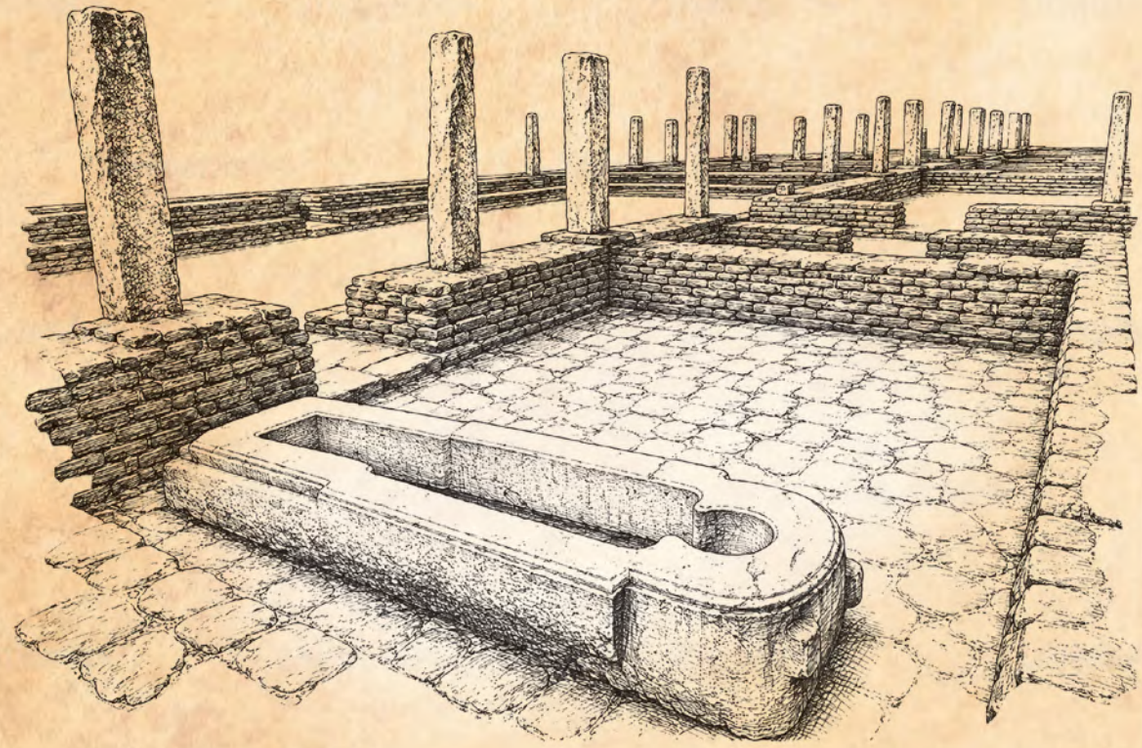
# The Pride

## *Shaping the Future*



SINGHE Hospitals
quality healthcare

ANNUAL REPORT 2025/26

# ANNUAL REPORT
2025|26

SINGHE
Hospitals
quality healthcare


SINGHE
Hospitals
quality healthcare

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*"Puskola potha" (or ola leaf) refers to traditional Sri Lankan palm-leaf manuscripts. They were crafted from the processed leaves of the Talipot or Palmyra palm and inscribed with a stylus, serving as the primary medium for preserving historical, medical, and Buddhist texts for over 2,300 years.*

# WELCOME TO SINGHE HOSPITALS

## 12th Annual Report

We are pleased to present the 12th Annual Report of Singhe Hospitals PLC for the financial year ended 31st March 2026. This report reflects the Company's continued progress, resilience and commitment to delivering quality healthcare services while creating sustainable value for all stakeholders.

During the year under review, Singhe Hospitals continued to strengthen its operational capabilities, financial performance, governance practices and patient-centered healthcare services. This Annual Report serves as a transparent and comprehensive overview of our strategic direction, operational achievements, financial performance and future aspirations.

At Singhe Hospitals, we firmly believe that long-term success is built on a strong foundation of responsible governance, innovation, sustainability and compassionate healthcare. Accordingly, this report highlights how the Company creates value across its clinical, financial, social, environmental and governance dimensions while remaining committed to ethical and sustainable business practices.

### Strengthening Stakeholder Confidence

Transparency, Accountability, Governance, Sustainability and effective stakeholder engagement remain central to our corporate philosophy. This report includes key operational developments, governance practices, stakeholder engagement outcomes and risk management initiatives that shaped the Company during the year. Through open communication and responsible reporting, we aim to strengthen stakeholder confidence, support informed decision-making and build enduring relationships with all those connected to Singhe Hospitals.

> **Singhe Hospitals PLC operates in a highly regulated environment where legal, healthcare-specific, financial, environmental and governance standards converge. This Annual Report reflects our strict adherence to all applicable regulatory and professional frameworks that ensure transparency, ethical conduct and accountability in the healthcare sector.**



### Value Delivered to Our Stakeholders

**Shareholders**
Receive a clear view of our long-term strategic direction, risk management approach and sustainability performance enabling more informed and confident investment decisions.

**Employees**
Gain a deeper connection to the organization through transparency on our mission, values and strategic priorities fostering a strong sense of belonging, engagement and motivation.

**Patients and Their Families**
Discover our unwavering commitment to ethical healthcare, safety and community wellbeing strengthening trust and deepening loyalty to the Singhe Hospitals brand.

**Suppliers and Business Partners**
Benefit from clear communication of our long-term goals and commitment to mutual value creation enabling alignment, stronger collaboration and shared success.

**Communities**
Understand our role in contributing to local development, public health and environmental care, reinforcing our position as a responsible and compassionate corporate citizen.

**Regulators and Public Authorities**
Gain assurance that Singhe Hospitals operates with integrity, complies with all relevant regulations and upholds high standards of governance and accountability.




### Regulatory Compliance and Credibility

Singhe Hospitals PLC operates in a highly regulated environment where legal, healthcare-specific, financial, environmental and governance standards converge. This Annual Report reflects our strict adherence to all applicable regulatory and professional frameworks that ensure transparency, ethical conduct and accountability in the healthcare sector.

We comply with the following key regulations and guidelines:

### Healthcare and Industry Specific Regulations

- **Private Medical Institutions (Registration) Act No. 21 of 2006**
  Governs the registration and operational standards of private hospitals in Sri Lanka.
- **Regulations and Guidelines Issued by the Ministry of Health, Sri Lanka**
  Ensuring compliance with national healthcare protocols, infection control and patient safety.
- **Sri Lanka Medical Council (SLMC) Guidelines**
  Applicable to all practicing medical professionals within our institution.
- **National Medicines Regulatory Authority (NMRA) Act No. 5 of 2015**
  Governs the regulation and quality assurance of pharmaceuticals and medical devices used by the hospital.
- **Clinical Governance and Patient Safety Standards**
  Internally implemented in alignment with international best practices.

### Corporate and Financial Regulations

- Companies Act No. 07 of 2007
- Listing Rules of the Colombo Stock Exchange (CSE)
- Sri Lanka Accounting Standards (SLFRSs and LKASs)
- Sri Lanka Financial Reporting Standards
- Code of Best Practice on Corporate Governance
  (Issued by CA Sri Lanka and the SEC)

### Non-Financial Reporting Boundary

The non-financial reporting boundary encompasses all material operational, social, environmental and governance activities that reflect how Singhe Hospitals PLC creates and sustains value beyond financial performance.

It includes:

- Hospital operations and clinical services
- Stakeholder engagement outcomes (patients, employees, communities, regulators, suppliers)
- Sustainability initiatives (waste management, energy use )
- Governance and ethical practices
- Risk management frameworks
- Strategic objectives and business model impacts
- Performance metrics aligned with GRI, SASB and SDG frameworks

### Financial Reporting Boundary

The financial reporting boundary strictly adheres to legal and accounting standards and reflects the financial performance of Singhe Hospitals PLC for the period from 01st April 2025 to 31st March 2026.

It includes:

- Standalone audited financial statements of Singhe Hospitals PLC
- Financial disclosures prepared in compliance with:
  - Sri Lanka Financial Reporting Standards (SLFRSs and LKASs)
  - Companies Act No. 07 of 2007
  - Colombo Stock Exchange (CSE) listing rules
  - Guidelines issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

### Independent Assurances

The audited financial statements of Singhe Hospitals PLC for the financial year ended 31st March 2026 have been reviewed by an independent external auditor, Messr's B. R. De Silva & Co. in compliance with the Sri Lanka Auditing Standards (SLAuSs). The audit provides reasonable assurance that the financial statements are free from material misstatement and comply with all statutory and regulatory requirements relevant to a listed healthcare entity.

### Web Disclosures

ANNUAL REPORT 2025/26

https://www.singhehospital.com/financial-reports

Colombo Stock Exchange

https://www.cse.lk/pages/company-profile/company-profile.com

# The Pride
## *Shaping the Future*

# Ancient Healthcare in Sri Lanka

> **Today, the ruins of the Mihintale Hospital Complex continue to provide valuable insight into the evolution of healthcare systems, medical practices and social welfare in ancient Sri Lankan civilisation. This remarkable legacy stands as a source of national pride and inspiration, reflecting a healthcare tradition rooted in compassion, service and innovation.**

### Historical Background

The origins of organised healthcare services in Sri Lanka date back to the 4th Century BC during the reign of King Pandukabhaya, who is credited with establishing hospitals and maternity homes throughout the kingdom. Over the centuries, successive Sri Lankan rulers further developed medical institutions, reflecting the nation's longstanding commitment to public health, healing and compassionate care.

Historical chronicles and inscriptions reveal that healthcare services in ancient Sri Lanka were accessible not only to royalty and clergy, but also to ordinary citizens. The Chinese traveller Fa-Hsien, who visited Anuradhapura in the 5th Century A.D., documented the presence of hospitals, public parks, bathing places and centres of learning, highlighting the advanced nature of urban civilisation during that era.

King Buddhadasa (341–370 CE), renowned both as a ruler and physician, played a significant role in advancing medical care across the island. Later, King Kassapa V (914–923 CE) established a hospital near the southern gate of Anuradhapura, further strengthening the island's healthcare infrastructure.



*Beheth Oruwa - Polonnaruwa ancient Hospital*

### The Ancient Mihintale Hospital Complex

The Ancient Mihintale Hospital Complex is widely recognised as one of the oldest known hospital ruins in the world and the oldest surviving hospital complex in Sri Lanka. Constructed during the reign of King Sena II (853–887 CE), the site stands as remarkable evidence of the advanced medical knowledge, organised healthcare systems and humanitarian values that existed in ancient Sri Lankan civilisation.

### Architectural and Medical Significance

Archaeological excavations indicate that the Mihintale hospital complex was systematically designed with multiple treatment sections and specialised facilities. According to archaeologists, the complex is believed to have included:

- Monastic hospitals for monks requiring short- and long-term treatment

- Treatment facilities for laypersons
- Maternity care units
- Outdoor treatment and recovery areas

The complex also contained a variety of medical instruments and treatment facilities, including stone mortars, medicinal preparation vessels and herbal processing tools. Among its most significant discoveries is the renowned medicinal stone trough, commonly referred to as the "Beheth Oruwa."

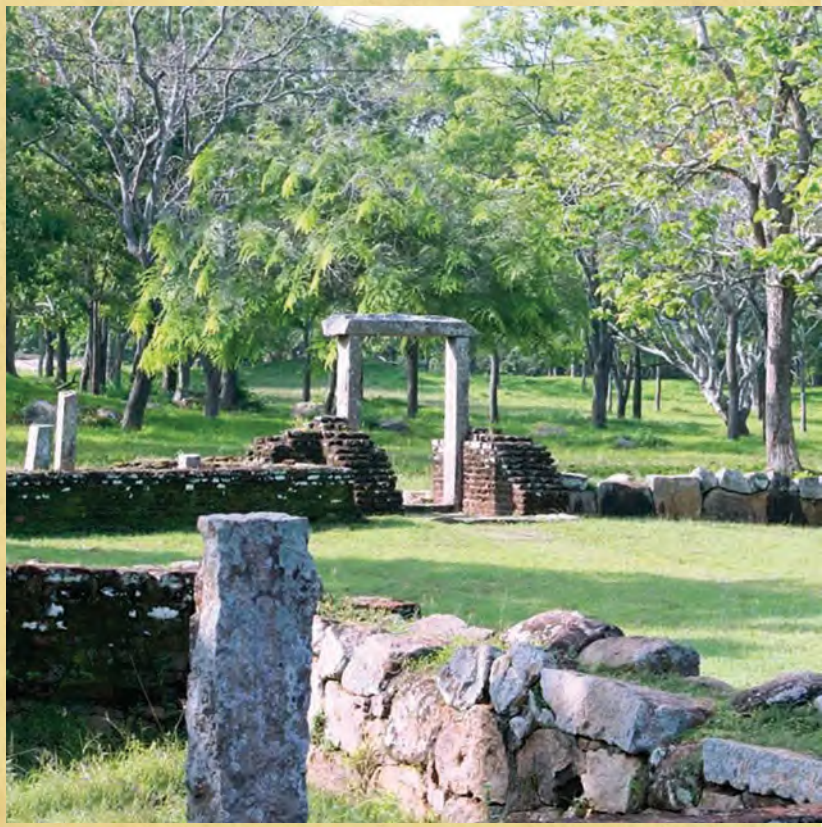
**The Medicinal Trough (Beheth Oruwa)**

One of the most remarkable features discovered at the site is the stone medicinal trough used for Ayurvedic therapeutic treatments. Patients were immersed in herbal oils and medicinal preparations within the trough as part of the healing process. This practice reflects the advanced understanding of therapeutic medicine, wellness and holistic healthcare that existed in ancient Sri Lanka.

**Cultural and Global Importance**

The Mihintale Hospital Complex remains a symbol of Sri Lanka's rich medical heritage and enduring humanitarian values. Its historical significance has drawn international scholarly attention, with comparisons often being made to infirmaries attached to medieval religious institutions in Europe.

Today, the ruins of the Mihintale Hospital Complex continue to provide valuable insight into the evolution of healthcare systems, medical practices and social welfare in ancient Sri Lankan civilization. This remarkable legacy stands as a source of national pride and inspiration, reflecting a healthcare tradition rooted in compassion, service and innovation.



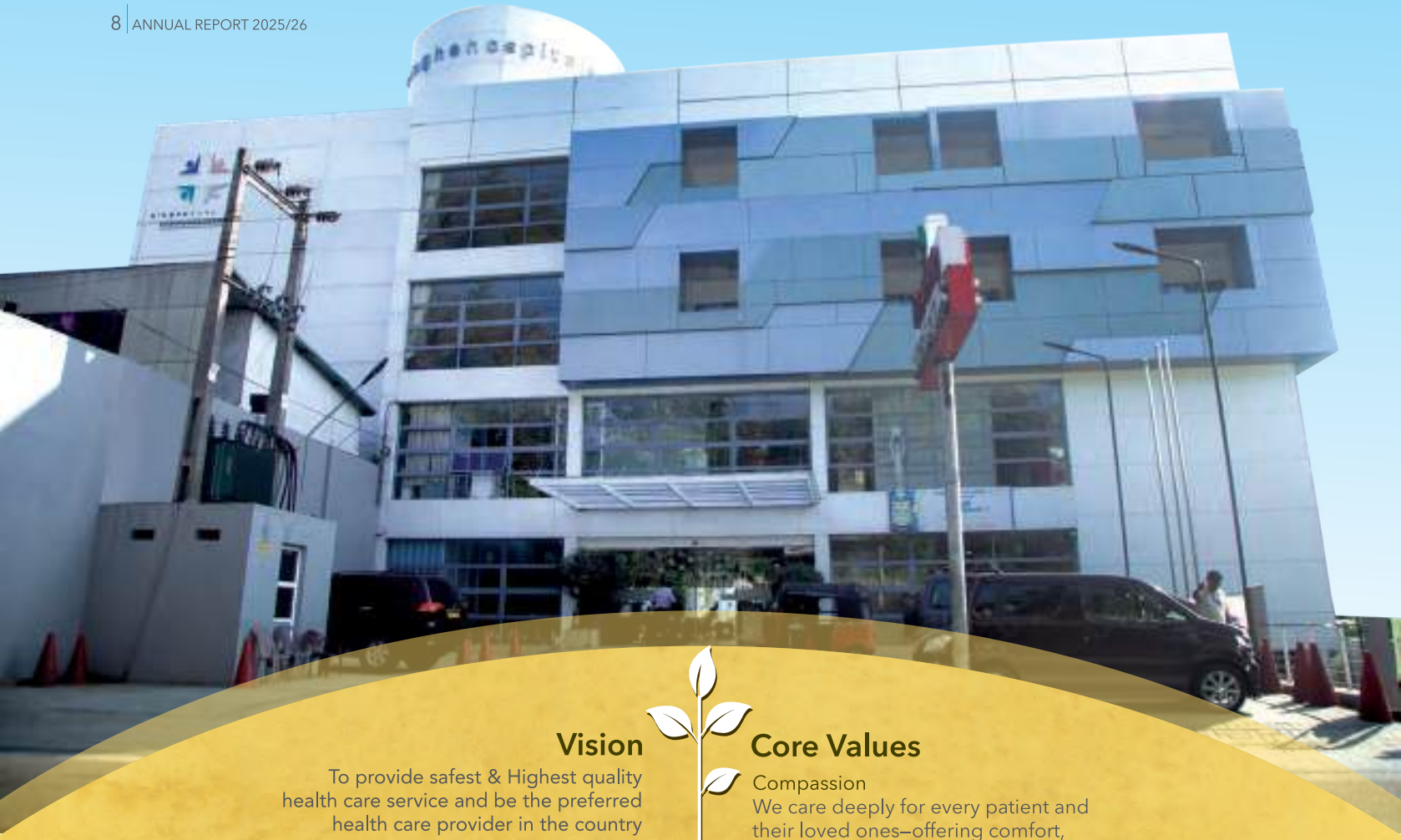
*Mihinthale Ancient Hospital*



*"Beheth Oruwa" Mihinthale Ancient Hospital*

**At Singhe Hospitals PLC, we take pride in being part of a nation with such a distinguished healthcare heritage. Guided by visionary leadership, a committed management team and dedicated employees, the company has achieved significant progress within a relatively short period of time. Inspired by the values of care, compassion and service embedded in Sri Lanka's ancient medical traditions, we remain committed to advancing healthcare excellence while creating sustainable value for all stakeholders.**

*Sources: Mahavansha chronicles, Department of Archaeology Sri Lanka, UNESCO heritage publications and historical records on ancient Sri Lankan healthcare systems.*



## Vision

To provide safest & Highest quality health care service and be the preferred health care provider in the country

## Mission

To be the benchmark in quality healthcare in the country, by transforming the healthcare experience through a culture of good caring and quality service at affordable level

## Purpose

To passionately deliver high quality healthcare at a reasonable cost, meeting the evolving needs and demands of the people and contributing to the development of private medical care standards that will reflect upon a healthier future for the general public.

## Core Values

Compassion
We care deeply for every patient and their loved ones–offering comfort, empathy and dignity in every interaction.

Excellence
We are committed to delivering the highest standards of clinical care, patient safety and customer service.

Integrity
We act with honesty, fairness and accountability in all our actions and decisions.

Innovation
We embrace state-of-the-art technology and new ideas to improve the accuracy of our clinical practice, ensuring safety and reliable health care delivering convenience to our patients.

Respect
We treat patients, employees and all stakeholders with equality, understanding and we respect cultural sensitivity.

Learning & Development
We believe in continuous development, empowering our staff to grow and adapt in a dynamic time sensitive healthcare environment practice.

Sustainability & Responsibility
We are committed to building a healthier society by promoting ethical medical practices and sustainable healthcare for generations to come.

# YEAR IN BRIEF

## DELIVERING FINANCIAL VALUE

Our focus on maintaining shareholder value remains steadfast and unwavering through every eventuality.

### FINANCIAL RESULTS

| | |
|---|---|
| REVENUE | 1.93 Bn |
| OPERATING PROFIT | 342Mn |
| PROFIT BEFORE TAX | 301 Mn |
| TAX | 85.2 Mn |
| PROFIT AFTER TAX | 216 Mn |

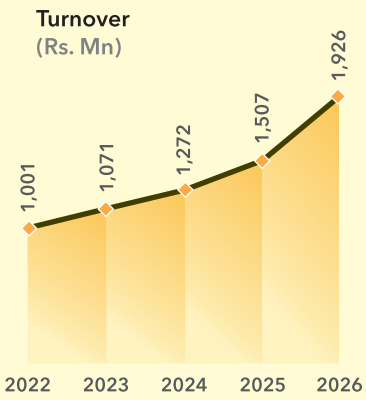
### RATIO

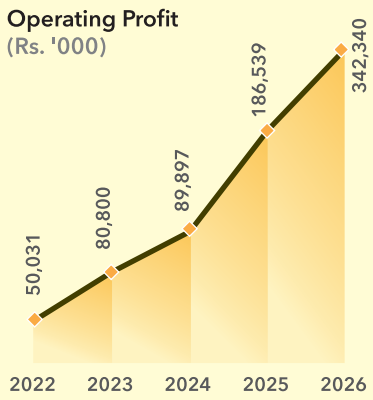
| | |
|---|---|
| EARNINGS PER SHARE | Rs. 0.5 |
| NET ASSETS PER SHARE | Rs. 2.66 |
| RETURN ON ASSET | 13.1% |
| RETURN ON CAPITAL EMPLOYED | 22.4% |
| RETURN ON EQUITY | 18.8% |

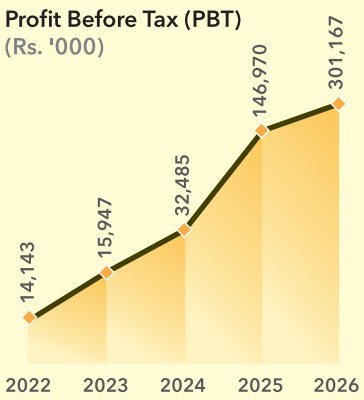
# FINANCIAL HIGHLIGHTS

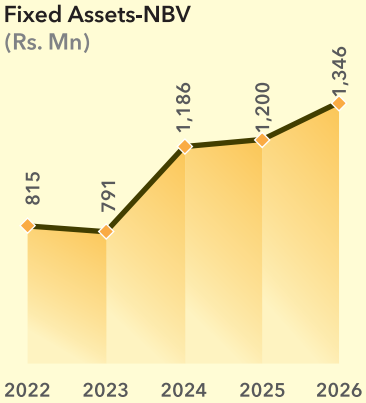
| Company | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **Financial Results** | | | | | |
| Turnover (Rs. '000) | 1,001,699 | 1,071,706 | 1,272,305 | 1,506,668 | 1,925,902 |
| Operating Profit (Rs. '000) | 50,031 | 80,800 | 89,897 | 186,539 | 342,340 |
| Profit Before Tax (Rs. '000) | 14,143 | 15,947 | 32,485 | 146,970 | 301,167 |
| Profit After Tax (Rs. '000) | 16,413 | (12,726) | 24,628 | 116,178 | 216,005 |
| | | | | | |
| **Statement of Financial Position** | | | | | |
| Fixed Assets - NBV (Rs. Mn) | 815 | 791 | 1,186 | 1,200 | 1,346 |
| Total Assets (Rs. Mn) | 951 | 981 | 1,350 | 1,495 | 1,811 |
| Capital Employed (Rs. Mn) | 778 | 770 | 1,165 | 1,239 | 1,528 |
| Total Equity (Rs. Mn) | 494 | 474 | 799 | 912 | 1,148 |
| | | | | | |
| **Ratio** | | | | | |
| Earnings Per Share - EPS (Rs.) | 0.04 | (0.03) | 0.06 | 0.27 | 0.50 |
| Interest Cover (Times) | 1 | 1 | 2 | 6 | 11 |
| Net Assets Per Share - NAPS (Rs.) | 1.15 | 1.17 | 1.85 | 2.12 | 2.66 |
| Return On Asset - ROA(%) | 1.7% | (1.03%) | 2.1% | 8.2% | 13.1% |
| Return On Capital Employed - ROCE (%) | 6.4% | 10.5% | 7.7% | 15.0% | 22.4% |
| Return On Equity - ROE (%) | 3.3% | (2.5%) | 3.1% | 12.7% | 18.8% |

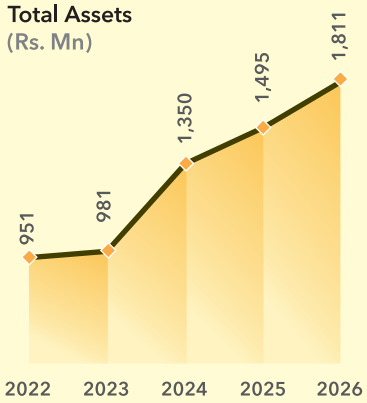
# FINANCIAL HIGHLIGHTS

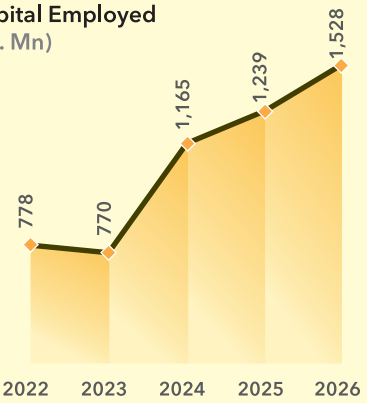


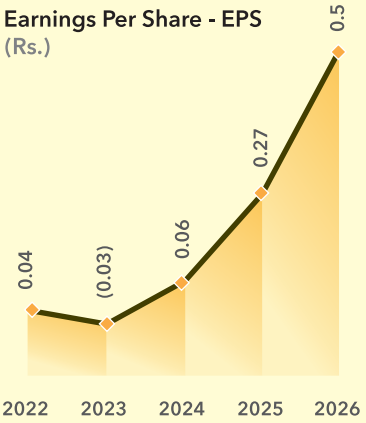



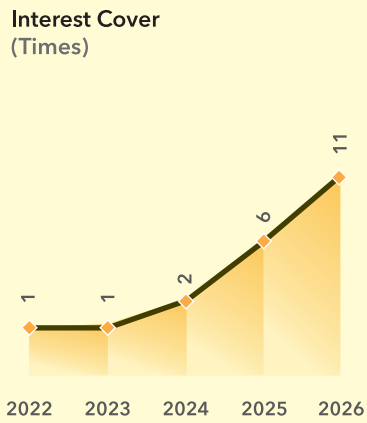



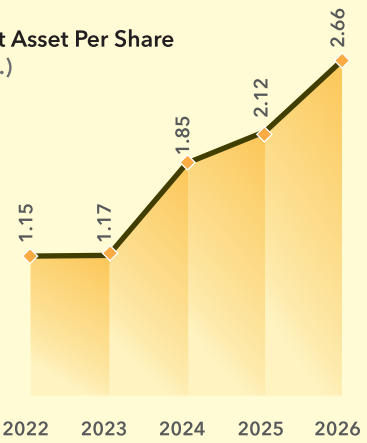



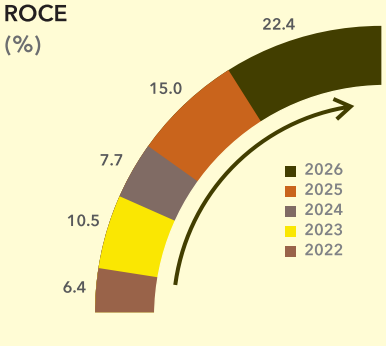



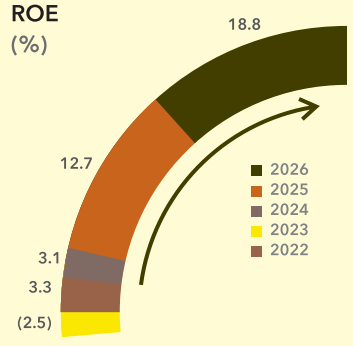



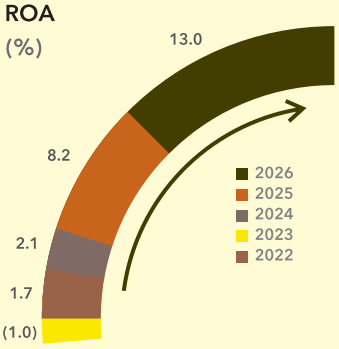





## King Buddhadasa

King Buddhadasa, who ruled Anuradhapura from 341 CE to 370 CE, is remembered as one of Sri Lanka's greatest rulers and a pioneer of ancient healthcare. Historical sources such as the Mahavansha and Chulavansha highlight his exceptional medical knowledge, compassion and commitment to public welfare.

