receivable	1,625,816	381,230	5,824,437	7,831,483
Less - Allowance for expected credit losses (ECL)	(782)	(219)	(3,823,416)	(3,824,417)
	1,625,034	381,011	2,001,021	4,007,066

32.2 Overview of the expected credit loss (ECL) principles

Movement in allowance for expected credit losses (ECL)

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2026
Balance as at 01 April 2025	782	219	3,823,416	3,824,417
Transfer/ movement during the year	30	25	300,725	300,780
Charge/ (reversal) to income statement	18,754	1,072	(207,288)	(187,462)
	19,566	1,316	3,916,853	3,937,735

In Rs. '000 As at 31 March	Stage 1	Stage 2	Stage 3	Total 2025
Balance as at 01 April 2024	3,968	2,340	3,954,888	3,961,196
Charge/ (reversal) to income statement	(3,186)	(2,121)	(131,472)	(136,779)
	782	219	3,823,416	3,824,417

The Group established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or collective basis, depending on the nature of the underlying portfolio of financial instruments.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below.

Stage 1 When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2 When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

Stage 3 Loans considered credit-impaired. The Group records an allowance for the LTECLs.

POCI POCI Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a partial derecognition of the financial asset.

The Calculation of Expected Credit Loss (ECL)

The Group calculates ECLs based on a four probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows.

Probability of Default (PD)

The probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected draw downs on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD)

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanism of the ECL method are summarised below.

- Stage 1** The 12mECL is calculated as the portion of LTECLs that represent the ECLs result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation of the original EIR.
- Stage 2** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The

expected cash shortfalls are discounted by an approximation to the original EIR.

- Stage 3** For loans considered credit-impaired, the Group recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Loan Commitments

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability weighting of the four scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

For factoring receivables and revolving loans that include both a loan and an undrawn commitment. ECLs are calculated and presented with the loan.

Financial Guarantee contracts

The Group's liability under each guarantee is measured at the higher of the initially recognised fair value less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability - weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within provisions.

33 OTHER CURRENT ASSETS

ACCOUNTING POLICY

The Group classifies all non-financial current assets under other current assets. Other current assets comprise mainly advances, deposits, prepayments and tax refunds and receivables.

Advances and deposits are carried at historical value less a provision for impairment. Prepayments are amortised over the period during which they are utilised and are carried at historical value less amortisation and impairments if any.

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Prepayments, advances & non-cash receivables		2,742,084	2,284,320	568,110	301,556
Advances paid on Odel Mall construction	33.1	435,804	435,875	-	-
Tax refunds & receivables		1,054,967	851,285	59,128	58,987
Other receivables		1,136,551	851,387	-	-
		5,369,406	4,422,867	627,238	360,543

33.1 Advances paid on Odell Mall construction have been paid to Access Engineering PLC and China State Engineering Corporation for piling, diaphragm wall and construction of the shopping mall.

34 SHORT TERM INVESTMENTS

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Quoted equities at market value	34.1	585,468	18,319	20,646	17,663
Other unquoted equity investments	34.2	1,714	-	-	-
Other investments (more than 3 months and less than 1 year)	34.3	2,519,419	4,461,556	-	-
		3,106,601	4,479,875	20,646	17,663
Other investments (less than 3 months)					
Commercial papers		1,824,870	795,709	-	-
Fixed deposits		1,044,238	539,363	-	-
Government securities		11,222,770	3,442,821	-	-
Investment in Unit Trust		3,874,116	4,068,196	-	-
		17,965,994	8,846,089	-	-
		21,072,595	13,325,964	20,646	17,663

NOTES TO THE FINANCIAL STATEMENTS

34.1 Quoted equities at market value

In Rs. '000 As at 31 March	Number of shares	GROUP		Number of shares	COMPANY	
		2026	2025		2026	2025
Access Engineering PLC	780,921	52,322	-	-	-	-
ACL Cables PLC	315,446	26,813	64	-	-	-
Aitken Spence Hotel Holdings PLC	212,665	19,480	-	-	-	-
B P P L Holdings PLC	637,233	10,578	-	-	-	-
Ceylinco Holdings PLC	89	205	205	-	-	-
Ceylon Tobacco Company PLC	11,393	19,482	-	-	-	-
Commercial Bank of Ceylon PLC	144,081	29,429	-	-	-	-
DFCC Bank PLC	296	22	22	-	-	-
Dialog Axiata PLC	796,545	24,135	-	-	-	-
Digital Mobility Solutions Lanka PLC	456,000	62,586	-	-	-	-
Hatton National Bank PLC	81,333	33,408	-	-	-	-
Haycarb PLC	183,684	20,113	-	-	-	-
Hayleys Fabric PLC	838,529	25,575	-	-	-	-
Hayleys PLC	122,872	24,913	-	-	-	-
Hemas Holdings PLC	1,208,645	35,776	-	-	-	-
hSenid Business Solutions PLC	532,585	10,332	-	-	-	-
JAT Holdings PLC	400,457	15,618	-	-	-	-
John Keells Holdings PLC	1,353,184	24,914	22	-	-	-
Lanka IOC PLC	63,200	8,848	8,026	63,200	8,848	8,026
Lanka Tiles PLC	997	52	52	-	-	-
National Development Bank PLC	1,655	215	181	-	-	-
Nations Trust Bank PLC	217,360	62,871	-	-	-	-
People's Leasing & Finance PLC	375,024	8,401	-	-	-	-
PGP Glass Ceylon PLC	238,731	12,438	-	-	-	-
Renuka City Hotels PLC	50	18	18	-	-	-
Richard Pieris and Company PLC	210	4	4	-	-	-
Richard Pieris Exports PLC	200	88	88	-	-	-
Sampath Bank PLC	252,972	36,744	7,069	57,709	8,382	7,069
Seylan Bank PLC	170	18	12	170	18	12
Seylan Bank PLC - Non-voting Shares	48,127	3,398	2,556	48,127	3,398	2,556
Teejay Lanka PLC	40,632	1,138	-	-	-	-
Windforce PLC	345,200	15,534	-	-	-	-
		585,468	18,319		20,646	17,663

34.2 Other unquoted equity investments

In Rs. '000 As at 31 March	Number of shares	GROUP	
		2026	2025
Laugfs Eco Sri Limited - Voting Shares	134,100	145	-
Non-voting Shares	60,000	65	-
Laugfs Leisure Limited - Voting Shares	134,100	1,039	-
Non-voting Shares	60,000	465	-
		1,714	-

34.3 Other investments

In Rs. '000 As at 31 March	GROUP	
	2026	2025
More than 3 months and less than 1 year		
Debentures maturing within a year	795,416	1,117,341
Fixed deposits	1,601,316	523,535
Government securities	118,294	1,414,896
Investment in securitised papers	-	1,405,535
Investment in Unit Trust	4,393	249
	2,519,419	4,461,556

35 CASH AND CASH EQUIVALENTS

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Favourable balances				
Cash in hand and at bank	10,865,817	5,250,765	45,470	9,937
	10,865,817	5,250,765	45,470	9,937
Unfavourable balances				
Bank overdrafts	9,107,540	9,473,209	8,282	83,378
	9,107,540	9,473,209	8,282	83,378

36 STATED CAPITAL

As at 31 March	2026		2025	
	Number of shares	Value of shares Rs. '000	Number of shares	Value of shares Rs. '000
Fully Paid Ordinary Shares				
At the beginning of the year	1,395,257,979	14,146,383	1,192,543,209	12,119,235
Addition	-	-	202,714,770	2,027,148
	1,395,257,979	14,146,383	1,395,257,979	14,146,383

37 OTHER COMPONENTS OF EQUITY

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Restricted regulatory reserve	37.1	309,613	309,613	-	-
Revaluation reserve	37.2	14,790,455	13,714,486	-	-
Foreign currency translation reserve	37.3	(140,166)	(127,943)	-	-
Fair value reserve of financial assets at FVOCI	37.4	(650,172)	(661,775)	86,155,220	62,640,387
Statutory reserve fund	37.5	263,436	263,436	-	-
Other reserves	37.6	(181,190)	(1,207,775)	-	-
Cash flow hedge reserve	37.7	(2,664,463)	(2,377,502)	-	-
Non distributable regulatory loss allowance reserve	37.8	228,682	705,310	-	-
		11,956,195	10,617,850	86,155,220	62,640,387

NOTES TO THE FINANCIAL STATEMENTS

- 37.1** Restricted regulatory reserve reflects the equity holders share of one-off surplus attributable to policyholder non-participating fund to shareholder fund. This reserve has been made as per the direction No. 16 dated 20 March 2018 issued by the 'Insurance Regulatory Commission of Sri Lanka (IRCSL) on 'Identification and Treatment of one-off surplus'.
- 37.2** Revaluation reserve consists of the net surplus on the revaluation of property.
- 37.3** Foreign currency translation reserve comprises the net exchange movement arising on the currency translation of foreign operations and net equity investments of other currency denominated associates into Sri Lankan Rupees (Rs.).
- 37.4** Fair value reserve of financial assets at FVOCI includes changes on fair value of financial instruments designated as financial assets at FVOCI.
- 37.5** Statutory reserve fund reflects the profit transfer made by Softlogic Finance PLC in compliance with the Central Bank direction No. 01 of 2003.
- 37.6** Other reserve is used to recognise goodwill or gains from purchases on subsequent acquisitions of further equity interests in subsidiaries and gains or losses arising from partial and deemed acquisitions/disposals in its subsidiaries.
- 37.7** Cash flow hedge reserve reflects the effective portion of the gain or loss on the hedging instrument.
- 37.8** As per section 7.1.3 of Central Bank, Finance Business Act Direction No. 01 of 2020, the Company shall maintain a non-distributable regulatory loss allowance reserve (RLAR) through an appropriation of its retained earnings, where the loss allowance for expected credit loss falls below the regulatory provision. Accordingly, the company has created a RLAR and the amount of the RLAR as of 31 March 2026 was to Rs. 238.93 Mn (2025 - Rs. 970.07 Mn).

38 INSURANCE CONTRACT LIABILITIES

ACCOUNTING POLICY

The Directors agree to the long term insurance business provisions on the recommendation of the actuary following valuation of the life insurance business. The

actuarial valuation takes into account all liabilities including contingent liabilities and is based on assumptions recommended by the Appointed Actuary.

In Rs. '000 As at 31 March	Note	GROUP 2026	2025
Insurance contract liabilities	38.1	48,383,637	33,671,063
		48,383,637	33,671,063

38.1 Movement in life insurance fund

In Rs. '000 As at 31 March	GROUP 2026	2025
At the beginning of the year	33,671,063	27,759,130
Acquisition of subsidiary	8,766,827	-
Increase in life fund	11,418,232	9,869,342
Transfer to shareholders	(5,637,300)	(3,775,000)
Increase in insurance contract liabilities	5,780,932	6,094,342
Tax on policyholder bonus & others	164,815	(182,409)
At the end of the year	48,383,637	33,671,063

38.2 Change in life insurance contract liabilities

The results of Softlogic Life Insurance PLC and Softlogic Life Insurance Lanka Ltd (formerly known as Allianz Life Insurance Lanka Ltd), which operate within the life business segment are consolidated line by line into the Group's consolidated income statement.

The change in life insurance contract liabilities represents the transfer to the Life Fund, the difference between all income and expenditure attributable to life policyholders during the year.

In Rs. '000 For the year ended 31 March	GROUP	
	2026	2025
Revenue from insurance contracts	40,652,664	30,842,349
Total benefits and claim expense	(27,904,528)	(21,131,776)
Underwriting results	12,748,136	9,710,573
Operating expenses including distribution and administration expenses	(7,637,803)	(6,665,038)
Net finance income	6,307,898	6,823,807
Profit attributable to shareholders	(5,637,299)	(3,775,000)
Change in insurance contract liabilities	5,780,932	6,094,342

38.3 Recommendation of surplus transfer

The valuation of the life insurance funds of Softlogic Life Insurance PLC and Softlogic Life Insurance Lanka Ltd (formerly known as Allianz Life Insurance Lanka Ltd) as at 31 March 2026 was made by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI and Mr. Sanyam Jain, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited respectively, who recommended:

- no transfer to shareholders from the participating life fund
- transfer of a sum of Rs. 5,637 Mn to non-participating life insurance fund / insurance contract liabilities to the shareholders' fund (2025 - Rs. 3,775 Mn), as recommended by the Appointed Actuary was permitted by the Insurance Regulatory Commission of Sri Lanka (IRCSSL).

Measurement

Life insurance liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are measured on a market consistent basis in accordance with the Solvency Margin (Risk Based Capital) Rules 2015 issued under Sections 105 and 26 (1) of the Regulation of Insurance Industry Act No. 43 of 2000, with effect from 01 January 2016. For periods up to 31 December 2015, the Company used the Net Premium Valuation (NPV) methodology to calculate insurance liabilities in accordance with the Solvency Margin (Long Term Insurance) Rules 2002.

The value of the life insurance liabilities are determined as follows:

Life insurance liabilities = Best Estimate Long term Liability (BEL) + Risk Margin for adverse deviation (RM)

The best estimate liability is measured sum of the present value of all future best estimate cash flows calculated using the risk free interest rate yield curve issued by the Insurance Regulatory Commission of Sri Lanka (IRCSSL). Further a discounted cash flow approach equivalent to Gross Premium Valuation (GPV) methodology has been used to calculate liabilities as at 31 March 2026.

Measurement is usually based on the prospective method, by determining the difference between the present value of future benefits and future premiums. The actuarial assumptions used for the calculation include, in particular, assumptions relating to:

- » Mortality rates
- » Persistency rates
- » Morbidity rates
- » Expense and future inflation
- » Participating fund yield
- » Discount rates

Assumptions are estimated on a realistic basis at the time the insurance contracts are concluded and they include adequate provision for adverse deviations to make allowance for the risks of change and random fluctuations. Further in valuing the policy liability, provisions for reinsurance have been allowed in accordance with applicable reinsurance terms as per current reinsurance arrangements.

NOTES TO THE FINANCIAL STATEMENTS

Details of key assumptions used and basis of arriving for same are summarised in the following table:

Assumption	Basis of estimation
Economic assumptions	
Discount rate	Insurance contract liabilities shall be measured in terms of SLFRS 4 by applying current market interest rates where any changes to be recognised in the Income Statement. In arriving at such rates, CA Sri Lanka has issued a guidance note allowing insurers to apply professional judgment in applying the current market interest rates by way of considering timing and liquidity nature of the insurance liability. The discount rates applied in measuring insurance contract liabilities are based on the Alternate Discount Rate methodology and range from 10.5% to 13.8% per annum across the relevant durations at the reporting date. <u>Methodology</u> Noting the potential difficulties in establishing an appropriate 'liquid risk free yield curve' from the observable Sri Lankan market data, a 'top-down approach' is adopted for the determining the appropriate discount rates. Under such approach, the yield curve is constructed to represent yields implicit in a fair value measurement of a reference portfolio of assets whilst attempting to eliminate any factors that are not relevant to the insurance contracts.
Participating fund yield	Based on the weighted average of projected asset mix on expected yields for various asset types.
Operating assumptions	
Mortality rates	Based on 67/70 Mortality rates table was used. Calibrated to experience of the products.
Morbidity rates	Based on the loss ratios (loss ratio is calculated as the ratio of settled and pending claims to earned premiums)
Expenses	Based on the expense investigation carried out as at 31 March 2026 on expenses incurred during 2025/26. For the purpose of the expense study, a functional split of expenses between acquisition or maintenance costs have been made on the basis of inputs from various departments head of each cost center to determine a reasonable activity based split of expenses. These have been further identified as either being premium or policy-count driven base on the nature of expenses to determine a unit cost loading for use in the valuation.
Bonus rate	Bonus rate scale assumed has been arrived based on bonus declared as at 31 December 2025, based on the Company management's views on policyholder reasonable expectations. This assumes that company is expecting to maintain the current bonus levels into the future and is unchanged from the previous valuation.
Persistency ratio	Discontinuance assumption are based on the experience investigation. The discontinuance assumptions are set with reference to actual experience and vary by policy duration.

De-recognition

The liability is de-recognised when the contract is expired, discharged or cancelled.

38.4 Valuation of life insurance fund

Long duration contract liabilities included in the life insurance fund result primarily consist of traditional participating and non-participating life insurance products. The actuarial reserves have been established by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI and Mr. Sanyam Jain, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited as at 31 March 2026.

Details of the calculation of policy liabilities and net cash flows are provided in the following table for each class of products.

Details of product category	Basis of determinants of policy liability	Basis of calculating net cash flows
Individual traditional non-participating products	Discounting "net cash flows" at the risk free interest rate curve	Future premium income (-) death benefit outgo (+) rider benefit outgo (+) surrender benefit outgo (+) maturity benefit outgo (+) commission expenses outgo (+) policy expenses outgo (+) reinsurance recoveries (-) reinsurance premium outgo (+) reinsurance commissions (-)
Individual traditional participating products	Max (guaranteed benefit liability, total benefit liability)	Same as above
Individual universal non-participating products	Discounting "net cash flows" at the risk free interest rate curve	Future premium income (-) death benefit outgo inclusive of dividend accumulations (+) rider benefit outgo (+) surrender benefit Outgo inclusive of dividend accumulations (+) maturity benefit outgo inclusive of dividend accumulations (+) commission expense outgo (+) policy expense outgo (+) reinsurance recoveries (-) reinsurance premium outgo (+) reinsurance commission (-)
Group traditional non-participating products - Group term (life) and per day insurance	Net cash flow	Future premium income (-) death benefit outgo (+) rider benefit outgo (+) commission expenses outgo (+) policy expense outgo (+) reinsurance recoveries (-) reinsurance premium outgo (+) reinsurance commission (-)
Group traditional non-participating products - Group Hospitalisation cover	Policy liability has been set equal to Unearned Premium Reserve (UPR)	Not applicable

38.5 Solvency Margin

In the opinion of the appointed actuary, Softlogic Life Insurance PLC maintains a Capital Adequacy Ratio (CAR) of 279% and Total Available Capital (TAC) of Rs. 38,523.00 Mn as at 31 March 2026, which exceed the minimum requirement of 120% and Rs. 500.00 Mn respectively as per the Solvency Margin (Risk Based Capital) Rules 2015 requirement prescribed under section 26 (1) of the Regulation of Insurance Industry Act No. 43 of 2000.