He established hospitals throughout the country, appointed physicians and promoted healthcare services for both humans and animals. King Buddhadasa also authored the medical treatise Sarartha Sangraha, reflecting the advanced medical knowledge of ancient Sri Lanka. His reign symbolizes Sri Lanka's rich healthcare heritage and the long-standing tradition of compassionate healing and public service.

*Sources: Mahavansha, Chulavansha, historical publications by S. Paranavitana and H.W. Codrington and records of the Department of Archaeology, Sri Lanka.*



# OUR LEADERSHIP

# CHAIRMAN'S REVIEW



> At Singhe Hospitals PLC, we are honored to continue this noble service to the nation by providing compassionate, accessible and quality healthcare to our communities. Singhe Hospitals has always been more than a business venture to me; it is a mission dedicated to improving healthcare accessibility and standards in Ratnapura and beyond.

**Dear Shareholders, Stakeholders and Well-Wishers,**

It is with great pleasure and gratitude that I present the Annual Report of Singhe Hospitals PLC together with the Audited Financial Statements for the year ended 31st March 2026.

The year under review marks another important milestone in the journey of Singhe Hospitals PLC. Despite continued economic pressures, rising healthcare costs and evolving industry challenges, the Company demonstrated remarkable resilience, operational strength and financial discipline. Our unwavering commitment to patient care, service excellence and ethical governance enabled us to achieve strong growth while continuing to fulfill our responsibility to the communities we serve.

### Sri Lanka's Healthcare Heritage

As a nation, Sri Lanka possesses a proud and well-established history in healthcare and healing practices dating back thousands of years. Archaeological findings and historical records clearly demonstrate the advanced medical knowledge and healthcare systems that existed in our ancient civilization. This rich heritage remains a source of pride and inspiration for all of us engaged in the healthcare sector today.

### Our Mission and Commitment

At Singhe Hospitals PLC, we are honored to continue this noble service to the nation by providing compassionate, accessible and quality healthcare to our communities. Singhe Hospitals has always been more than a business venture to me; it is a mission dedicated to improving healthcare accessibility and standards in Ratnapura and beyond.

**1.93Bn**
Turnover
2024/25-1.5Bn

**28%**
Sales Growth
2024/25-18.4%

**216Mn**
PAT
2024/25-116Mn

When we established this institution, our vision was to create a modern healthcare facility capable of delivering trusted and compassionate care to families who previously had limited access to quality private healthcare services. Today, I am proud to witness that vision growing stronger year by year as we continue to expand our services, strengthen our capabilities and serve the healthcare needs of thousands of patients with dedication and responsibility.

### Financial Performance

During the financial year 2025/26, the Company recorded revenue of Rs. 1.93 billion compared to Rs. 1.51 billion in the previous year, reflecting a commendable growth of approximately 28%. Profit After Tax increased significantly to Rs. 216 million from Rs. 116 million in the previous year, while Total Comprehensive Income reached Rs. 236 million. These results demonstrate the strength of our operating model, prudent financial management and the dedication of our entire team.

### Investment in Technology & Infrastructure

The healthcare industry continues to evolve rapidly, requiring continuous investment in infrastructure, technology and service quality. During the year, we further strengthened our facilities, enhanced medical equipment and continued investments in digital transformation initiatives.

### Our People

Our people remain the foundation of our success. I extend my sincere appreciation to our Consultant Doctors, Visiting Consultants, Medical Officers, nursing staff, administrative teams and all employees for their commitment, professionalism and compassion. Their tireless dedication ensures that patients receive quality healthcare services around the clock. The Board and Management remain committed to creating a supportive and rewarding working environment that encourages professional growth and service excellence.

### Appreciation to the Board & Shareholders

I am also grateful to our Board of Directors for their strategic guidance, strong governance and continued stewardship during another demanding year. Their experience and leadership have been instrumental in ensuring the Company remains focused on long-term sustainability and shareholder value creation.

To our shareholders, I thank you for your continued confidence and patience throughout our growth journey. Your trust motivates us to strengthen the Company further and pursue sustainable returns while maintaining financial stability and responsible governance.

### Stakeholder Relationship

I would also like to extend my gratitude to our patients, suppliers, bankers, regulators, business partners and the wider community for their continued support and confidence in Singhe Hospitals PLC. Our relationships with all stakeholders are built on trust, transparency and mutual respect and we remain committed to maintaining those values at every level of our operations.

### Looking Ahead

As we move forward, our focus remains clear: enhancing healthcare quality, expanding specialized services, embracing innovation and strengthening our environmental, social and governance commitments. We believe the future of healthcare lies in combining compassionate patient care with modern technology and operational excellence and Singhe Hospitals is well positioned to continue that journey.

On behalf of the Board of Directors, I thank everyone who contributed to the success of Singhe Hospitals PLC during the year under review. Together, we will continue to advance our mission of delivering trusted healthcare services while creating lasting value for all stakeholders.

Thank you.



**A.M. Weerasinghe**
Chairman
Singhe Hospitals PLC



# MANAGING DIRECTOR'S REVIEW

> **The Company recorded strong financial growth during the year, reflecting improved operational performance, increased patient volumes and disciplined financial management. Revenue increased significantly to Rs. 1.93 billion, representing strong year-on-year growth of approximately 28%, driven by higher demand across both laboratory and clinical services.**



**Dear Stakeholders,**

It is with great pride and appreciation that I present the review of operations for the financial year ended 31st March 2026. The year under review represents another milestone period of strong financial performance, operational strengthening and continued transformation for Singhe Hospitals PLC.

Despite ongoing economic pressures and challenges within the healthcare sector, the Company delivered exceptional results through disciplined execution, strategic investments and a continued focus on improving service quality, efficiency and patient experience.

**Digital Advancement and Service Integration**

FY 2025/26 marked a continued evolution in our digital transformation journey. Following the successful implementation of our Enterprise Resource Planning (ERP) system in the finanacial year 2024/25, we further strengthened integration across our hospital operations, 11 main laboratories and all owned Centers (branches). This integration has significantly improved operational efficiency, real-time visibility and consistency of service delivery across the organization.

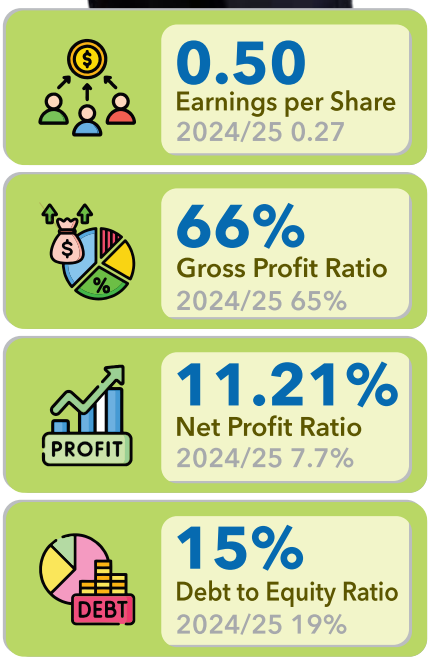
During the year, our Telemedicine Platform, which was introduced in December 2024, continued to expand its reach and impact. It has enabled patients, particularly those in remote and underserved areas, to access timely medical consultations with greater convenience and continuity of care. This initiative further strengthened our commitment to accessible and patient-centered healthcare delivery.

**Financial Performance and Value Enhancement**

Gross profit improved to Rs. 1.27 billion, maintaining a strong margin of approximately 66%, supported by improved service mix, operational efficiencies and effective cost control measures. Operating profit increased substantially to Rs. 342.3 million compared to Rs. 186.5 million in the previous year, reflecting enhanced operational discipline and productivity improvements across the organization.

Net profit for the year increased to Rs. 216 million from Rs. 116.2 million in FY 2024/25, demonstrating strong earnings growth and improved financial resilience. Earnings per share also improved to Rs. 0.50 from Rs. 0.27, reflecting enhanced shareholder value creation.

Total comprehensive income for the year amounted to Rs. 235.6 million, supported by strong operating performance and positive revaluation impacts. Total equity strengthened to Rs. 1.15 billion, reflecting improved retained earnings and overall financial stability.



Total assets increased to Rs. 1.81 billion from Rs. 1.50 billion in the previous year, primarily due to continued investment in infrastructure development, medical equipment and digital systems. Current assets improved significantly to Rs. 464.5 million, supported by stronger liquidity management and improved financial asset positions.

Retained earnings increased substantially to Rs. 348.8 million, reflecting sustained profitability and internal value creation. At the same time, bank overdrafts reduced to Rs. 8.2 million, indicating improved cash flow discipline, while interest-bearing borrowings (non current)declined to Rs. 92.8 million, reflecting prudent financial management and balance sheet strengthening.

### Expansion of Capacity and Healthcare Reach

Our laboratory and diagnostic services continued to play a central role in our operations during the year. In response to growing demand, we continued investing in modernization initiatives, capacity enhancementnand service efficiency improvements to ensure timely and high-quality diagnostic services.

We also progressed with our strategic plans to expand healthcare capacity across selected locations in order to accommodate increasing patient volumes and strengthen access to services. The continued growth in patient engagement reflects the increasing trust placed in Singhe Hospitals as a reliable and preferred healthcare provider in the region.

### People Development and Organizational Strength

Our team of more than 602 dedicated professionals remains the foundation of our continued success. Their commitment, professionalism and resilience have been key drivers of our strong performance during the year.

We continued to invest in strengthening our human capital through structured training programs, performance recognition systems and skill development initiatives. These efforts are aimed at building a more capable, motivated and future-ready workforce capable of meeting evolving healthcare demands.

In addition, consistent with our commitment to employee welfare and motivation, we continued to reward performance through staff bonus schemes during the year. A structured performance evaluation process was also implemented, supported by merit-based salary adjustments to ensure fairness, competitiveness and alignment with individual contributions. We strongly believe that employee satisfaction remains a critical driver of service quality, patient experience and overall organizational performance.

### Governance, Responsibility and Sustainability

The Company remains firmly committed to maintaining the highest standards of governance, ethics, transparency and regulatory compliance. Our Environmental, Social and Governance (ESG) initiatives continue to evolve in alignment with national priorities and stakeholder expectations.

We are increasingly focused on creating long-term value through responsible healthcare delivery, environmental stewardship and community-focused initiatives that contribute positively to society while ensuring sustainable business growth.

### Strategic Direction for the Future

Looking ahead to FY 2026/27, our strategic focus will remain centered on expanding healthcare capacity, strengthening digital healthcare services, improving operational efficiency, enhancing human capital and broadening our service reach across the region.

These priorities will enable Singhe Hospitals PLC to remain resilient, competitive and well-positioned to deliver sustainable growth while continuing to meet the evolving healthcare needs of the communities we serve.

### Appreciation and Closing

I extend my sincere gratitude to our shareholders, patients, consultants, employees, regulators, bankers, suppliersand business partners for their continued trust and support throughout the year.

I also wish to thank the Board of Directors and senior management team for their continued guidance, leadership and commitment to the progress of Singhe Hospitals PLC.

It is an honor to serve as the Managing Director of Singhe Hospitals PLC and to lead this institution into its next phase of sustainable growth, innovationand service excellence.

Thank you.



**Navinda Weerasinghe**
Managing Director
Singhe Hospitals PLC



# BOARD OF DIRECTORS



SINGHE HOSPITALS PLC

# BOARD OF DIRECTORS

## Singhe Hospitals PLC



### Mr. A. M. Weerasinghe

Chairman / CEO

The Chairman/CEO of Singhe Hospitals PLC, leading its strategic direction and development within the healthcare sector. He is the Founder of Royal Ceramics Lanka PLC, established in 1990 and currently holding the position of Deputy Chairman of the Company. He is a gem merchant by profession, with over 38 years of experience in business, he has been actively engaged across multiple sectors including real estate, construction, transportation and also a landed proprietor.

In addition, he holds several key leadership and board positions, including Chairman of Rocell Bathware Limited, Lanka Ceramic PLC, Weerasinghe Property Development (Pvt) Ltd and Weerasinghe Gems (Pvt) Ltd, as well as Co-Chairman of Lanka Tiles PLC and Lanka Walltiles PLC. He also serves as a Non-Executive Director of Swisstek (Ceylon) PLC, Swisstek Aluminium Limited, Biscuits and Chocolate Company Ltd, C P Holding (Pvt) Ltd, LC Plantation Projects (Pvt) Ltd and Rocell Properties Limited.



### Mr. Navinda Weerasinghe

Managing Director

Mr. Navinda Weerasinghe holds a BBA in Business Management from Northwood University, Florida, USA and a Postgraduate Diploma in Management from the University of Leicester, UK. With over 18 years of experience in the electrical manufacturing, plantation, property development and healthcare services, he has played a pivotal role in business development and leadership. As the Managing Director of Singhe Hospitals PLC since its inception, Mr. Navinda has been instrumental in shaping the company's growth and success. He also serves as a Director of Weerasinghe Property Development (Pvt) Ltd, Weerasinghe Gems (Pvt) Ltd, Singhe Trading & Distribution (Pvt) Ltd, Singhe Hotel Resort (Pvt) Ltd and Singhe Medical Suppliers (Pvt) Ltd. His strategic vision and leadership have been key in bringing Singhe Hospitals to its current position as a leading healthcare provider.

# BOARD OF DIRECTORS

## Singhe Hospitals PLC



### Mr. Lakshika Weerasinghe

Non-Independent
Executive Director

Mr. Lakshika Weerasinghe holds a Bachelor's Degree in Business Administration from the United States Of America and is a Chartered Marketer Certified by the Chartered Institute of Marketing (CIM-UK). He previously worked as a FINRA-certified Investment Advisor/Stock Broker at NSM Securities, Inc., USA. With over 13 years of experience in sales and marketing within the healthcare industry, he currently serves as the Marketing Director of Singhe Hospitals PLC. In addition, he is a Director of Weerasinghe Property Development (Pvt) Ltd, Weerasinghe Gems Lanka (Pvt) Ltd, Singhe Trading & Distribution (Pvt) Ltd, Singhe Hotel Resort (Pvt) Ltd and Singhe Medical Suppliers (Pvt) Ltd. Under his leadership, the company has successfully transformed its marketing and sales strategy, contributing significantly to its growth from its initial stage to its current level.



### Mr. U.B.H. Jayalath Kithsiri

Non-Independent
Non-Executive Director

Mr. Kithsiri is a member of the Institute of Chartered Accountants of Sri Lanka and began his career at KPMG Colombo. He has over 30 years of experience as a finance professional, including extensive audit experience in the manufacturing and service sectors. After transitioning from the audit sector, he has served as the Head of Finance in the private sector entities over two decades. Mr. Kithsiri has been a Non-Executive Director of Singhe Hospitals PLC since its inception. As Chairman of the Audit Committee until December 31, 2024, he played a vital role in strengthening internal controls and implementing effective cost management strategies. He is also a member of the Nominations and Governance Committee and continues to serve on the Audit Committee of Singhe Hospitals PLC.



### Mr. H.M.A.B. Weerasekara

Non-Independent
Non-Executive Director

Mr. H.M.A.B. Weerasekara was appointed to the Board of Singhe Hospitals PLC on 27 May 2015. He is a seasoned banking professional with over 38 years of experience in the local and international banking sectors. He retired from the Bank of Ceylon as Additional General Manager and has held several senior leadership and governance positions during his career. Mr. Weerasekara holds a Bachelor's Degree in Economics (Special) and a Bachelor of Philosophy in Industrial Management from the University of Ceylon, obtained in 1972 and 1974, respectively. He also holds a Diploma in Banking from the Institute of Bankers of Sri Lanka. Mr. Weerasekara served as a Director of Merchant Credit of Sri Lanka from 2006 to 2012, where he chaired both the Risk Committee and the Audit Committee. He also served as Chairman of the Investment Committee of the Bank of Ceylon for six years and as an Observing Director at the Ceylon Petroleum Corporation.
He currently serves as a Non-Executive Director of Singhe Hospitals PLC

# BOARD OF DIRECTORS

## Singhe Hospitals PLC



### Mr. A.M.A. Cader

Non-Independent Non-Executive Director

Mr. Cader is a Fellow Chartered Management Accountant (London) and a Global Management Accountant (CGMA, London). He holds a Master's in Business Studies (Colombo), a Master of Science in IT (SLIIT), a Postgraduate Diploma in Economics (Colombo), and a Diploma from the Chartered Institute of Marketing (London). With 25 years of experience (1990–2016) in Corporate Advisory, Capital Markets, and Fund Management, he held key roles at the Merchant Bank of Sri Lanka and Finance PLC. Currently, he is a specialist in Business, Financial, and Corporate Restructuring Trained by United Nations Industrial Development Organization (UNIDO) in 1997. Presently Practicing Business Advisor with 50 Years of experience and Trainer who conducted over 200 awareness programs on topics of interest to Businesses and also during downturn of Economy (Year 1990 to 2026).



### Mr. Jude Fernando

Independent Non-Executive Director

Mr. Jude Fernando is a highly accomplished corporate leader with over 32 years of experience across the pharmaceutical, insurance, FMCG, dairy, construction and manufacturing sectors. He has held senior executive positions for more than 16 years as Chief Executive Officer and Managing Director in several leading Sri Lankan companies, including Hemas Pharmaceuticals & Surgical, Janashakthi Insurance PLC and Kotmale Holdings PLC. He has also served in key leadership roles in major corporates and has contributed significantly to industry development through various national business and professional associations. Mr. Fernando is a Fellow Member of CIMA (UK) and ACCA (UK), holds an MBA from the University of Wales and has completed executive leadership programs at Stanford University, INSEAD and the Indian School of Business (ISB). He is currently serving as the Group Chief Executive Officer of Melstacorp PLC. Mr. Fernando was appointed to the Board on 11 June 2025 and currently serves as the Chairman of the Audit Committee.



### Dr. Aruna Jayakody

Independent Non-Executive Director

Dr. Aruna Jayakody is an Independent Non-executive Director appointed in December 2023. Dr. Aruna was the founder CEO of Lanka Hospitals Diagnostics (LHD) and Melsta Laboratories. He served as a director of Joseph Frazer Hospital and Melsta Hospital. He also served as CEO of the Medihelp Hospital chain. Dr. Aruna holds a Diploma in Pharmacy, Bachelor of Pharmacy, Master of Business Administration, Certified Management Accountant (Australia), Doctor of Philosophy and graduate certificate in Health Economics. Dr. Aruna also served as a board member of the Industrial Technology Institute (ITI) under the Ministry of Industries.

# BOARD OF DIRECTORS

## Singhe Hospitals PLC



### Dr. P.D.S.Obeysekara

Independent Non-Executive Director

Dr. P. D. S. Obeysekara was appointed as an Independent Non-Executive Director of Singhe Hospitals PLC on 30th December 2024. He is a Consultant Obstetrician and Gynecologist with over 36 years of experience serving as a consultant in various government hospitals.
He obtained his MBBS degree from the Faculty of Medicine, University of Peradeniya and his Master of Surgery (MS) degree from the Postgraduate Institute of Medicine, University of Colombo. Had one year training in Obstetrics and Gynaecology at university of Sydney Australia. With his extensive technical expertise and an outstanding track record in the medical field, Dr. Obeysekara is expected to bring significant value to the company.



### Mr. Piyumal Weerasinghe

Non-Independent Non-Executive Director

Mr. Piyumal Weerasinghe holds a Bachelor of Science (B.Sc. Hons) degree in Business Management from Brunel University London and a Master of Business Administration (MBA) from Anglia Ruskin University. He currently serves as a Director of Weerasinghe Property Development (Pvt) Ltd and Weerasinghe Gems Lanka (Pvt) Ltd. He has also served as Third Secretary at the Embassy of Sri Lanka in Washington, D.C. He currently works in Business Operations within the technology sector based in San Francisco.

# SENIOR MANAGEMENT TEAM

## Singhe Hospitals PLC



### Mr. Bathiya Angammana
General Manager

Mr. Angammana is an accomplished corporate professional with over 21 years of experience in senior management roles. He holds a Postgraduate qualification in Marketing and MBA from Anglia Ruskin University, UK. Specializing in Brand Management from SLIM (Sri Lanka Institute of Marketing), he has worked with global brands such as BAHCO, part of Snap-On USA. His leadership expertise extends to senior management positions at Solex Group of Companies and Ceylon Steel Corporation (Lanwa). With a strong background in marketing, brand strategy, and corporate management, Mr. Angammana has played a pivotal role in driving business growth and brand positioning in competitive industries.



### Mr. Asanka De Silva
Finance Manager

Mr. Asanka De Silva is a distinguished finance professional with over 21 years of experience in Treasury Management, Management Accounting, Financial Accounting & Reporting, Auditing and Taxation. He is a member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a member of the Institute of Chartered Management Accountants of Sri Lanka (CMA). He also holds a BSc in Accounting (Special) from the University of Sri Jayewardenepura. Throughout his career, Mr. De Silva has held key leadership positions at Hunter & Company PLC, Kahawatte Plantations PLC, and Ceylon Hospitals PLC, gaining extensive expertise across private healthcare, trading and plantation industries.



### Mr. Chinthaka Kodithuwakku
Human Resources Manager

Mr. Kodithuwakku is a seasoned Human Resources professional with over 17 years of industry experience. He holds a Bachelor of Business Administration (BBA) in Human Resource Management (Special) from the University of Ruhuna and has completed the Intermediate Level of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), a strong foundation in both HR management and finance, he brings a well-rounded perspective to talent management, organizational development, and strategic HR planning. His expertise has contributed to enhancing workforce efficiency and fostering a productive corporate culture.

# SENIOR MANAGEMENT TEAM

## Singhe Hospitals PLC



### Mr. Kanishka Nuwanpriya

Assistant Manager Laboratory Operations

Mr. Kanishka Nuwanpriya is a seasoned professional with 20 years of experience in laboratory operations. He joined Singhe Hospitals in 2017 and has since played a key role in enhancing laboratory efficiency and quality standards. He has successfully completed a Diploma in Molecular Biology from the Asian Institute of Business and Science (AIBS) and a Certificate Course in Lean Yellow Belt from the Institute of Leadership and Management (ILM).



### Mr. Chanaka Narasinghe

Business Development Manager

Mr. Chanaka has over 11 years of experience in sales and marketing. He began his career at Coca-Cola Beverages Sri Lanka Limited and joined Singhe Hospitals in 2019. He holds a Master's degree in Business Administration from the University of Kelaniya and a Bachelor's degree in Marketing Management from the University of Sri Jayawardenepura. Additionally, he is a past finalist of the Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka) and has completed the Intermediate level of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).With expertise in both finance and marketing, Mr. Chanaka brings a well-rounded perspective to the company, playing a key role in its growth and success.



### Mr. M. Wijedasa

Chief Nursing Officer

Mr. Wijedasa has over 48 years of experience in the field of nursing, having served in leading hospitals, private hospitals and Sri Lanka Army hospitals. He completed a three-year Nursing course & Administration Course N.T.S., NHSL -Colombo. During his 27-year tenure in the Sri Lanka Army, he held the rank of Captain and served in various military hospitals, including those in battlefield environments. He had Rana Sura Padakkama (RSP) in east and north war fields. Upon retiring as a Captain, he transitioned to the private healthcare sector, where he held senior nursing management positions for 17 years in leading private hospitals in Sri Lanka. Mr. Wijedasa joined Singhe Hospitals in 2019 and continues to serve the company with his vast experience and expertise in nursing administration.

# SENIOR MANAGEMENT TEAM

## Singhe Hospitals PLC



### Mr. Pradeep Kumara
Accountant

Mr. Pradeep Kumara is an Associate Member of the Association of Accounting Technicians of Sri Lanka (AATSL) and a finalist of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). With over 12 years of experience in the finance field, he has worked with leading companies in Sri Lanka. Mr. Kumara joined Singhe Hospitals in 2020 and continues to contribute his expertise in finance and administration to the company.