NOTES TO THE FINANCIAL STATEMENTS

38.6 Liability Adequacy Test (LAT)

ACCOUNTING POLICY

Measurement

At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate by using an existing liability adequate test as laid out under SLFRS 4 – Insurance Contracts. The liability value is adjusted to the extent that it is insufficient to meet future benefits and expenses.

In performing the adequacy test, current best estimates of future contractual cash flows, including related cash flows such as claim handling and policy administration expenses, policyholder options and guarantees, as well as investment income from assets backing such liabilities, are used. A number of valuation methods are applied, including discounted cash flows to the extent that the test involves discounting of cash flows, the interest rate applied based on management's prudent expectation of current market interest rates.

Any deficiency shall be recognised in the income statement by setting up a provision for liability adequacy.

Valuation

Liability Adequacy Test for life insurance contract liability for Softlogic Life Insurance PLC at 31 December 2025 was carried out by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, Messrs. Towers Watson India Private Limited and Liability Adequacy Test for life insurance contract liability for Softlogic Life Insurance PLC was carried out by Appointed Actuary Mr. Sanyam Jain, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited as at 31 December 2025. When performing the LAT, the Company discounted all contractual cash flows and compared this amount with the carrying value of the liability.

Based on the actuarial assessment assets are adequate as compared to the discounted cash flows reserves and in contrast to the reserves as at 31 December 2025.

Liability Adequacy Test (LAT) in respect of the Insurance Contract Liabilities as required by SLFRS 4 - Insurance Contracts are carried out annually. Hence no additional provision was required against the LAT as at 31 March 2026.

38.7 Surplus created due to change in valuation method - one off surplus zeroed at product level

ACCOUNTING POLICY

Insurance contract liabilities are measured on a market consistent basis in accordance with the Solvency Margin (Risk Based Capital) Rules 2015 with effect from 01 January 2016. However period up to 31 December 2015, the Company used the Net Premium Valuation (NPV) methodology to calculate insurance liability in accordance with Solvency Margin (Long Term Insurance) Rules 2002.

A one off unallocated surplus was created with the migration to the new regime effective 01 January 2016.

Measurement

The surplus created due to change in Valuation Method of Policy Liabilities from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV) is measured based on the difference in the policy liability valuation by the independent Actuary based on NPV and GPV bases valuation as at 31 December 2015 according to the Direction 16 "Identification and Treatment of One-Off Surplus" issued by IRCSL. According to the Direction 16, the Company has determined the One-off Surplus as the difference between NPV Solvency basis liability and GPV Distribution basis liability for both Participating business and other than Participating business.

Valuation

Details of one off adjustment as at 01 January 2016 are as follows:

In Rs. '000 Description	Participating fund	Non- Participating fund	Total
Value of Insurance contract liability based on Independent Actuary - NPV as at 31 December 2015	3,866,780	2,472,575	6,339,355
Value of Insurance contract liability based on Independent Actuary - GPV 31 December 2015	2,810,245	1,674,571	4,484,816
Surplus created due to Change in Valuation Method - One off Surplus as at 01 January 2016	1,056,535	798,004	1,854,539
Surplus created due to acquisition of Softlogic Life Insurance Lanka Ltd (formerly known as Allianz Life Insurance Lanka Ltd)	-	717,792	717,792
	1,056,535	1,515,796	2,572,331

38.7.1 Transfer of one-off surplus from policy holder fund to shareholder fund

The Insurance Regulatory Commission of Sri Lanka (IRCSL) has issued a Direction No 16 on 20 March 2018 on "Guidelines/ directions for Identification and Treatment of One-off Surplus" and has instructed all life insurance companies to comply with the new direction. Based on the new guidelines life insurance companies are directed to transfer one off surplus attributable to policyholder non-participating fund to shareholder fund as at the reporting year ended 31 March 2018. The transfer has been presented as a separate line item in the Income Statement as "change in contract liability due to transfer of one off surplus" and as a separate reserve in the Statement of Financial Position as "Restricted Regulatory Reserve" under equity in accordance with above Direction. As required by the said direction, the company received the approval for this transfer on 29 March 2018.

Further distribution of one off surplus to shareholders, held as part of the "Restricted Regulatory Reserve", is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The one off surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 34.8.3 as per the directions of the IRCSL.

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the Shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 38.7.2 for details of assets supporting the restricted regulatory reserve as at 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

In Rs. '000 Description	Participating fund	Non- Participating fund	Total
Value of Insurance Contract Liability based on Independent Actuary-NPV as at 31 December 2015	3,866,780	2,472,575	6,339,355
Value of Insurance Contract Liability based on Independent Actuary-GPV as at 31 December 2015	2,810,245	1,674,571	4,484,816
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 01 January 2016	1,056,535	798,004	1,854,539
Transfer of One-off Surplus from long term fund to Restricted Regulatory Reserve as at 31 December 2017	-	(798,004)	(798,004)
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 December 2017	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2018	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2019	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2020	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2021	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2022	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2023	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2024	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2025	1,056,535	-	1,056,535
Surplus Created due to Change in Valuation method from NPV to GPV - One off Surplus as at 31 March 2026	1,056,535	-	1,056,535

Distribution of one off surplus

The distribution of one off surplus to shareholders as dividends shall remain restricted until the company develops appropriate policies and procedures for effective management of its business, as listed below.

- » expense allocation policy setting out basis of allocation of expenses between the shareholder fund and the policyholder fund as well as between different lines of business within the policyholder fund, particularly participating and non-participating
- » dividend declaration policy for universal life business
- » bonus policy for the participating business, which should include treatment of one off surplus for the purpose of bonus declaration

- » assets and liability management policy
- » policy on internal target Capital Adequacy Ratio
- » considerations for transfer of funds from policyholder fund to shareholder fund.

These policies should be approved by the Board of Directors of the Softlogic Life Insurance PLC and must also comply with any relevant guidance issued by IRCSL from time to time. Further IRCSL will reconsider the distribution of one off surplus when the Risk Based Capital rules are revised.

The IRCSL will permit distribution of one off surplus subject to yearly distribution caps on a case by case basis.

38.7.2 Composition of investments supporting the Restricted Regulatory Reserve as at 31 March 2026.

	Face value Rs.	Market value as at 31 March 2026 Rs. '000
Government Securities		
Treasury Bonds - LKJ01236C152	240,920,679	185,524
LKJ01337I155	240,920,679	181,655
LKJ01438I151	240,920,679	179,453
LKJ01539I156	240,920,679	177,512
LKJ01640I152	240,920,679	175,800
LKB01032G014	25,000,000	34,545
LKB02032J017	9,000,000	8,743
LKB02033K013	172,000,000	161,837
LKB02033K013	35,000,000	32,932
LKB01534I155	125,000,000	120,456
LKB02033K013	150,000,000	141,137
LKB01534I155	150,000,000	144,547
LKB01035F159	50,000,000	50,475
REPO - LKB00730J158	61,335,000	60,251
Total market value of the assets		1,654,867
Restricted Regulatory Reserves		1,515,796
Excess assets		139,071

38.8 Direction 18 - Unclaimed benefits of Long Term Insurance Business

Unclaimed benefits of long term insurance business are recorded in the life insurance fund.

There was no transfer of any unclaimed benefit to shareholders and recorded in the life fund as unclaimed benefits if any.

38.9 Taxation on surplus distributed to the life insurance policyholder who shares the profits

In terms of the Section 67 of Inland Revenue Act no. 24 of 2017, surplus distributed to the life insurance policyholders who shares the profits of a person engaged in the business of life insurance in a given year, as provided in the "Regulation of Insurance Industry Act no. 43 of 2000", shall be deemed as gains and profits of that person from the business and subject to tax. Applicable tax rate is 30%.

As recommended by the Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI of Messrs. Towers Watson India (Pvt) Ltd, Softlogic Life Insurance PLC has declared a bonus of Rs. 723.00 Mn (2025 - Rs. 607.00 Mn) to life insurance policyholders who participating in the profit of life insurance business. Accordingly, there is Rs. 216.79 Mn (2025 - Rs. 182.41 Mn) unit link seed capital & tax amount is arising from policyholder who shares the profits of a person engaged in the business of life insurance.

NOTES TO THE FINANCIAL STATEMENTS

38.10 Sensitivity to assumptions used

Change in key assumptions used in valuing the insurance contract liability would have the following effect to the Group financials:

In Rs. '000 As at 31 March	2026	2025
Effect on the change of the insurance contract liability:		
Increase by 10% in mortality rate	855,460	605,639
Decrease by 10% in mortality rate	(810,602)	(564,905)
Effect on the change of the insurance contract liability:		
Increase by 10% in morbidity rate	2,405,376	1,793,605
Decrease by 10% in morbidity rate	(436,551)	(352,072)
Effect on the change of the insurance contract liability:		
Increase by 50 basis point in risk free discount rate	(2,131,242)	(1,649,634)
Decrease by 50 basis point in risk free discount rate	2,442,737	1,809,670
Effect on the change of the insurance contract liability:		
Increase by 1% in expense ratio	1,221,991	963,567
Decrease by 1% in expense ratio	(1,221,991)	(963,567)

39 INTEREST BEARING BORROWINGS

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Long term bank borrowings	39.1	61,655,508	59,664,818	18,217,924	17,444,164
Debentures	39.2	-	-	-	-
Subordinated debt	39.3	4,734,348	3,143,348	-	-
Securitizations	39.4	2,747,258	3,146,908	1,433,818	1,992,348
Long term intercompany borrowings	39.5	-	-	1,120,095	1,029,685
		69,137,114	65,955,074	20,771,837	20,466,197
Repayable within one year		24,594,734	21,609,262	6,495,707	3,745,548
Repayable after one year		44,542,380	44,345,812	14,276,130	16,720,649
		69,137,114	65,955,074	20,771,837	20,466,197

39.1 Long term bank borrowings

Movement in long term bank borrowings

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	54,278,962	53,533,226	16,671,481	16,187,712
Additions	1,105,758	9,199,817	827,058	-
Repayments	(6,169,082)	(13,131,111)	(637,042)	(1,502,113)
Transfers from short term loans and accrued finance charges capitalised	4,023,908	4,857,926	351,103	1,985,882
Exchange translation difference	986,439	(180,896)	-	-
	54,225,985	54,278,962	17,212,600	16,671,481
Unamortised loan processing cost	-	(900)	-	-
Finance charges	7,429,523	5,386,756	1,005,324	772,683
At the end of the year	61,655,508	59,664,818	18,217,924	17,444,164

Security pledged and interest rates pertaining to interest bearing borrowings are disclosed in note 54 to the financial statements.

39.2 Debentures

Movement in debentures

In Rs. '000 As at 31 March	GROUP	
	2026	2025
At the beginning of the year	-	1,149,940
Repayments	-	(1,149,940)
At the end of the year	-	-

39.3 Subordinated debt

Softlogic Life Insurance PLC entered into a long-term financing agreement with Finnish Fund for Industrial Cooperation Ltd ("FinnFund") and Norwegian Investment Fund for Developing Countries for USD 15.00 Mn Tier II Subordinated debt transaction to provide funding to future development of business objectives of the Company. The facility was signed on 24 August 2020 was fully settled in December 2025.

Subsequently, on 11 December 2025, the Company entered into a new long-term financing agreement with OP Finnfund Global Impact Fund I KY, together with Finnish Fund for Industrial Cooperation Ltd. ("FinnFund") and the Norwegian Investment Fund for Developing Countries, for a USD 15.00Mn Tier II subordinated debt facility to fund the future development of the Company's business objectives.

Movement in subordinated debt

In Rs. '000 As at 31 March	GROUP	
	2026	2025
At the beginning of the year	2,964,843	4,506,576
Repayments	4,719,929	-
Repayments	(2,964,843)	(1,502,192)
Exchange translation difference	13,174	(39,541)
	4,733,103	2,964,843
Finance charges	1,245	178,505
At the end of the year	4,734,348	3,143,348

39.4 Securitization Borrowings

Movement in securitization borrowings

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	3,006,212	4,274,502	1,914,450	2,613,818
Additions	75,105	-	75,105	-
Transfers from accrued finance charges capitalised	10,966	311,958	10,966	311,958
Repayments	(741,129)	(1,580,248)	(741,111)	(1,011,326)
	2,351,154	3,006,212	1,259,410	1,914,450
Unamortised loan processing cost	(14,002)	(33,174)	(14,002)	(33,174)
Finance charges	410,106	173,870	188,410	111,072
At the end of the year	2,747,258	3,146,908	1,433,818	1,992,348

NOTES TO THE FINANCIAL STATEMENTS

Details regarding the securitization loans are as follows;

Nature of the facility	Interest rate	Repayment term	Outstanding balance		Carrying value of collaterals	Security
			2026 Rs. '000	2025 Rs. '000		
Softlogic Holdings PLC						
HNB Securitization Fund - 5	Fixed rate	16 monthly installments commencing from March 2022	69,088	169,902	89.81	Mortgage over inter company receivables of Softlogic Holdings PLC
HNB Securitization Fund - 10	Fixed rate	18 monthly installments commencing from March 2023	152,895	299,836	198.76	Mortgage over inter company receivables of Softlogic Holdings PLC
HNB Securitization Fund - 7	Fixed rate		-	75,513		
HNB Securitization Fund - 9	Fixed rate		-	38,951		
NDB Trust - 1	Fixed rate	15 monthly installments commencing from February 2024	370,244	423,220	481.32	Mortgage over inter company receivables of Softlogic Holdings PLC
NDB Trust - 2	Fixed rate	21 monthly installments commencing from May 2024	425,123	623,147	552.66	Mortgage over inter company receivables of Softlogic Holdings PLC
NDB Trust - 3	Fixed rate	17 monthly installments commencing from July 2024	416,468	361,779	541.41	Mortgage over inter company receivables of Softlogic Holdings PLC
			1,433,818	1,992,348		
Softlogic Capital PLC						
HNB Securitization Fund - 1	Fixed rate	12 monthly installments commencing from April 2024 (restructured repayment term)	629,989	586,442	1,728.37	Mortgage over inter company receivables of Softlogic Capital PLC
HNB Securitization Fund - 2	Fixed rate	12 monthly installments commencing from April 2024 (restructured repayment term)	211,136	196,534	622.72	Mortgage over inter company receivables of Softlogic Capital PLC
NDB Securitization Fund - 1	Fixed rate	On maturity of securitization papers in June 2024, April 2025 and July 2026 (restructured repayment term)	472,315	371,584	509.92	Mortgage over inter company receivables of Softlogic Capital PLC
			1,313,440	1,154,560		
			2,747,258	3,146,908		

39.5 Long term intercompany borrowings

Movement in long term intercompany borrowings

In Rs. '000 As at 31 March	Company	
	2026	2025
At the beginning of the year	1,006,067	-
Additions	-	1,006,067
	1,006,067	1,006,067
Finance charges	114,028	23,618
At the end of the year	1,120,095	1,029,685

Details regarding the long term intercompany borrowings are as follows;

Nature of the facility	Interest rate	Repayment term	Outstanding balance	
			2026	2025
Softlogic Holdings PLC				
Inter company borrowing - Asiri Hospital Holdings PLC	AWPLR plus margin	Repayable by way of a bullet payment at the maturity	1,120,095	1,029,685
			1,120,095	1,029,685

39.6 Derivative financial instruments

In Rs. '000 As at 31 March	GROUP			
	2026		2025	
	Asset	Liability	Asset	Liability
Foreign currency cash flow hedges	2,666,781	-	2,379,820	-

Cash flow hedge

The risk management objective of the cash flow hedge is to hedge the risk of variation in the foreign currency exchange rates associated with USD denominated forecast sales.

The risk management strategy is to use the foreign currency variability (gains/losses) arising from revaluation of the foreign currency loan attributable to change in the spot foreign exchange on LKR conversion of USD denominated forecast sales. The effective portion of the gain or loss on the hedging instrument is recognised in the statement of comprehensive income and any ineffective portion is recognised immediately in the income statement.

The amount recognised in the statement of comprehensive income is transferred to the income statement when the hedge transaction occurs (when the forecasted revenue is realised). If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in the statement of comprehensive income is transferred to the income statement.

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Softlogic City Hotels (Pvt) Ltd

Hedging instrument - Foreign currency borrowing of USD 36.40 Mn obtained in May 2015, maturing in July 2030

Hedged item - USD denominated sales expected to occur in each month of 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029 and upto 2030 July from April 2017

The cash flow hedge has a notional amount of USD 29.01 Mn and cash flows are expected to occur as 96 monthly installments of 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029 and 2030 in total of USD 29.01 Mn capital and interest repayments at 25 of each month till July 2030.

In respect of the cash flow hedge instrument, the following balance has been recognised in the statement of comprehensive income as the fair value loss on the hedging instrument.

In Rs. '000	GROUP	
As at 31 March	2026	2025
Net change in fair value on derivative financial instruments	286,961	(723,559)

On the hedged instrument the following attributable to the hedged risk has been recognised in the Group income statement.

In Rs. '000	GROUP	
For the year ended	2026	2025
Under finance expenses		
Realised exchange loss on foreign currency borrowings	247,103	592,768
Unrealised exchange loss on foreign currency borrowings	31,884	(19,085)
	278,987	573,683

40 PUBLIC DEPOSITS

In Rs. '000	GROUP	
As at 31 March	2026	2025
Deposits maturing after one year	1,474,033	1,892,855
Deposits maturing within one year	2,261,817	2,380,177
	3,735,850	4,273,032

41 EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY

Defined benefit plan - Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method.

Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

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

The defined benefit obligation plan of the Group was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

The gratuity liability is not externally funded.

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	2,323,707	2,068,555	151,984	148,411
Acquisition of subsidiary	36,788	-	-	-
Current service cost	271,811	269,863	7,382	9,379
Interest cost on benefit obligation	224,771	209,145	14,574	18,565
(Gain) / loss arising from changes in assumptions	384,227	70,425	8,337	(7,202)
Transfers from/ (to) related companies	-	-	(11,803)	(1,105)
Payments	(410,992)	(294,281)	(27,468)	(16,064)
At the end of the year	2,830,312	2,323,707	143,006	151,984

The employee benefit liability of the Group is based on the actuarial valuations carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd.

Defined contribution plan - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund benefits in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Accounting judgements, estimates and assumptions

The employee benefit liability of the Group is based on the actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. Given the complexity of the valuation, the underlying assumptions and the long term nature of the liability, the defined benefit obligation is highly sensitive to changes in these assumptions.

All assumptions are reviewed at each reporting date.

The principal assumptions used in determining the cost of employee benefits were as follows:

As at 31 March	2026	2025
Discount rate (%)	8.00 - 10.00	9.00 - 11.00
Future salary increases (%)	6.00 - 10.00	6.00 - 10.00

41.1 Sensitivity to assumptions used

If there is a one percentage point changes in the assumptions, it would have the following effect:

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Effect on the defined benefit obligation liability:				
Increase by one percentage point in discount rate	(93,000)	(74,477)	(3,516)	(5,029)
Decrease by one percentage point in discount rate	100,168	79,945	5,631	5,337
Effect on the defined benefit obligation liability:				
Increase by one percentage point in salary increment rate	112,861	91,188	6,035	5,874
Decrease by one percentage point in salary increment rate	(106,580)	(86,320)	(3,975)	(5,623)

NOTES TO THE FINANCIAL STATEMENTS

41.2 Maturity analysis of the payments

The following payments are expected on account of employees benefit liabilities in future years.

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
- within the next 12 months	700,023	529,411	16,469	22,920
- between 1 and 2 years	852,468	706,783	87,026	34,025
- between 3 and 5 years	710,557	648,906	19,359	73,375
- between 6 and 10 years	433,747	343,906	17,484	19,063
- beyond 10 years	133,517	94,701	2,668	2,601
Total expected payments	2,830,312	2,323,707	143,006	151,984

41.3 Weighted average durations of service

The Group's and the Company's weighted average durations of service is 3.62 years (2025 - 3.60 years) and 3.40 years (2025 - 3.60 years) respectively.

42. OTHER DEFERRED LIABILITIES

ACCOUNTING POLICY

Deferred revenue

Deferred revenue is the money received for goods or services which have not yet been delivered. According to the revenue recognition principle, it is recorded as a liability until delivery is made, at which time it is converted to revenue.

Warranty

Provisions for warranty related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience and revised annually.

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
42.1 Within one year					
Deferred revenue		157,266	166,247	21,622	-
Warranty provision		85,885	82,747	-	-
Total within one year	46	243,151	248,994	21,622	-
42.2 After one year					
Deferred revenue		-	21,914	-	21,622
Total after one year		-	21,914	-	21,622
Total other deferred liabilities		243,151	270,908	21,622	21,622

43. OTHER NON-CURRENT FINANCIAL LIABILITIES

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Advances received		159,879	344,282	-	-
Retention payable		344,282	279,595	-	-
Security deposits		5,123	5,123	-	-
Commercial paper borrowings	43.1	2,681,861	7,370,675	-	1,795,972
		3,191,145	7,999,675	-	1,795,972

43.1 Movement in non-current commercial paper borrowings

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
At the beginning of the year	7,242,746	-	1,788,817	-
Additions/ transfers	493,024	7,242,746	-	1,788,817
Repayments/ transfer	(5,053,909)	-	(1,788,817)	-
	2,681,861	7,242,746	-	1,788,817
Finance charges	-	127,929	-	7,155
At the end of the year	2,681,861	7,370,675	-	1,795,972

43.2 Details regarding the non-current commercial paper borrowings are as follows;

Nature of the facility	Interest rate	Repayment term	Outstanding balance	
			2026	2025
Softlogic Holdings PLC				
Fixed Income Investments I (Pvt) Ltd	Fixed rate	Repayable by way of a bullet	-	1,765,570
Fixed Income Investments II (Pvt) Ltd	Fixed rate	payment at the maturity	-	30,402
			-	1,795,972
Softlogic Capital PLC				
Fixed Income Investments I (Pvt) Ltd	Fixed rate	Repayable by way of a bullet	-	2,614,066
Fixed Income Investments II (Pvt) Ltd	Fixed rate	payment at the maturity	-	42,072
Individual CP holders	Fixed rate	Payment at the maturity	97,250	-
			97,250	2,656,138
Asiri Hospital Holdings PLC				
Capital Alliance Fixed Income Opportunities Fund	Fixed rate	Repayable by way of a bullet	1,300,846	1,909,799
		payment at the maturity		
CAL Five Year Optimum Fund	Fixed rate		201,753	201,754
CAL Five Year Closed End Fund	Fixed rate		807,012	807,012
Life Insurance Corporation Lanka Ltd	Fixed rate		275,000	-
			2,584,611	2,918,565
			2,681,861	7,370,675

44. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payable are classified as current liabilities if payment is due within one year.

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Trade and other payables		16,553,647	16,538,030	885,368	1,047,664
Trade and other payables - Related party	47.4	-	-	5,494,224	5,032,812
Contract liabilities		-	14,674	-	-
Unit trust fund liability		1,286	1,984	-	-
Dividend payable		85,184	78,263	-	-
Reinsurance payables		811,856	524,214	-	-
Sundry creditors including accrued expenses		15,183,030	11,468,281	-	-
		32,635,003	28,625,446	6,379,592	6,080,476

NOTES TO THE FINANCIAL STATEMENTS

45. OTHER CURRENT FINANCIAL LIABILITIES

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Loans		27,222,248	29,547,593	100,992	100,855
Commercial papers		18,573,141	10,495,227	1,830,359	64,791
Intercompany borrowings	47.4	-	-	22,584,881	20,121,574
		45,795,389	40,042,820	24,516,232	20,287,220

46. OTHER CURRENT LIABILITIES

ACCOUNTING POLICY

The Group classifies all non-financial current liabilities under other current liabilities. These include non-refundable deposits and other tax payables. These liabilities are recorded at amounts expected to be set-off at the reporting date.

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Advances received		1,515,057	1,248,659	498,535	497,836
Taxes payables		4,801,946	3,759,654	2,172,095	1,204,415
Other liabilities		3,627,021	2,292,137	952,168	75,528
Other liabilities - Related party	47.4	-	-	-	1,925,918
Other deferred liabilities	42.1	243,151	248,994	21,622	-
		10,187,175	7,549,444	3,644,420	3,703,697

47. RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The Group and the Company carried out transactions in the ordinary course of business with the following related entities. The list of Directors at each of the subsidiary, joint venture and associate companies has been disclosed in the Group Directory under the Supplementary Information section of the Annual Report.

Governance structures, the nature of the entities' relationships, principal place of business and the countries of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee" and the Group Directory.

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceed 10% of the equity or 5% of the total assets, whichever is lower of the company as per the 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per the 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Reclassification of related party trade and non-trade receivables

Trade and Other Receivables (Note 31) and Amounts Due from Related Parties (Note 47.1) of Softlogic Holdings PLC ("the Company") have been reclassified from Current Assets to Non-current Financial Assets (Note 27) to better reflect the underlying nature of these balances and their expected timing of realisation.

In Rs. '000 As at 31 March	Note	COMPANY	
		2026 Current presentation	2025 Current presentation As presented previously
Non-current assets			
Non-current financial assets	27	19,407,902	16,077,799 14,479
Current assets			
Trade and other receivables	31	400,589	254,996 1,660,261
Amounts due from related parties	47.1	2,386,728	3,154,363 17,812,418
		22,195,219	19,487,158 19,487,158

47.1 Amounts due from related parties

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Subsidiaries - Amount due from related parties	47.3	-	-	957,329	504,944
- Loan receivables				1,429,399	2,649,419
Key Management Personnel		99,695	102,825	-	-
		99,695	102,825	2,386,728	3,154,363

47.2 Amounts due to related parties

In Rs. '000 As at 31 March	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Subsidiaries	47.4	-	-	322,610	237,935
Equity accounted investees	47.5	16	1,369	-	-
Key Management Personnel		1,992	1,992	1,992	1,992
		2,008	3,361	324,602	239,927

47.3 Related party receivables

In Rs. '000 As at 31 March	COMPANY			
	Non-current financial assets		Non current trade receivables	
	2026	2025	2026	2025
Future Automobiles (Pvt) Ltd	-	-	87,181	65,477
Odel PLC	-	-	84,629	47,036
Odel Properties One (Pvt) Ltd	-	-	243,795	194,555
Softlogic City Hotels (Pvt) Ltd	-	1,896,320	-	-
Softlogic Mobile Distribution (Pvt) Ltd	-	-	117,695	75,746
Softlogic Retail (Pvt) Ltd	5,862,957	5,073,544	1,191,895	949,389
Softlogic Retail Holdings (Pvt) Ltd	11,726,511	9,584,511	-	-
Softlogic Supermarkets (Pvt) Ltd	-	-	78,760	73,062
	17,589,468	16,554,375	1,803,955	1,405,265
Less - Provision for impairment	-	(1,896,320)	-	-
	17,589,468	14,658,055	1,803,955	1,405,265

NOTES TO THE FINANCIAL STATEMENTS

47.3 Related party receivables (Contd.)

In Rs. '000 As at 31 March	COMPANY					
	Trade receivables		Amount due from		Loan receivables	
	2026	2025	2026	2025	2026	2025
Subsidiaries						
Asiri Diagnostic Services (Pvt) Ltd	12,363	12,363	-	-	-	-
Asiri Hospital Galle (Pvt) Ltd	-	28,500	-	-	-	-
Asiri Hospital Holdings PLC	2,912	1,913	-	-	-	-
Asiri Surgical Hospital PLC	3,500	(53,568)	-	-	-	-
Ceysand Resorts Ltd	35,093	6,752	-	-	-	-
Cotton Collection (Pvt) Ltd	(695)	(695)	-	-	-	22,925
Footwear Retailer Ltd	-	1,514	-	-	-	-
Future Automobiles (Pvt) Ltd	-	-	-	-	508,584	514,505
Odel PLC	-	-	-	13,485	257,528	352,561
Odel Properties (Pvt) Ltd	76	76	-	-	-	-
Odel Properties One (Pvt) Ltd	-	-	-	-	-	2,522
Sabre Travel Network Lanka (Pvt) Ltd	1,139	-	-	-	-	-
Softlogic Australia (Pty) Ltd	-	-	18,081	15,531	-	-
Softlogic Automobiles (Pvt) Ltd	1,541	330	-	-	224,342	211,207
Softlogic B P O Services (Pvt) Ltd	13,974	13,623	-	-	-	-
Softlogic Brands (Pvt) Ltd	30,064	18,576	253	241	438,556	1,370,019
Softlogic Capital PLC	(51,005)	(17,015)	-	109,596	-	-
Softlogic City Hotels (Pvt) Ltd	20,983	20,983	-	978,840	964,525	1,547,997
Softlogic Communication Services (Pvt) Ltd	6	40	-	-	-	-
Softlogic Communications (Pvt) Ltd	61,512	45,346	566,572	-	-	-
Softlogic Computers (Pvt) Ltd	20,157	-	-	-	-	-
Softlogic Corporate Services (Pvt) Ltd	5,630	-	-	1,285	-	-
Softlogic Destination Management (Pvt) Ltd	2,681	2,548	11,350	10,904	71,010	66,884
Softlogic Finance PLC	1,000	-	-	-	-	-
Softlogic Healthcare Holdings Ltd	-	-	26,867	26,867	-	-
Softlogic Information Technologies (Pvt) Ltd	85,970	2,832	9,715	-	-	-
Softlogic International (Pvt) Ltd	36,661	3,794	-	-	-	-
Softlogic IT Holdings (Pvt) Ltd	-	-	323	10	-	-
Softlogic Life Insurance PLC	1,000	-	-	-	-	-
Softlogic Mobile Distribution (Pvt) Ltd	-	-	180,139	62,590	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	8,746	4,625	-	-	-	-
Softlogic Properties (Pvt) Ltd	19,819	19,819	221,136	220,724	68,639	68,639
Softlogic Restaurants (Pvt) Ltd	30,097	87,767	-	-	2,641	90,815
Softlogic Retail Holdings (Pvt) Ltd	60,318	60,148	192,847	289,979	-	-
Softlogic Solar (Pvt) Ltd	-	-	34,613	34,613	-	-
Softlogic Supermarkets (Pvt) Ltd	-	-	-	-	-	259,310
Suzuki Motors Lanka Ltd	1,965	12,032	-	1,112	-	-
	405,507	272,303	1,261,896	1,765,777	2,535,825	4,507,384
Less - Provision for impairment	(43,498)	(64,212)	(304,567)	(1,260,833)	(1,106,426)	(1,857,965)
	362,009	208,091	957,329	504,944	1,429,399	2,649,419
Equity accounted investees						
Sabre Travel Network Lanka (Pvt) Ltd	-	1,791	-	-	-	-
	-	1,791	-	-	-	-
	362,009	209,882	957,329	504,944	1,429,399	2,649,419

47.4 Related party payables

In Rs. '000	COMPANY							
	Other liabilities		Trade payables		Other current financial liabilities		Amount due to	
	2026	2025	2026	2025	2026	2025	2026	2025
As at 31 March								
Subsidiaries								
Asiri Central Hospitals Ltd	-	1,516	916,418	765,094	1,706,865	1,651,000	-	-
Asiri Hospital Galle (Pvt) Ltd	-	213	73,252	57,060	160,000	160,000	-	-
Asiri Hospital Holdings PLC	-	762,664	154,305	11,567	926,871	605,154	-	-
Asiri Hospital Matara (Pvt) Ltd	-	3,346	231,936	194,790	375,000	375,000	-	-
Asiri Surgical Hospital PLC	-	601,832	386,527	298,224	-	-	-	-
Central Hospital Ltd	-	390,647	2,231,051	1,819,268	2,772,760	3,461,494	-	-
Ceysand Resorts Ltd	-	-	12,847	12,847	31,229	31,229	90	-
Cotton Collection (Pvt) Ltd	-	-	-	-	-	-	257	-
Future Automobiles (Pvt) Ltd	-	-	824	182	-	-	55,360	46,063
Odel PLC	-	-	26,056	14,133	-	-	28,210	-
Odel Properties (Pvt)Ltd	-	-	635	477	-	-	-	-
Softlogic Automobiles (Pvt) Ltd	-	-	2,940	2,189	-	-	15,629	14,597
Softlogic B P O Services (Pvt) Ltd	-	-	-	-	-	-	41,071	6,772
Softlogic Brands (Pvt) Ltd	-	-	207	240	-	-	-	-
Softlogic Capital PLC	700	700	160,387	85,141	4,814,683	4,258,360	1,204	-
Softlogic City Hotels (Pvt) Ltd	-	-	-	-	-	-	26,329	-
Softlogic Communication Services (Pvt) Ltd	-	-	-	-	-	-	13,115	10,578
Softlogic Communications (Pvt) Ltd	-	-	302,555	401,815	2,069,260	1,780,041	-	46,832
Softlogic Computers (Pvt) Ltd	-	-	22,276	31,026	239,146	208,120	62,772	41,629
Softlogic Corporate Services (Pvt) Ltd	-	-	1,113	9,861	15,452	28,357	424	-
Softlogic Finance PLC	-	-	-	-	-	-	49	-
Softlogic Healthcare Holdings Ltd	-	-	1,000	1,000	-	-	-	-
Softlogic Information Technologies (Pvt) Ltd	-	-	301,762	268,589	1,151,142	992,795	-	52,942
Softlogic International (Pvt) Ltd	-	-	18,532	28,755	257,391	228,636	12,138	4,799
Softlogic Life Insurance PLC	-	-	(4)	(42)	305,800	424,624	-	-
Softlogic Mobile Distribution (Pvt) Ltd	-	-	448,356	918,527	6,016,331	5,322,894	-	-
Softlogic Pharmaceuticals (Pvt) Ltd	-	-	78,253	90,901	571,921	501,108	-	-
Softlogic Restaurants (Pvt) Ltd	-	165,000	101	101	-	-	13,935	2,819
Softlogic Retail (Pvt) Ltd	-	-	11,509	3,719	-	-	34,024	1,913
Softlogic Retail Holdings (Pvt) Ltd	-	-	2,137	2,124	-	-	-	-
Softlogic Rewards (Pvt)Ltd	-	-	-	-	-	-	10,283	8,991
Softlogic Supermarkets (Pvt) Ltd	-	-	92,357	284	844,328	-	354	-
Suzuki Motors Lanka Ltd	-	-	16,892	14,940	326,702	92,762	7,366	-
	700	1,925,918	5,494,224	5,032,812	22,584,881	20,121,574	322,610	237,935

Interest rate for the loans given to subsidiaries - Company Average Borrowing Cost plus Margin

Repayment terms of loans given to subsidiaries - On demand

NOTES TO THE FINANCIAL STATEMENTS

47.5 Equity accounted investees

In Rs. '000	Group Amounts due to	
As at 31 March	2026	2025
Associates		
Nextage (Pvt) Ltd	16	-
Sabre Travel Network Lanka (Pvt) Ltd	-	1,369
	16	1,369

47.6 Transactions with related parties

In Rs. '000	GROUP		COMPANY	
For the year ended 31 March	2026	2025	2026	2025
Subsidiaries				
(Purchases)/ sales of goods	-	-	(3,891)	(2,067)
(Receiving)/ rendering of services	-	-	2,839,656	1,648,497
(Purchases)/ sale of property plant & equipment	-	-	(260)	(2,202)
Loans given/ (obtained)	-	-	(1,278,920)	(1,288,947)
Interest received/ (paid)	-	-	(754,128)	(12,320)
Rent received/ (paid)	-	-	90,087	113,823
Dividend received	-	-	583	943,501
Guarantee charges received/ (paid)	-	-	303,785	309,697
Guarantees given/ (received) - as at 31 March	-	-	38,030,909	40,041,165
Equity Accounted Investees				
Associates				
(Receiving)/ rendering of services	2,397	8,336	1,978	7,911
Dividend received	-	20,400	-	20,400
Key Management Personnel				
Advances given/ (received)	(22,543)	51,825	(1,992)	(1,992)
Guarantees given/ (obtained)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	(3,041)	(2,090)	-	-
Interest received / (paid) on advances given/ (customer deposits received)	(210)	(194)	-	-
(Purchases)/ sales of goods	-	187,910	-	-
Gratuity advances given	98,518	98,518	-	-
Close family Members of KMP				
(Receiving)/ rendering of services	-	-	-	-

47.7 Compensation of Key Management Personnel

Key management personnel include members of the Board of Directors of Softlogic Holdings PLC and its subsidiary companies.