### Mr. Pubudu De Silva
IT Manager

Mr.  Silva is a highly experienced IT professional with over 25 years of expertise in digital transformation, IT governance, cloud computing and enterprise technology management. Prior to joining Singhe Hospitals PLC in 2025, he served as Deputy General Manager – ICT Infrastructure & Operations at Abans Group, where he led key digital transformation and cloud migration initiatives.He holds qualifications in Information Technology and Business Administration, including an MBA from Mahatma Gandhi University and is a Member of the British Computer Society (BCS). He is recognized for his leadership in innovation, operational efficiency and information security and has received several industry awards for his contributions to the ICT sector.



### Mr. Chathuranga Aluthnuwara
Audit Manager

Mr. Aluthnuwara has over 13 years of experience in internal audit, risk management, compliance and policy development with both local and international exposure across the healthcare, manufacturing, retail and professional services sectors. He has completed Intermediate Level qualifications at the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Risk Management Professional Certificate at Simon Fraser University (SFU), Canada. Prior to joining the Company, he served at Nippon Paint Lanka (Pvt) Ltd, Best Buy Canada and Ernst & Young.



## Medirigiriya Ancient Hospital Complex

The ancient hospital complex at Medirigiriya Ancient Hospital Complex is one of the most significant archaeological medical sites in Sri Lanka. Located within the ancient monastic city of Medirigiriya, near the famous Medirigiriya Vatadage, the hospital dates back to approximately the 9th century AD and is regarded as the second-oldest known ancient hospital complex in Sri Lanka, after Mihintale.

*Reference:*
*Department of Archaeology, Sri Lanka; historical and archaeological studies on Medirigiriya and ancient Sri Lankan healthcare.*



# MANAGEMENT DISCUSSION AND ANALYSIS

# OUR BUSINESS

## THE COMPANY

Singhe Hospitals PLC, incorporated on 16th December 2009 as a Board of Investment (BOI) approved project, commenced its commercial operations in June 2012 with a clear vision to deliver modern, accessible and affordable healthcare services to the people of the Sabaragamuwa Province and beyond. Established as a fully equipped multi-specialty secondary care private hospital, Singhe Hospitals has emerged as the leading private healthcare institution in the Ratnapura District, offering a broad spectrum of medical services, supported by advanced technology and a team of experienced medical professionals. With a bed capacity of 50 and a panel of over 84 visiting consultants across various specialties, providing both inpatient and outpatient services. Inpatients receive care under the supervision of visiting consultants and in-house medical officers, ensuring a high standard of clinical governance and continuous medical attention.

The hospital has placed a strong emphasis on delivering patient-centered, compassionate care while maintaining cost-efficiency, clinical excellence and international service standards. Singhe Hospitals PLC was listed on the Colombo Stock Exchange on 21st April 2015, marking a significant milestone in its growth journey. Following its IPO, the Company embarked on a strategic expansion of its diagnostics arm, which now operates a network of 11 fully functional laboratories located in key cities including Ratnapura, Homagama, Kandy, Negombo, Bandarawela, Embilipitiya, Balangoda, Avissawella, Kahawatta, Karapitiya and Kalawana. In addition, the Company manages over 60 company-owned sample collection centers and a widespread network of more than 1,000 third-party collection points operated in collaboration with medical practitioners.

This growing presence across the Sabaragamuwa, Western, Central, Uva and Southern Provinces has strengthened Singhe Hospitals' ability to deliver timely and accurate diagnostic services, significantly enhancing patient outcomes. Entering its 14th year of successful operation, the Company continues to demonstrate strong year-on-year growth and an unwavering commitment to improving healthcare accessibility and quality. Leveraging state-of-the-art medical equipment, skilled professionals and a culture of continuous innovation, Singhe Hospitals PLC remains focused on setting new benchmarks in Sri Lanka's private healthcare sector while fulfilling its mission to serve the community with integrity, compassion and excellence.



Singhe Hospitals PLC

# OUR SERVICES



## Cardiac Unit

Singhe Hospital's cardiac unit consists of general diagnostic facilities for cardiac patients. Apart from the state of the art ECHO Scan investigations, we also offer Exercise ECG and Holter Monitoring Facilities, introduced to Ratnapura for the first time in the private sector.




## Obstetrics and Gynecology

Our hospital is renowned for its superior maternity care. This is evident in the hospital recording its 3741th childbirth during the 14 years of operations. This was achieved with dedicated and specialized staff as well as the support and guidance of our valued consultants. The hospital also consists of specially designed delivery rooms, superior operating theaters as well as luxury accommodation facilities to the patients.



## Ophthalmology

We are also proud to be the first to introduce eye surgery as a Private Hospital in Ratnapura. In addition to cataract surgeries, other eye surgeries are performed at the hospital. These are performed at our state of the art Operating Theaters using cutting edge technology. The success of the Ophthalmology department can be attributed to our dedicated experienced staff and our valued Consultants.

# OUR SERVICES



## Surgical Department

Our multiple modular theater complexes are equipped with laminar flow air conditioning system and world renowned Draeger theater equipment's which is second to none compared to any hospital in the country. This has become one of the core strengths in the hospital. Specially trained, dedicated theater staff and our valued Consultants at the hospital have performed many numbers of surgeries and continually add new types of surgeries to the list.



## Radiology Unit

This Unit is at the forefront of technology and consists of the best equipment in radiology. Our Siemens CT scanner from Germany, Digital CR X-Ray system from Shimadzu Japan and latest ultrasound equipment from Toshiba Japan is are at the core of the department.



## Emergency Care

The Emergency Unit consists of an Ambulance unit, Emergency Treatment Unit and the Intensive Care Unit. We are the first to introduce private ICU facilities in Ratnapura. All these units consist of modern equipment and dedicated staff to handle all types of emergencies.

# OUR SERVICES



## Dental Unit

Our Dental Unit consists of the latest in dental care technology imported from Japan. For the first time in Ratnapura, Singhe Hospitals has introduced a dental chair with a video viewing facility enabling the consultant Dental Surgeons/Doctors to arrive at better diagnoses and treat dental issues.



## Laboratory Network

With the tremendous success of the main hospital laboratory, as stated at the IPO, expanded its laboratory service and continues to expand. Currently, 11 labs have been opened at Ratnapura, Homagama, Negombo, Bandarawela, Kandy, Embilipitiya, Balangoda, Kahawaththa, Kalawana, Karapitiya and Avissawella. The success of the laboratory network is due to the usage of superior equipment, reagents, other consumables and also the services rendered by highly qualified and experienced staff. We have been able to produce accurate laboratory reports which are requested by the consultants to diagnose health issues correctly.



## Home Nursing Service

Home Nursing Service was established to deliver the highest standard of nursing care to patients who are bed ridden or immobile. Personal care, reliability and friendly service to clients, in all age groups who are living in their homes and require a little extra help and support to improve or maintain their health.

Assisting with artificial feeding, changing sterile dressings, Catheter Insertion, monitoring output, Tracheostomy care, Oral suctioning, ileostomy and colostomy, IV cannulation & infusions, Wealth care education and support for rehabilitation are few that the department is primarily focused.

# OUR SERVICES



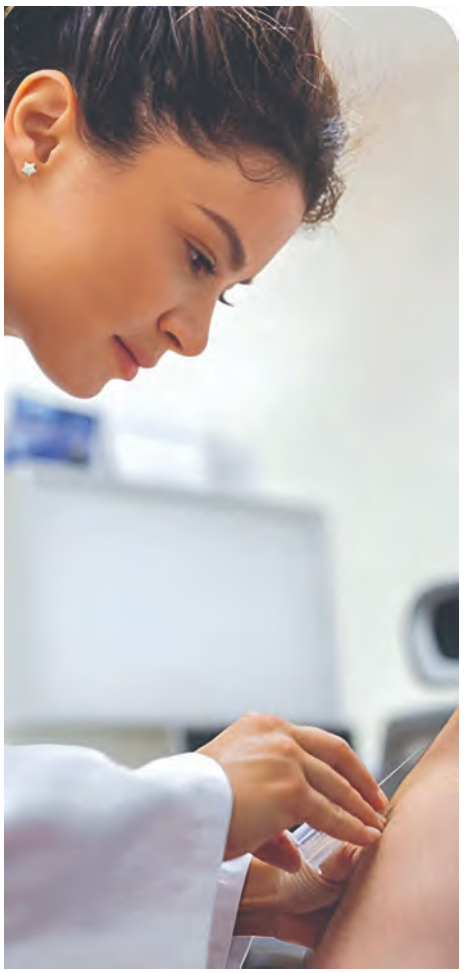
## OPD

Singhe Hospitals PLC provides a comprehensive 24-hour Outpatient Department (OPD) service, ensuring uninterrupted access to quality healthcare for patients around the clock. Our dedicated medical professionals and support staff are available 24/7 to deliver prompt and efficient medical care whenever needed.



## Pharmacy

Our Inpatient and Outpatient Pharmacies operate 24/7, providing patients with continuous access to medication. All medicines are offered at retail prices and stored under recommended conditions to ensure quality and safety. Our experienced staff are dedicated to delivering excellent service to every customer.



## Mobile Sample Collection Service

Singhe Hospitals introduced Mobile Laboratory Sample Collection for the first time in Ratnapura in order to facilitate patients who may be unable to visit the hospital to get their blood testings are done as prescribed by doctors.

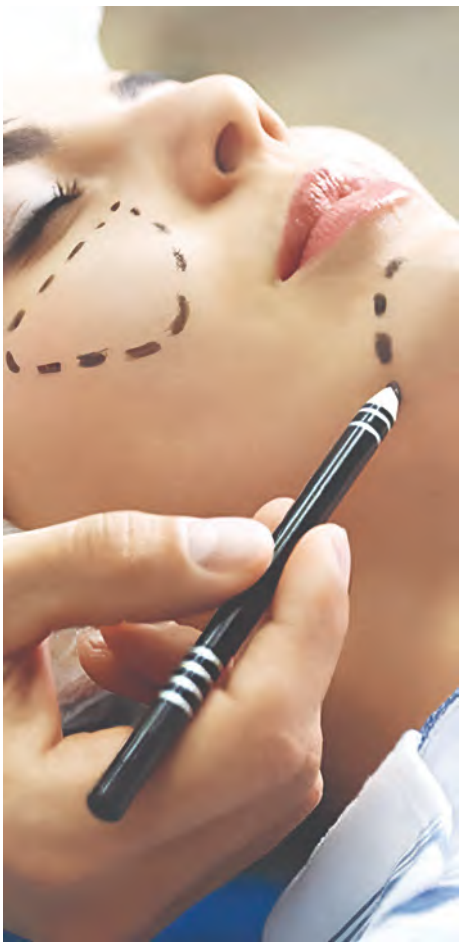
Patients can now enjoy the comfort of being at home while the testings are carried out.

# OUR SERVICES



## Ambulance Service

Our 24/7 island-wide ambulance service ensures safe and reliable patient transport for hospitala transfers and emergencies. Operated under the supervision of qualified doctors and trained medical staff, each ambulance is fully equipped with oxygen, monitoring systems and essential medical supplies to provide continuous care throughout the journey whether it's a routine transfer or a critical care situation.



## Cosmetic & Aesthetic Center

Singhe Cosmetic & Aesthetic Center is a newly established beauty and wellness facility offering a range of modern skincare and aesthetic treatments. The center focuses on enhancing natural beauty and boosting confidence through professional services such as advanced skincare solutions, facial treatments and aesthetic care provided by trained experts. It aims to create a relaxing, professional environment where clients can receive personalized treatments to improve skin health and overall appearance, promoting both outer glow and inner confidence



## Intensive Care Unit (ICU)

Our Intensive Care Unit offers comprehensive critical care services for patients requiring close observation and advanced medical support. With state-of-the-art equipment and a dedicated multidisciplinary team, the ICU ensures the highest standards of patient safety, comfort, and clinical excellence 24 hours a day.

# OUR GROWTH FOOTPRINTS

## A JOURNEY OF MILESTONES. A FUTURE OF IMPACT

From our inception in 2009 to our vision for the future, each milestone reflects our commitment to excellence, innovation and creating value for a healthier tomorrow.



# MANAGEMENT APPROACH TO ALIGNMENT WITH STRATEGY

| Capital | Financial Capital | Manufactured Capital | Human Capital |
|---|---|---|---|
| Company | At Singhe Hospitals PLC, financial capital is a vital enabler of our long-term growth and sustainability. It underpins our strategic initiatives and allows us to invest in infrastructure, technology, and service excellence | At Singhe Hospitals PLC, manufactured capital refers to the physical infrastructure, medical equipment, and supporting facilities that enable the delivery of high-quality healthcare services. It is a critical asset base that supports operational excellence and patient care. | At Singhe Hospitals PLC, human capital-comprising our medical professionals, clinical staff, and support teams-is central to delivering compassionate, high-quality care. As we pursue strategic growth, investing in skilled personnel is essential to sustain operational effectiveness and patient trust. |
| Diversification | Our diversification strategy, which includes expanding into complementary healthcare services and investments in modern medical technology, requires sustained financial commitment. These investments are expected to deliver significant financial returns over the medium to long term | Our diversification strategy relies heavily on strengthening manufactured capital through investments in specialized units, diagnostic centers, and modern medical equipment. These investments enable us to expand into complementary service areas and enhance treatment capabilities, with returns expected in the medium to long term. | Our diversification strategy increases the need for specialized human capital to support new service lines and healthcare ventures. Attracting and retaining expert talent may require trade-offs with financial capital. However, these investments are expected to add significant value to the organization across the short, medium, and long term. |
| Differentiation Strategy | The differentiation strategy focuses on enhancing our brand through targeted marketing, digital engagement, and superior patient experiences. The financial capital required for this is determined based on the finalized marketing roadmap. This strategy is expected to generate short-term value by increasing patient volumes and improving service uptake. | The differentiation strategy emphasizes quality, cost- efficiency, and service delivery. Manufactured capital plays a central role here, as advanced medical technologies and well- maintained facilities are essential to deliver superior patient outcomes at competitive pricing. These enhancements are expected to yield short- to medium-term benefits by improving patient satisfaction and clinical performance. | The differentiation strategy demands a balance of experienced practitioners and fresh talent to drive innovation in clinical practices, patient care protocols, and service delivery. This blend enhances the patient experience and improves outcomes, generating financial and reputational value in the short and medium term. |
| Collaboration Strategy | The collaboration strategy, which includes partnerships with medical professionals, academic institutions, and technology providers, primarily leverages relationship and intellectual capital. Financial capital requirements vary based on the scope and structure of each collaboration. This strategy is designed to create value across the short, medium, and long term through knowledge sharing, innovation, and service expansion. | In terms of collaboration, manufactured capital becomes significant when aligning with regulatory bodies, healthcare partners, and medical suppliers. Compliance with health, safety, and quality standards often necessitates upgrades to our infrastructure. Moreover, maintaining a safe, welcoming environment for patients, visitors, and staff contributes to strengthening institutional trust. This approach supports value creation in the short term and enhances our reputation over the long term. | The collaboration strategy depends heavily on human capital, as the success of partnerships with medical experts, training institutions, and technology providers is driven by the capabilities and engagement of the people involved. These collaborative efforts create value through shared knowledge, innovation, and continuous improvement across all time horizons. |

# MANAGEMENT APPROACH TO ALIGNMENT WITH STRATEGY

| Capital | Social & Relationship | Intellectual Capital | Natural Capital |
|---|---|---|---|
| Company | At Singhe Hospitals PLC, social and relationship capital encompasses the trust, reputation, and networks we have built with patients, medical professionals,regulatory authorities, and the broader community. It plays a crucial role in sustaining our service delivery and stakeholder engagement. | At Singhe Hospitals PLC, intellectual capital includes the collective knowledge, clinical expertise, institutional processes, and proprietary systems that support service excellence and innovation. It is a key enabler of our strategic objectives across all time horizons. | At Singhe Hospitals PLC, natural capital-comprising the environmental resources we use directly or indirectly, such as water, energy, and land-plays a supportive but not central role in our business model. Responsible stewardship of these resources remains important to our sustainability goals. |
| Diversification | The diversification strategy leverages relationship capital to establish strategic partnerships and alliances that support the launch of new healthcare ventures and services. These relationships contribute to short- term success through faster market entry and resource sharing, while long-term collaborations drive sustained organizational value. | The diversification strategy requires strengthened intellectual capital to realize synergies across new and existing service lines. By leveraging medical knowledge, operational expertise, and innovative care models, the hospital aims to achieve greater economies of scale and improved financial performance over the medium to long term. | While natural capital is not a primary driver of our diversification strategy, its relevance may vary depending on the nature of the expansion. For example, should diversification include wellness or rehabilitation services that require natural settings, land and water resources may become more material. However, in our core healthcare services, reliance on natural capital is relatively low. |
| Differentiation Strategy | The differentiation strategy has limited dependency on social and relationship capital, as the key drivers of differentiation-such as clinical innovation, infrastructure, and service quality-are primarily supported by other forms of capital. As such, the impact of this capital on differentiation is not considered material. | The differentiation strategy is driven by the intellectual capital embedded in our people and processes. The skills, experience, and innovation mindset of our workforce are essential in executing this strategy effectively. These capabilities enhance both human and financial capital, delivering value in the short and medium term through improved clinical outcomes and patient satisfaction. | Within the differentiation strategy, natural capital does not serve as a key differentiator. Nevertheless, efficient and sustainable resource use-such as water conservation and energy-efficient infrastructure-can enhance patient and stakeholder perception, indirectly supporting our brand and operational efficiency. |
| Collaboration Strategy | The collaboration strategy strongly depends on robust social and relationship capital. Trust-based relationships with healthcare partners, academic institutions, and technology providers are essential to ensure effective joint initiatives. These collaborations enhance service quality, drive innovation, and deliver value across the short, medium, and long term. | Intellectual capital is central to the collaboration strategy. When entering into partnerships-whether with research bodies, academic institutions, or technology providers-shared knowledge and innovation are key value drivers. This form of capital, supported by financial, social & relationship, and human capital, enables long-term value creation through continuous improvement, service expansion, and enhanced healthcare delivery. | Under the collaboration strategy, natural capital may occasionally be leveraged, such as through land use for joint ventures or community health initiatives. However, there are currently no active plans to utilize natural capital in this way. |

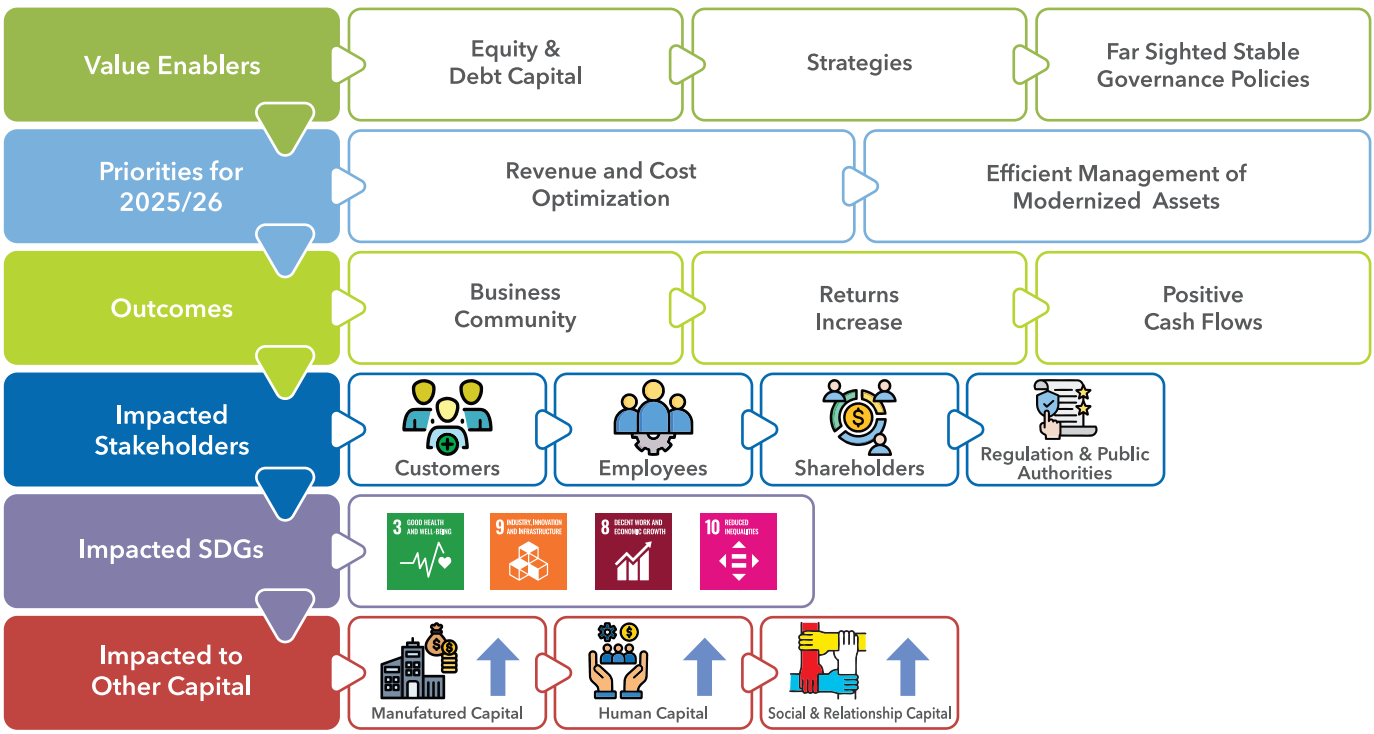
# FINANCIAL CAPITAL

We strengthen our Financial Capital through prudent stewardship, strategic investments and efficient management. Our disciplined approach drives sustainable growth. enhances value for stakeholders, and supports our long-term vision.




At Singhe Hospitals PLC, financial capital comprises the monetary resources strategically deployed to drive growth, sustain operations and deliver long-term value to shareholders. These resources include equity, retained earnings and external funding sources.

The effective and efficient management of financial capital is essential to our ability to create and preserve value. We continuously monitor and manage financial risks, with a strong focus on liquidity, solvency and cost efficiency to ensure resilience in a dynamic healthcare environment.



# FINANCIAL CAPITAL

A key priority during the year was safeguarding the Company's financial strength by securing adequate funding to support uninterrupted operations while maintaining healthy liquidity levels amidst evolving macroeconomic conditions. This included proactive measures to optimize working capital, improve capital allocation and support strategic investment initiatives.

This section presents a comprehensive analysis of the Company's financial capital, integrating both qualitative insights and quantitative performance indicators. It outlines how Singhe Hospitals PLC manages financial risks, enhances capital efficiency and aligns financial resources with long-term strategic objectives.

A summary of the Company's key financial highlights is provided below to illustrate performance and capital strength during the reporting period.

| | | |
|---|---|---|
| **Stated Capital**<br>**Rs.375Mn**<br>2024/25 Rs.375Mn | **General Reserves and Retained Earnings**<br>**Rs.773Mn**<br>2024/25 Rs.537Mn | **Borrowings**<br>**Rs.169Mn**<br>2024/25 Rs.177Mn |
| **ROCE**<br>**22.4%**<br>2024/25 15% | **Ended The Year with a Net Cash Position**<br>**Rs.73Mn**<br>2024/25 Rs.71Mn | **Earnings Before Int, Tax, Depreciation and Amortization**<br>**Rs.442Mn**<br>2024/25 Rs.273Mn |

**Identification and Mitigation of Risks – Financial Capital**

Effective risk management is fundamental to ensuring the sustainability of Singhe Hospitals PLC's financial capital. The key financial risks identified and the corresponding mitigation strategies adopted by the Company are summarized below.

| Risks | Mitigation Strategy |
|---|---|
| Fluctuations in Interest Rates | • Maintain an appropriate balance between fixed and floating rate borrowings to manage exposure to interest rate volatility.<br>• Continuously monitor market developments and renegotiate borrowing facilities where possible to obtain competitive rates. |
| Sustaining a Surplus Liquidity Position | • Closely monitor receivables and inventory levels to minimize dependence on working capital financing.<br>• Strengthen cash collection processes and improve inventory turnover.<br>• Encourage business units to prioritize cash-based transactions wherever practical.<br>• Negotiate favorable supplier credit terms to improve working capital efficiency. |
| Non-Availability of Funds for Growth and Expansion | • Secure medium to long-term credit facilities aligned with investment horizons.<br>• Carefully evaluate the impact of capital expenditure on future cash flows prior to approval.<br>• Maintain access to diversified funding sources and undrawn banking facilities. |
| Changes in Taxes and Tariffs | • Implement strategic pricing and cost management initiatives to mitigate the impact of regulatory changes.<br>• Maintain transparent communication with stakeholders regarding tax-related developments and financial implications. |

# FINANCIAL CAPITAL

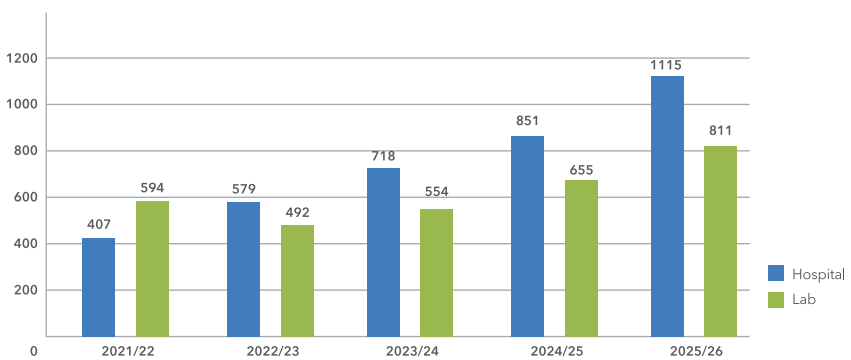



### Company's Financial Results – Nurturing Financial Capital

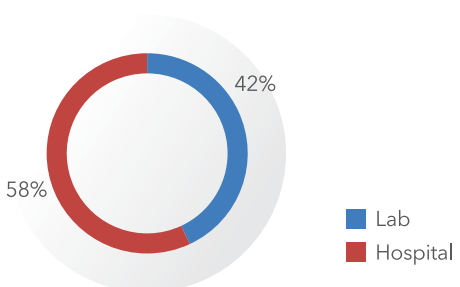
Singhe Hospitals PLC demonstrated strong financial resilience during the year under review, recording a substantial improvement in profitability across its diversified portfolio of healthcare services.