In Rs. '000	GROUP		COMPANY	
As at 31 March	2026	2025	2026	2025
Short term employee benefits	650,710	684,225	66,308	65,163
Post-employment benefits	77,791	87,217	13,283	11,012
	728,501	771,442	79,591	76,175

48 OPERATING SEGMENT INFORMATION

ACCOUNTING POLICY

The Group's internal organisation and management is structured based on individual products and services which are similar in nature and process and where the risks and returns are similar. The operating segments represent this business structure.

The Group is thus organised into business units based on their products and services and has seven operating business segments as follows:

Information Technology

The information Technology operating segment comprises the areas of software development, hardware and system software solutions, market specific ICT solutions and office automation solutions.

Leisure and Property

The leisure and Property operating segment comprises one five star hotel, one four star hotel, destination management and development/sale of residential apartments.

Retail

The Retail operating segment comprises Consumer Electronics and Durables, Branded Apparels & Fashion, Telecommunication, and Quick Service Restaurants.

Automobiles

The Automobile operating segment deals in branded motor vehicles and ancillary services.

Financial Services

The Financial Services operating segment offers a complete range of financial solutions including some banking related services, insurance, stock broking, debt trading, fund management, management of Unit Trust and leasing.

Healthcare Services

The Healthcare Services operating segment comprises a leading private hospital chain providing private healthcare and laboratory services.

Others

This sector consists of Softlogic Holdings PLC and other companies that are not categorised under the above sectors, which provides ancillary services to Group companies.

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocations and performance assessments.

Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Transactions between operating segments are carried out in the ordinary course of business on arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

48.1 Revenue and profit

In Rs. '000	Information Technology		Leisure & Property		Retail		Automobiles	
For the year ended 31 March	2026	2025	2026	2025	2026	2025	2026	2025
Continuing operations								
Revenue								
Total revenue	7,495,406	6,911,723	3,243,450	3,051,754	40,299,351	31,970,909	3,581,667	456,069
Inter group	(798,470)	(825,267)	(143,813)	(89,465)	(2,142,536)	(1,250,421)	(68,094)	(47,219)
Total external revenue	6,696,936	6,086,456	3,099,637	2,962,289	38,156,815	30,720,488	3,513,573	408,850
Results from operating activities	(202,743)	58,907	(87,287)	(429,519)	(3,165,252)	(3,658,231)	350,005	10,746
Finance income	226,036	232,281	8,058	24,228	1,267,846	1,257,654	2,270	7
Finance expenses	(346,458)	(307,453)	(2,336,841)	(2,880,536)	(8,259,271)	(8,563,891)	(201,871)	(178,783)
Change in insurance contract liabilities	-	-	-	-	-	-	-	-
Change in fair value of investment property	(5,330)	42,730	-	-	20,650	(780,000)	-	-
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-
Profit/ (loss) before taxation	(328,495)	26,465	(2,416,070)	(3,285,827)	(10,136,027)	(11,744,468)	150,404	(168,030)
Taxation	(9,645)	(10,874)	(209,731)	(404,390)	972,048	858,613	80,262	57,458
Profit/ (loss) for the year	(338,140)	15,591	(2,625,801)	(3,690,217)	(9,163,979)	(10,885,855)	230,666	(110,572)
Depreciation of property, plant & equipment (PPE)	41,800	38,618	386,380	498,842	964,413	1,198,452	34,164	18,087
Amortisation of ROU assets	55,451	36,852	3,873	3,872	1,330,979	1,372,130	33,811	13,550
Amortisation/ impairment of intangible assets	92,270	61,860	468	491	45,753	45,834	-	-
Retirement benefit obligations and related cost	41,848	42,752	11,652	13,015	111,043	111,033	3,979	3,599
Purchase and construction of PPE	40,491	22,113	68,812	37,446	440,566	669,696	38,453	2,013
Additions to intangible assets	68,856	11,314	-	-	21,505	7,138	-	-

	Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	42,746,775	32,601,878	35,860,649	31,729,163	3,023,136	1,881,835	136,250,434	108,603,331	-	-	136,250,434	108,603,331
	(278,274)	(188,614)	(803,183)	(706,713)	(3,020,721)	(1,873,487)	(7,255,091)	(4,981,186)	-	-	(7,255,091)	(4,981,186)
	42,468,501	32,413,264	35,057,466	31,022,450	2,415	8,348	128,995,343	103,622,145	-	-	128,995,343	103,622,145
	5,493,413	3,967,111	7,633,722	5,877,208	1,856,994	745,449	11,878,852	6,571,671	(243,884)	(220,894)	11,634,968	6,350,777
	8,200,674	9,423,751	1,655,971	1,266,307	2,146,933	2,969,759	13,507,788	15,173,987	(5,667,670)	(6,052,207)	7,840,118	9,121,780
	(2,211,343)	(2,672,679)	(2,034,949)	(2,023,838)	(4,125,823)	(5,555,754)	(19,516,556)	(22,182,934)	5,820,390	6,069,566	(13,696,166)	(16,113,368)
	(5,780,932)	(6,094,342)	-	-	-	-	(5,780,932)	(6,094,342)	-	-	(5,780,932)	(6,094,342)
	-	-	-	-	9,400	90,401	24,720	(646,869)	(4,070)	(121,368)	20,650	(768,237)
	-	-	-	-	5,594	16,759	5,594	16,759	-	-	5,594	16,759
	5,701,812	4,623,841	7,254,744	5,119,677	(106,902)	(1,733,386)	119,466	(7,161,728)	(95,234)	(324,903)	24,232	(7,486,631)
	(2,033,605)	(1,683,377)	(2,342,723)	(1,597,602)	(6,352)	(36,041)	(3,549,746)	(2,816,213)	(66,801)	(782,334)	(3,616,547)	(3,598,547)
	3,668,207	2,940,464	4,912,021	3,522,075	(113,254)	(1,769,427)	(3,430,280)	(9,977,941)	(162,035)	(1,107,237)	(3,592,315)	(11,085,178)
	171,437	154,017	1,835,424	1,775,492	13,848	21,639	3,447,466	3,705,147	10,234	8,105	3,457,700	3,713,252
	579,665	484,593	238,587	189,811	3,441	19,122	2,245,807	2,119,930	-	-	2,245,807	2,119,930
	217,558	28,272	51	51	720	1,031	356,820	137,539	146,272	146,272	503,092	283,811
	120,055	94,872	184,785	184,887	23,220	28,850	496,582	479,008	-	-	496,582	479,008
	275,979	116,433	1,378,318	1,604,861	259	2,242	2,242,878	2,454,804	-	-	2,242,878	2,454,804
	57,285	26,326	-	-	-	1,751	147,646	46,529	-	-	147,646	46,529

NOTES TO THE FINANCIAL STATEMENTS

48.2 Segment assets and liabilities

In Rs. '000	Information Technology		Leisure & Property		Retail		Automobiles	
As at 31 March	2026	2025	2026	2025	2026	2025	2026	2025
Property, plant and equipment	85,568	84,390	11,113,063	11,284,314	12,554,947	12,929,305	270,650	223,038
Right of use assets	134,709	55,666	39,701	43,575	5,633,973	5,218,045	264,019	28,482
Investment property	394,500	399,830	-	-	4,929,110	6,082,160	-	-
Intangible assets	167,658	182,543	85	553	229,348	253,594	-	-
Non-current financial assets	-	-	-	-	314	8,698	-	-
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-
Other non-current assets	12,043	11,606	12,031,019	11,259,818	865,199	685,983	17,396	9,143
Segment non-current assets	794,478	734,035	23,183,868	22,588,260	24,212,891	25,177,785	552,065	260,663
Investments in equity accounted investees								
Goodwill								
Intangible assets through business combinations								
Deferred tax assets								
Total non-current assets	794,478	734,035	23,183,868	22,588,260	24,212,891	25,177,785	552,065	260,663
Inventories	567,875	593,713	68,226	64,429	5,898,492	5,750,217	553,601	156,086
Trade and other receivables	2,569,366	2,288,511	360,006	292,916	2,684,522	2,892,914	312,379	91,426
Loans and advances	-	-	-	-	-	-	-	-
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-
Other current assets	440,475	315,468	728,650	620,091	1,878,605	2,077,030	22,424	18,225
Short term investments	350	246	387	387	665,829	606,840	-	-
Cash in hand and at bank	92,213	39,808	161,605	142,914	848,044	842,509	70,435	8,065
	3,670,279	3,237,746	1,318,874	1,120,737	11,975,492	12,169,510	958,839	273,802
Amounts due from related parties	1,914,303	1,569,429	119,418	125,431	11,358,758	8,457,639	105,989	64,860
Total current assets	5,584,582	4,807,175	1,438,292	1,246,168	23,334,250	20,627,149	1,064,828	338,662
Total assets								

Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group	
2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
899,680	722,309	36,804,004	35,261,328	27,907	47,022	61,755,819	60,551,706	73,688	57,270	61,829,507	60,608,976
1,839,320	1,366,718	1,344,982	1,155,455	6,886	4,066	9,263,590	7,872,007	(8,170)	(8,171)	9,255,420	7,863,836
-	103,237	-	-	1,159,200	1,149,800	6,482,810	7,735,027	(6,230,460)	(6,214,627)	252,350	1,520,400
145,338	103,747	357	408	-	720	542,786	541,565	-	-	542,786	541,565
38,618,837	32,189,390	58,282	66,867	14,479	1,910,798	38,691,912	34,175,753	(472,156)	(2,304,644)	38,219,756	31,871,109
191,851	1,049,363	-	-	-	-	191,851	1,049,363	-	-	191,851	1,049,363
2,000	1,000	91,316	83,183	-	-	13,018,973	12,050,733	6,587,428	6,535,474	19,606,401	18,586,207
41,697,026	35,535,764	38,298,941	36,567,241	1,208,472	3,112,406	129,947,741	123,976,154	(49,670)	(1,934,698)	129,898,071	122,041,456
						-	13,170	-	-	-	13,170
						4,907,551	4,763,210	-	-	4,907,551	4,763,210
						2,241,406	2,387,679	-	-	2,241,406	2,387,679
						4,675,668	3,698,724	-	-	4,675,668	3,698,724
41,697,026	35,535,764	38,298,941	36,567,241	1,208,472	3,112,406	141,772,366	134,838,937	(49,670)	(1,934,698)	141,722,696	132,904,239
154,176	804,921	1,365,105	1,018,588	-	-	8,607,475	8,387,954	90,266	44,666	8,697,741	8,432,620
7,942,149	5,027,778	1,473,426	1,453,880	2,372,135	1,828,486	17,713,983	13,875,911	(6,097,237)	(3,757,756)	11,616,746	10,118,155
5,501,597	3,944,893	-	-	-	-	5,501,597	3,944,893	(66,253)	(322)	5,435,344	3,944,571
547,063	436,153	-	-	-	-	547,063	436,153	-	-	547,063	436,153
1,045,282	1,300,711	9,085,356	6,041,271	627,285	360,629	13,828,077	10,733,425	(8,458,671)	(6,310,558)	5,369,406	4,422,867
24,982,138	14,070,276	-	545,054	20,851	17,869	25,669,555	15,240,672	(4,596,960)	(1,914,708)	21,072,595	13,325,964
8,722,440	3,552,754	920,372	654,099	50,708	10,616	10,865,817	5,250,765	-	-	10,865,817	5,250,765
48,894,845	29,137,486	12,844,259	9,712,892	3,070,979	2,217,600	82,733,567	57,869,773	(19,128,855)	(11,938,678)	63,604,712	45,931,095
1,636,882	6,327,477	14,822,149	12,435,904	20,537,832	20,921,857	50,495,331	49,902,597	(50,395,636)	(49,799,772)	99,695	102,825
50,531,727	35,464,963	27,666,408	22,148,796	23,608,811	23,139,457	133,228,898	107,772,370	(69,524,491)	(61,738,450)	63,704,407	46,033,920
						275,001,264	242,611,307	(69,574,161)	(63,673,148)	205,427,103	178,938,159

NOTES TO THE FINANCIAL STATEMENTS

In Rs. '000	Information Technology		Leisure & Property		Retail		Automobiles	
As at 31 March	2026	2025	2026	2025	2026	2025	2026	2025
Insurance contract liabilities	-	-	-	-	-	-	-	-
Interest bearing borrowings	-	-	16,745,679	16,514,122	6,383,530	7,018,830	-	-
Lease liabilities	88,900	16,280	52,503	55,103	5,379,356	4,785,175	244,456	39,842
Public deposits	-	-	-	-	-	-	-	-
Employee benefit liabilities	224,784	267,238	52,915	50,632	586,241	506,284	15,585	24,067
Other deferred liabilities	-	-	-	-	-	292	-	-
Other non-current financial liabilities	31,687	31,687	509,284	2,525,319	-	100,773	-	-
Segment non-current liabilities	345,371	315,205	17,360,381	19,145,176	12,349,127	12,411,354	260,041	63,909
Deferred tax liabilities								
Total non-current liabilities	345,371	315,205	17,360,381	19,145,176	12,349,127	12,411,354	260,041	63,909
Trade and other payables	2,437,790	1,298,491	4,377,937	4,536,337	16,833,726	14,440,919	162,312	101,077
Income tax liabilities	(3,867)	1,121	(1,697)	(414)	1,010,516	1,130,706	-	-
Other current financial liabilities	1,627,840	1,753,345	71,010	66,884	39,626,961	37,263,956	1,962,079	1,652,166
Current portion of interest bearing borrowings	-	-	7,902,619	5,643,790	6,635,026	6,449,725	-	-
Current portion of lease liabilities	54,373	34,427	2,600	2,262	1,220,504	1,164,409	46,836	7,941
Other current liabilities	907,597	756,020	529,286	641,300	3,591,362	2,097,101	126,569	272,102
Public deposits	-	-	-	-	-	-	-	-
Bank overdrafts	133,523	181,112	414,983	529,560	3,600,796	3,710,300	55,499	18,251
Segment current liabilities	5,157,256	4,024,516	13,296,738	11,419,719	72,518,891	66,257,116	2,353,295	2,051,537
Amounts due to related parties	95,070	58,572	1,684,933	1,947,192	15,041,750	11,439,918	672,548	350,577
Total current liabilities	5,252,326	4,083,088	14,981,671	13,366,911	87,560,641	77,697,034	3,025,843	2,402,114
Total liabilities								
Total segment assets	6,379,060	5,541,210	24,622,160	23,834,428	47,547,141	45,804,934	1,616,893	599,325
Total segment liabilities	5,597,697	4,398,293	32,342,052	32,512,087	99,909,768	90,108,388	3,285,884	2,466,023

	Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	48,383,637	33,671,063	-	-	-	-	48,383,637	33,671,063	-	-	48,383,637	33,671,063
	6,003,594	2,678,743	2,253,543	2,443,154	13,156,034	15,690,963	44,542,380	44,345,812	-	-	44,542,380	44,345,812
	1,696,692	1,231,270	657,651	512,402	4,269	1,369	8,123,827	6,641,441	-	-	8,123,827	6,641,441
	1,474,033	1,892,855	-	-	-	-	1,474,033	1,892,855	-	-	1,474,033	1,892,855
	674,528	450,304	1,127,248	868,652	149,011	156,530	2,830,312	2,323,707	-	-	2,830,312	2,323,707
	-	-	-	-	-	21,622	-	21,914	-	-	-	21,914
	97,250	2,656,138	2,584,611	2,918,564	1,120,095	2,825,657	4,342,927	11,058,138	(1,151,782)	(3,058,463)	3,191,145	7,999,675
	58,329,734	42,580,373	6,623,053	6,742,772	14,429,409	18,696,141	109,697,116	99,954,930	(1,151,782)	(3,058,463)	108,545,334	96,896,467
							8,256,644	7,974,765	-	-	8,256,644	7,974,765
	58,329,734	42,580,373	6,623,053	6,742,772	14,429,409	18,696,141	117,953,760	107,929,695	(1,151,782)	(3,058,463)	116,801,978	104,871,232
	5,049,419	3,838,643	5,681,880	5,725,984	6,398,622	6,083,345	40,941,686	36,024,796	(8,306,683)	(7,399,350)	32,635,003	28,625,446
	1,231,796	858,209	3,040,957	1,623,068	9,451	11,434	5,287,156	3,624,124	-	-	5,287,156	3,624,124
	14,281,102	9,278,575	6,499,644	6,742,149	23,656,451	20,258,862	87,725,087	77,015,937	(41,929,698)	(36,973,117)	45,795,389	40,042,820
	1,817,200	3,386,848	1,744,182	2,383,351	6,495,707	3,745,548	24,594,734	21,609,262	-	-	24,594,734	21,609,262
	197,054	161,002	165,711	93,700	2,749	2,610	1,689,827	1,466,351	(7,041)	(315)	1,682,786	1,466,036
	1,488,573	2,002,789	130,974	181,531	3,648,210	3,712,684	10,422,571	9,663,527	(235,396)	(2,114,083)	10,187,175	7,549,444
	2,262,184	2,380,533	-	-	-	-	2,262,184	2,380,533	(367)	(356)	2,261,817	2,380,177
	752,469	817,850	4,164,970	4,275,924	8,282	83,378	9,130,522	9,616,375	(22,982)	(143,166)	9,107,540	9,473,209
	27,079,797	22,724,449	21,428,318	21,025,707	40,219,472	33,897,861	182,053,767	161,400,905	(50,502,167)	(46,630,387)	131,551,600	114,770,518
	48,642	387,304	26,867	26,867	324,341	239,927	17,894,151	14,450,357	(17,892,143)	(14,446,996)	2,008	3,361
	27,128,439	23,111,753	21,455,185	21,052,574	40,543,813	34,137,788	199,947,918	175,851,262	(68,394,310)	(61,077,383)	131,553,608	114,773,879
							317,901,678	283,780,957	(69,546,092)	(64,135,846)	248,355,586	219,645,111
	92,228,753	71,000,727	65,965,349	58,716,037	24,817,283	26,251,863	275,001,264	242,611,307			205,427,103	178,938,159
	85,458,173	65,692,126	28,078,238	27,795,346	54,973,222	52,833,929	317,901,678	283,780,957			248,355,586	219,645,111

NOTES TO THE FINANCIAL STATEMENTS

49 UTILISATION OF FUNDS RAISED THROUGH THE RIGHTS ISSUE OF SHARES

Total Funds raised through the rights issue in FY24/25, amounting to Rs. 2,027.15 Mn was fully utilised for the objectives stated in the circular to shareholders dated on 10 July 2024.

Rights Issue proceeds utilization as at 31 March 2026

Objective Number	Objective as per Circulars	Amount allocated as per Circular Rs. Mn.	Proposed date of utilisation as per Circulars	Amount allocated from Proceeds Rs. Mn. (A)	% of total proceeds	Amount utilised Rs. Mn. (B)	% utilised against allocation	Clarification of not fully utilised including if not utilised where are the funds invested
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Utilisation of funds raised through rights issue of shares

1	To settle external debt, including bank debt, securitization loans, and commercial papers	2,981.36	Immediately upon the receipt of subscription and post allotment of shares	2,027.15	100.00	2,027.15	100.00	N/A
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50 CONTINGENT LIABILITIES

ACCOUNTING POLICY

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only if it is virtually certain.

The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

- » the amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or
- » the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (SLFRS 15)

Contingent assets are disclosed where inflow of economic benefit is probable.

As at reporting date, there were no significant contingent liabilities which require adjustment to or disclosure in the financial statements, other than those disclosed below.

No provision has been made in respect of the contingent liabilities stated below for the reasons given.

50.1 Asiri Surgical Hospital PLC

A dispute has arisen with the Department of Inland Revenue regarding the applicability of the income tax exemption for the years of assessment 2005/06 to 2014/15, in terms of the agreement entered into between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in 2000.

For these years of assessment (2005/06 through 2014/15), we have received written notifications from the Tax Appeals Commission. The total tax payable is Rs. 1.20 Bn including penalties, of which Rs. 520.00 Mn was provided for as of 31 March 2026.

Asiri Surgical Hospital PLC also filed a case in the Court of Appeal (CA [Writ] 386/2016) to prevent the recovery of tax for this matter, and an appeal has been made to the Supreme Court against the Court of Appeal's decision. Because this matter is in litigation, in accordance with Paragraph 92 of LKAS 37, we cannot provide further information or details on the associated risks so as not to impair the outcome or prejudice the subsidiary's position.

50.2 Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Central Hospital Ltd and Asiri Hospital Matara (Pvt) Ltd

There are pending litigations against Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, Central Hospital Ltd and Asiri Hospital Matara (Pvt) Ltd with a maximum liability of Rs. 25.00 Mn, Rs. 70.00 Mn, Rs. 303.00 Mn and Rs. 30.00 Mn respectively as at 31 March 2026 (2025 - Asiri Hospital Holdings PLC : Rs. 131.80 Mn, Asiri Surgical Hospital PLC : Rs. 70.70 Mn, Central Hospital Ltd - Rs. 103.10 Mn and Asiri Hospital Matara (Pvt) Ltd - Rs. Nil).

Although there can be no assurance, the Directors of respective companies believe, based on the information currently available, that the resolution of such legal processes are not likely to have a material adverse effect on the companies or the Group.

50.3 Softlogic Finance PLC

A case was filed against Softlogic Finance PLC at the District Court of Colombo (Case No. DMR 3689/21) by a customer, who claimed that the Deed of Transfer executed over his property in favour of Softlogic Finance was invalid and claimed damages of Rs. 70.00 Mn. Subsequently, a settlement was entered into with the customer on 20 December 2024. This settlement was duly recorded in court, and the case was laid by accordingly. Furthermore, the customer has to make payments as per the settlement plan entered in court.

50.4 Softlogic Life Insurance PLC (SLI)

Value Added Tax (VAT)

The Department of Inland Revenue issued Value Added Tax (VAT) assessments for the 2010 taxable period, which were subsequently ruled on by the Tax Appeal Commission (TAC) in 2019. Out of eleven total assessments, eight were determined in favour of the Commissioner General of Inland Revenue (CGIR), totaling Rs. 46.50 Mn (including penalties). The remaining three assessments were determined in favour of the Company, totaling Rs. 24.80 Mn (including penalties).

Dissatisfied with the rulings in favour of the CGIR, the Company appealed the case to the Court of Appeal. The total tax exposure for this appeal stands at Rs. 46.50 Mn, inclusive of penalties. Conversely, the CGIR appealed the three rulings determined in favour of the Company to the Court of Appeal. Both cases are currently stated for the opinion of the Honorable Court of Appeal.

Value Added Tax on Financial Services

The CGIR issued its determination on the appeal filed by the Company relating to the assessments raised for Y/A 2014/15, 2016/17, and 2017/18 under the Value Added Tax Act, amounting to Rs. 68.70 Mn, Rs. 28.00 Mn, and Rs. 102.40 Mn respectively, ruling in favour of the CGIR.

For the Y/A 2014/15 and 2017/18, the Company received the determinations of the TAC in its favour. However, being dissatisfied with these determinations, the CGIR has referred the cases to the Court of Appeal for its opinion.

The Company is in the process of hearing the other appeal on the Y/A 2016/17 with TAC, on the basis that the underlying computation includes items which are out of scope of the VAT Act.

An assessment has been issued for the Company under the Value Added Tax Act in relation to the Y/A 2019/20 and 2021/22, amounting to Rs. 433.18 Mn including the penalty. For the Y/A 2019/20, the Company has appealed to the TAC upon receipt of the CGIR determination. For the other case, the Company has appealed on the same basis as stated above and is awaiting the CGIR determination.

The Company has received an Assessment for the Y/A 2022/23 and 2023/24, amounting to Rs. 1,307.42 Mn, including the penalty, and is in the process of appealing for an administrative review.

NOTES TO THE FINANCIAL STATEMENTS

Nation Building Tax on Financial Services

An assessment has been issued under the Nation Building Tax Act in relation to the Y/A 2018/19 amounting to Rs. 9.70 Mn. The Company has filed an appeal to the CGIR on the basis that the underlying computation includes items which are out of scope of the NBT Act. The Company is awaiting the CGIR's determination.

Life Insurance Taxation

The TAC issued its determination in favour of the Company regarding the assessment of Rs. 1.02 Mn for the Year of Assessment (Y/A) 2010/11. Dissatisfied with this decision, the CGIR has appealed the matter to the Court of Appeal for an opinion. The Company is currently awaiting the Court's decision.

The TAC issued its determination on the appeal filed by the Company relating to the assessments raised for the Y/A 2011/12 and 2012/13, amounting to Rs. 10.10 Mn and Rs. 12.40 Mn respectively, in favour of the CGIR. Dissatisfied with the determination, the Company transmitted the cases to the Court of Appeal for an opinion. The Court of Appeal ruled in favour of the Company on the expenses related matters.

The CGIR issued its determination on the appeal filed by the Company relating to the assessments raised for the Y/A 2014/15, 2015/16, 2016/17, and 2017/18. The determination, which amounted to Rs. 681.69 Mn along with a penalty, was

in favour of the CGIR. However, for the Y/A 2014/15 and 2017/18, the Company has received the determinations of the TAC in favour of the Company.

However, cases have been stated to the Honourable Court of Appeal by the CGIR. The Company is in the process of having its appeals heard by the Tax Appeals Commission for the Y/As 2015/16 and 2016/17.

The CGIR issued its determination on the appeal filed by the Company relating to the assessments raised for the Y/As 2018/19, 2019/20, 2020/21, and 2021/22, amounting to Rs. 2,645.93 Mn along with penalties, in favour of the CGIR. The Company has submitted petitions of appeal to the TAC.

PAYE Tax

The company has received an assessment on PAYE tax for the Y/A 2016/17 amounting to Rs. 0.90 Mn along with a penalty, for which the company has duly submitted an appeal.

Based on the information available and the advice of the tax consultants, the Directors of the Company are confident that the company has followed due process and acted in accordance with the prevailing laws in its tax submissions and therefore the resolution of this contingency is unlikely to have a material adverse effect on the company or the Group.

51 CAPITAL AND OTHER COMMITMENTS

51.1 Capital commitments

In Rs. '000 As at 31 March	GROUP	
	2026	2025
Capital commitments approved but not provided for	3,492,778	3,964,003
Capital commitments approved but not contracted	4,500,000	4,556,300

51.2 Guarantees issued and in-force, and commitments for unutilised facilities

In Rs. '000 As at 31 March	GROUP		COMPANY	
	2026	2025	2026	2025
Guarantees issued and in-force	127,006	188,699	40,697,368	42,540,638
Commitment for unutilised facilities	85,069	53,260	-	-

52 EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the date of the statement of financial position, which require disclosure in the financial statements other than the following.

52.1 Softlogic Holdings PLC

Issue of warrants

The company made an announcement to the Colombo Stock Exchange on 17 August 2026, further to the announcement dated 4 August 2025, to extend the date of exercise of warrants from 18 September 2026 to 7 October 2026, subject to obtaining the approval of the shareholders/warrant holders.

Leisure Sector - Hotel Management Agreement with Internationally Renowned Hotel Operator Accor Group and Rebranding of the Colombo Hotel and Bentota Hotel as Pullman Brand Hotels

Softlogic City Hotels (Private) Limited and Ceysand Resorts Limited, subsidiaries of the company, have entered into two separate hotel management agreements with the internationally renowned hotel operator Accor Group to rebrand and operate its hotels situated in the heart of Colombo and the South-west Coast of Sri Lanka under the Accor Group's premium luxury brand, "Pullman". The Colombo Hotel and Bentota Hotel are now rebranded as "Pullman Colombo City Centre" and "Pullman Bentota Resort & Spa.

52.2 Softlogic Life Insurance PLC

Acquisition of shares by Asiri Hospital Holdings PLC

10,870,000 shares of Softlogic Life Insurance PLC, amounting to 3.44%, were acquired by Asiri Hospital Holdings PLC, a subsidiary of Softlogic Holdings PLC, on 29 May 2026.

Acquisition of 60% stake in Diamond Life Insurance Company Limited (Bangladesh)

The Company entered into a Share Purchase Agreement in June 2026 to acquire 60% of the issued shares of Diamond Life Insurance Company Limited, a licensed life insurer in Bangladesh, for an approximate consideration of USD 1.90 Mn. The acquisition was completed in July 2026 following the receipt of requisite regulatory approvals.

Payment of an Interim Dividend

An interim dividend of Rs. 5.30 per share for the financial year 2026 was paid to the shareholders on 21 July 2026, as resolved by the Board of Directors on 22 June 2026.

52.3 Odel PLC

The Odel Mall Project

Originally a mixed-development project consisting of two zones (Zone 1 and Zone 2), the plan has been revised so that the primary focus is on completing Zone 1 within the next 1.5 to 2 years. Construction work on Zone 1 has recommenced and is currently progressing. Zone 2, a 100-perch block of land, remains for future development.

NOTES TO THE FINANCIAL STATEMENTS

52.4 Re-negotiating the debt repayment plans with the lending institutions and restructuring the debts

The Group negotiations with the lending institutions to obtain capital and interest moratoriums and interest rebates/ waive-offs for the purpose of minimising the cash outflows on its financing activities has resulted the following approved debt restructuring. Moreover, negotiations are in progress with other lending institutions to obtain further concessions to the Group entities.

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
Softlogic Holdings PLC	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR plus margin	13 bi-annual installments commencing after 18 months capital grace period from March 2024	865,896
		Term loan	Fixed rate for first 12 months and thereafter AWPLR plus margin	13 bi-annual installments commencing after 18 months capital grace period from March 2024	1,000,000
		Term loan	Concessionary fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	125,339
		Term loan	Concessionary fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	164,853
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs. 865.00 Mn and Rs. 125.34 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	130,588
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs. 1,000.00 Mn and Rs. 164.85 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	180,814
	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	2,213,343
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	1,998,901
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	201,657
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months capital grace period from March 2024	1,278,100
		Term loan	Interest Free	Differed until settlement of Term Loans amounting to Rs.2,213.34 Mn, Rs. 1,998.90 Mn, Rs. 201.66 Mn and Rs. 1,278.10 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	512,637

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	DFCC Bank	Term loan	AWPLR	14 bi-annual installments commencing after 12 months capital grace period from April 2024	1,343,680
		Term loan	Interest free	14 bi-annual installments commencing after 12 months capital grace period from April 2024	240,000
		Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs.1,343.6 Mn and Rs. 240.0 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	240,000
	People's Bank	Term loan	AWPLR plus margin	20 quarterly installments commencing from August 2025	2,499,473
		Term loan	Fixed Rate	20 quarterly installments commencing from August 2025	324,400
	Bank of Ceylon	Term Loan	AWPLR plus margin	72 monthly installments commencing after 6 months capital grace period from August 2024	1,861,169
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	12 bi-annual installments commencing after 6 months capital grace period from June 2024	902,000
		Term Loan	Interest free rate for 1st year and thereafter AWPLR plus margin	2 bi-annual installments followed by 11 equal monthly installments commencing from September 2024	229,193
	National Development Bank PLC	Term Loan	AWPLR plus margin	24 quarterly installments commencing from January 2025	1,000,000
		Term Loan	AWPLR	72 monthly installments commencing from January 2025	122,258
		Term Loan	Interest free	Differed until settlement of Term Loans amounting to Rs.1,000.00 Mn and Rs. 122.26 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	122,258
	Nations Trust Bank PLC	Term Loan	AWPLR plus margin	60 monthly installments commencing from April 2025	236,993
		Term loan	Interest free	60 monthly installments commencing from April 2025	26,703
	Softlogic Mobile Distribution (Pvt) Ltd	Term loan	Fixed rate for first 12 months and thereafter AWPLR	54 monthly installments commencing after 6 month capital grace period from February 2024	1,186,000
		Term Loan	AWPLR plus margin	30 monthly installments commencing from May 2024	100,000
		Term Loan	AWPLR plus margin	18 monthly installments commencing from July 2026	100,000

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Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	DFCC Bank	Term Loan	AWPLR plus margin	72 monthly installments commencing after 12 month capital grace period from March 2026	544,541
		Term Loan	Interest free	72 monthly installments commencing after 12 month capital grace period from March 2026	188,643
		Term Loan	Interest free	Differed until settlement of above Term Loans amounting to Rs. 544.54 Mn and Rs. 188.64 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	188,643
	National Development Bank PLC	Term Loan	AWPLR plus margin	Capital outstanding to be settled in full on or before 30 September 2026	571,811
		Term Loan	Interest free	Differed until settlement of above Term Loan amounting to Rs. 571.81 Mn and LC acceptances and import loans with in agreed tenor, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	186,000
Softlogic Communication (Pvt) Ltd	Seylan Bank PLC	Term Loan	AWPLR plus margin	60 monthly installments commencing from July 2025	549,500
Future Automobiles (Pvt) Ltd	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR	Bullet payment within a period of 12 months from the divestment of group assets or any other cash flow	965,000
		Term loan	Concessionary fixed rate	Bullet payment within a period of 12 months from the divestment of group assets or any other cash flow	139,000
		Term loan	Concessionary fixed rate	Bullet payment within a period of 12 months from the divestment of group assets or any other cash flow	175,000
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	18 equally monthly installments commencing from June 2024	36,000
Softlogic Supermarkets (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	75 monthly installments commencing after 6 months grace period from February 2023	208,333
		Term loan	AWPLR plus margin	75 monthly installments commencing after 5 months grace period from February 2023	273,788
		Term loan	AWPLR plus margin	12 monthly installments commencing from June 2023	53,022
	National Development Bank PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after 12 months grace period from February 2024	1,098,216