The Company's ability to achieve strong financial performance amidst operational and economic challenges reflects the strength of its business model, the adaptability of management and the effectiveness of its cost management and revenue optimization strategies. This performance further reinforces the Company's commitment to nurturing financial capital while delivering sustainable value to stakeholders.

Segment wise Revenue Rs. 'Mn




Segment Wise Contribution to Total Turnover



# FINANCIAL CAPITAL

### Revenue

During the financial year ended 31st March 2026, the Company recorded revenue of Rs. 1,925.9 million compared to Rs. 1,506.7 million in the previous year, representing a strong growth of approximately 28%.

The increase in revenue was primarily driven by:

- Improved patient volumes across core healthcare services;
- Continued expansion of laboratory operations; and
- Enhanced operational efficiencies and service delivery capabilities.

The Laboratory segment continued to remain a significant contributor to the Company's revenue portfolio, reflecting sustained demand for diagnostic and healthcare-related services.

### Gross Profit and Operating Expenses

Gross profit increased significantly to Rs. 1,271.5 million from Rs. 985.5 million recorded in the previous year, resulting in an improved gross profit margin.

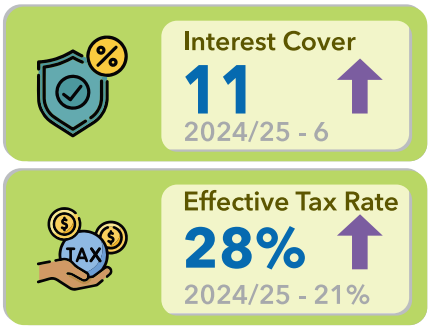
**This improvement was supported by:**

- Better cost management initiatives;
- Improved pricing strategies;
- Operational efficiencies; and
- Effective supplier negotiations, particularly in relation to laboratory consumables and medical supplies.

Administrative expenses increased to Rs. 788.6 million compared to Rs. 688.1 million in the previous year, while selling and distribution expenses increased to Rs. 160 million from Rs. 114.7 million. The increase was mainly attributable to business expansion activities, inflationary cost pressures and investments in operational capabilities.

Despite these increases, the Company continued to maintain disciplined cost management practices focused on:

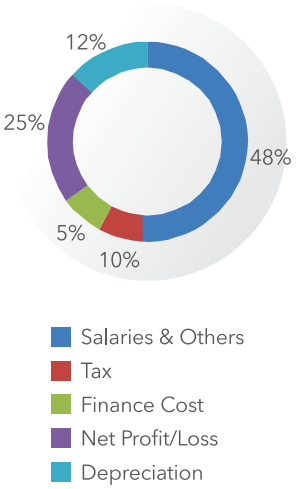
- Enhancing productivity;
- Optimizing operational structures;
- Leveraging technology-driven efficiencies; and
- Maintaining service quality and patient care standards.




## Value Added Statement

| Value Added | Year Ended 31st March 2026 | | Year Ended 31st March 2025 | |
|---|---|---|---|---|
| | Amount Mn | % | Amount Mn | % |
| Turnover | 1,926 | | 1,507 | |
| Cost of Materials and Services | (1,076) | | (925) | |
| Other Income | 19 | | 4 | |
| | 869 | | 585 | |
| | | | | |
| **Distribution of Value Added to Employees** | | | | |
| Salaries and Others | 427 | 48% | 312 | 53% |
| **To Government** | | | | |
| Tax | 85 | 10% | 31 | 5% |
| **To Capital Providers** | | | | |
| Finance Cost | 41 | 5% | 40 | 7% |
| Net Profit/(Loss) Attributable to Ordinary Share Holders | 216 | 25% | 116 | 20% |
| **To Expansion and Growth** | | | | |
| Depreciation | 100 | 12% | 86 | 15% |
| | 869 | 100% | 585 | 100% |

Value Added in Percentage



# FINANCIAL CAPITAL

### Operating Profit

Profit from operating activities increased substantially to Rs. 342.3 million compared to Rs. 186.5 million in the previous year, representing an increase of approximately 84%.

This significant improvement was driven by:

- Higher revenue generation;
- Improved gross margins;
- Enhanced operational efficiency; and
- Effective cost control measures implemented throughout the year.

The strong operating performance demonstrates the Company's ability to generate sustainable earnings while continuing to invest in strategic growth initiatives.

### Finance Costs

Finance costs for the year amounted to Rs. 41.2 million compared to Rs. 39.6 million in the previous year.

Although borrowings increased during the year to support capital investments and operational expansion, the Company continued to manage its financing structure prudently through:

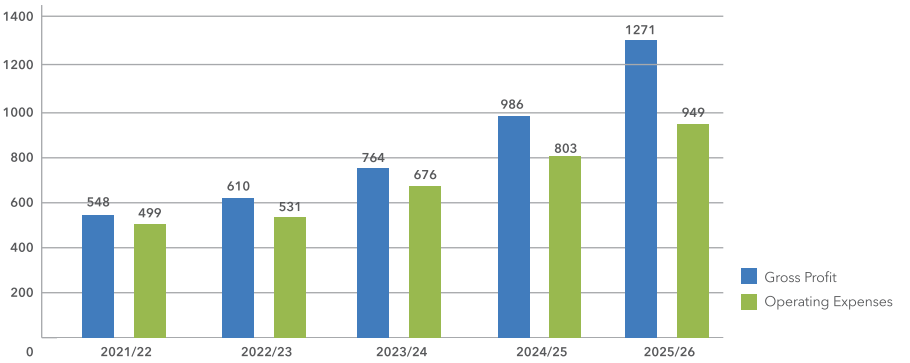
- Active treasury management;
- Careful monitoring of borrowing costs; and
- Strategic engagement with financial institutions.

Management remains focused on maintaining an optimal balance between growth financing and long-term financial sustainability.

**85.2Mn**
**Tax Provision**
**2024/25 30.8Mn**

**301.2Mn**
**PBT**
**2024/25 147Mn**

Gross Profit vs Operating Expenses Rs. 'Mn




### Taxation

Singhe Hospitals PLC recognizes taxation as both a statutory responsibility and a contribution towards the economic and social development of Sri Lanka.

For the year under review, income tax expense amounted to Rs. 85.2 million compared to Rs. 30.8 million in the previous year. The increase was primarily attributable to the significant improvement in profitability during the year.

The Company remains fully committed to complying with all applicable tax laws and maintaining transparency and accountability in all tax-related matters.

Detailed disclosures relating to taxation are provided in Note 07 to the Financial Statements.

### Profitability

The Company achieved a significant improvement in profitability during the financial year ended 31st March 2026.

Profit before taxation increased to Rs. 301.2 million compared to Rs. 147 million in the previous year, representing an increase of approximately 105%.

Profit after taxation increased to Rs. 216 million compared to Rs. 116.2 million in 2025, reflecting an increase of approximately 86%.

This strong financial performance was achieved through:

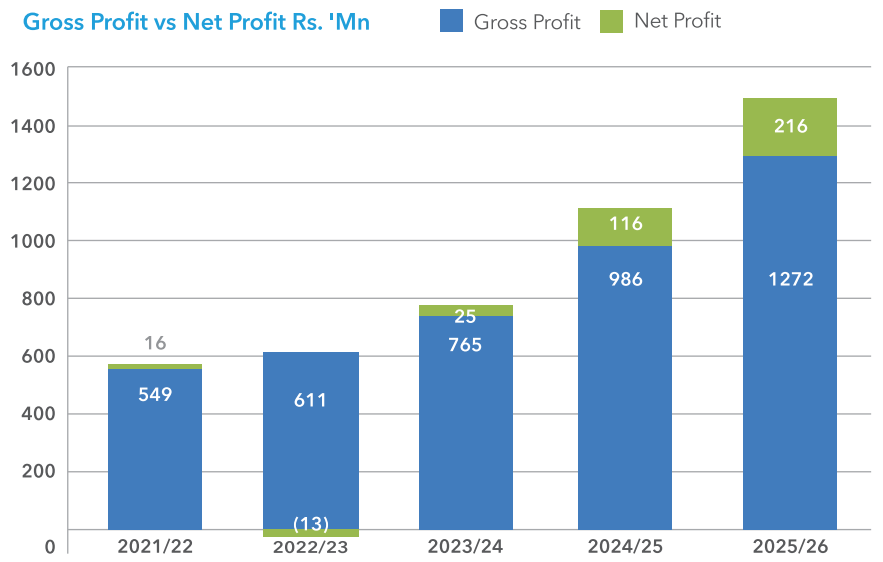
- Revenue growth across business segments;

*"Prudent financial stewardship remains a key priority of the Company as we navigate a volatile macroeconomic and banking environment. During the year, the Company carefully monitored interest rate movements, liquidity conditions, credit risk and regulatory developments while supporting sustainable business growth. The Board continuously evaluates market dynamics, funding requirements and economic indicators to ensure the Company maintains financial resilience, operational stability and long-term stakeholder value."*



***Mr. H.M.A.B. Weerasekara***
*Non Independent Non-Executive Director*

# FINANCIAL CAPITAL




- Improved operational efficiency;
- Effective cost management initiatives; and
- Strategic business expansion efforts.

Total comprehensive income for the year amounted to Rs. 235.6 million compared to Rs. 113.9 million in the previous year.

Basic earnings per share improved to Rs. 0.50 compared to Rs. 0.27 recorded in 2025.

### Company's Financial Position

The Company maintained a strong financial position as at 31st March 2026, with:

- Total assets amounting to Rs. 1,810.7 million; and
- Total equity amounting to Rs. 1,148 million.

This compares favorably with total assets of Rs. 1,495.5 million and total equity of Rs. 912.5 million as at 31st March 2025.

The increase in the asset base reflects the Company's continued investments in operational infrastructure, technology enhancements and strategic expansion initiatives.

### Efficient Management of Monetized Assets

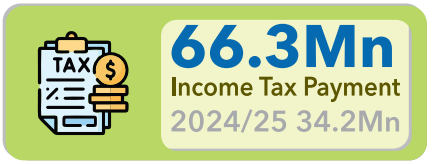
The efficient management of monetized assets – including property, plant and equipment, inventories, receivables, financial assets and cash resources – remains a key priority for the Company.

During the year:

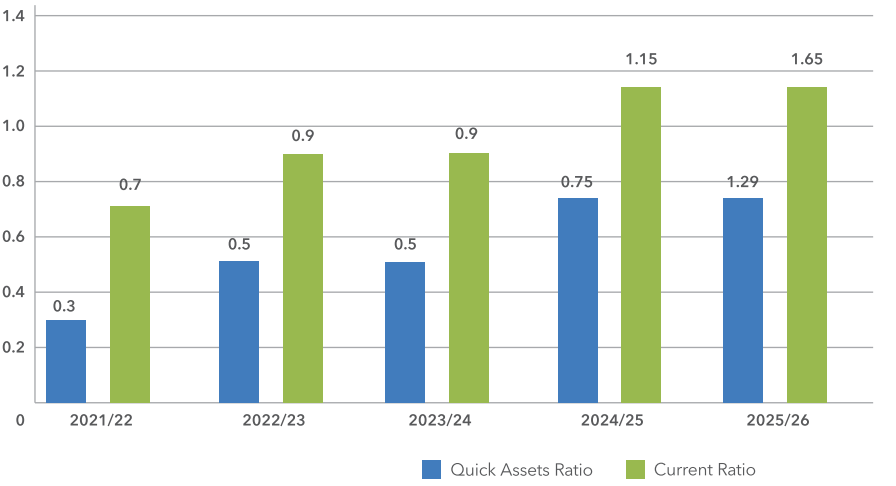
- Non-current assets increased to Rs. 1,346.2 million from Rs. 1,200.3 million, primarily due to investments in property, plant and equipment and right-of-use assets.
- Current assets increased significantly to Rs. 464.5 million from Rs. 295.2 million, supported by higher financial assets and related party receivables.
- Cash and cash equivalents increased from Rs. 70.8 million in the previous year to Rs. 73.4 million in the current year, reflecting an improvement of Rs. 2.6 million or 3.7% year-on-year.

The Board and Management continue to place significant emphasis on maintaining adequate liquidity levels and ensuring optimal utilization of financial resources through effective treasury management practices.




Current Ratio and Quick Ratio (Times)



# FINANCIAL CAPITAL

### Liquidity Management and Working Capital

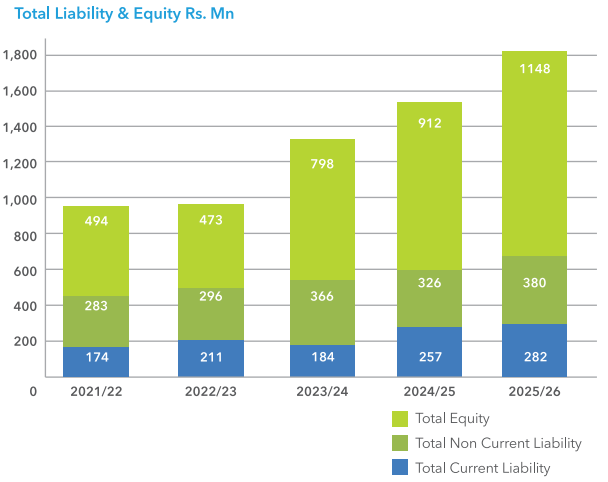
Effective liquidity management remains central to the Company's financial strategy. Singhe Hospitals PLC proactively manages liquidity risk by aligning cash flows, receivables, borrowings and operational funding requirements to ensure timely settlement of financial obligations.

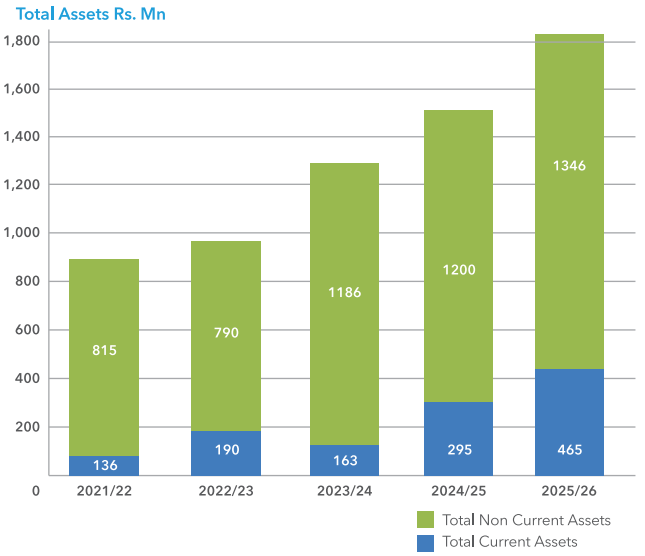
Strategic investments and capital expenditure projects are generally financed through medium to long-term funding arrangements, enabling the Company to preserve short-term liquidity while supporting future growth.

To strengthen liquidity management, the Company maintains:

- Access to diversified funding sources;
- Undrawn committed banking facilities; and
- Adequate cash reserves to support operational flexibility.

As at 31st March 2026, the Company maintained a stable liquidity position supported by improved working capital management and disciplined treasury oversight.




*"We strongly believe in the principle articulated by Peter Drucker: "What gets measured gets managed." Accordingly, continuous monitoring, ratio analysis and performance evaluations remain integral to our management approach. Our focus is on smart cost optimization rather than simple cost reduction, ensuring that service quality, patient care and operational standards are never compromised. During the year, the Board further strengthened its oversight of financial efficiency initiatives through structured monitoring and continuous evaluation of operational performance. This proactive and data-driven approach has contributed positively towards improving efficiency, strengthening profitability and supporting the Company's long-term growth objectives"*



***Mr. U B H Jayalath Kithsiri***
*Non Independent*
*Non Executive Director*

# FINANCIAL CAPITAL

### Cash Flow Management

The treasury function continues to play a vital role in overseeing and implementing effective cash flow management strategies across the organization.

The Company continuously monitors and evaluates cash flows to ensure:

- Efficient allocation of financial resources;
- Timely settlement of obligations;
- Optimization of funding requirements; and
- Reduction of financial risk exposure.

Cash and cash equivalents as at 31st March 2026 amounted to Rs. 73.4 million compared to Rs. 70.8 million in the previous year.

The Company's disciplined cash flow management approach supports long-term financial resilience and operational sustainability.

### Capital Structure and Leverage

As at 31st March 2026, the Company's capital structure comprised:

- Total Equity: Rs. 1,148 million
- Interest Bearing Borrowings: Rs. 169.2 million (including current and non-current borrowings)

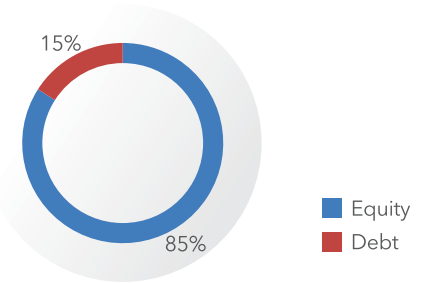
The Company continues to maintain a balanced and sustainable capital structure while utilizing debt prudently to finance strategic investments and operational expansion.

Management remains committed to maintaining an appropriate balance between equity and debt financing to ensure long-term financial stability, optimize the cost of capital and support future growth opportunities.

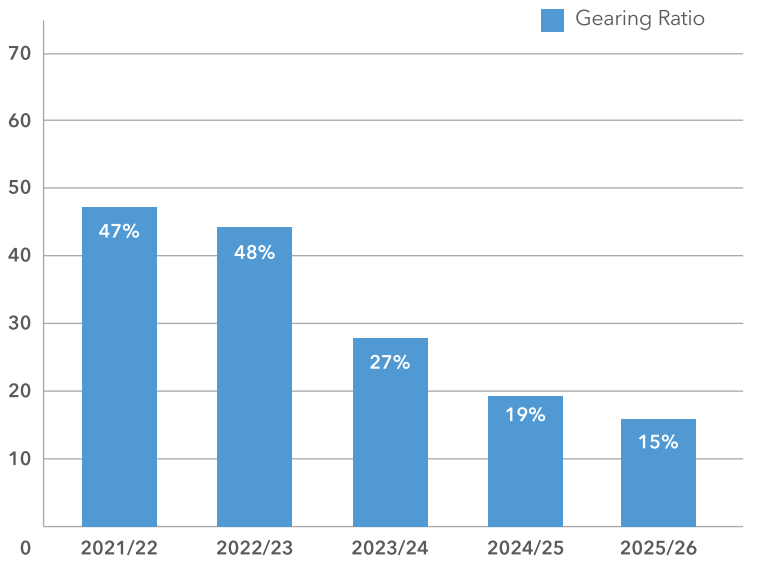
### Performance of the Colombo Stock Exchange

Since being listed on the Colombo Stock Exchange on 21st April 2015, the Company's share has demonstrated significant growth over the years. During the year under review, the share price recorded strong performance compared to previous years, reflecting growing investor confidence and the Company's continued financial and operational progress.

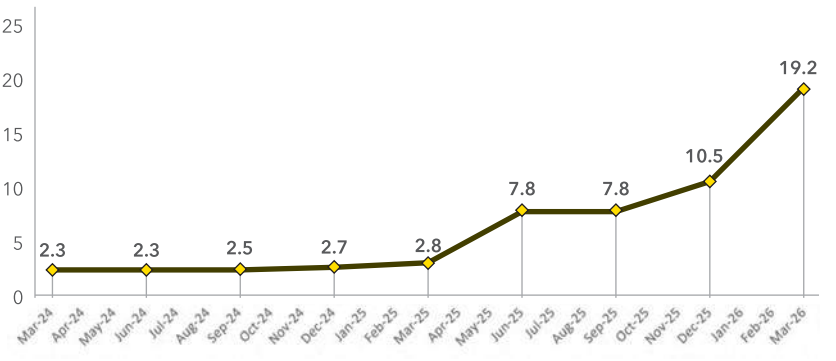
**Gearing (D/E)**




**Gearing Ratio (D/E)**



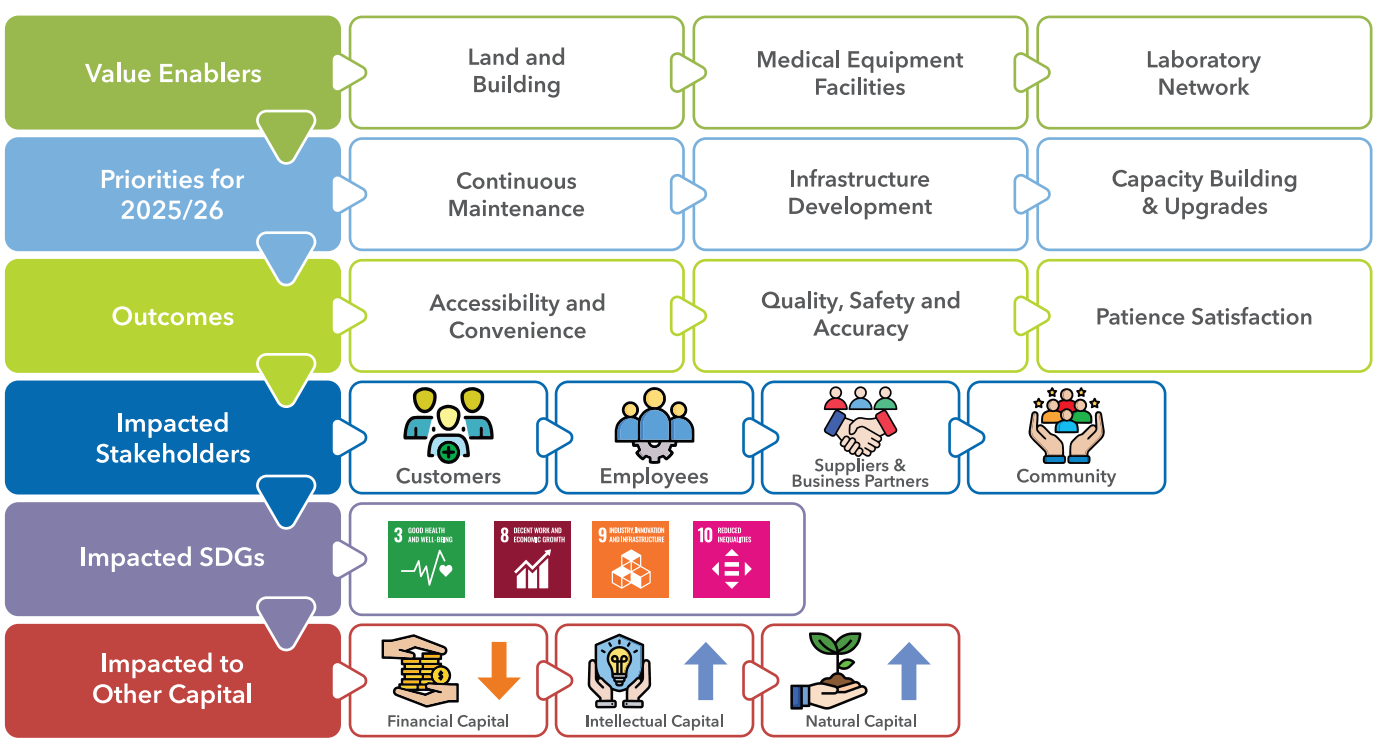

**Share Price Movement - Quartaly**



# MANUFACTURED CAPITAL

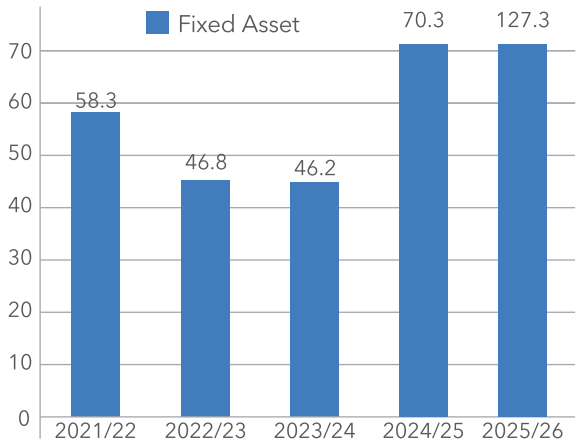
Our network of healthcare facilities, diagnostic equipment, and supporting infrastructure forms the foundation of our Manufactured Capital. These assets enable the efficient delivery of quality healthcare services while supporting sustainable growth and operational excellence.



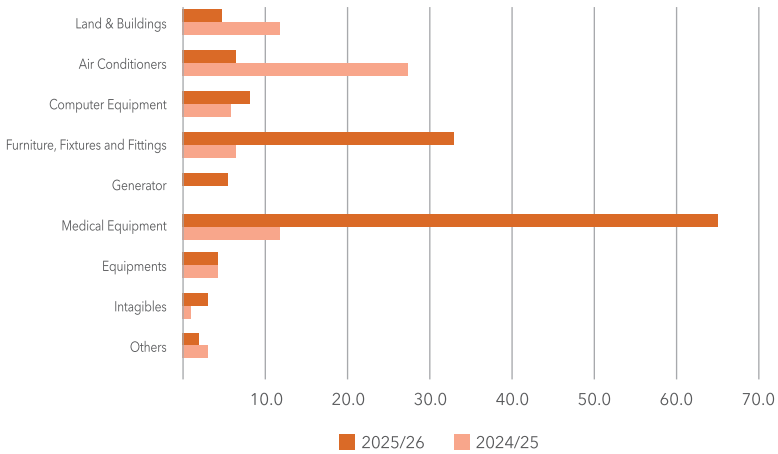


# MANUFACTURED CAPITAL

### Fixed Assets Addition Rs.Mn




### PPE Additions by types of Assets

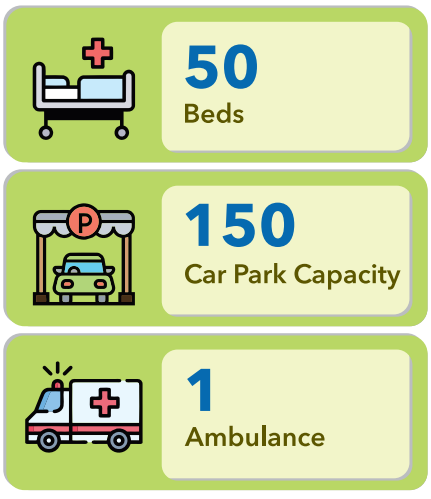



Manufactured capital remains fundamental to the delivery of quality healthcare at Singhe Hospitals PLC, encompassing the infrastructure, medical technology, operational systems and healthcare facilities that support patient care and service excellence. Our continued investment in modern healthcare infrastructure enables us to provide safe, efficient and patient-centric medical services while strengthening operational resilience and long-term sustainability.