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
		Term loan	AWPLR plus margin	60 monthly installments commencing after 12 months grace period from February 2024	750,400
		Term loan	AWPLR plus margin	72 monthly installments commencing after 12 months grace period from February 2024	280,000
		Term loan	AWPLR plus margin	33 monthly installments commencing after 3 months grace period from February 2024	106,438
		Term loan	AWPLR plus margin	33 monthly installments commencing from May 2024	110,000
Odel PLC	Bank of Ceylon	Term loan	AWPLR plus margin	12 monthly installments commencing from August 2023	27,930
		Term loan	AWPLR plus margin	66 monthly installments commencing after 17 months capital grace period and 6 month repayment holiday from February 2023	227,501
		Term loan	Fixed rate	26 monthly installments commencing after 9 month capital grace period and 6 months repayment holiday from February 2023	82,169
		Term Loan	AWPLR plus margin	78 monthly installments commencing from May 2024	318,170
	Union Bank of Colombo PLC	Term loan	AWPLR plus margin	47 monthly installments commencing from October 2023	842,662
		Term loan	AWPLR plus margin	6 equal monthly installments commencing from October 2023	47,100
		Term loan	AWPLR plus margin	12 monthly installments commencing after 6 months grace period from September 2023	47,100
		Term Loan	Fixed rate	84 monthly installments commencing from May 2024	1,114,262
	Hatton National Bank PLC	Term Loan	AWPLR	72 monthly installments commencing after 12 months capital grace period from September 2024	1,470,000
	National Development Bank PLC	Term Loan	Fixed rate	24 monthly installments commencing from May 2024	26,745
		Term Loan	Fixed rate	24 monthly installments commencing from May 2024	4,738
		Term Loan	Interest free	Differed until settlement of Term Loan amounting to Rs.26.74Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	26,745
		Term Loan	Interest free	Differed until settlement of Term Loan amounting to Rs.4.73Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	4,738

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Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	DFCC Bank	Term Loan	AWPLR plus margin	72 monthly installments commencing after 12 month capital grace period from March 2026	1,777,693
		Term Loan	Interest free	72 monthly installments commencing after 12 month capital grace period from March 2026	343,071
		Term Loan	Interest free	Differed until settlement of above Term Loans amounting to Rs. 1,777.69 Mn and Rs. 343.07 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	343,071
Softlogic Brands (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	78 monthly installments commencing after 6 months capital grace period from January 2024	199,380
		Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	296,889
		Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	32,144
	Seylan Bank PLC	Term loan	Interest free	Differed until settlement of Term Loans amounting to Rs. 296.89 Mn and Rs. 32.14 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	1,495
		Term loan	AWPLR plus margin	72 monthly installments commencing after 12 month capital grace period from March 2026	758,215
		Term loan	Interest free	72 monthly installments commencing after 12 month capital grace period from March 2026	197,865
		Term loan	Interest free	Differed until settlement of above Term Loans amounting to Rs. 758.22 Mn and Rs. 197.87 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	197,865
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	36 monthly installments commencing from June 2026	200,000
	Hatton National Bank PLC Sampath Bank PLC Bank of Ceylon	Syndicated loan	AWPLR plus margin	84 monthly installments commencing from December 2025	5,400,000
Softlogic Information Technologies (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	24 monthly installments commencing from June 2024	150,000

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	DFCC Bank	Term Loan	AWPLR plus margin	72 monthly installments commencing after 12 month capital grace period from April 2026	534,479
		Term Loan	Interest free	72 monthly installments commencing after 12 month capital grace period from April 2026	49,430
		Term Loan	Interest free	Differed until settlement of above Term Loan amounting to Rs. 534.48 Mn and 49.43 Mn, which may be waived off at the direction of the Bank in the event all obligations of the borrower have been met.	49,430
Softlogic Retail (Pvt) Ltd	Pan Asia Banking Corporation PLC	Term loan	AWPLR plus margin	84 monthly installments commencing after 12 month capital grace period from February 2024	1,337,000
		Term loan	Interest free	Differed until settlement of above Term Loan amounting to Rs.1,337.00 Mn, which may be waived off at the direction of the Bank in the event all obligations of the borrower have been met.	144,000
	Sampath Bank PLC	Term loan	Interest free rate for first 2 years and thereafter 10% (Variable)	120 monthly installments commencing from July 2026	1,777,000
		Term loan	Interest free	121 monthly installments commencing from July 2026. Differed Rs. 500.00 Mn until settlement of above Term Loans amounting to Rs.1,777.00 Mn and Rs.1,040.00 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	1,040,000
	National Development Bank PLC	Term Loan	AWPLR	36 monthly installments commencing from January 2025	83,000
		Term Loan	Interest free	Differed until settlement of above Term Loan amounting to Rs.83 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	83,000
		Term Loan	AWPLR plus margin	72 monthly installments commencing from January 2025	1,389,500
		Term Loan	AWPLR	36 monthly installments commencing from January 2025	313,776

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
		Term Loan	Interest free	Differed until settlement of above Term Loans amounting to Rs.1,389.50 Mn and Rs.313.78 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	270,102
	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	50 monthly installments commencing from November 2023	1,000,000
		Term Loan	AWPLR plus margin	33 monthly installments commencing from June 2026	200,000
	Union Bank of Colombo PLC	Term Loan	Fixed rate	84 monthly installments commencing from May 2024	855,525
	Seylan Bank PLC	Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	645,561
		Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	141,181
		Term loan	Interest free	Differed until settlement of above Term Loans amounting to Rs. 645.56 Mn and Rs. 141.18 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	147,404
	Cargills Bank PLC	Term Loan	AWPLR plus margin	72 monthly installments commencing after 12 month capital grace period from August 2024	238,618
	People's Bank	Term Loan	AWPLR plus margin	108 monthly installments commencing after 12 month capital grace period from October 2025	480,000
		Term Loan	Fixed rate	72 monthly installments commencing from October 2025	80,000
	DFCC Bank	Term Loan	AWPLR plus margin	108 monthly installments commencing after 12 month capital grace period from March 2026	2,934,135
		Term Loan	Interest free	108 monthly installments commencing after 12 month capital grace period from March 2026	404,227
		Term Loan	Interest free	Differed until settlement of above Term Loans amounting to Rs. 2,934.14 Mn and Rs. 404.23 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	404,227
Softlogic Restaurants (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	23 monthly installments commencing from August 2024	46,479
		Term Loan	AWPLR plus margin	50 equal monthly installments commencing from August 2024	100,000

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Restructured facility amount Rs. '000
	Bank of Ceylon	Term Loan	AWPLR plus margin	24 monthly installments commencing from August 2024	40,000
		Term Loan	AWPLR plus margin	60 equal monthly installments commencing from August 2024	150,000
		Term Loan	AWPLR plus margin	60 equal monthly installments commencing from August 2024	165,000
		Term Loan	AWPLR plus margin	90 monthly installments commencing after 5 month capital grace period from June 2023	236,000
		Term Loan	AWPLR plus margin	47 monthly installments commencing after 5 month capital grace period from June 2023	110,586
Suzuki Motors Lanka Ltd	Commercial Bank of Ceylon PLC	Term Loan	AWPLR plus margin	36 monthly installments commencing from June 2024	62,000
	Union Bank of Colombo PLC	Term Loan	Fixed rate	84 monthly installments commencing after 12 month capital grace period from May 2024	40,200
SML Holdings (Pvt) Ltd	Union Bank of Colombo PLC	Term Loan	Fixed rate	84 monthly installments commencing after 12 month capital grace period from May 2024	12,570
Softlogic Pharmaceuticals (Pvt) Ltd	Seylan Bank PLC	Term Loan	AWPLR plus margin	57 monthly installments commencing after 3 month capital grace period from September 2025	353,000
Softlogic Capital PLC	DFCC Bank	Term loan	AWPLR plus margin	6 annual installments commencing from March 2024	1,284,000
	National Development Bank PLC	Term Loan	AWPLR plus margin	5 annual installments commencing from March 2025	199,461
		Term Loan	AWPLR plus margin	6 annual installments commencing from March 2025	800,000
		Term Loan	Interest free	Differed until settlement of above Term Loan amounting to Rs. 199.40 Mn and Rs. 800.00 Mn, which may be waived off at the direction of the Bank if all obligations under the above Term Loans have been met.	140,711
Asiri Hospital Holdings PLC	Seylan Bank PLC	Term Loan	AWPLR plus margin	60 monthly installments commencing from April 2025	1,550,000
Asiri Hospital Galle (Pvt) Ltd	Seylan Bank PLC	Term Loan	AWPLR plus margin	31 monthly installments commencing from June 2024	113,750

The facility was restructured as follows: Rs.47,541 Mn before 31 March 2026 and Rs. 12,233 Mn after 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

53. SECURITY AND REPAYMENTS TERMS OF INTEREST BEARING BORROWINGS

53.1 Security and repayment terms

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance	Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000	Rs. Mn.
Soflogic Holdings PLC	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from July 2024	2,389,834	2,312,437	4,981.78
							a) 105,440,000 shares of Asiri Hospital Holdings PLC, 119,850,336 shares of Soflogic Capital PLC and 63,200 shares of Lanka IOC PLC owned by Soflogic Holdings PLC
		Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from July 2024	2,167,289	2,088,608	
							b) Primary concurrent mortgage for Rs. 70.00 Mn over land and building at No. 14, De Fonseka Place Colombo - 05
		Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from July 2024	217,738	204,263	
							b) Secondary concurrent mortgage for Rs. 30.00 Mn over land and building at No. 14, De Fonseka Place Colombo - 05
		Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months commencing from September 2024	1,412,145	1,316,155	
							c) Additional mortgage for Rs. 380.00 Mn over land and building at No. 14, De Fonseka Place Colombo - 05
		Term loan	Interest Free	Repayable by way of a bullet payment after 72 months from September 2024 if above loans amounting to Rs. 2,312.44 Mn, 2,088.61 Mn, Rs. 204.26 Mn and Rs. 1,316.16 Mn loans are not duly settled	512,637	512,637	
		Term loan	AWPLR plus margin	12 bi-annual installments commencing from January 2025	435,119	461,180	2,013.00
	Commercial Bank of Ceylon PLC						a) Floating Primary Concurrent mortgage bond for Rs. 130.00 Mn over the property bearing Assessment No. 14 & No. 14B, De Fonseka Place, Colombo 05, owned by Soflogic Holdings PLC

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
								b) Floating Secondary Concurrent mortgage bond for Rs. 50.00 Mn over the property bearing Assessment No: 14 & No: 14B, De Fonseka Place, Colombo 05, owned by Softlogic Holdings PLC. c) Primary mortgage bond for Rs. 583.00 Mn over 33,400,000 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC d) Primary mortgage for Rs. 750.00 Mn over 100,000,000 shares of Softlogic Capital PLC owned by Softlogic Holdings PLC e) Primary mortgage for Rs. 500.00 Mn over 25,000,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd
	Nations Trust Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing from July 2025	211,810	-	412.50	Mortgage over 37,398,004 shares of Asiri Hospital Holdings PLC and 7,522,861 shares of Softlogic Capital PLC owned by Softlogic Holdings PLC for Rs.412.50 Mn
		Term loan	Interest free	60 monthly installments commencing from July 2025	23,143	-		
		Term loan			-	260,956		
	Sampath Bank PLC	Term loan	Fixed rate for first 12 months and thereafter AWPLR	13 bi-annual installments commencing after 18 months capital grace period from March 2024	914,566	936,320	2,372.70	a) 14,655,978 shares of Softlogic Capital PLC owned by Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	Fixed rate for first 12 months and thereafter AWPLR	13 bi-annual installments commencing after 18 months capital grace period from March 2024	1,057,987	1,081,331		b) 26,646,000 shares of Softlogic Life Insurance PLC owned by Softlogic Capital PLC
		Term loan	Fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	116,678	129,551		
		Term loan	Fixed rate	13 bi-annual installments commencing after 18 months capital grace period from March 2024	153,517	170,467		
		Term loan	Interest free	Repayable by way of a bullet payment after 96 months from March 2024 if above loans amounting to Rs. 865.90 Mn and Rs. 125.34 Mn loans are not duly settled	130,588	130,588		
		Term loan	Interest free	Repayable by way of a bullet payment after 96 months from March 2024 if loans amounting to Rs. 1,000.00 Mn and Rs. 164.85 Mn loans are not duly settled	180,814	180,814		
People's Bank		Term loan	AWPLR plus margin	20 quarterly installments commencing after 3 months grace period from May 2025	2,497,718	-	10,258.31	a) 28,467,691 shares of Asiri Hospital Holdings PLC, 198,286,577 shares of Softlogic Capital PLC, 148,121 shares of Softlogic Life Insurance PLC and 2,373,680 shares of Softlogic Finance PLC owned by Softlogic Holdings PLC
		Term loan	Fixed rate	20 quarterly installments commencing after 3 months grace period from May 2025	303,393	-		b) 49,702,271 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan			-	426,424		c) Corporate guarantees from Softlogic Retail (Pvt) Ltd for Rs. 6,000,000 Mn
		Term loan			-	416,104		
		Term loan			-	1,931,469		
Bank of Ceylon		Term loan	AWPLR plus margin	72 monthly installments commencing after 6 months grace period from August 2024	1,991,563	1,877,723	2,981,99	a) Mortgaged over freehold land and buildings at No: 114, Norris Canal Road, Colombo 10
								b) 92,594,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd
								a) 112,650,000 shares of Odel PLC owned by Softlogic Retail Holdings (Pvt) Ltd
DFCC Bank PLC		Term loan	AWPLR	14 bi-annual installments commencing after 12 months capital grace period from April 2024	1,413,902	1,395,583	3,512.07	
		Term loan	Interest free	14 bi-annual installments commencing after 12 months capital grace period from April 2024	196,609	196,609		b) 70,000,000 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	Interest free	Repayable by way of a bullet payment after 192 months from April 2024 if loans amounting to Rs. 1,395.58 Mn loan and Rs. 196.61 Mn loans are not duly settled	196,609	196,609		
National Development Bank PLC		Term loan	AWPLR plus margin	24 quarterly installments commencing after 4 months grace period from January 2025	860,840	973,834	2,000.00	Rs. 2,000.00 Mn value of shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	AWPLR	72 monthly installments commencing after 4 months grace period from January 2025	106,755	122,244		

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	Interest free	Repayable by way of a bullet payment after 76 months from January 2025 if loans amounting to Rs. 973.83 Mn and Rs. 122.24 Mn loans are not duly settled	122,258	122,258		
		Term loan	AWPLR plus margin	48 monthly installments commencing from January 2026	358,936	-	590.07	Rs. 590.07 Mn value of shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	AWPLR	48 monthly installments commencing from January 2026	245,476	-		
					18,217,924	17,444,164		

53. SECURITY AND REPAYMENTS TERMS OF INTEREST BEARING BORROWINGS

53.2 Security and repayment terms

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
Softlogic Retail (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	60 equal monthly installments commencing from February 2020	356,137	502,000	356.14	a) Mortgage bond for Rs. 1,000.00 Mn over credit and debit card sales receivables including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd b) Supplementary mortgage bond over credit and debit card sales including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd c) Floating mortgage bond for Rs. 100.00 Mn over credit and debit card sales including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd routed through the acquiring and participating banks d) Floating mortgage bond for Rs. 300.00 Mn over credit and debit card sales including installment sales of all outlets of the Softlogic Retail (Pvt) Ltd routed through the acquiring and participating banks
					1,155,020	1,389,346	4,304.55	a) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 500.00 Mn
					209,183	313,776		b) Rs. 1,488.55 Mn worth shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
					270,102	270,102		c) Quadripartite Agreement by and between Softlogic Holdings PLC, Borrower, NDB Securities (Private) Limited and the bank

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	AWPLR	36 monthly installments commencing from January 2025	55,400	83,000		d) Corporate Guarantee from Softlogic Holdings PLC for Rs. 2,316.00Mn.
		Term loan	Interest free	Repayable by way of a bullet payment after 36 months from January 2025 if above loan amounting to Rs. 83.00 Mn is not duly settled	83,000	83,000		
	Union Bank of Colombo PLC	Term loan	Fixed Rate	84 monthly installments commencing from May 2024	777,102	834,137	1,527.10	a) Corporate guarantee from Softlogic Holdings PLC for Rs. 750.00 Mn b) Concurrent mortgage bonds over stocks and assignment of book debts
	Pan Asia Banking Corporation	Term loan	AWPLR plus margin	84 monthly installments commencing after a grace period of 12 months from January 2024	1,205,600	1,337,000	4,654.32	a) Corporate guarantee from Softlogic Holdings PLC for Rs. 1,500.00 Mn, Corporate guarantee from Softlogic Information Technologies (Pvt) Ltd for Rs. 1,500.00 Mn and Corporate guarantee from Suzuki Motors Lanka Ltd for Rs. 1,500.00 Mn b) 5,026,667 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
		Term loan	Fixed Rate	Repayable by way of a bullet payment after 96 months from January 2024	144,000	144,000		
	Seylan Bank PLC	Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	644,361	645,561	1,845.14	a) Concurrent mortgage bonds over stocks and assignment of book debts b) Corporate guarantee from Softlogic Holdings PLC for Rs. 1,060.00 Mn
		Term loan	AWPLR plus margin	84 monthly installments commencing from February 2025	140,781	141,181		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	Interest free	Repayable by way of a bullet payment after 84 months from February 2025 if above loan amounting to Rs. 645.56 Mn and Rs. 141.18 Mn are not duly settled	147,404	147,404		
	Peoples Bank	Term loan	AWPLR plus margin	120 months (including 12 months grace period), commencing from October 2026	480,000	-	480.00	Corporate Guarantee from Softlogic Holdings PLC for Rs. 480.00 Mn
		Term loan	AWPLR plus margin	72 monthly installments commencing from October 2025	80,000	-		
	Cargills Bank	Term loan	AWPLR plus margin	72 monthly installments commencing from August 2026	235,401	-	900.00	a) Existing concurrent mortgage over stocks & book debts for Cargills share of Rs. 300.00 Mn b) Corporate Guarantee from Softlogic Holdings PLC for LKR 600.00 Mn
Softlogic Restaurants (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	23 monthly installments commencing from August 2024	6,062	30,312	332.22	a) Primary mortgage bond over credit and debit card sales receivables of all outlets of the Softlogic Restaurants (Pvt) Ltd b) Primary mortgage bond for Rs. 40.00 Mn over equipment at selected Burger King Outlets of the company at Asiri Central Hospital, Colombo, Liberty Plaza, Colombo 03, Mount Lavinia, Rajagiriya and Independence Arcade.
		Term loan	AWPLR plus margin	50 equal monthly installments commencing from August 2024	60,000	84,000		
		Term loan	AWPLR plus margin	60 equal monthly installments commencing from August 2024	102,386	132,387		

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	AWPLR plus margin	60 equal monthly installments commencing from August 2024	115,500	148,500		
		Term loan	AWPLR plus margin	24 monthly installments commencing from August 2024	8,270	28,310		
	Bank of Ceylon	Term loan			-	70,574		
		Term loan			-	21,589		
	National Development Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months from September 2022	70,024	121,168	420.02	a) Mortgage bond over cash flow collection of Burger King, Baskin Robins, Crystal Jade and Delifrance outlet located at One Galle Face Mall and Burger King outlet in Rajagiriya b) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 350.00 Mn c) Mortgage over cash collection of proposed 2 Burger King outlets, 4 Popeyes outlets and credit card collection of proposed 1 Burger King outlets and 4 Popeyes outlet
Softlogic Supermarkets (Pvt) Ltd	Bank of Ceylon	Term loan			-	96,916		
		Term loan	AWPLR plus margin	80 equal monthly installments commencing after a grace period of 5 months commencing from September 2023	48,789	148,789	500.00	Corporate guarantee from Softlogic Holdings PLC for Rs. 500.00 Mn

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026	2025		
					Rs. '000	Rs. '000	Rs. Mn.	
National Development Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing after a grace period of 12 months from February 2024		720,820	750,400	1,720.82	a) Credit card receivables of Glomark Supermarket situated at Malabe and Butugamuwa outlets
								b) Mortgage over the cash flows collected from the Glomark Supermarket situated at Malabe and Butugamuwa outlets
								c) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 1,000.00 Mn
	Term loan	AWPLR plus margin	72 monthly installments commencing after a grace period of 12 months from February 2024		1,004,781	1,065,881	2,129.78	a) Credit card receivables of Glomark Supermarket situated at Thalawathugoda and Kandana outlets
								b) Mortgage over the cash flows collected from the Glomark Supermarket Situated at Thalawathugoda and Kandana outlets
								c) Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 1,125.00 Mn
	Term loan	AWPLR plus margin	72 equal monthly installments commencing after a grace period of 12 months from February 2024		226,944	280,000	1,353.70	a) Mortgage over movable assets of Glomark Supermarket situated at Mount Lavinia, Malabe, Negambo, Thalawathugoda, Kandana, Kandy, Hendala, Delkanda, Kottawa, Nawala, Kurunagala, Asiri Central and Asiri Kandy
								b) Mortgage over the cash flows collected from the Glomark Supermarket situated at Mount Lavinia, Malabe, Negambo, Thalawathugoda, Kandana, Kandy, Hendala, Orion City, CR & FC and Grandpass
					40,532	81,063		

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	AWPLR plus margin	33 monthly installments commencing from May 2024	15,920	31,840		
Footwear Retailer Ltd	Hatton National Bank PLC	Term loan			-	8,125		
Suzuki Motors Lanka Ltd	DFCC Bank PLC	Term loan			-	53,073		
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	36 monthly installments commencing from June 2024	37,650	53,650	172.65	a) Concurrent mortgage over stocks of motor cycles and other movable assets and book debts of Suzuki Motors Lanka Limited b) Corporate guarantee from Softlogic Holdings PLC for Rs. 135.00 Mn
	Union Bank of Colombo PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after a grace period of 12 months commencing from May 2024	31,762	34,360	191.76	a) Concurrent mortgage over stocks and book debts of Suzuki Motors Lanka Limited b) Corporate guarantee from Softlogic Retail (Pvt) Ltd for Rs. 160.00 Mn
S M L Holdings (Pvt) Ltd	Union Bank of Colombo PLC	Term loan	AWPLR plus margin	72 equal monthly installments commencing after a grace period of 12 months commencing from May 2024	11,367	12,297	100.00	Corporate guarantee from Suzuki Motors Lanka Ltd for Rs. 100.00 Mn
Softlogic City Hotels (Pvt) Ltd	Commercial Bank of Ceylon PLC	Term loan	SOFR plus margin	96 monthly installments commencing from August 2022	11,836,037	10,481,377	20,812.88	a) Mortgage over freehold property bearing Asst. Nos. 24, 24A, 24B, 24C, 20/14, 20/20 at Dharmapala Mawatha, Kollupitiya owned by Softlogic Properties (Pvt) Ltd and other project assets of Hotel b) Corporate guarantee from Softlogic Holdings PLC for USD 36.40 Mn
		Term loan	SOFR plus margin	61 monthly installments commencing from August 2022	548,728	493,832		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
Ceysands Resorts Ltd	Nations Trust Bank PLC	Term loan	Interest free	80 monthly installments commencing from August 2022	848,151	816,788		
		Term loan	3 months SOFR plus margin	10 equal bi annual installments commencing from April 2020	2,284,502	2,106,817	5,847.34	a) Mortgage for USD 9.20 Mn over leasehold rights of hotel lands and building
		Term loan			-	23,141		b) Corporate guarantee from Softlogic Holdings PLC for USD 9.20 Mn c) Assignment of AMEX receivables
Softlogic Capital PLC	National Development Bank PLC	Term loan	AWPLR plus margin	5 annual installments commencing from March 2025	656,500	657,729	3,952.70	48,559,000 shares of Softlogic Life Insurance PLC owned by Softlogic Capital PLC
		Term loan	AWPLR plus margin	6 annual installments commencing from March 2025	164,461	165,690		
		Term loan	Interest free	Repayable by way of a bullet payment after 72 months from March 2025 if above loans amounting to Rs. 657.73 Mn and 165.69 Mn are not duly settled	140,711	140,711		
Asiri Hospital Holdings PLC	DFCC Bank PLC	Term loan	AWPLR plus margin	6 annual installments commencing from March 2024	811,335	803,570	2,644.74	32,490,704 shares of Softlogic Life Insurance PLC owned by Softlogic Capital PLC
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	90 monthly installments commencing after a grace period of 40 months commencing from December 2015	84,132	168,204	2,750.60	Primary mortgage bond for Rs. 2750.60 Mn over leasehold right of Asiri Kandy Hospital Property situated at No: 907 Peradeniya Road, Kandy, more fully depicted as lot 1&2 in plan No 3856A owned by the company

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
		Term loan	AWPLR plus margin	96 monthly installments commencing after a grace period of 24 months commencing from September 2016	400,581	680,396		
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	12,611	24,514	53.90	Primary mortgage bond for Rs. 53.90 Mn over Medical Equipment
		Term loan	AWPLR plus margin	60 monthly installments commencing from June 2022	15,013	29,145	64.20	Primary mortgage bond for Rs. 64.20 Mn over Medical Equipment
		Term loan	AWPLR plus margin	60 monthly installments commencing from January 2023	11,891	19,404	33.90	Primary mortgage bond for Rs. 33.90 Mn over Medical Equipment
		Term loan	AWPLR plus margin	48 monthly installments commencing from June 2023	9,590	17,249	30.40	Primary mortgage bond for Rs. 30.40 Mn over Medical Equipment
		Term loan			-	11,493		
		Term loan	AWPLR plus margin	24 monthly installments commencing from October 2024	509,514	1,122,493		General terms and conditions relating to the term loan signed by the company
	Sampath Bank PLC	Term loan			-	59,667		
		Term loan	AWPLR plus margin	108 monthly installments commencing after a grace period of 12 months commencing from March 2019	152,070	202,528	450.00	a) Third party primary mortgage bond for Rs. 450.00 Mn over hospital property at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026	2025		
					Rs. '000	Rs. '000	Rs. Mn.	
Asiri Surgical Hospital PLC	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing from September 2025	1,487,825	-	560.00	a) Mortgage bond for Rs. 560.00 Mn over property at No. 10, Esplanade Road, Uyanwatta, Matara, owned by Asiri Hospital Matara (Pvt) Ltd
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	60 equal monthly installments commencing from March 2023	141,252	216,132	141.25	Mortgage bond over Credit/ Debit card receivables of the card operations of Asiri Surgical Hospital PLC
		Term loan	AWPLR plus margin	36 monthly installments commencing from January 2025	77,531	121,667	119.40	Mortgage bond for Rs.119.40 Mn to be executed over GE Advance Cathlab Model.
		Term loan			-	22,056		
		Term loan			-	24,766		
		Term loan	AWPLR plus margin	12 equal monthly installments commencing from September 2025	10,378	-	20.51	Mortgage bond for Rs. 20.51 Mn over High-End Echo Cardiology System
DFCC Bank PLC		Term loan	AWPLR plus margin	24 monthly installments commencing from November 2025	39,757	-	47.20	Mortgage bond for Rs. 47.20 Mn over CT Tube for Bright Speed.
	DFCC Bank PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after a grace period of 12 months commencing from March 2020	279,248	493,666	1,200.00	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 1,200.00 Mn
	Sampath Bank PLC	Term loan	AWPLR	60 monthly installments commencing after a grace period of 6 months commencing from December 2020	41,954	201,731	60.48	Securitisation of all future credit/debit card receivables of Asiri Surgical Hospital PLC

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
Central Hospitals Ltd		Term loan	AWPLR	60 monthly installments commencing after a grace period of 6 months commencing from February 2021	18,524	58,167		
		Term loan			-	103,600		
	Sampath Bank PLC	Term loan	AWPLR	60 monthly installments commencing after a grace period of 3 months commencing from July 2021	45,250	246,250	45.25	Securitisation of all future credit/ debit card receivables of Central Hospitals Ltd
		Term loan			-	6,832		
	Commercial Bank of Ceylon PLC	Term loan			-	10,603		
Asiri Hospital Galle (Pvt) Ltd		Term loan	AWPLR plus margin	18 monthly installments commencing from December 2024	42,444	187,518	210.00	Primary mortgage bond for Rs. 210.00 Mn over Machinery and Equipment
		Term loan	AWPLR plus margin	66 monthly installments commencing after a grace period of 6 months commencing from December 2023	350,483	441,775	500.00	Primary mortgage over Land and Building at No. 114, Norris Canal Road, Colombo 10
	Bank of Ceylon	Term loan	AWPLR plus margin	108 monthly installments commencing after a grace period of 12 months commencing from March 2020	95,016	118,800	200.00	Additional mortgage for Rs. 200.00 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
		Term loan	AWPLR plus margin					
	Sampath Bank PLC	Term loan	AWPLR plus margin					

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026	2025		
					Rs. '000	Rs. '000	Rs. Mn.	
		Term loan	AWPLR plus margin	108 monthly installments commencing after a grace period of 24 months commencing from October 2021	145,491	172,350	244.35	a) Primary mortgage for Rs. 158.00 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd b) Additional mortgage for Rs. 86.35 Mn over the premises at No. 10, Wackwella Road, Galle owned by Asiri Hospital Galle (Pvt) Ltd
	Seylan Bank PLC	Term loan	AWPLR plus margin	30 monthly installments commencing from June 2024	27,171	65,500	450.00	Corporate guarantee from Asiri Hospital Holdings PLC for Rs. 450.00 Mn
	Bank of Ceylon	Term loan	AWPLR plus margin	78 equal monthly installments commencing from May 2024	244,739	290,596	861.50	Mortgage over the premises at No. 475/32, Kotte Road, Rajagiriya owned by Odel Properties (Pvt) Ltd
	Hatton National Bank PLC	Term loan	AWPLR plus margin	72 monthly installments commencing after a grace period of 12 months commencing September 2024	752,213	801,596	3,496.19	a) Concurrent mortgage over stocks and book debts b) Primary mortgage over credit card receivables c) Mortgage for Rs. 1602.50 Mn to be executed over 64,878,397 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
	Union Bank of Colombo PLC	Term loan	Fixed rate	84 monthly installments commencing from May 2024	921,140	1,032,652	921.14	Concurrent mortgage over stocks and book debts
	State Bank of India	Term loan			-	24,379		
	Indian Bank	Term loan			-	33,920		

NOTES TO THE FINANCIAL STATEMENTS

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
	National Development Bank PLC	Term loan	Fixed rate	24 monthly installments commencing from May 2024	5,572	18,945	200.00	Corporate guarantee from Softlogic Retail Holdings (Pvt) Ltd for Rs. 200.00 Mn
		Term loan	Interest free	Repayable by way of a bullet payment after 24 months from May 2024 if loan amounting to Rs. 18.95 Mn loan is not duly settled	26,745	26,745		
	DFCC Bank PLC	Term loan	Fixed rate	60 equal monthly installments commencing after a grace period of 12 months from January 2024	313,840	313,840	987.14	Mortgage of 32,154,341 shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
Softlogic Brands (Pvt) Ltd	Bank of Ceylon	Term loan	AWPLR plus margin	78 monthly installments commencing after a grace period of 6 months from January 2024	153,369	184,043	449.30	Primary mortgage over the premises at No. 29 A, Jayathilaka Mawatha, Panadura Plan No: 966 owned by Odel PLC
		Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	296,239	296,889	990.56	a) Overall Counter Indemnity b) Corporate guarantee from ODEL PLC for Rs. 331.00 Mn
	Seylan Bank PLC	Term loan	AWPLR plus margin	60 monthly installments commencing from February 2025	32,044	32,144		c) Negative Pledge over stock and book debts for Rs. 331.00 Mn
		Term loan	Interest free	Repayable by way of a bullet payment after 60 months from February 2025 if loans amounting to Rs. 296.89 Mn and Rs. 32.14 Mn loans are not duly settled	1,495	1,495		

Company	Lending institution	Nature of facility	Interest Rate	Repayment Term	Outstanding Balance		Carrying value of collaterals	Security
					2026 Rs. '000	2025 Rs. '000		
Odel Properties One (Pvt) Ltd	Hatton National Bank PLC	Syndicated loan	AWPLR plus margin	84 monthly installments commencing after a grace period of 54 months from December 2025	9,130,881	8,235,958	11,591.98	a) Primary concurrent mortgage for Rs. 5,400.00 Mn over the project premises at Dr. C W W Kannangara Mawatha, Colombo - 07 owned by Odel PLC
	Sampath Bank PLC							b) Further and additional security over 100% of ordinary shares of Odel Properties One (Pvt) Ltd owned by Odel PLC
	Bank of Ceylon							c) Corporate guarantee from Softlogic Holdings PLC for Rs. 5,400.00 Mn
Softlogic Mobile Distribution (Pvt) Ltd	Sampath Bank PLC	Term loan	AWPLR	60 monthly installments commencing after a grace period of 6 months from February 2024	984,050	1,168,050	2,184.05	a) Concurrent mortgage over stocks in trade located in Piliyandala and book debts of Softlogic Mobile Distribution (Pvt) Ltd
	Commercial Bank of Ceylon PLC	Term loan	AWPLR plus margin	30 monthly installments commencing from May 2024	35,000	99,500	35.00	b) Corporate guarantee from Softlogic Holdings PLC for Rs. 1,200.00 Mn
	National Development Bank PLC	Term loan	AWPLR plus margin	Capital Outstanding to be settled in full on or before September 2026	414,810	-	697.42	Concurrent mortgage over stocks of mobile phones accessories and other movable assets and book debts of Softlogic Mobile Distribution (Pvt) Ltd
Softlogic Pharmaceuticals (Pvt) Ltd	Seylan Bank PLC	Term loan	AWPLR plus margin	57 monthly installments commencing from April 2026 after a grace period of 3 months	353,000	-	400.00	Rs. 697.42 Mn worth shares of Asiri Hospital Holdings PLC owned by Softlogic Holdings PLC
					61,655,508	59,664,818		a) Corporate guarantee from Softlogic Mobile Distribution (Pvt) Ltd for Rs. 100.00 Mn b) Concurrent mortgage over stocks and book debts for Rs. 300.00 Mn located at EFL 3PL Global, Sri Lanka, No 390, Avissawella Road, Colombo 09

INVESTOR INFORMATION

GENERAL

Stated Capital as at 31 March 2026 was Rs. 14,146,382,253.

STOCK EXCHANGE LISTING

The ordinary shares of Softlogic Holdings PLC were listed in the Colombo Stock Exchange of Sri Lanka on 20 June 2011 and the trading commenced on 12 July 2011.

PUBLIC SHAREHOLDING

- » Public Holding Percentage was 11.22% as at 31 March 2026.
- » The number of public shareholders as at 31 March 2026 was 10,537.
- » Float adjusted market capitalisation as at 31 March 2026 was Rs. 1,565,479,452.44
- » Minimum public holding percentage - The Company is in compliance with option 1 of the Listing Rules 7.13.1 (i) (b) (1) which requires 7.5% minimum public holding percentage and 200 minimum public shareholders.