Our manufactured capital portfolio comprises owned, rented and leased properties located across Sri Lanka, including hospitals, laboratory facilities, sample collection centres, medical equipment, digital healthcare platforms and supporting operational infrastructure. At the centre of these operations is our state-of-the-art tertiary care hospital in Ratnapura, which continues to serve as the cornerstone of our healthcare network and a trusted provider of quality healthcare services in the region.

Since commencing operations in June 2012, Singhe Hospitals has evolved from a modest private healthcare provider into one of the leading tertiary healthcare institutions in the Ratnapura District. Over the years, the Company has continuously strengthened its infrastructure and expanded its healthcare capabilities to meet the growing expectations of patients, consultants and stakeholders. Today, the hospital operates with a capacity of 50 inpatient beds while providing a wide range of specialised healthcare services supported by visiting consultants, experienced nursing staff and qualified in-house medical officers who ensure continuous patient monitoring and high standards of clinical care.

| Category | Services | |
|---|---|---|
| Hospital | Hospital Services | • 24 Hour OPD Service<br>• Multi Specialist Consultants<br>• 24 Hour Radiology Facility<br>• 24 Hour Pharmacy<br>• Intensive Care Unit<br>• 24 Hour Laboratory<br>• Dental Unit<br>• 24 Hour Ambulance Service<br>• Wards/Rooms at Affordable Prices<br>• Ultrasound Scanning<br>• Emergency Treatment Unit<br>• Patient Parking Facility<br>• Home Nursing<br>• Cafeteria<br>• Cosmetic Center |
| Main Lab | ECG, Health Packages, Laboratory Services, Mobile/Home Visit | |
| Medical Center | ECG, Health Packages, Laboratory Services, Pharmacy, OPD | |
| Owen Center | ECG, Health Packages, Laboratory Services, Mobile/Home Visit | |
| Third Party Center | Laboratory Services | |



# MANUFACTURED CAPITAL

### Infrastructure Development

During the financial year 2025/26, the Company continued its strategic investment in infrastructure enhancement and facility optimisation initiatives aimed at improving patient comfort, operational efficiency and service quality. Several refurbishment and upgrading projects were undertaken across the hospital premises and laboratory network to modernise healthcare delivery environments and strengthen the Company operational capabilities.

Particular attention was given to improving patient accessibility, enhancing the utilization of existing space and upgrading critical healthcare infrastructure to support increasing demand for healthcare services. These developments also form part of a broader long-term transformation strategy focused on positioning Singhe Hospitals for future growth while maintaining operational excellence and financial sustainability.

The Company also progressed with preliminary planning activities relating to future expansion initiatives, including modernised patient care areas, enhanced laboratory facilities, improved waiting and channeling environments and the introduction of advanced medical technologies to further strengthen clinical outcomes and patient satisfaction.

### Laboratory Network Expansion

Despite challenging economic conditions and continued cost pressures associated with imported medical equipment and construction-related materials, the Company remained committed to expanding and strengthening its diagnostic service network across the island. During the year under review, additional investments were made to enhance the operational efficiency and accessibility of several laboratory locations.

Upgrading initiatives were carried out at selected laboratory branches through the installation of modern diagnostic equipment and improved facility arrangements. These enhancements enabled the laboratories to expand their testing capabilities while improving turnaround times, service reliability and patient convenience.

Furthermore, the Karapitiya laboratory continued operations from its strategically relocated premises, improving visibility and accessibility for patients and supporting increased operational efficiency. The Company also continued evaluating opportunities to further expand its diagnostic footprint into underserved regions with the objective of improving healthcare accessibility and reducing patient travel time.

| Laboratory | Address |
|---|---|
| Ratnapura (Main) | No. 362, Colombo Road, Ratnapura. |
| Homagama | No. 24/1, Infront of Hospital, Malapalla, Homagama. |
| Kandy | Infront of Hospital, Kappettipola Road, Kandy. |
| Negombo | No 118/A, Infront of Hospital, Colombo Road, Negambo. |
| Bandarawela | No: 37, Walimada Road, Seous Channeling Center, Bandarawela. |
| Embilipitiya | No: 16, New Town, Infront of Hospital, Embilipitiya. |
| Balangoda | No.137, Bansrathwaththe Road, Balangoda. |
| Avissawella | No: 64/141B, Hospital Road, Avissawella. |
| Kahawatta | No.112/A, Infront of Hospital, Main Road, Kahawaththa. |
| Karapitiya | No. 136, Maitipe 1st Ln, Karapitiya |
| Kalawana | Hospital Road, Manana, Kalawana. |

### Assets Added During the Year

| Assets | Addition During The Year (Rs. Mn) |
|---|---|
| Land & Buildings | 4.8 |
| Air Conditioners | 6.4 |
| Computer Equipment | 8.3 |
| Furniture, Fixture & Fittings | 32.3 |
| Generator | 5.5 |
| Medical Equipment | 63.5 |
| Equipments | 4.2 |
| Intangibles | 3.2 |
| Others | 2.2 |
| Total | 130.6 |



# MANUFACTURED CAPITAL

### Capacity Building and Equipment Upgrades

In line with our commitment to delivering superior patient care and clinical excellence, Singhe Hospitals continued investing in advanced medical technologies, healthcare equipment and operational improvements during the year under review. These investments were focused on strengthening diagnostic precision, enhancing treatment effectiveness, improving workflow efficiency and elevating the overall patient experience.

The Company continued to priorities investments in critical medical and support equipment despite ongoing market challenges and fluctuations in import-related costs. Several operational and facility-related improvements were also undertaken to strengthen infection control standards, patient safety, energy efficiency and healthcare service reliability.

Additionally, the integration and enhancement of digital healthcare systems and back-office operational platforms remained a key priority during the year, supporting improved coordination, data management, operational transparency and long-term scalability across the Company's healthcare operations.

As part of our long-term infrastructure strategy, the Company also continued focusing on operational sustainability and resource optimisation. Efforts were made to improve energy utilisation, maintain healthcare infrastructure efficiently and optimise available space to support cost-effective operations while preserving service quality.

The continued enhancement of manufactured capital not only strengthens healthcare delivery capabilities but also contributes positively to employment generation, community healthcare accessibility, regional economic activity and the long-term sustainability of the organisation.

### Manufactured Capital Value Creation Framework

This framework demonstrates how Singhe Hospitals strategically utilizes its manufactured capital to create sustainable value across the healthcare ecosystem. Through continuous investment in land and buildings, advanced medical equipment, laboratory networks, infrastructure development and capacity enhancement initiatives, the Company strengthens its ability to deliver safe, accessible, efficient and high-quality healthcare services.

These investments enhance operational excellence, improve diagnostic accuracy, strengthen patient safety standards and elevate the overall patient experience while supporting long-term institutional growth. The resulting outcomes positively impact key stakeholders including customers, employees, suppliers, business partners and the wider community.

In parallel, the Company's manufactured capital initiatives contribute towards broader economic and social development by supporting healthcare accessibility, employment generation, technological advancement and national healthcare resilience, while aligning with relevant Sustainable Development Goals (SDGs) and reinforcing value creation across multiple capitals.

### Way Forward

Having established a strong operational foundation, Singhe Hospitals is well positioned to advance the next phase of its infrastructure development journey. The Company plans to continue upgrading and modernising its healthcare facilities with a focus on enhancing patient comfort, optimising capacity utilisation and improving clinical efficiency.

Future investment priorities will include the expansion of advanced diagnostic capabilities, the introduction of emerging medical technologies, further digitalisation of operational systems and the gradual adoption of technology-assisted medical procedures aimed at improving treatment precision and patient recovery outcomes.

Through sustained investment in healthcare infrastructure, technology and operational excellence, Singhe Hospitals remains committed to strengthening its position as a trusted healthcare provider while continuing to deliver accessible, high-quality healthcare services to communities across Sri Lanka.



**11**
Laboratories



**60+**
Own Collecting Centers



**1000+**
Third Party Centers

*"Innovation and new ideas have driven mankind's progress throughout history and we believe they are equally important in transforming and strengthening businesses. In today's rapidly changing and competitive environment, continuous innovation is essential to maintain stability, improve efficiency and create sustainable growth. At Board level, we actively encourage creativity, fresh thinking and innovative approa ches across the organization, as we firmly believe that i nnovation is a key driver of long-term sustainability and future success"*

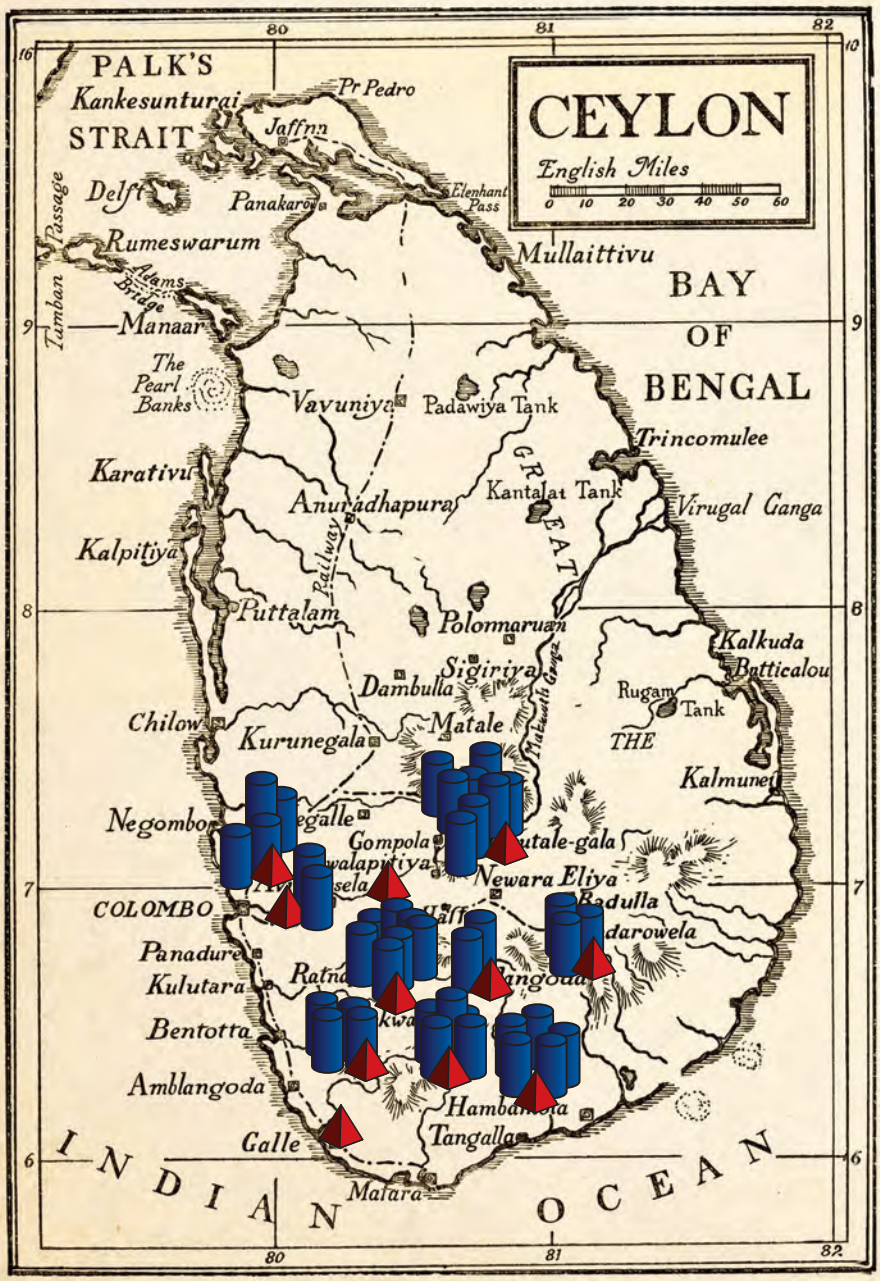


***Dr. Aruna Jayakodi***
*Independent Non-Executive Director*

# MANUFACTURED CAPITAL

## Branch Network

Singhe Hospitals laboratory service comprise of 11 laboratories located at Ratnapura, Homagama, Kandy, Negombo, Bandarawela, Kahawatta, Embilipitiya, Balangoda, Awissawella, Kalawana, Karapitiya and with over 60 sample collection centers located strategically for the convenience of our valued customers.




- ▲ **Singhe Ratnapura Laboratory**
- ● Singhe Urban Center
- ● Singhe Eheliyagoda Center
- ● Singhe Kuruwita Center
- ● Singhe Galabada Center
- ● Singhe Palawela Center
- ● Singhe Nivithigala Center
- ● Singhe Kotamulla Center
- ● Singhe Hangamuwa Center
- ● Singhe Gileemale Center
- ● Singhe Rathganga Center
- ● Singhe Malangama Center
- ● Singhe Saman Dewalaya Junction Center

- ▲ **Singhe Homagama Laboratory**
- ● Singhe Homagama Town Center
- ● Singhe Pannipitiya Center
- ● Singhe Kiriwaththuduwa Center
- ● Singhe Jambugasmulla Center

- ▲ **Singhe Negombo Laboratory**
- ● Singhe Thalahena Center
- ● Singhe Wennappuwa Center

- ▲ **Singhe Kandy Laboratory**
- ● Singhe Theldeniya Center
- ● Singhe Hanguranketha Center
- ● Singhe Werellagama Center
- ● Singhe Thalathuoya Center
- ● Singhe Rikillagaskada Center
- ● Singhe Muruthalawa Center
- ● Singhe Katugasthota Center
- ● Singhe Nugawela Center
- ● Singhe Sirimalwaththa Center

- ▲ **Singhe Bandarawela Laboratory**
- ● Singhe Diyathalawa Center
- ● Singhe Ideal Nursing Home Center
- ● Singhe Bandarawela Town Center

- ▲ **Singhe Balangoda Laboratory**
- ● Singhe Oluganthota Center
- ● Singhe Weligepola Center

- ▲ **Singhe Kahawatta Laboratory**
- ● Singhe Pelmadulla Center
- ● Singhe Godakawela Center
- ● Singhe Manandola Center
- ● Singhe Pallebedda Center
- ● Singhe Rakwana Center
- ● Singhe Madampe Center
- ● Singhe Endana Center

- ▲ **Singhe Embilipitiya Laboratory**
- ● Singhe Embilipitiya Town Center
- ● Singhe Padalangala Center
- ● Singhe Middeniya Center
- ● Singhe Sooriyawewa Center

- ▲ **Singhe Avissawella Laboratory**
- ● Singhe Urapola Center
- ● Singhe Yatiyanthota Center

- ▲ **Singhe Kalawana Laboratory**
- ● Singhe Delwala Center
- ● Singhe Ayagama Center
- ● Singhe Pothupitiya Center
- ● Singhe Lathpandura Center
- ● Singhe Polgampola Center

- ▲ **Singhe Karapitiya Laboratory**
- ● Singhe Deniyaya Center
- ● Singhe Pitigala Center
- ● Singhe Udugama Center
- ● Singhe Neluwa Center

▲ Labs ● Collecting Centers

# INTELLECTUAL CAPITAL

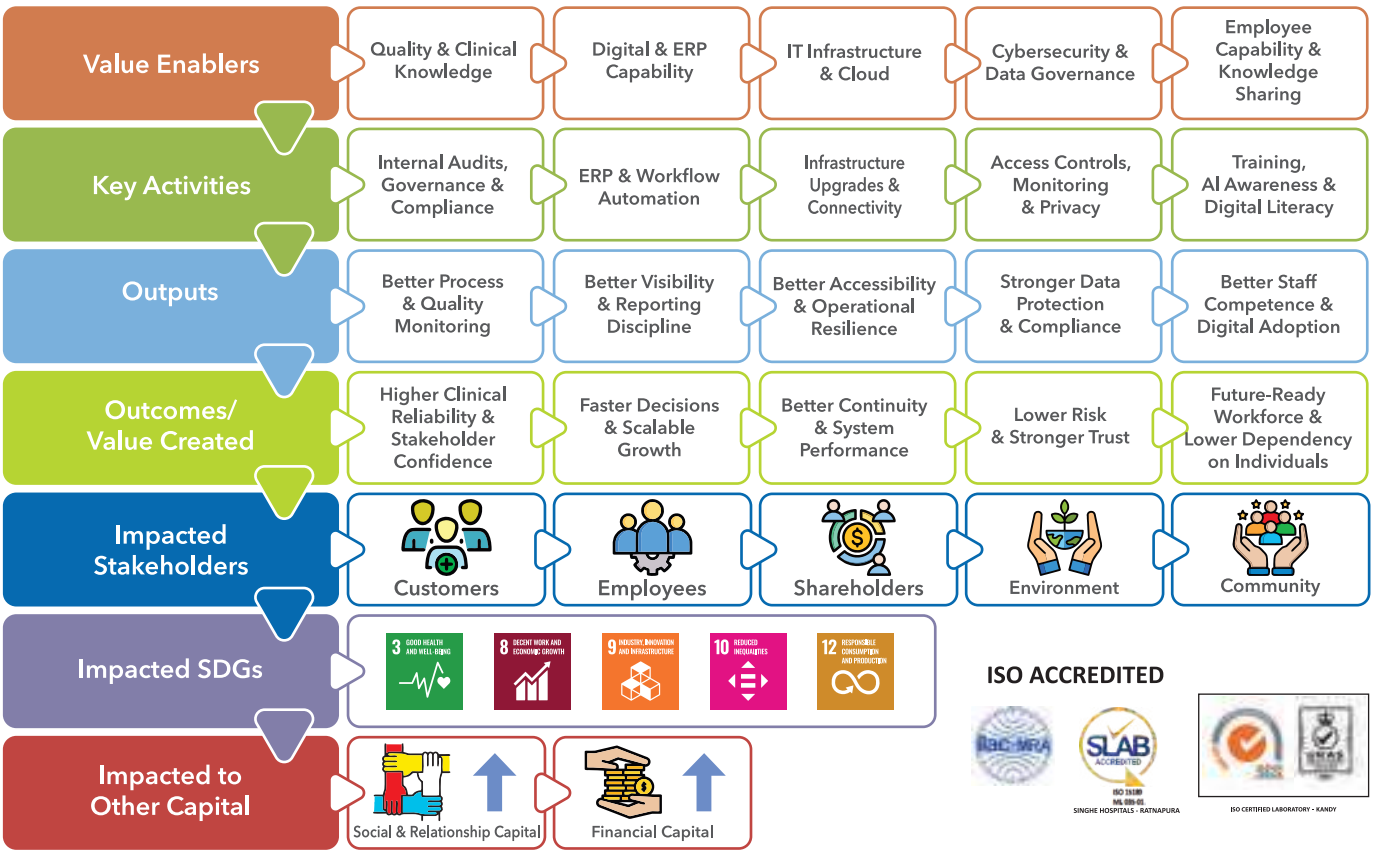


## Overview

At Singhe Hospitals PLC, intellectual capital represents the collective value of our clinical knowledge, professional expertise, digital systems, process capabilities, institutional know-how and governance frameworks. It is a key strategic enabler that supports innovation, operational excellence, clinical quality, patient safety and long-term sustainability.

During the year under review, the Company continued to strengthen its intellectual capital through investments in quality systems, digital transformation, data governance, cybersecurity, process improvement, employee capability development and knowledge-sharing mechanisms. These initiatives support our ability to deliver safe, efficient and patient-centred healthcare services while improving decision-making, service coordination and organizational resilience.

This section should be read together with the Corporate Governance, Risk Management, Sustainability, Human Capital, Financial Capital and Financial Statements sections of the Annual Report. The disclosures in this section are intended to provide a balanced narrative on the Company's intellectual capital and its contribution to value creation and should not be interpreted as a standalone statement of compliance with any specific regulatory framework.



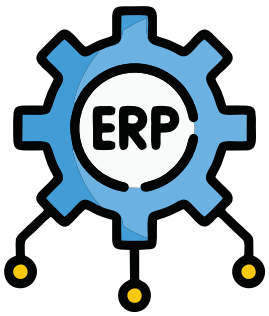
# INTELLECTUAL CAPITAL

### Strategic Relevance of Intellectual Capital

Healthcare delivery increasingly depends on the effective use of knowledge, systems and technology. For Singhe Hospitals, intellectual capital supports better clinical outcomes, improved operational control, accurate reporting, patient convenience, service quality, regulatory readiness and sustainable growth. The Company therefore continues to treat intellectual capital as a core pillar of its business model and long-term strategy.

Our intellectual capital is developed and protected through four interrelated areas:

- clinical and technical knowledge, including professional competence, standard operating procedures and clinical governance practices;
- technology and digital systems, including enterprise applications, cloud-enabled platforms, workflow automation and internal reporting tools;
- process knowledge, including documentation, internal controls, audit mechanisms, patient feedback systems and continuous improvement practices; and
- organizational learning, including staff training, cross-functional collaboration, knowledge sharing and succession of institutional know-how.




### Commitment to Quality and Clinical Excellence

#### Upholding Appropriate Quality Standards

Singhe Hospitals continued to strengthen quality and clinical governance standards through structured internal audits, quality monitoring, staff training and process improvement initiatives. During the year under review, the diagnostic laboratory network continued to align its practices with ISO 15189:2022 requirements for medical laboratory quality and competence, supporting the Company's commitment to accuracy, reliability and service excellence.

The Company's approach to quality extends beyond procedural compliance. It reflects an ongoing commitment to patient safety, clinical accuracy, ethical service delivery, operational efficiency and continuous improvement across hospital, laboratory, pharmacy and support functions.

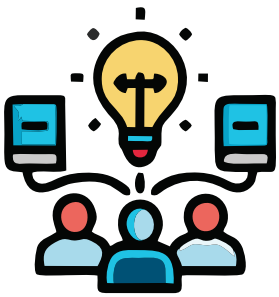
#### Ensuring Effective Oversight

Quality governance remains embedded within the organizational culture of Singhe Hospitals. Oversight and strategic direction are provided through the Board of Directors, senior management, clinical leadership and operational management teams, with accountability cascaded across departments and service units.

During the year, the Company further strengthened its quality assurance framework through:

- enhanced internal quality monitoring mechanisms across key service areas;
- continuous internal audits across laboratories and operational units;
- strengthening of clinical governance structures and committee participation;
- appointment and empowerment of responsible personnel to oversee quality compliance and process improvements;
- improved monitoring and reporting mechanisms to support timely corrective action; and
- greater emphasis on documentation, traceability, accountability and corrective-preventive action processes.

These initiatives support continuous adherence to best practices and promote a culture of responsibility, learning and service improvement.



#### Implementing the Right Processes

Several operational and clinical process improvements were introduced during the reporting period to enhance service delivery, accuracy and operational efficiency. These included the enhancement of clinical documentation protocols, expansion of digital workflow processes, improvement of patient information management practices, further automation of administrative and clinical procedures and strengthening of patient feedback and complaint management mechanisms.

Patient satisfaction remains an important component of the Company's quality management framework. Structured patient feedback systems, satisfaction surveys, responsive grievance handling and service recovery mechanisms continue to support patient-centred care delivery and continuous service improvement.

# INTELLECTUAL CAPITAL

**Technology-Driven Initiatives in 2025/26**

**Enterprise Digital Transformation**

**ERP System Integration and Enhancement**

During the year, Singhe Hospitals further advanced its digital transformation journey through the enhancement and expansion of Enterprise Resource Planning (ERP) capabilities across hospital operations, laboratories, pharmacies and support functions. The integrated platform has strengthened operational visibility, data consistency, workflow coordination and management reporting.

The ERP platform continues to support:

- real-time operational visibility across key business processes;
- improved data accuracy and consistency;
- workflow automation and reduction of manual interventions;
- stronger financial and operational reporting; and
- better interconnectivity between departments, laboratories and branch operations.

The ERP environment remains an important foundation for scalable, technology-enabled growth and improved management decision-making.

**Cloud-Based Modernization**

The Company continued its transition towards cloud-enabled platforms and centralized applications, improving system accessibility, operational flexibility and business continuity capabilities. This approach supports greater scalability and resilience while reducing dependence on physical infrastructure and enabling faster deployment of digital solutions.

Cloud-enabled modernization contributed to improved system availability, stronger continuity planning, enhanced accessibility for authorized users and greater operational agility across hospital and laboratory operations.

**Key Risks, Impacts and Mitigation Strategies – Singhe Hospitals PLC**

| Risks Area | Impact | Mitigation Strategy |
|---|---|---|
| Cybersecurity Risks and Data Loss | Increased reliance on digital systems may expose the organization to cyber threats, unauthorized access, data loss or operational disruption. | Continuous strengthening of cybersecurity controls, endpoint protection, access governance, data backup procedures, monitoring mechanisms, incident response readiness and user awareness programmes. |
| Regulatory and compliance risks | Non-compliance with evolving data protection, healthcare and listed-company requirements may expose the organization to legal, reputational and operational risks. | Regular policy reviews, compliance monitoring, governance enhancements, documentation improvements, supplier compliance reviews and progressive alignment with applicable regulatory requirements. |
| Technology adoption challenges | Resistance to change or insufficient user adoption may limit the expected benefits of digital transformation and process automation. | Phased implementation, user training, awareness programmes, practical support, feedback loops and involvement of operational teams in system improvement. |
| Reputational risk | Service failures, quality incidents, data-related concerns or communication gaps may affect stakeholder confidence and institutional reputation. | Strengthened quality governance, patient engagement, complaint management, communication standards, operational transparency and timely corrective action. |
| Loss of institutional knowledge | Loss of critical clinical, technical or operational expertise may affect continuity, efficiency and consistency of service delivery. | Structured knowledge-sharing, digital documentation, mentoring, succession planning, standard operating procedures and centralized information repositories. |
| System reliability and business continuity risks | System downtime or infrastructure failure may affect service delivery, reporting, patient convenience and operational control. | Infrastructure modernization, cloud-enabled systems, connectivity improvements, backup disciplines, support arrangements and business continuity planning. |

# INTELLECTUAL CAPITAL

### In-House Application Development

Recognizing the need for agile innovation, Singhe Hospitals continued to strengthen its in-house application development capabilities. Customized digital solutions were developed and enhanced to address operational gaps, streamline workflows and improve user experience across clinical and administrative functions.