DISTRIBUTION OF SHAREHOLDING

There were 10,552 registered shareholders as at 31 March 2026

No of Shares held	No of Shareholders	% of Shareholders	Total Holding	% of Total Holding
1 - 1,000	6,913	65.52	3,503,848	0.25
1,001 - 10,000	2,804	26.57	9,873,575	0.71
10,001 - 100,000	656	6.22	22,112,660	1.58
100,001 - 1,000,000	146	1.38	42,903,427	3.07
Over 1,000,000	33	0.31	1,316,864,469	94.39
	10,552	100.00	1,395,257,979	100.00

Analysis Report of Shareholders as at 31 March 2026

Category	No of Shareholders	% of Shareholders	Total Holdings	% of Total Holding
Individual	10,310	97.71	394,235,328	28.26
Institutions	242	2.29	1,001,022,651	71.74
Total	10,552	100.00	1,395,257,979	100.00
Resident	10,503	99.54	963,617,630	69.06
Non- Resident	49	0.46	431,640,349	30.94
Total	10,552	100.00	1,395,257,979	100.00

TWENTY LARGEST SHAREHOLDERS OF THE COMPANY AS AT 31 MARCH 2026

Name	Shares	%
01 Mr. Asoka Kariyawasam Pathirage	616,407,331	44.18
02 Samena Ceylon Holdings Limited	326,453,981	23.40
03 Mr. Haresh Kumar Kaimal	80,439,792	5.77
04 Mr. Ranjan Janaka Perera	75,437,508	5.41
05 Mr. Govinda Waduge Don Hemantha Udaya Gunawardena	71,333,852	5.11
06 Standard Chartered Bank DIFC Branch S/A Samena Special Situations Fund III L.P.	53,653,654	3.85
07 Mr. Dhia Yahya Dhia Al-Din Jaffar	23,403,211	1.68
08 Standard Chartered Bank DIFC Branch S/A Samena Special Situations Fund II L.P.	15,000,000	1.08
09 Mr. Nihal Samarasuriya	9,450,644	0.68
10 Mr. Samir Jimmy Fancy	7,225,323	0.52
11 Mr. Suranjan Praveen Perera	5,419,198	0.39
12 Seylan Bank PLC/ARRC Capital (Pvt) Ltd	4,194,817	0.30
13 Mr. Fazlur Rahman Muzammil	3,909,182	0.28
14 Mr. Anthony Lakshan Alburt Leitan	3,249,470	0.23
15 Mrs. Gnanasekara Iyer Vasunthara	3,115,000	0.22
16 Seylan Bank PLC/Anuja Chamila Jayasinghe	2,634,279	0.19
17 Dialog Finance PLC/J.M.P.B. Jayasundara	2,188,549	0.16
18 Seylan Bank PLC/Gladstone Capital (Private) Limited	2,126,000	0.15
19 Mr. Georges Rajaa Geha	2,015,372	0.14
20 Hatton National Bank PLC/Anuja Chamila Jayasinghe	1,950,342	0.14

SHARE TRADING INFORMATION

	2025/2026	2024/2025
Highest (Rs.)	12.80	12.50
Lowest (Rs.)	5.40	6.70
Closing (Rs.)	10.00	7.10
Turnover (Rs.)	2,177,571,938.30	647,568,299.90
Number of Shares traded	239,812,696	75,259,109
Number of Trades	30,534	16,339

EQUITY INFORMATION

	2025/2026	2024/2025
Loss per share (Rs.)	6.18	11.19
Net Liabilities per share (Rs.)	47.61	42.66

CORPORATE DIRECTORY

Name of the Company	Date of Registration	Registered office
1 Softlogic Holdings PLC	25/02/1998	No. 14, De Fonseka Place, Colombo 05
2 Asiri Academy of Health Sciences (Pvt) Ltd	07/09/2023	No. 181, Kirula Road, Colombo 05
3 Asiri AOI Cancer Centre (Private) Limited	17/03/2017	No. 21, Kirimandala Mawatha, Colombo 05
4 Asiri Central Hospitals Ltd	07/09/1992	No. 114, Norris Canal Road, Colombo 10
5 Asiri Diagnostic Services (Asia) Pte. Limited	05/10/2019	8 Temasek Boulevard, No. 35 -03, Suntec Tower three, Singapore (038988)
6 Asiri Diagnostics Services (Pvt) Ltd	19/09/1995	No. 181, Kirula Road, Colombo 05
7 Asiri Hospital Galle (Private) Limited	29/05/2007	No. 181, Kirula Road, Colombo 05
8 Asiri Hospital Holdings PLC	29/09/1980	No. 181, Kirula Road, Colombo 05
9 Asiri Hospital Matara (Pvt) Ltd	17/04/2007	No. 26, Esplanade Road, Uyanwatta, Matara
10 Asiri Laboratories (Pvt) Ltd	08/03/2016	No. 181, Kirula Road, Colombo 05
11 Asiri Port City Hospital (Pvt) Ltd	04/05/2022	No 14, De Fonseka Place, Colombo 05
12 Asiri Surgical Hospital PLC	30/03/2000	No. 21, Kirimandala Mawatha, Colombo 05
13 Central Hospital Ltd	14/09/2006	No. 114, Norris Canal Road, Colombo 10
14 Ceysand Resorts Ltd	06/03/1973	No. 14, De Fonseka Place, Colombo 05
15 Cotton Collection (Pvt) Ltd	29/04/1993	No. 475/32, Kotte Road, Rajagiriya
16 Dai-Nishi Securities (Pvt) Ltd	26/07/1993	No. 14, De Fonseka Place, Colombo 05
17 Diamond Life Insurance Company Limited	20/02/2014	15/1-15/4 Tropical Mollah Tower (4th Floor), Pragati Sharani, Badda Link Road, Gulshan, Dhaka-1212
18 FAB ASIRI (Pvt) Ltd	09/11/2023	No. 257, Thalawathugoda Road, Pitakotte
19 Footwear Retailer Ltd	18/04/2023	No. 100, General Sir John Kotalawala Road, Ratmalana
20 Future Automobiles (Pvt) Ltd	06/12/2010	No. 14, De Fonseka Place, Colombo 05
21 Nextage (Pvt) Ltd	11/04/2012	No. 79, C W W Kannangara Mawatha, Colombo 07
22 ODEL Apparel Holdings (Pvt) Ltd	27/06/2022	No. 475/32, Kotte Road, Rajagiriya
23 ODEL Apparel Lanka (Pvt) Ltd	01/07/2022	No. 475/32, Kotte Road, Rajagiriya
24 ODEL Apparels (Pvt) Ltd	10/10/1991	No. 475/32, Kotte Road, Rajagiriya
25 ODEL Information Technology Services (Pvt) Ltd	30/11/2007	No. 475/32, Kotte Road, Rajagiriya
26 ODEL Lanka (Pvt) Ltd	04/07/2006	No. 475/32, Kotte Road, Rajagiriya
27 ODEL PLC	31/10/1990	No. 475/32, Kotte Road, Rajagiriya
28 ODEL Properties (Pvt) Ltd	10/10/1991	No. 475/32, Kotte Road, Rajagiriya
29 ODEL Properties One (Pvt) Ltd	10/06/2016	No. 475/32, Kotte Road, Rajagiriya
30 ODEL Restaurants (Private) Limited	19/02/2018	No. 475/32, Kotte Road, Rajagiriya
31 S R One (Pvt) Ltd	28/03/2024	Level 16, One Galle Face Tower, Colombo 02
32 Sabre Travel Network Lanka (Pvt) Ltd	21/01/1999	No. 14, De Fonseka Place, Colombo 05
33 Silk Route Foods (Private) Limited	10/10/2014	No. 14, De Fonseka Place, Colombo 05
34 SML Holdings (Private) Limited	27/04/2000	No. 371, New Nuge Road, Peliyagoda
35 Softlogic Asset Management (Pvt) Ltd	24/05/2006	Level 16, One Galle Face Tower, Colombo 02

Name of the Company		Date of Registration	Registered office
36	Softlogic Australia (Pty) Ltd	05/01/2000	Unit 2, Building B, 18-24 Ricketts Road, Mount Waverley, Vic 3149
37	Softlogic Automobiles (Pvt) Ltd	02/04/2012	No. 14, De Fonseka Place, Colombo 05
38	Softlogic BPO Services (Private) Limited	13/12/2013	No. 14, De Fonseka Place, Colombo 05
39	Softlogic Brands (Pvt) Ltd	08/11/1993	No. 14, De Fonseka Place, Colombo 05
40	Softlogic Capital PLC	21/04/2005	Level 16, One Galle Face Tower, Colombo 02
41	Softlogic City Hotels (Pvt) Ltd	30/06/2011	No. 14, De Fonseka Place, Colombo 05
42	Softlogic Communication Services (Pvt) Ltd	16/09/2009	No. 14, De Fonseka Place, Colombo 05
43	Softlogic Communications (Pvt) Ltd	30/10/2000	No. 14, De Fonseka Place, Colombo 05
44	Softlogic Computers (Pvt) Ltd	13/09/1995	No. 14, De Fonseka Place, Colombo 05
45	Softlogic Corporate Services (Pvt) Ltd	24/06/2005	No. 14, De Fonseka Place, Colombo 05
46	Softlogic Destination Management (Pvt) Ltd	22/03/2012	No. 14, De Fonseka Place, Colombo 05
47	Softlogic Energy Solutions (Pvt) Ltd	27/08/2025	No. 14, De Fonseka Place, Colombo 05
48	Softlogic Finance PLC	24/08/1999	JFI Tower III, Zone B&C, No. 75, Piyadasa Sirisena Mawatha, Colombo 10
49	Softlogic Healthcare Holdings Ltd	28/08/2018	No. 181, Kirula Road, Colombo 05
50	Softlogic Healthy Concepts (Pvt) Ltd	13/08/2022	No 14, De Fonseka Place, Colombo 05
51	Softlogic Information Technologies (Pvt) Ltd	02/09/1992	No. 14, De Fonseka Place, Colombo 05
52	Softlogic International (Pvt) Ltd	09/01/1997	No. 14, De Fonseka Place, Colombo 05
53	Softlogic IT Holdings (Pvt) Ltd	02/05/2023	No 14, De Fonseka Place, Colombo 05
54	Softlogic JSM Entertainment (Pvt) Ltd	13/08/2021	No 14, De Fonseka Place, Colombo 05
55	Softlogic Life Insurance PLC	21/04/1999	Level 16, One Galle Face Tower, Colombo 02
56	Softlogic Life Insurance Lanka Ltd	24/03/2008	Level 16, One Galle Face Tower, Colombo 02
57	Softlogic Manufacturing (Pvt) Ltd	06/05/2022	No 14, De Fonseka Place, Colombo 05
58	Softlogic Mobile Distribution (Private) Limited	30/09/2014	No. 14, De Fonseka Place, Colombo 05
59	Softlogic Pharmaceuticals (Private) Limited	30/11/2005	No. 14, De Fonseka Place, Colombo 05
60	Softlogic Properties (Pvt) Ltd	04/01/2005	No. 14, De Fonseka Place, Colombo 05
61	Softlogic Restaurants (Private) Limited	05/08/2013	No. 14, De Fonseka Place, Colombo 05
62	Softlogic Retail (Private) Limited	06/09/1969	No. 14, De Fonseka Place, Colombo 05
63	Softlogic Retail Holdings (Private) Limited	09/03/2018	No. 14, De Fonseka Place, Colombo 05
64	Softlogic Retail One (Private) Limited	04/07/2014	No. 14, De Fonseka Place, Colombo 05
65	Softlogic Rewards (Private) Limited	05/11/2018	No. 14, De Fonseka Place, Colombo 05
66	Softlogic Solar (Pvt) Ltd	14/11/2002	No. 14, De Fonseka Place, Colombo 05
67	Softlogic Stockbrokers (Pvt) Ltd	26/11/2010	Level 16, One Galle Face Tower, Colombo 02
68	Softlogic Supermarkets (Pvt) Ltd	27/08/2014	No. 14, De Fonseka Place, Colombo 05
69	SCAP One (Pvt) Ltd	02/05/2023	No 14, De Fonseka Place, Colombo 05
70	Suzuki Motors Lanka Limited	12/09/1985	No. 371, New Nuge Road, Peliyagoda

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Monday the 19th day of October 2026 at 10.00 a.m. at the Auditorium of Central Hospital Limited (4th Floor), No. 114, Norris Canal Road, Colombo 10 for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2026 together with the Report of the Auditors thereon.
2. To re-elect Mr. H.K. Kaimal who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.
3. To re-elect Mr. G.W.D.H.U. Gunawardena who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.
4. To re-elect Mr. T. Nadarasa who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.
5. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
6. To authorise the Directors to determine and make donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting.
7. To discuss matters giving rise to an emphasis of matter on going concern contained in the Audited Financial Statements for year 2021/2022, 2022/2023, 2023/2024, 2024/2025 and 2025/2026 and the remedial actions intended to be adopted by the Company to ensure compliance with Rule 7.5 (d) (ii) of the Listing Rules of the CSE, the impact of such emphasis of matter on going concern not resolved for a period of 15 months from the date of transferring its securities to the Watch List.

By order of the Board of
SOFTLOGIC HOLDINGS PLC

(Sgd.)

SOFTLOGIC CORPORATE SERVICES (PVT) LTD

Company Secretaries

17 September 2026

Colombo

NOTES

1. A Shareholder who is entitled to participate, speak and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him/her.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.
4. Shareholders are advised to follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.

FORM OF PROXY

*I/We of
being *member/members of SOFTLOGIC HOLDINGS PLC, do hereby appoint
(holder of N.I.C No.) of
.....or (whom falling)

- | | |
|----------------------------|--------------|
| Mr. A.K. Pathirage | whom failing |
| Mr. H.K. Kaimal | whom failing |
| Mr. G.W.D.H.U. Gunawardena | whom failing |
| Mr. R.J. Perera | whom failing |
| Prof. A.S. Dharmasiri | whom failing |
| Mr. T. Nadarasa | whom failing |
| Mr. M.I. Furkan | whom failing |
| Mr. S. Saraf | whom failing |

as *my/our Proxy to represent *me/us and to speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held on Monday the 19th day of October 2026 at 10.00 am and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	For	Against
1. To receive and consider the Annual Report of the Board of Directors and Financial Statements of the Company and of the Group for the year ended 31st March 2026 together with the Report of the Auditors thereon.	☐	☐
2. To re-elect Mr. H.K. Kaimal who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.	☐	☐
3. To re-elect Mr. G.W.D.H.U. Gunawardena who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.	☐	☐
4. To re-elect Mr. T. Nadarasa who retires by rotation in terms of Article 87 of the Articles of Association, as a Director of the Company.	☐	☐
5. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	☐	☐
6. To authorise the Directors to determine and make donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting.	☐	☐
7. To discuss matters giving rise to an emphasis of matter on going concern contained in the Audited Financial Statements for year 2021/2022, 2022/2023, 2023/2024, 2024/2025 and 2025/2026 and the remedial actions intended to be adopted by the Company to ensure compliance with Rule 7.5 (d) (ii) of the Listing Rules of the CSE, the impact of such emphasis of matter on going concern not resolved for a period of 15 months from the date of transferring its securities to the Watch List.	☐	☐

.....
Signature

.....
Date

Notes

- 1. *Please strike off the inappropriate words.
- 2. A proxy need not be a shareholder of the Company.
- 3. Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be forwarded to the Company for deposit at the Registered Office through the Company Secretaries, Softlogic Corporate Services (Pvt) Ltd, No. 14, De Fonseka Place, Colombo 05, marked "SOFTLOGIC HOLDINGS PLC – Annual General Meeting" or email corporateservices@softlogic.lk not later than 48 hours before the time appointed for the Meeting.
3. In forwarding the completed and duly signed Proxy to the Company, please follow the Guidelines and Attendance Registration Process for the Annual General Meeting available on the Corporate Website of the Company and the Website of the Colombo Stock Exchange.
- 4 The Proxy shall –
 - (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - (b) In the case of a Company or Corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or Corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute (as applicable).
5. Please indicate with a 'X' how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/ her discretion will vote as he/she thinks fit.

CORPORATE INFORMATION

NAME OF COMPANY

Softlogic Holdings PLC

LEGAL FORM

Company was incorporated on 25th February 1998 under the name of Softlogic Holdings (Private) Limited and re-registered on 17th December 2007 under the Companies Act No. 7 of 2007. Changed to a Public Limited Liability Company on 10th December 2008. The shares of the Company were listed on the Colombo Stock Exchange on 20th June 2011 and the name of the Company was changed to Softlogic Holdings PLC on 25th August 2011.

COMPANY REGISTRATION NO

PV 1536 PB/PQ

REGISTERED OFFICE OF THE COMPANY

14, De Fonseka Place,
Colombo 05
Sri Lanka

CONTACT DETAILS

14, De Fonseka Place, Colombo 05
Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2508 291

E-mail : info@softlogic.lk

Web : www.softlogic.lk

CONTACT FOR MEDIA

Softlogic Holdings PLC
14, De Fonseka Place,
Colombo 05
Sri Lanka

Tel : +94 11 5575 000 Ext: 5305

Fax : +94 11 2595 441

DIRECTORS

A.K. Pathirage

- Chairman/ Managing Director

H.K. Kaimal

G.W.D.H U. Gunawardena

R.J. Perera

J.D.N. Kekulawala

(Retired w.e.f. 4th September 2026)

Prof. A.S. Dharmasiri

S. Saraf

T. Nadarasa

M.I. Furkan

C.K. Gupta

(Alternate Director to S. Saraf)

AUDIT COMMITTEE

M.I. Furkan - Chairman

J.D.N. Kekulawala

(Retired w.e.f. 4th September 2026)

Prof A.S. Dharmasiri

T. Nadarasa

HR AND REMUNERATION COMMITTEE

Prof. A.S. Dharmasiri - Chairman

J.D.N. Kekulawala

(Retired w.e.f. 4th September 2026)

T. Nadarasa

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

M.I. Furkan - Chairman

H.K. Kaimal

T. Nadarasa

NOMINATIONS AND GOVERNANCE COMMITTEE

T. Nadarasa - Chairman

J.D.N. Kekulawala

(Retired w.e.f. 4th September 2026)

Prof. A.S. Dharmasiri

AUDITORS

Ernst & Young Chartered Accountants

Rotunda Towers,
No. 109, Galle Road,
Colombo 03
Sri Lanka

LAWYERS

Heritage Partners

Attorneys-at- Law
Heritage House,
No. 4, Malalasekera Pedesa,
Colombo 07
Sri Lanka

Nithya Partners

Attorneys-at-Law
No. 97/A, Galle Road,
Colombo 03
Sri Lanka

SECRETARIES AND REGISTRARS

Softlogic Corporate Services (Pvt) Ltd

No. 14, De Fonseka Place,
Colombo 05
Sri Lanka

Tel : +94 11 557 5000

Fax : +94 11 250 8291

BANKERS

Bank of Ceylon

Cargills Bank PLC

Commercial Bank of Ceylon PLC

DFCC Bank PLC

Hatton National Bank PLC

Indian Bank

Muslim Commercial Bank

National Development Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

State Bank of India

Union Bank of Colombo PLC



Softlogic Holdings PLC

14, De Fonseka Place, Colombo 05, Sri Lanka
Tel : +94 (11) 557 5000, Fax : +94 (11) 250 8291
E-mail : investorrelations@softlogic.lk, info@softlogic.lk