The internal development capability continued to support process automation, clinical workflow enhancements, internal reporting tools, operational monitoring systems and AI-assisted administrative solutions. This approach enables faster response to operational requirements while reducing dependence on external system modifications and improving organizational ownership of digital solutions.

### IT Infrastructure and Connectivity Enhancement

#### Infrastructure Modernization

The Company continued upgrading its IT infrastructure to support increased digitalization and operational resilience. Investments and improvements were focused on modern hardware, network optimization, secure platforms, performance improvements and system reliability.

These initiatives supported improved operational efficiency, better system performance, increased scalability, enhanced reliability of digital services and reduced infrastructure maintenance complexities.

#### Intelligent Network Solutions

Internal connectivity and communication systems were further enhanced through intelligent network solutions designed to support seamless digital operations across departments and facilities. Improved connectivity stability, user accessibility, device mobility and operational responsiveness continue to enable more efficient delivery of digital healthcare services.

### Information Security, Data Governance and Regulatory Readiness

#### Strengthening Cybersecurity Controls

As healthcare operations become increasingly digitized, cybersecurity and data protection remain important priorities for Singhe Hospitals. During the year, the Company continued strengthening its cybersecurity framework through monitoring mechanisms, endpoint protection, access controls, backup disciplines and staff awareness initiatives.

These measures are intended to support early detection of threats, improved incident response, protection of patient and organizational data and strengthened system integrity and resilience. Regular awareness programmes and staff training sessions were also conducted to reduce operational risks associated with phishing, unauthorized access, weak passwords and other common digital threats.

#### Regulatory Compliance and Data Protection

The Company continued reviewing and strengthening its IT governance and data governance frameworks to support progressive alignment with applicable data protection and healthcare regulatory requirements, including the Personal Data Protection Act. Key initiatives included reviewing data governance policies, strengthening privacy controls, updating supplier and service provider compliance requirements, improving access governance and promoting ethical, transparent and accountable use of data.

Given the sensitive nature of healthcare information, Singhe Hospitals recognizes the importance of privacy, confidentiality, secure data processing and responsible information management. The Company will continue to strengthen its policies, training, monitoring and documentation practices to support ongoing regulatory readiness.

### Workforce Transformation and Digital Enablement

#### Building a Digital-First Culture

Singhe Hospitals continued fostering a digital-first culture across operational levels by encouraging technology adoption, process automation, digital collaboration and data-driven decision-making. The digitization of selected operational workflows, including scheduling and administrative functions, has improved efficiency, reduced manual interventions and enhanced service coordination across departments.

The Company recognizes that digital transformation is not limited to the implementation of software and systems. It requires people, processes and governance to move together. Accordingly, emphasis was placed on user adoption, training, communication, phased implementation and continuous support.

#### AI Enablement and Staff Development

During the year, the Company further explored the responsible use of Artificial Intelligence tools and digital productivity platforms to improve operational efficiency, administrative productivity and decision support. Training and awareness programmes were conducted to improve digital literacy and equip employees with the knowledge required to effectively and responsibly use emerging technologies, including AI-assisted tools and Large Language Models.

These initiatives support the development of a future-ready workforce capable of adapting to evolving healthcare, regulatory and technological environments while maintaining professional judgement, patient confidentiality and ethical conduct.

### Innovation, Knowledge Sharing and Continuous Improvement

Knowledge sharing and continuous improvement remain essential components of intellectual capital development at Singhe Hospitals. Cross-functional collaboration, staff training,

# INTELLECTUAL CAPITAL

process reviews, operational learning initiatives and internal communication mechanisms continue to strengthen institutional knowledge and organizational capability.

During the year, the Company continued investing in:

- professional development programmes for clinical, technical and administrative teams;
- clinical and technical training to improve service quality and operational consistency;
- knowledge-sharing sessions and cross-functional learning;
- process optimization initiatives to reduce delays, duplication and avoidable errors;
- technology-driven operational improvements; and
- digital documentation and centralized information repositories to preserve institutional knowledge.

These efforts contribute to sustainable organizational growth, service quality, efficiency and stakeholder confidence.

**Value Creation Through Intellectual Capital**

The Company's intellectual capital creates value by converting knowledge, technology, systems and process capability into improved service delivery, better decision-making, enhanced patient experience, operational efficiency and long-term institutional resilience.

The value created through these activities benefits patients, employees, shareholders, regulators, suppliers, medical professionals and the wider community. It also supports the Company's contribution to broader sustainability priorities, including good health and well-being, decent work and economic growth, innovation and infrastructure, responsible consumption and production and institutional resilience.

**Key Risks, Impacts and Mitigation Strategies**

The Company recognizes that intellectual capital carries both opportunities and risks. The following areas are monitored as part of the Company's governance, risk management and operational review processes:

**Performance Focus and Management Priorities**

The Company will continue to monitor the development of intellectual capital through operational reviews, quality indicators, audit findings, system performance, training activities, patient feedback, information security improvements and progress on digital transformation initiatives. Management priorities include improving data quality, strengthening digital adoption, enhancing service coordination, developing staff capability, improving cybersecurity maturity and supporting compliance readiness.

**Looking Ahead**

As Singhe Hospitals continues its transformation journey, intellectual capital will remain a critical driver of sustainable growth, innovation and operational excellence. The Company's continued investments in digital technologies, process improvements, employee capability development, quality systems, information security and responsible data governance position it to respond proactively to the evolving healthcare landscape.

Through innovation, knowledge enhancement and technology-driven transformation, Singhe Hospitals remains committed to delivering exceptional healthcare experiences, strengthening stakeholder value and building a resilient, future-ready healthcare institution.



**22.7Mn**
Intangible Asset



Continuous Improvement

*"Technology plays a vital role in shaping the future of healthcare, and Singhe Hospitals PLC remains committed to embracing digital transformation as a key driver of service excellence. Through continued investment in modern hardware, software, and integrated information systems, the Company seeks to enhance operational efficiency, accuracy, accessibility, and the overall quality of patient care. These initiatives are expected to support faster decision-making, improved service delivery, better resource utilization, and a more seamless patient experience. The Company believes that the strategic adoption of technology will be essential in achieving sustainable growth, strengthening operational resilience, and maintaining its position as a leading private healthcare provider in the region."*



***Mr. Navinda Weerasinghe***
*Managing Director*

# INTELLECTUAL CAPITAL

## Awards & Accreditations



1. National Silver Award - Extra Large Category
   Sri Lankan Entrepreneur of the Year 2025
2. Provincial Gold Award - Extra Large Category - Sabaragamuwa Province
   Sri Lankan Entrepreneur of the Year 2025
3. Sabaragamuwa Province Best Entrepreneur of the Year 2019, Gold Award
4. Sabaragamuwa Province Best Entrepreneur of the Year 2020,
   Extra Large Category - Service Sector - Gold Award
5. Sabaragamuwa Province Best Entrepreneur of the Year 2022,
   Extra Large Category - Service Sector - Gold Award




## TAGS Awards 2025

Singhe Hospitals PLC proudly secured 3rd Place in the Healthcare Sector at the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) TAGS (Transparency, Accountability, Governance Sustainability) Awards 2025 for its 2024/25 Annual Report. This recognition reflects our commitment to transparency, accountability and excellence in corporate reporting, while reinforcing stakeholder confidence in our governance and disclosure practices.

# SOCIAL & RELATIONSHIP CAPITAL

Our Social and Relationship Capital reflects the strong relationships we maintain with patients, employees, business partners, regulators, and communities. These relationships are fundamental to delivering quality healthcare services and creating sustainable value for all stakeholders.



At Singhe Hospitals PLC, social and relationship capital represents the trusted relationships we maintain with patients, healthcare professionals, suppliers, regulators, shareholders and the wider community. These relationships are built on integrity, compassion, transparency and service excellence, enabling us to deliver sustainable value while strengthening our position as a trusted healthcare provider in Sri Lanka.



# SOCIAL & RELATIONSHIP CAPITAL

### Contribution to Value Creation

Strong stakeholder relationships remain fundamental to the long-term sustainability and success of Singhe Hospitals. Our patient-centric culture, commitment to clinical excellence and continuous investment in healthcare technologies have enabled us to strengthen patient confidence and improve healthcare outcomes during the year under review.

We continued to strengthen engagement with medical consultants, suppliers, pharmaceutical partners and regulatory authorities to ensure uninterrupted healthcare delivery, compliance with healthcare standards and operational resilience. Through these collaborative relationships, the hospital enhanced service quality, operational efficiency and stakeholder trust, while supporting the Company's long-term strategic direction.

### Patient-centric Healthcare Services

Patient well-being remains at the centre of our operations. We continuously strive to deliver compassionate, safe and accessible healthcare services supported by qualified healthcare professionals, advanced medical technologies and efficient support systems.

During the year, Singhe Hospitals continued to strengthen specialised healthcare services including general surgery, internal medicine, obstetrics and gynecology, diagnostics, laboratory services and preventive healthcare initiatives. Continuous investments in staff training, professional development and medical expertise further enhanced the quality and reliability of our healthcare services.

### Quality Healthcare Infrastructure and Digital Transformation

Our commitment to service excellence is supported by continuous investments in modern healthcare infrastructure and digital transformation initiatives. Upgrades to medical equipment, laboratory facilities, patient care areas and hospital systems enhanced operational efficiency and patient convenience during the year.

The hospital also continued improvements to its digital healthcare platforms, including enhancements to the Laboratory Information System (LIS), customer relationship management processes and integrated healthcare information systems. These initiatives improved service coordination, patient communication and operational accuracy while supporting efficient clinical decision-making.

### Commitment to Quality and Patient Experience

Maintaining high standards of healthcare quality remained a key priority throughout the year. Despite ongoing economic and industry-related challenges, Singhe Hospitals successfully ensured uninterrupted healthcare services through prudent resource management, strategic procurement practices and effective operational planning.

Patient feedback and satisfaction monitoring continued to play a critical role in driving service improvements.

| Risks | Impact to Business | Mitigation Actions |
|---|---|---|
| Loss of Key Medical Suppliers | Dependence on select suppliers for pharmaceuticals, medical devices and other critical inputs can disrupt service delivery and impact patient care. | Maintain strong, mutually beneficial relationships with suppliers through transparent agreements and regular engagement. Diversify the supplier base, especially for essential and specialized items, to reduce dependency on any single supplier. |
| Loss of Loyal Patients | Our loyal patient base is integral to sustaining long-term performance. Losing patient trust can lead to reputational damage and reduced earnings. | Enhance the patient experience through continuous investment in customer relationship management, digital health platforms and personalized care. Empower staff through training in empathy-driven service delivery. |
| Negative Societal Impact | Any perceived or actual negative impact on the community could harm our reputation and affect our ability to operate sustainably. | Strengthen community engagement initiatives, actively listen to public concerns and respond transparently. Prioritize social sustainability in our long-term strategic agenda, with a focus on public health, wellness education and inclusive access to healthcare services. |

# SOCIAL & RELATIONSHIP CAPITAL

Regular patient feedback mechanisms, ward visits and management reviews enabled the hospital to identify improvement opportunities and implement corrective measures promptly.

The hospital also maintained a strong focus on patient safety, service reliability and continuous quality improvement through regular operational reviews, process evaluations and staff awareness initiatives.

### Compassionate and Ethical Care

At Singhe Hospitals, we believe healthcare extends beyond clinical treatment. We foster a culture of empathy, dignity and personalised care to ensure every patient receives compassionate support throughout their healthcare journey. This commitment has strengthened patient trust, improved stakeholder confidence and contributed positively to the hospital's reputation.

### Supplier and Business Relationships

Singhe Hospitals maintains long-standing relationships with a diverse network of suppliers and business partners who support the delivery of quality healthcare services. These partnerships are based on ethical business practices, transparency and mutual value creation.

Continuous engagement with suppliers enabled the hospital to maintain a stable supply of pharmaceuticals, medical consumables and other essential resources despite external supply chain pressures experienced during the year. The hospital also continued to support local suppliers and service providers wherever feasible, contributing to broader economic development.

### Way Forward

Singhe Hospitals PLC will continue to strengthen its social and relationship capital by further enhancing trust, transparency and long-term engagement with all key stakeholders, including patients, healthcare professionals, suppliers, regulators, shareholders and the wider community.

Going forward, the Company will focus on improving patient experience through higher service quality, expanded medical services and continuous enhancement of clinical excellence. Strong emphasis will be placed on advancing digital healthcare systems and integrated platforms to improve efficiency, communication and patient care delivery.

The Hospital will also deepen collaboration with suppliers and partners to ensure supply chain resilience and uninterrupted healthcare services. Community engagement and healthcare awareness initiatives will be further strengthened to reinforce the Company's commitment to social responsibility.

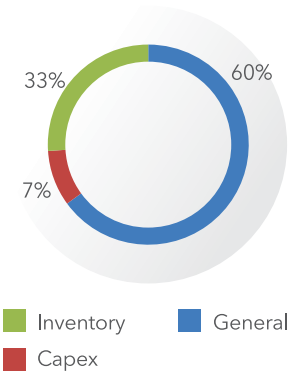
Through these initiatives, Singhe Hospitals aims to build stronger relationships, enhance stakeholder confidence and ensure sustainable long-term value creation.



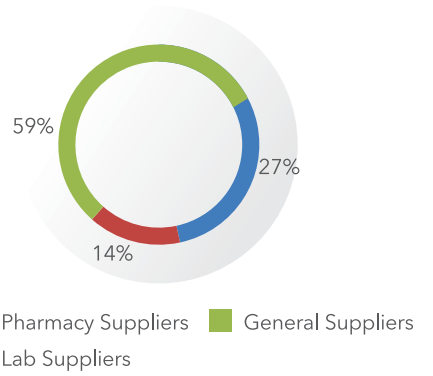
| Supplier Category | Count of suppliers | % (as a percentage) |
|---|---|---|
| Pharmacy | 64 | 27% |
| General | 140 | 59% |
| Laboratory | 34 | 14% |

| Total Expenditure | Value (Rs. Mn) | % |
|---|---|---|
| Inventory | 591 | 33% |
| Capex | 130 | 7% |
| General | 1074 | 60% |

Supplier Expenditure




Supplier by Category



# SOCIAL & RELATIONSHIP CAPITAL

## Community Engagement

At Singhe Hospitals PLC, our commitment extends beyond the delivery of quality healthcare services to creating a meaningful and lasting positive impact within the communities we serve. Through responsible and inclusive corporate practices, we actively contribute towards improving public health, promoting well-being and enhancing the quality of life of the people around us.

As a socially responsible healthcare institution, we recognise the importance of engaging with local communities and stakeholders to support initiatives that strengthen healthcare accessibility, increase public health awareness and foster social well-being. By integrating community needs into our value creation process, we continue to create shared value through employment generation, business partnerships, community development initiatives and environmental sustainability efforts.

Our ongoing community outreach and social responsibility initiatives reflect our dedication to responsible corporate citizenship and our commitment to driving sustainable and meaningful change for the benefit of all stakeholders.

### Singhe Hospitals Community Outreach Distribution of Dhamma School Uniform Materials



Under the Singhe Hospitals PLC community outreach programme, the annual distribution of uniform materials for students of Sri Chandraloka Dhamma School, Ratganga, was successfully conducted on 08 March 2026 under the patronage of the Chairman of Singhe Hospitals PLC.

This initiative reflects the Company continued commitment to supporting education and community welfare by assisting school children in their educational journey and easing the financial burden on families.

Through programmes such as these, Singhe Hospitals continues to strengthen its relationship with the community while promoting social responsibility and sustainable community development.

### Health Camp for Flood Affected Communities Kalawana



In response to the healthcare needs of communities affected by recent floods, a medical health camp was successfully organised in the Kalawana area through a joint initiative involving Kalawana Hospital, the Kalawana Lions Club and Singhe Hospitals Laboratory – Kalawana.

The programme was conducted with the objective of restoring and improving the health conditions of affected residents while providing essential medical support and laboratory services.

This collaborative initiative reflects Singhe Hospitals PLC's continued commitment to community welfare, disaster response and delivering accessible healthcare services during times of need.

### Community Outreach Teacher Awareness Programme on Child Development



Under the Singhe Hospitals PLC community outreach programme, a teacher awareness programme on early childhood and personality development was successfully conducted in collaboration with the Ratnapura Zonal Education Office.

Held on 17 December 2025 at the Sabaragamuwa Provincial Council Auditorium, the programme focused on enhancing the knowledge of pre-school and Grade 1 teachers on child development and child protection. The event was attended by nearly 320 teachers.

The initiative reflects Singhe Hospitals' commitment towards promoting education, child welfare and community development through awareness and knowledge-sharing programmes.

*"Singhe Hospitals has achieved strong progress through the dedication and teamwork of its people. Looking ahead, we remain focused on long-term growth, innovation, specialised healthcare services and operational excellence. With a clear future vision and a committed team, we are confident in building a sustainable healthcare institution that will create lasting value and play a significant role in the future of Sri Lanka's healthcare sector."*



***Mr. Piyumal Weerasinghe***
*Non-Independent Non-Executive Director*

# SOCIAL & RELATIONSHIP CAPITAL

### Community Outreach Programme Meegoda



Under the Singhe Hospitals PLC community outreach programme, a free medical clinic was organised for the residents of Meegoda in collaboration with Homagama Singhe Laboratory and Arogya Medical Centre – Meegoda.

The programme was successfully conducted on 20 October 2025 at the Arogya Medical Centre, Meegoda, with the objective of providing accessible healthcare services and promoting community well-being.

Through initiatives such as these, Singhe Hospitals continues to strengthen its commitment to preventive healthcare, community well-being and social responsibility by delivering essential healthcare support to underserved communities.

### Community Outreach Programme Free Medical Clinic for Senior Citizens



Under the Singhe Hospitals PLC community outreach programme, a free medical clinic was conducted for senior citizen account holders of NDB Bank on 25 September 2025 at the Ratnapura BauddhaMandiraya premises.

The programme was organised with the objective of promoting preventive healthcare and improving access to essential medical services for senior citizens within the community.

Through initiatives focused on elderly healthcare and community well-being, Singhe Hospitals continues to demonstrate its commitment to social responsibility and compassionate healthcare service.

### Singhe Hospitals Community Care Avissawella, Epalapitiya



Under the Singhe Hospitals Community Care Programme, a free medical clinic organised by Singhe Laboratory Services – Avissawella was successfully held on 05 July 2025 at the Sri Jayasumanaramaya Temple, Epalapitiya.

### Community Outreach Programme Jennath Jumma Mosque Ratnapura



As part of the Singhe Hospitals PLC community outreach programme, a free medical clinic was conducted at the Jennath Jumma Mosque, Kudugalwatta, Ratnapura on 11 September 2025.

The initiative was organised with the objective of providing accessible healthcare services and promoting community well-being among residents in the area. Medical consultations and essential healthcare support were provided to attendees through the programme.

### Singhe Hospitals Community Care Sri Abhayawardhanaramaya Pelmadulla, Rilhena



A free medical clinic organised under the Singhe Hospitals Community Care Programme was successfully held on 13 June 2025 at the Sri Abhayawardhanaramaya Temple, Rilhena, Pelmadulla.

# SOCIAL & RELATIONSHIP CAPITAL

### Singhe Hospitals Community Care New Town



A free medical clinic organised under the Singhe Hospitals Community Care Programme was successfully held on 02 August 2025 at the Vision Art Institute, located opposite the Court Complex in New Town.

The programme was conducted with the objective of providing accessible healthcare services to the local community, offering medical consultations and basic health screenings for residents in the area.

### Singhe Hospitals Community Care Kottimbulwala Rajamaha Viharaya Balangoda



Under the Singhe Hospitals Community Care Programme, a free medical clinic was conducted for the benefit of the local community on 14 May 2025 in parallel with the Ratnapura District National Vesak Festival held at the KottimbulwalaRajamahaViharaya, Balangoda.

### Singhe Hospitals Community Care Dengue Prevention Programme



Under the Singhe Hospitals Community Care Programme, a mosquito fogging campaign was carried out on 22 May 2025 in collaboration with the Ratnapura Medical Officer of Health Office with the sponsorship of Singhe Hospitals.

The programme was conducted to support the prevention and control of dengue within the surrounding communities.

*"Sri Lanka has a proud and ancient heritage of healthcare and healing, with historical sources reflecting a long tradition of caring for people and improving well-being. Our foremost responsibility is the healing and care of individuals, contributing to healthier lives and increased life expectancy. We believe healthcare goes beyond business ,it is a service to humanity and a meaningful contribution to the well-being and progress of the nation."*



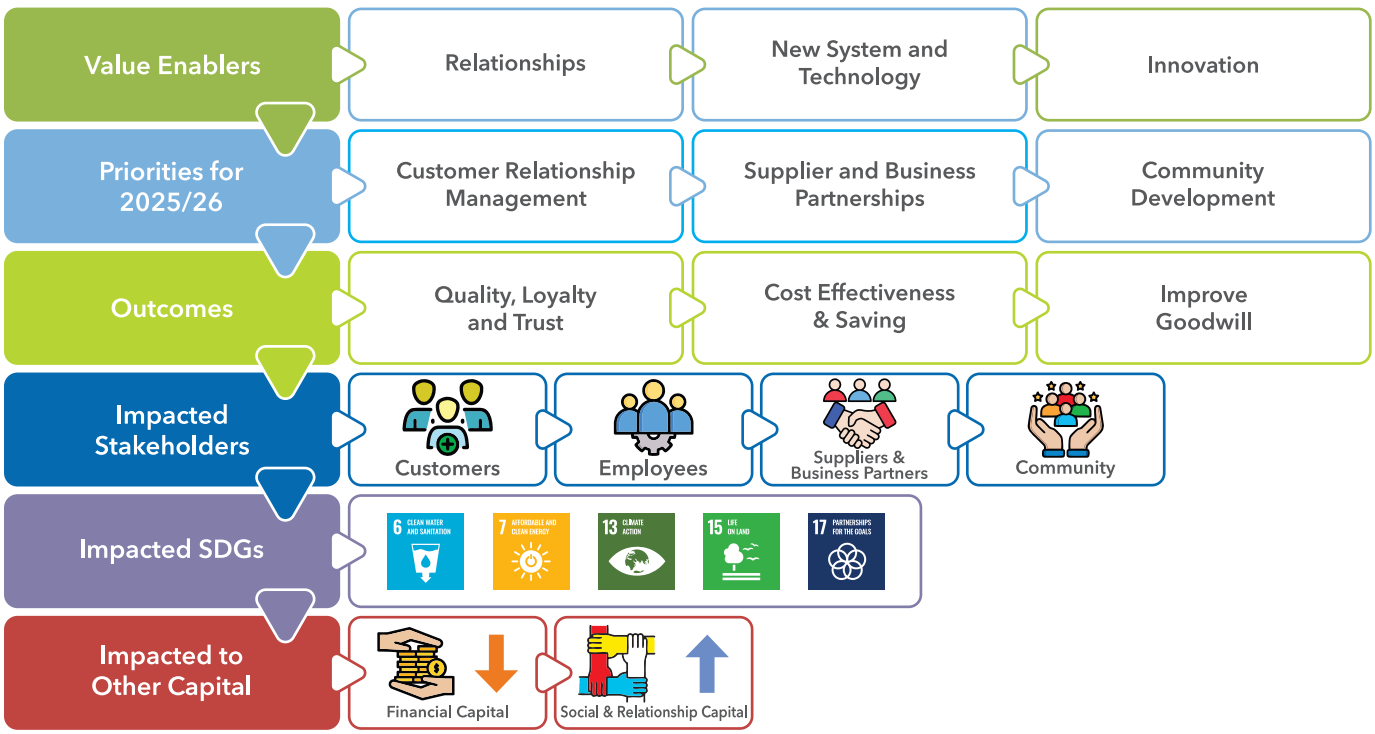
***Dr. P.D.S. Obeysekara***
*Independent Non Executive Director*

# NATURAL CAPITAL

Our Natural Capital represents the environmental resources that support our operations. Through efficient resource utilization, responsible waste management, and sustainability initiatives, we strive to reduce our environmental impact and contribute to a more sustainable future.



At Singhe Hospitals PLC, we recognize that natural capital is fundamental to the sustainable delivery of healthcare services and long-term value creation. Natural capital comprises the environmental resources that support our operations, including energy, water, fuel and other natural resources that are essential for maintaining high-quality healthcare services.



# NATURAL CAPITAL

As a responsible healthcare provider, we remain committed to minimizing our environmental footprint through efficient resource utilization, responsible waste management, environmental compliance and the adoption of sustainable operational practices. Our approach seeks to balance healthcare excellence with environmental stewardship while contributing positively to the wellbeing of future generations.

### Environmental Responsibility in Healthcare Operations

Environmental sustainability remains an integral component of our operational strategy. During the year under review, Singhe Hospitals continued to strengthen environmental management practices across its hospital and laboratory network, focusing on resource efficiency, waste management, regulatory compliance and employee awareness.

Through responsible environmental practices, we aim to reduce operational impacts while ensuring safe, reliable and uninterrupted healthcare services for our patients and communities.

### Resource Management and Efficiency

The efficient management of natural resources remains a key priority across our operations. During the year, the Company continued initiatives aimed at optimizing energy consumption, promoting responsible water usage, reducing paper dependency and enhancing overall operational efficiency.

The continued expansion of digital healthcare platforms, laboratory information systems and back-office technologies supported the reduction of paper-based processes while improving operational effectiveness and service delivery.

### Waste Management and Environmental Compliance

Effective waste management remains critical within the healthcare sector. All waste generated through hospital and laboratory operations is segregated at source and managed through established disposal procedures designed to protect public health and the environment.

Clinical and hazardous waste is handled through approved waste management service providers in accordance with applicable regulatory requirements, while general waste is managed through local authority collection systems. These practices support environmental compliance and reinforce our commitment to responsible healthcare operations.

### Supporting Sustainable Healthcare

Our commitment to sustainability extends beyond regulatory compliance. We continue to promote responsible consumption practices, environmental awareness among employees and the adoption of resource-efficient technologies that contribute to long-term operational sustainability.

Through continuous improvement initiatives, the Company seeks to strengthen environmental performance while supporting cost efficiency, operational resilience and sustainable healthcare delivery.

### Way Forward

Looking ahead, Singhe Hospitals PLC will continue to enhance its environmental sustainability initiatives through improved resource efficiency, responsible waste management and the adoption of environmentally responsible technologies and practices.

Future priorities will include further digitalisation, energy optimization initiatives, enhanced environmental awareness programmes and the integration of sustainability considerations into infrastructure development and operational planning.

Through these efforts, the Company remains committed to creating sustainable value while contributing to environmental protection, community wellbeing and the long-term sustainability of Sri Lanka's healthcare sector.



# HUMAN CAPITAL

Our Human Capital is driven by the expertise, commitment, and well-being of our employees. Through continuous learning, talent development, and a supportive workplace culture, we enhance organizational performance and service excellence.

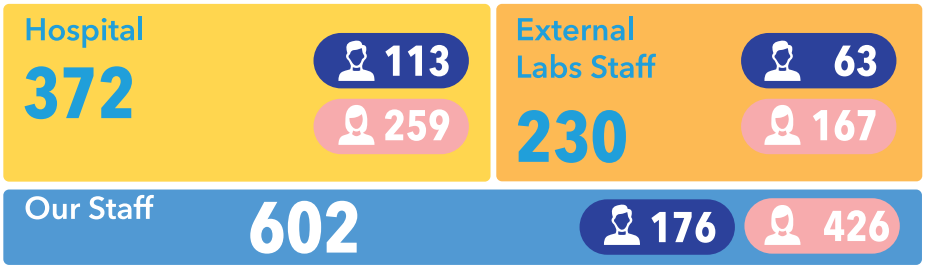


Our people, together with the collective depth of their skills, experience and values, remain central to delivering quality healthcare outcomes and achieving the strategic priorities of Singhe Hospitals PLC. We firmly believe that the care, supportand opportunities extended to our employees directly influence their engagement, wellbeing, productivity and the quality of service delivered to patients and other stakeholders.

| | | | | |
|---|---|---|---|---|
| Value Enablers | Skilled & Experienced Work Force | Equal Opportunity | Motivation & Encourage | |
| Priorities for 2025/26 | HR Policies | Employee Satisfaction | Welfare, Training & Development | |
| Outcomes | Quality, Loyalty and Trust | Target Oriented Work Force | Motivated Work Force | |
| Impacted Stakeholders | Customers | Employees | Shareholders | Community |
| Impacted SDGs | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES |
| Impacted to Other Capital | Financial Capital | Intellectual Capital | | |

# HUMAN CAPITAL

## Employees by Segment




## Employees by Category

| Employees Category | Numbers of Employees | Male | Female |
|---|---|---|---|
| Executive Directors | 03 | 03 | - |
| Senior Managers | 09 | 09 | - |
| Middle Managers | 07 | 07 | - |
| Executives | 37 | 25 | 12 |
| Non Executives | 517 | 128 | 389 |
| Casual & Trainees | 29 | 04 | 25 |
| **Total** | **602** | **176** | **426** |

## Female Participation by Designation Category

| Employees Category | Numbers of Employees | Male | Female |
|---|---|---|---|
| Phlebotomist | 174 | 08 | 166 |
| Pharmacist | 03 | 02 | 01 |
| MLT | 65 | 14 | 51 |
| Nurses | 50 | 03 | 47 |
| Accountants | 03 | 03 | - |
| HR | 05 | 02 | 03 |
| IT | 09 | 07 | 02 |
| Technical & Other Support Staff | 293 | 137 | 156 |
| **Total** | **602** | **176** | **426** |

At Singhe Hospitals PLC, our workforce continues to be the foundation of our success and the driving force behind operational excellence, compassionate care and sustainable value creation. The expertise, professionalism and commitment demonstrated by our employees contribute significantly to strengthening the Company's reputation, resilienceand long-term sustainability in an increasingly competitive healthcare environment.

Recognizing the strategic importance of human capital, the Company continues to invest in employee recruitment, engagement, development, wellbeing, diversityand retention, while fostering a culture built on professionalism, teamwork, empathy, accountability and patient-centricity.

### HR Governance and Management Approach

The Singhe Hospitals operates through a centralized Human Resources Division led by the Human Resources Manager, who is responsible for driving the Company's people agenda and supporting organizational performance through effective human capital management practices.

The HR Division is structured around the core pillars of HR operations, employee development, employee engagementand employee relations. Clearly defined HR policies, proceduresand governance frameworks ensure a transparent, equitableand consistent approach to talent management across the organization.



Equal Opportunity

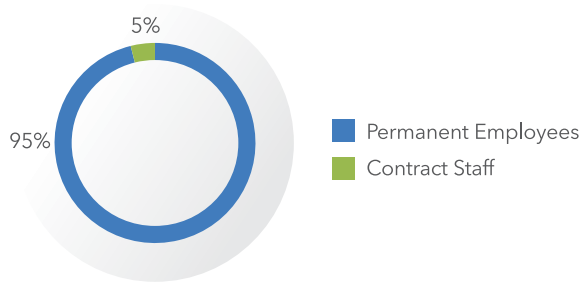


Female Workforce
71%

# HUMAN CAPITAL

## Employees by Type of Employment

| Type of Employees | Numbers of Employees | Percentage |
|---|---|---|
| Permanent Employees | 573 | 95% |
| Casual Staff | 29 | 5% |
| Total | 602 | 100% |




The Company's HR framework complies with applicable labour laws and regulatory requirements including the Shop and Office Employees Act No. 19 of 1954 and the Wages Boards Ordinance No. 27 of 1941, while also aligning with internationally recognized principles including the United Nations Global Compact Principles and the International Labour Organization (ILO) standards relating to labour rights, equality and fair employment practices.

The Company continuously reviews and updates its HR policies and practices to ensure alignment with evolving regulatory requirements, industry expectations and organizational priorities.

### Team Profile

As at 31st March 2026, Singhe Hospitals PLC employed approximately 602 employees comprising medical officers, nurses, allied healthcare professionals, medical support staff, administrative personnel and experienced visiting consultants. The diversity of the workforce, together with the collective capabilities, commitmentand alignment to organizational values, strengthens the Company's ability to deliver quality healthcare services while supporting operational resilience and long-term value creation.

Despite Ratnapura serving as the primary operational location of the hospital, employees are recruited from across Sri Lanka, particularly due to the Company's expanding laboratory network, which creates employment opportunities within surrounding communities and regional locations.

Female employees represented 71% of the total workforce during the year under review, while male employees accounted for 29%, reflecting the Company's continued commitment towards diversity, inclusion and equal opportunity employment practices.

### Diversity, Equal Opportunity and Women Empowerment

Singhe Hospitals PLC is committed to fostering a workplace culture that promotes diversity, inclusion, equality and mutual respect. The Company does not discriminate on the basis of gender, race, ethnicity, religion, disability, or any other protected characteristic in relation to recruitment, promotions, training, compensation, or career advancement opportunities.

The Company remains committed to strengthening gender diversity across all levels of the organization while creating an inclusive environment that empowers employees to achieve their professional potential. This commitment is embedded within the Company's HR policies and practices and supports fair and equitable treatment across all aspects of employment.

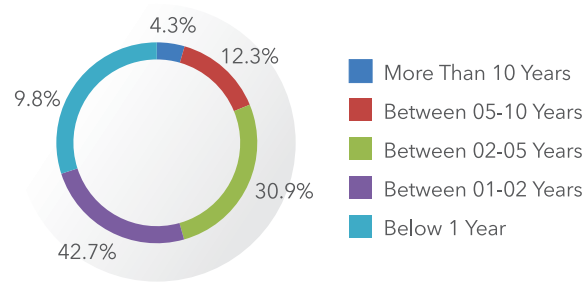
Every employee is valued and recognized for their contribution towards the success and growth of the Company and management continues to promote a collaborative and respectful work environment that supports innovation, engagement and continuous improvement.

### Human Capital Contribution to Value Creation

Our employees play a vital role in driving the Company's value creation journey and strategic direction. A motivated, engaged and skilled workforce enhances operational excellence, patient satisfaction, service innovation and organizational agility.

## Employees by Service Period

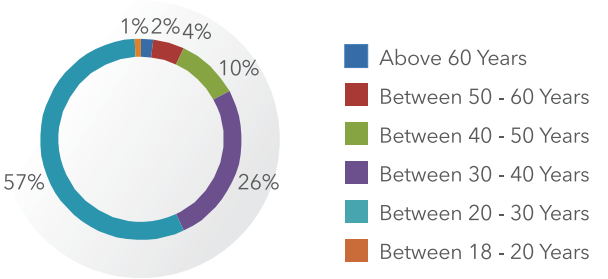
| Employees Category | Numbers of Employees |
|---|---|
| More than 10 Years | 26 |
| Between 05-10 Years | 74 |
| Between 02-05 Years | 186 |
| Between 01-02 Years | 257 |
| Below 01 Year | 59 |
| Total | 602 |



# HUMAN CAPITAL

## Employees by Age

| Employees Category | Numbers of Employees |
|---|---|
| Above 60 Years | 13 |
| Between 50 - 60 Years | 27 |
| Between 40 - 50 Years | 58 |
| Between 30 - 40 Years | 158 |
| Between 20 - 30 Years | 345 |
| Between 18- 20 Years | 1 |
| **Total** | **602** |




The Company is committed to maintaining a positive, collaborative and rewarding work environment that supports employee engagement, encourages innovation and promotes accountability and continuous improvement. By empowering employees to achieve their full potential, Singhe Hospitals PLC continues to strengthen its competitive positioning and deliver exceptional patient care.

### Talent Management

The Company's talent management strategy encompasses the entire employee lifecycle, including recruitment, onboarding, performance management, employee engagement, training and development, career progression, succession planning and retention.

The strategy focuses on attracting and retaining talented professionals through a strong employee value proposition, professional development opportunities and a supportive workplace culture. The Company recognizes that its employees are key contributors to sustainable value creation and remains committed to developing future-ready talent capable of supporting long-term organizational success.

## Permanent Employees by District

| Employees Category | Number of Employees |
|---|---|
| Ratnapura | 449 |
| Monaragala | 2 |
| Colombo | 45 |
| Gampaha | 22 |
| Badulla | 18 |
| Kaluthara | - |
| Galle | 19 |
| Hambanthota | 2 |
| Anuradhapura | 2 |
| Kandy | 41 |
| Kegalle | - |
| Matara | 2 |
| **Total** | **602** |

### Recruiting the Right Skills

The recruitment strategy of Singhe Hospitals PLC is centered on matching the right competencies, qualifications and experience to the appropriate role. All positions within the organization are supported by clearly defined job descriptions, competency requirements and qualification criteria.

Given the critical importance of patient safety, reliabilityand clinical excellence within the healthcare sector, all applicants undergo a rigorous screening and evaluation process prior to recruitment. Clinical personnel are further assessed through the Credentialing and Privileging Committee to ensure that patients receive treatment from suitably qualified, competent and verified professionals.

The Company adopts both internal and external recruitment methods to maintain an appropriate balance of skills, experienceand diversity within the workforce. Internal recruitment and promotions are encouraged wherever possible, while external recruitment is carried out through digital platforms, social media channelsand newspaper advertisements.

The Company also utilizes digital recruitment platforms that enable both external applicants and existing employees to apply conveniently for available opportunities within the organization. Newly recruited employees are supported through structured onboarding programs, including mentorship and buddy systems, to facilitate smooth integration into the workplace culture and operational environment.

### Labour Relations and Employee Engagement

The Company maintains an open, transparent and inclusive workplace culture that encourages constructive dialogue between employees and management. The strength of employee engagement has enabled the Company to maintain positive labour relations without the need for collective agreements.

Employees are encouraged to raise concerns, provide feedback suggestions through interactions with management.

# HUMAN CAPITAL

The Company's open-door policy allows employees unrestricted access to senior management, promoting mutual respect, collaboration and trust across the organization.

Operational changes and policy updates are formally communicated to employees in a timely manner to ensure transparency and effective engagement.

### Compensation, Benefits and Recognition

Singhe Hospitals PLC believes that fair, equitableand performance-driven remuneration practices are essential to attracting, motivating and retaining talented employees. The Company remains committed to offering competitive compensation structures aligned with market practices, individual performance, experienceand organizational objectives.

Employee recognition programs, performance incentives, career development opportunities and welfare initiatives are utilized to strengthen employee engagement, motivationand organizational loyalty while supporting a high-performance culture.

The Company's remuneration framework is designed to maintain an appropriate balance between short-term performance objectives and long-term organizational sustainability.

### Performance Management

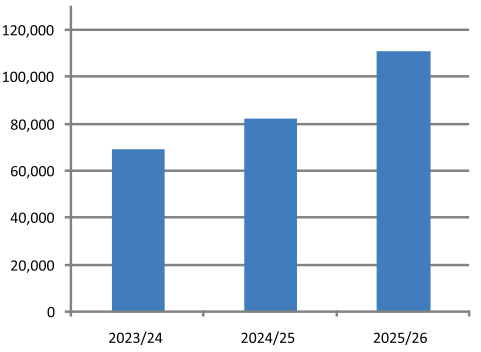
The Company maintains a structured performance management framework designed to align individual performance with organizational objectives and strategic priorities.

Performance evaluations for executive-level employees are conducted through the Human Resource Information System (HRIS), while appraisals for non-executive employees are conducted through structured manual processes. Approximately 99% of permanent employees undergo annual performance evaluations.

### Gender Wise Training Participation (Hours)

| Year | Male | Female | Total |
|---|---|---|---|
| 2023/24 | 19,966 | 49,530 | 69,496 |
| 2024/25 | 22,320 | 59,592 | 81,912 |
| 2025/26 | 32,560 | 78,810 | 111,370 |

### Total Training Hours




### Employee Training

**Average Training Hours per Employee (Gender wise)**

185

185

2024/25 — 144 — 156

### Special Events & Activities Calendar

| Month | |
|---|---|
| April | Singhe Awards Night |
| May | Singhe Aurudu |
| July | Poson Dansela |
| September | Blood Donation Programme |
| November | Department Wise Staff Trip |
| February | Singhe Cricket Match |

*"Human capital is one of the most important factors in the service sector, particularly in healthcare. We recognise the importance of continuously developing our employees' skills, abilities, knowledge, thinking patterns, and attitudes to ensure the delivery of high-quality healthcare services. We firmly believe that when staff members are treated with sincerity, respect, and care, they in turn extend the same compassion and dedication to patients and customers. This people-centered approach remains at the heart of quality healthcare service and sustainable organisational success."*

***Mr. Lakshika Weerasinghe***
*Director*



# HUMAN CAPITAL

**The performance management process includes:**

1. Employees establishing Key Performance Indicators (KPIs) aligned with departmental and organizational objectives.
2. Regular monthly performance discussions between employees and supervisors to assess progress and address development needs.
3. Year-end performance evaluations supported by calibration processes to ensure consistency and fairness in performance ratings.

The remuneration framework supports fair, competitive and equitable reward structures while taking into consideration market conditions, industry dynamics and economic factors.

### Training and Development

Continuous learning and professional development remain key priorities of the Company. Annual training needs analyses are conducted to identify competency gaps and implement structured training interventions to strengthen employee capabilities.

Training programs focus on technical competencies, leadership development, customer service excellence, compliance awareness, behavioural development and patient care standards. The Company adopts a blended learning approach consisting of classroom-based training, online learning platforms, bite-sized learning modules, workshops and practical training sessions.

The Company remains committed to developing future-ready employees capable of adapting to technological advancements, evolving patient expectations and industry transformation.

### Succession Planning and Future Workforce Readiness

The Company continues to strengthen succession planning initiatives to ensure leadership continuity and long-term organizational sustainability. Succession planning frameworks are designed to identify and develop high-potential employees capable of assuming critical leadership roles in the future.

Customized development plans, leadership exposure, mentoring and targeted capability-building initiatives support employee readiness and long-term career progression.

Singhe Hospitals PLC remains focused on building a future-ready workforce equipped with the mindset, agility, digital capabilities and adaptability necessary to succeed within a rapidly evolving healthcare and business environment.

### Digital Transformation and HR Technology

The Company continues to integrate digital technologies and automation into HR processes to improve operational efficiency, employee experienceand decision-making capabilities. Digital platforms support recruitment, performance management, employee communication, training and HR administration processes.

Management continues to evaluate opportunities to enhance HR analytics, automationand technology-driven people management solutions to support future organizational growth and operational excellence.

### Employee Wellbeing and Safety

Recognizing the demanding nature of the healthcare industry, the Company places significant emphasis on employee wellbeing, occupational health and workplace safety. Comprehensive measures have been implemented to support the physical, emotionaland psychological wellbeing of employees while fostering a safe and supportive working environment.

Regular fire safety training programs, emergency preparedness drills, workplace inspections, infection control measures and awareness initiatives are conducted to strengthen safety preparedness across the organization. Workplace safety procedures are continuously reviewed and improved in collaboration with the Quality Assurance



# HUMAN CAPITAL

Division to ensure compliance with healthcare safety standards and regulatory requirements.

The Company remains committed to fostering a resilient and compassionate workforce capable of delivering quality patient care under all operating conditions.

### Organizational Culture

Organizational culture plays a critical role in shaping how employees collaborate, operate and deliver value across the Company. The Company continues to strengthen a culture built on integrity, teamwork, accountability, professionalism, innovation, empathy and patient-centricity.

Management remains focused on embedding these values across all operational levels to support employee engagement, organizational alignment and sustainable long-term performance.

### Employee Engagement

We believe there is a clear link between employee engagement and business performance, directly influencing productivity, motivation, innovation and retention. In addition to formal communication platforms, an open-door policy and employee satisfaction surveys, the Company has an active year-round activity calendar which includes sports events, cultural events and family engagements. The Group continues to invest in employee welfare including supporting transportation, nutrition and health facilities.

### Outlook and Way Forward

Going forward, Singhe Hospitals PLC will continue to invest in strengthening employee capabilities, enhancing workplace culture and improving employee retention through competitive remuneration, career development opportunities, employee engagement initiatives and digital transformation.

The Company remains focused on building a resilient, diverse and future-ready workforce capable of supporting sustainable growth and delivering exceptional healthcare services while positioning Singhe Hospitals PLC as an employer of choice within the healthcare industry.

*"We believe that teamwork is the key to achieving exceptional results. The dedication, collaboration and commitment of our employees have played a vital role in strengthening the Company and supporting its continued success.We remain committed to fostering a strong teamwork culture while investing in employee training, development and team-building initiatives. By creating a supportive and employee-friendly work environment, we aim to build one of the best healthcare teams in the industry and continue delivering outstanding service to our patients and stakeholders."*



***Mr. Bathiya Angammana***
*General Manager*



# HUMAN CAPITAL
## Staff Engagement



### Singhe Vasantha Udana

"Singhe Vasantha Udana" was a beautiful and memorable New Year celebration filled with happiness, unity, fun and delightful memories shared among the Singhe family. The event was successfully held on 1st May 2026 at the Rathnapura Museum Grounds with the enthusiastic participation of staff members and Directors throughout the day.

The celebration created an atmosphere of togetherness and joy, strengthening the bond among employees while promoting teamwork, friendship and cultural values. A variety of traditional New Year games, entertainment activities and festive events added excitement and laughter to the occasion, making it a truly unforgettable experience for everyone who attended.

The event also provided an opportunity for employees and Management to come together outside the workplace and celebrate the spirit of unity and appreciation that defines the culture of Singhe Hospitals PLC. Delicious traditional food and refreshments further added to the festive spirit and enjoyment of the day.



### Singhe Premiere League 2026

The Singhe Premier League 2026 was proudly organized by the Welfare Association of Singhe Hospitals PLC with the objective of promoting teamwork, sportsmanship, unity and camaraderie among employees through an exciting series of cricket matches held at the Rathnapura Sivali Ground.

The tournament brought together employees from all levels of the organization, creating a strong sense of togetherness and collaboration beyond the workplace. The event provided an opportunity for staff members to build stronger relationships, encourage team spirit and foster a positive working culture through friendly sporting competition.

The matches were conducted in an atmosphere filled with enthusiasm, energy and mutual respect, reflecting the strong values and unity within the Singhe family. The active participation and support extended by staff and management contributed significantly to making the event a memorable and successful occasion.




### Singhe Award Night 2026

The Singhe Award Night 2026 was successfully held on 26th April 2026 at the Silvaray Grand Hotel to recognize and celebrate the commitment, dedication and outstanding performance of employees who contributed to the success of Singhe Hospitals PLC throughout the year.

The event brought together staff and management for an evening of celebration and appreciation. High-performing employees and outstanding teams were recognized with awards, certificates, valuable gifts, special rewards and foreign tour packages in appreciation of their exceptional service and contribution to the organization.

The event further strengthened teamwork, employee motivation and the culture of recognition within the Singhe family, reflecting the Company's continued commitment towards employee appreciation, performance excellence and fostering a positive workplace culture.

# HUMAN CAPITAL
## Staff Engagement



### Annual Department-Wise Trips

As part of the Company's employee engagement and well-being initiatives, Singhe Hospitals PLC once again organized the Annual Department-Wise Trips during the year under review. These trips were sponsored by the Company with the objective of strengthening teamwork, enhancing employee engagement and promoting a positive and enjoyable working culture across all departments.

The initiative provided employees with an opportunity to interact outside the workplace environment, build stronger relationships and improve collaboration among team members. The trips also created a platform for relaxation, recreation and appreciation, helping employees maintain a healthy work-life balance while fostering unity and motivation within the organization.

The enthusiastic participation and positive response received from employees contributed to making the department-wise trips a memorable and successful experience, further reinforcing the strong sense of belonging and togetherness within the Singhe family.




### Poson Dansala 2025

The Poson Dansala 2025 was organized by the Singhe Welfare Association with the generous contribution and support of both the staff and the Company. The event was conducted in keeping with the spirit of Poson, promoting values of compassion, generosity, unity and community service.

The Dansala created an opportunity for employees to come together and actively participate in a meaningful religious and social initiative while strengthening staff engagement and teamwork. The collective effort and dedication shown by employees reflected the caring culture and good-hearted spirit within the Singhe family.



### Blood Donation Program

The Singhe Welfare Society successfully organized a Blood Donation Program on 23rd September 2025 as part of its ongoing commitment to community service and social responsibility.

This initiative is conducted continuously with the objective of supporting patients and families in need of blood donations while encouraging a culture of compassion and care among employees. The program also plays a significant role in strengthening relationships among staff members, promoting teamwork and enhancing the values of humanity and social responsibility within the organization.

Through such initiatives, the organization continues to foster a caring and socially conscious workplace culture while contributing positively to the wider community.

# HUMAN CAPITAL

## Management Team



Mr. Navinda Weerasinghe
*Managing Director*



Mr. Lakshika Weerasinghe
*Non Independent Executive Director*



Mr. Bathiya Angammana
*General Manager*



Mr. Asanka De Silva
*Finance Manager*



Mr. Chinthaka Kodithuwakku
*Human Resources Manager*



Mr. Chanaka Narasinghe
*Business Development Manager*



Mr. M. Wijedasa
*Chief Nursing Officer*



Mr. Kanishka Nuwanpriya
*Assistant Manager - Laboratory Operations*



Mr. Pubudu De Silva
*Manager - Information Technology*



Mr. Pradeep Kumara
*Accountant*



Mr. Nirosh Jayamaha
*Manager - OPD & Front Office*



Mr. Chathuranga Aluthnuwara
*Audit Manager*



## The Old Colombo Dutch Hospital

The Old Colombo Dutch Hospital, located in Colombo Fort, Sri Lanka, is one of the oldest surviving colonial buildings in the city, originally constructed in the late 17th century during Dutch rule to serve as a hospital for Dutch East India Company officials, soldiers and sailors. Situated close to the old harbour, it was ideally positioned to treat incoming seafarers, and its design reflects traditional Dutch colonial architecture adapted to the tropical climate, featuring thick walls, open courtyards and wide verandas for ventilation. Over the centuries, the building has served multiple roles, including an apothecary and police station, before falling into disrepair and later being restored in 2011. Today, it stands as a beautifully preserved heritage landmark and a vibrant shopping and dining precinct, blending historical significance with modern urban life in the heart of Colombo Fort.

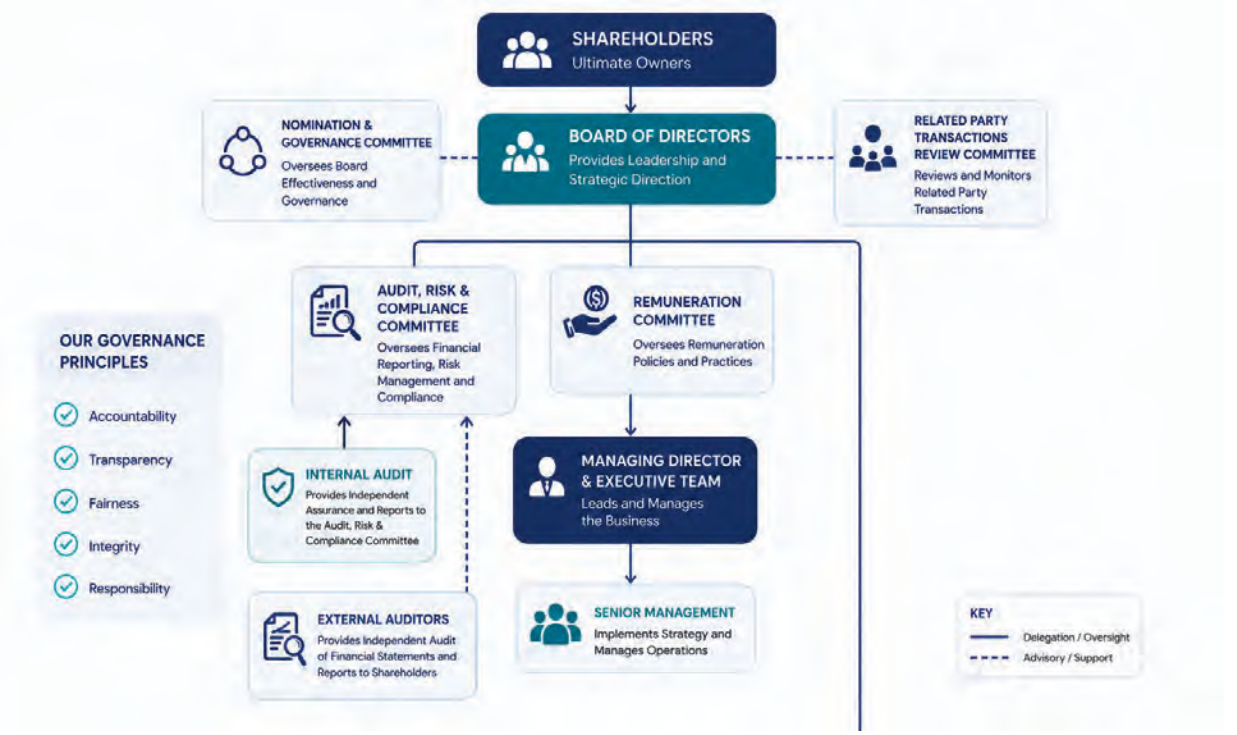


# GOVERNANCE

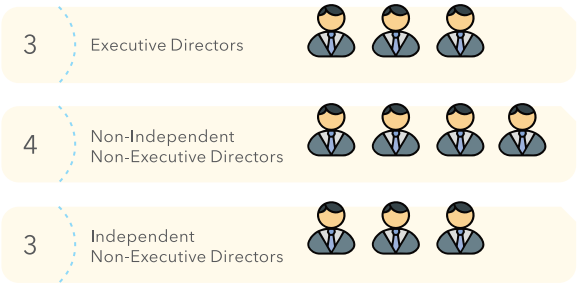
# CORPORATE GOVERNANCE

## Corporate Governance Statement

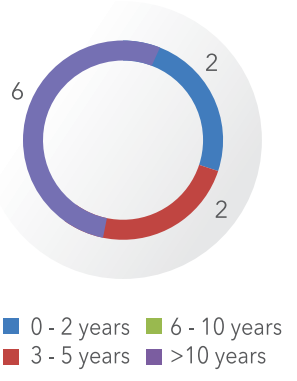
The Board of Directors holds the highest accountability for overseeing the strategic direction, internal regulations, financial disclosures, risk mitigation and day-to-day activities of the Singhe Hospitals PLC. Effective corporate governance frameworks, guidelines, mechanisms and consistent updates aid the Board in fulfilling these responsibilities, all the while establishing a robust business model that generates lasting benefits for stakeholders. These frameworks are continuously adapted to meet external shifts in legal, regulatory and self imposed standards, as well as internal demands, to guarantee their relevance in an ever-changing business



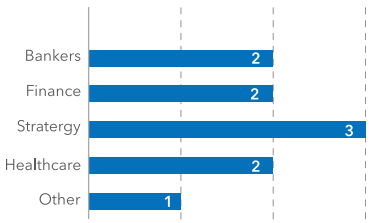

### Composition & Balance



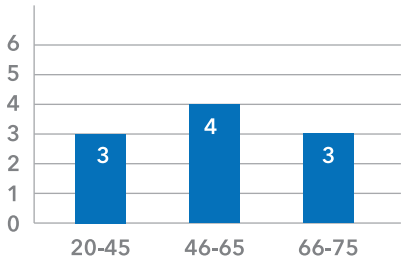

### Board of Directors Tenure on Board




### Skills & Experience of the Board of Directors




### Age Diversity of the Board of Directors



# CORPORATE GOVERNANCE
# Corporate Governance Statement

## Make Up of The Board

The Board comprises 10 Directors. There are seven Non-Executive directors out of whom three are independent in accordance with the criteria set out in the Corporate Governance Listing Rule no 9. The combination of executive and non-executive directors and the diversity of skills and experience facilitates objective and informed deliberation of matters set before the Board.

| Name | Shareholding | Role | AR & CC | RC | RPTRC | N & GC | No of appointments at Public Listed Entities | No of Appointments at other entities |
|---|---|---|---|---|---|---|---|---|
| Mr. A. M. Weerasinghe | 372,697,415 | Chairman/CEO | | | | | 5 ❖ | 8 |
| Mr. Navinda Weerasinghe | 10 | Managing Director | | | | | 1 ♦ | 5 |
| Mr. Lakshika Weerasinghe | 50,000 | Non Independent Executive Director | | | | | 1 ♦ | 5 |
| Mr. U. B. H. Jayalath Kithsiri | 1,100,000 | Non Independent Non Executive Director | □ | □ | | □ | 1 ♦ | |
| Mr. H. M. A. B. Weerasekara | | Non Independent Non Executive Director | | | | | 1 ♦ | |
| Mr. A. M. A. Cader | | Non Independent Non Executive Director | | | □ | | 4 ● | |
| Mr. Piyumal Weerasinghe | | Non Independent Non Executive Director | | | | | 1 ♦ | 2 |
| Dr. Aruna Jayakody | | Independent Non Executive Director | □ | | △ | △ | 1 ♦ | 1 |
| Mr. Chaaminda Kumarasiri *(Ceased on 06 June 2025)* | | Independent Non Executive Director | △ | □ | □ | □ | 5 ■ | 3 |
| Dr. P.D.S. Obesekara | | Independent Non Executive Director | | △ | | | 1 ♦ | |
| Mr. Jude Fernando *(Appointed on 11 June 2025)* | | Independent Non Executive Director | △ | □ | □ | □ | 1 ♦ | |

△ Chairman
□ Member

AR&CC - Audit, Risk & Compliance Committee
RC - Remuneration Committee
N&GC - Nominations and Governance Committee
RPTRC - Related Party Transaction Review Committee

❖ Singhe Hospital PLC
Lanka Walltiles PLC
Swisstek (Ceylon) PLC
Lanka Tiles PLC
Royal Ceramics Lanka PLC

♦ Singhe Hospital PLC

● Singhe Hospital PLC
Tess Agro PLC
Standard Capital PLC
Kelsey Developments PLC

■ Singhe Hospital PLC
Lanka Hospitals Corporation PLC
Sanasa Development Bank PLC
Sathosa Motors PLC
Asia Assets Finance PLC

*"Good governance remains a fundamental pillar of the Board's leadership approach and continues to be embedded across all levels of the organization. We firmly believe that effective governance practices foster transparency, accountability, ethical conduct and operational excellence, thereby strengthening the Company's ability to achieve its strategic priorities and create sustainable value for shareholders and stakeholders alike.*
*The Board remains fully committed to complying with all applicable laws, regulations, and corporate governance requirements while continuously enhancing governance standards in line with evolving industry best practices. This unwavering commitment reinforces stakeholder confidence, supports responsible decision-making and ensures the long-term sustainability, resilience and integrity of the Company."*



***Mr. Jude Fernando***
*Independent*
*Non-Executive Director*

# CORPORATE GOVERNANCE
## Corporate Governance Statement

| Appointments & Exits | Determining Independence of Non-executive Directors | Role of The Chairman |
|---|---|---|
| The Nominations & Governance Committee is responsible for aiding the Board in identifying suitable candidates that align with the business needs of the company and the Board's independence and diversity requirements. Appointments, along with a brief director profile, interests or shareholding in the company, current roles, and director types, are promptly reported to the Colombo Stock Exchange. The Board has the authority to appoint directors to fill any unexpected vacancies as outlined in the Articles of Association. These directors serve until the next Annual General Meeting and can be re-elected by shareholders at that time, enhancing shareholder rights. One third of the Directors retire at each Annual General Meeting through rotation and is typically eligible for re-election. A separate resolution is prepared for the election/re-election of each director.<br><br>The Managing Director is exempted from retirement by rotation. | The Board determines the Independence of the Directors for 2025/26 by reviewing the annual declarations submitted by the Non-Executive Directors in compliance with Listing Rule No. 9 of the Colombo Stock Exchange. Changes in the classification of independent Directors will be implemented based on age-related provisions and other criteria. The reclassification process has been completed by the deadline specified in Rule No. 9. | The Chairman presides over the Board and is responsible for determining the frequency of the meetings, setting the agenda, conducting the meeting, ensuring Board members have sufficient information for decision making and ensuring all Board members participate effectively. |

### Role of The Company Secretary

Company secretarial services are provided by Nexia Corporate Consultants (Pvt) Ltd, who facilitate the scheduling of meetings, circulation of board papers, maintain minutes and file the necessary returns. They also play a key role in advising the directors regarding board procedures and legal requirements with respect to their duties and responsibilities. They are also responsible for arranging the Annual General Meetings, Extraordinary General Meetings, shareholder communications and disclosures to the CSE. Their appointment and removal is are matter for the Board as a whole.

*"We must always adhere to Michael Porter's Business Model principles. In any business, the Five Forces are: 1) Power of Suppliers, 2) Power of Buyers/Customers, 3) Threat of New Entrants, 4) Threat of Substitutes/Competitors, and 5) Power of Government/Regulatory Environment. All of the above represent key stakeholders in the business.*
*With these forces in constant play, the way forward for survival and growth in this dynamic model is:*
*A) Operational Excellence in delivering our services*
*B) Cost Effectiveness across all areas*
*C) Most importantly, a Continuous Differentiation Strategy*
*Singhe has demonstrated these principles in 2025/2026 and must continue on a foundation of strategic planning for future years."*



***Mr. A.M.A Cader***
*Non Independent*
*Non Executive Director*

# CORPORATE GOVERNANCE
# Corporate Governance Statement

## Board Committees

Four Board Committees are established by the Board to assist with discharging of its duties and responsibilities effectively and efficiently as set out below.

| Audit, Risk and Compliance Committee | Remuneration Committee | Related Party Transactions Review Committee | Nominations and Governance Committee |
|---|---|---|---|
| **Composition** | | | |
| Three Non Executive Directors, two of whom are Independent Non Executive Directors. Chairman is member of professional accounting body. | Three Non Executive Directors, two of whom are Independent Non Executive Directors. | Three Non Executive Directors, two of whom are Independent Non Executive Directors. | Three Non Executive Directors, two of whom are Independent Non Executive Directors. |
| Mr. Jude Fernando △<br>*(Appointed on 11-06-2025)*<br>Mr. Chaaminda Kumarasiri<br>*(Ceased on 06-06-2025)*<br>Dr. A.C. Jayakody<br>Mr. U.B.H. Jayalath Kithsiri | Dr. P.D.S. Obeysekara △<br>Mr. U.B.H. Jayalath Kithsiri<br>Mr. Chaaminda Kumarasiri<br>Mr. Jude Fernando<br>*(Appointed on 11-06-2025)* | Dr. A.C. Jayakodi △<br>Mr. A.M.A. Cader<br>Mr. Chaaminda Kumarasiri<br>*(Ceased on 06-06-2025)*<br>Mr. Jude Fernando<br>*(Appointed on 11-06-2025)* | Dr. Aruna Jayakody △<br>Mr.Chaaminda Kumarasiri<br>*(Ceased on 06-06-2025)*<br>Mr.U.B.H.Jayalath Kithsiri<br>Mr. Jude Fernando △ Chairman<br>*(Appointed on 11-06-2025)* |
| **Mandate** | | | |
| Monitor and supervise management's financial reporting process in ensuring:<br>1. The integrity of financial statements in accordance with Sri Lanka Financial Reporting Standards.<br>2. Compliance with legal and regulatory requirements of the Companies Act and other relevant financial reporting related regulations and requirements.<br>3. The External Auditor's independence and performance.<br>4. Review of the adequacy and effectiveness of the company's Internal Control and Risk Management systems, over the financial reporting process. | The Committee focuses on and is responsible for ensuring that the total package is competitive to attract the best talent for the benefit of the Company. Recommend the remuneration payable to the Executive Directors and senior management. | To ensure on behalf of the Board, that all Related Party Transactions of Singhe Hospitals PLC are consistent with the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka. | The Nominations and Governance Committee evaluates if the Board has the right mix of skills, experience, knowledge, and independence to function effectively. It also considers the diversity needed for the Company's best interests and ensures that the composition of the Board allows for the required diversity. |
| **Refer page 107 for Audit, Risk and Compliance Report** | **Refer page 103 for Remuneration Committee Report** | **Refer page 105 for Related Party Transactions Review Committee Report** | **Refer page 101 for Nominations and Governance Committee Report** |

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The governance framework of the Company is given below:

| Regulatory | Voluntary Standards, Codes & Frameworks | Internal Documents |
|---|---|---|
| • Companies Act No.7 of 2007 Sri Lanka Accounting and Auditing Standards Act No.15 of 1995<br>• Continued Listing Requirements of the Colombo Stock Exchange<br>• The Shop and Office Employees Act No. 15 of 1954<br>• Inland Revenue and other relevant Acts | • Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka | • Articles of Association<br>• Board Charter<br>• Policy framework |

### Managing Conflicts of Interest

Directors are required to declare their business interests on appointments and update thereafter and the Company Secretaries maintain a register of Directors' Interests. Directors do not participate in the meeting when related party matters are discussed, absenting themselves from the Board room for the duration of the discussion.

Related party transactions are reviewed quarterly by the Related Party Transactions Review Committee who approve the transactions and ensures appropriate disclosures in line with regulatory requirements.

### Effective Meetings

Board meetings are held quarterly/monthly in accordance with an annual calendar prepared by the Company Secretaries, with provision for additional meetings as may be required. The agenda for the meeting is determined by the Chairman and the Company Secretary with inputs where needed from the Managing Director. Relevant Board papers are circulated to the Directors seven days prior to the meeting allowing sufficient time for review and clarification. Performance oversight, risk management and review of financial statements are regular items on the agenda of the Board.

Key Management Personnel (KMP) attend Board meetings on invitation to make presentations and update the Board on material issues that impact the business. They are also available for clarification that may be required by Board members.

Attendance of Directors at Meetings is Given Below

| Directors | Date of Appointment | Board Meeting | AR & CC | RC | RPTRC | N & GC |
|---|---|---|---|---|---|---|
| Mr. A. M. Weerasinghe | 16th December 2009 | 11 | | | | |
| Mr. Navinda Weerasinghe | 16th December 2009 | 11 | | | | |
| Mr. Lakshika Weerasinghe | 1st August 2011 | 11 | | | | |
| Mr. U. B. H. Jayalath Kithsiri | 4th April 2011 | 11 | 5 | 2 | | 1 |
| Mr. H. M. A. B. Weerasekara | 27th May 2015 | 11 | | | | |
| Mr. A. M. A. Cader | 21st August 2015 | 11 | | | 4 | |
| Mr. Piyumal Weerasinghe | 22nd March 2021 | 4 | | | | |
| Dr. Aruna Jayakody | 18th December 2023 | 11 | 5 | | 4 | 1 |
| Mr. Chaaminda Kumarasiri *(Ceased on 06th June 2025)* | 30th April 2024 | 2 | 2 | 1 | 0 | 1 |
| Dr. P.D.S. Obesekara | 30th December 2024 | 11 | | 2 | | |
| Mr. Jude Fernando | 11th June 2025 | 8 | 3 | 1 | 2 | 0 |
| Total No of Meetings | | 11 | 5 | 2 | 4 | 1 |

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## Induction & Training For Directors

Newly appointed directors are formally inducted to enable effective contribution at Board meetings. The Chairman and the Managing Director arrange meetings with themselves and Key Management Personnel to provide an overview. Directors are expected to apprise themselves of developments in their areas of specialty and undertake learning activities necessary for the effective discharge of their duties. These requirements are coordinated through the Company Secretary.

## Evaluations

### Appraisal of Managing Director

The performance of the Managing Director is reviewed annually by the Board in line with goals agreed at the beginning of the year. The performance of the Company is assessed in the context of the operating environment and constructive feedback is provided. The outcome of the performance appraisal is linked to the annual increments for the fixed remuneration and determines the variable pay.

### Board Evaluations

The Board conducted self-evaluations in line with the requirements of the Code of Best Practice and the results were tabled at the meeting of the Board. Issues raised in the evaluations were discussed and actions agreed for implementation during the year.

## Remuneration Policy

The Board is assisted by the Remuneration Committee in determining the remuneration of Executive Directors, Non Executive Directors, KMP and others. Remuneration policy is designed to attract and retain the skills, capabilities and experience required to pursue business objectives. Remuneration of KMP and Executive Directors are linked to the performance of the Company. Please refer page 103 for the Report of the Remuneration Committee and Terms of Reference. Non Executive Director remuneration comprises a fee for being a Director of the Board and an additional fee for being a member of a committee.

## Accountability & Audit

The Board approved the quarterly reports prior dissemination to the public through the CSE and the corporate website. The Audit, Risk and Compliance reviews the financial statements and recommends the financial statements for approval by the Board. The following reports set out further information required by the Code:

- The Directors' Report on pages 95 (including the declaration that the company is a going concern)
- The Statement of Directors' Responsibility on page 100
- Report of the Auditors on page 115

### External Auditor

The External Auditor is appointed by the shareholders at the Annual General Meeting. The Audit, Risk and Compliance monitors and reviews the External Auditor's independence, objectivity and the effectiveness of the audit process considering relevant professional and regulatory requirements. Assignment of non-audit services to External Auditors is reviewed by the Audit, Risk and Compliance who determines the potential impairment of independence and objectivity of the External Auditor in carrying out their duties and responsibilities.

## Communication With Shareholders

The Company engages with Shareholders through multiple channels. These include the Annual General Meeting (AGM), Annual Report, interim financial statements, the Company website and via the CSE's website. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries and at the Annual General Meeting. All significant issues and concerns of Shareholders are referred to the Board with the views of the Management.

## Constructive Use Of Annual General Meeting (AGM)

Shareholders are encouraged to participate at the AGM and the Chairman, Board members and Chairpersons of Board Sub-committees are available for discussion at the AGM and respond to questions directed to them by the Chairman. Additionally, Key management personnel of the Company are also present to assist the directors in this regard.

Notice of the AGM, the Annual Report and Accounts and any other resolution together with the corresponding information that may be set before the shareholders at the AGM, are circulated to shareholders minimum 15 days prior to the AGM. Separate resolutions are prepared for each item of business, facilitating voting on each of such issues separately. Voting procedures at the AGM are circulated to the shareholders in advance. The Company has an effective mechanism to record and count all proxy votes lodged for each resolution. In the event there are a significant proportion of the votes cast against a resolution, the Board will take steps to understand the reasons behind the vote results and determine if any actions are required. The outcome of the vote on each resolution is informed to the CSE soon after the conclusion of the AGM.

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Given below is the status of compliance with the CSE Listing Rules - sections 7-10 and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| A. Directors | | | |
| A. 1 The Board | | | |
| A. 1.1 | Board Meetings | Held every quarterly and special meetings held as and when necessary | ✓ |
| A. 1.2 | Role of the Board | • Focus on developing strategies for business development and to provide guidance to the management.<br>• Sets the budget for the financial year and reviews progress at the quarterly meetings.<br>• Approving of major capital expenditure<br>• Ensures that an effective internal control and risk management framework is in place | ✓ |
| A. 1.3 | Compliance with laws and access to independent professional advice | The Board seeks independent professional advice when deemed necessary, particularly before making any decisions which could have a significant impact on the Company.<br><br>Further the Board is always mindful of the new laws/regulations which are implemented and ensures compliance with same. | ✓ |
| A. 1.4 | Access to advice from the Company Secretary<br>Indemnifying the Board, Directors and key management personnel | All directors have access to the advice of the Company Secretary. | ✓ |
| A. 1.5 | Independent judgment of the Directors | Board comprises mainly of independent professionals who in turn exercise independent judgement in discharging their duties | ✓ |
| A. 1.6 | Dedicating adequate time and effort | Regular Board meetings and sub-committee meetings are scheduled well in advance and Board papers are circulated 1 week prior to the meetings, giving adequate time to prepare. | ✓ |
| A. 1.7 | Calls for resolutions | Resolutions are passed for all Board approvals and minutes are kept | ✓ |
| A. 1.8 | Training of Directors | At the time a Director is appointed a letter confirming such appointment together with details on the duties of a Director in terms of the Act and Listing Rules are forwarded to them.<br><br>All Directors have considerable experience in the industry. Relevant local and foreign training opportunities are made available. | ✓ |
| A. 2 | Segregation of Roles of Chairman & CEO | Appointed Senior Independent Director. | ✓ |

# CORPORATE GOVERNANCE
## Corporate Governance Statement

| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| A. 3 | Chairman's Role | The Chairman ensures that meetings are conducted in an orderly manner and that each Board Member and Member of staff is given an opportunity to present his views/concerns on matters. | ✓ |
| A. 4 | Financial Acumen | Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters. | ✓ |
| A. 5 Board Balance | | | |
| A. 5.1/A. 5.2/ A. 5.3 & A. 5.5 | Presence of Non-Executive Directors<br>Independence of Non-Executive Directors | Please refer an Effective Board in page 97. | ✓ |
| A. 5.4 | Annual Declaration of Independence by the Non-Executive Directors | Annual declarations citing their independence are obtained by the secretary annually. | ✓ |
| A. 5.6 | Alternate Director to a Non-Executive Director | No Alternate Directorships | N/A |
| A. 5.7 /5.8 | Senior Independent Director | Dr. D.M. Obeysekara was appointed as Senior Independent Director on 30th December 2024 | ✓ |
| A. 5.9 | Chairman meeting with the Non-Executive Directors | When required the Executive Directors and Members of staff are excused from meetings | ✓ |
| A. 5.10 | Recording concerns | Concerns of directors are recorded in minutes even in the case of disagreement. | ✓ |
| A.6 Supply of Information | | | |
| A. 6.1 | Obligation of the Management to provide appropriate and timely information | Board Papers and Committee papers are provided at least 1 week before the meeting | ✓ |
| A. 6.2 | Board papers to be provided 7 days prior to the Board Meeting | Board papers are provided one week prior to the Board meeting. | ✓ |
| A.7 Appointments to the Board | | | |
| A. 7.1 / A .7.2 | Nominations and Governance Committee and the assessment of the composition of the Board | Refer Nominations Committee Report in page No 101. | ✓ |
| A. 7.4 | Disclosure of Appointment of a New Director | Disclosures pertaining to any new appointments are made to the CSE within two market days from the date of such appointment. The disclosure includes a brief profile of the Director and whether the Director is an Independent/Non-Executive/Executive Director. | ✓ |
| A.8 Re-election | | | |
| A. 8.1 / A. 8.2 | Re-election | At each AGM one third of the Directors retire and offer themselves for re-election.<br>Newly appointed directors are re-elected at the 1st AGM following their appointment. | ✓ |
| A. 8.3 | Resignation | In the event of a resignation, a letter of resignation is provided by the Director. | ✓ |

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| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| A.9 | | | |
| A. 9.1/ A. 9.2/ A. 9.3/ A. 9.4 | Appraisals of the Board and the sub committees | Board evaluations were carried out and the results were tabled at the Board meeting. The Board discussed the findings and directed changes where there was consensus on matters raised in the evaluations. | ✓ |
| A.10 Disclosure of Information in Respect of Directors | | | |
| A. 10.1 | Profiles of the Board of Directors and other related information | The names of the Directors of the Board and their profiles are given on pages 18 to 22. | ✓ |
| A.11 Appraisal of Chief Executive Officer | | | |
| A. 11.1 / A. 11.2 | Setting of the annual targets and the appraisal of the CEO | Appraisal of the CEO was done.<br><br>Achievement of the budget is a key factor that is considered. | ✓ |
| B. Directors' Remuneration | | | |
| B. 1 Remuneration Procedure | | | |
| B. 1.1 | Set up a Remuneration Committee with agreed terms of reference | Refer to Directors' Remuneration on page 152.<br><br>The Report of the Remuneration Committee on page 103 gives the composition of the Committee and a description of its activities during the year. | ✓ |
| B. 1.2 | Remuneration Committee to consist of Non-Executive Directors only | Consists of three Directors of whom two are Independent Non Executive Directors. | ✓ |
| B. 1.3 | List names of the Remuneration Committee in the Annual Report | Please refer page 103. | ✓ |
| B. 1.4<br>7.10.5(b) | Determination of the remuneration of the Non-Executive Directors | Remuneration of the Non-Executive Directors is decided by the Board in consultation with the Chairman. | ✓ |
| B. 1.5 | Consultation with the Chairman and the Managing Director | The Chairman/ MD is consulted when determining the remuneration to be paid to the Executive Directors and Management, respectively. | ✓ |
| B. 2 The Level & Makeup of Remuneration | | | |
| B. 2.1/ B. 2.2/ B. 2.3/ B. 2.4 | The level and makeup of the remuneration of Directors and comparison of remuneration with other companies | Remuneration levels have been designed to attract, retain and motivate Directors while remaining within the industry standards and annual performance approved. | ✓ |
| B. 2.5 | Performance based remuneration | Part of the remuneration package of the Executive Directors is linked to achievement of targets and individual performance. | ✓ |
| B. 2.6 | Executive share options | N/A | N/A |
| B. 2.7 | Designing schemes of performance-based remuneration | Refer to the Report of the Remuneration Committee on page 103. | ✓ |
| B. 2.8/ B. 2.9 | Early Termination of Directors | There is no compensation for early termination of non-executive directors. | ✓ |

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| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| B.3 | | | |
| B. 3.1 | Disclosure of Remuneration | Report of the Remuneration Committee on page 103.<br>Notes 25.3 in the financial statements on page 152. | ✓ |
| C. Relations with Shareholders | | | |
| C.1 Constructive use of AGM and Conduct of Meetings | | | |
| C. 1.1 | Dispatch of Notice of AGM and related papers to shareholders | Notice of Meeting, the Agenda for the Annual General Meeting and the Annual Report are circulated to shareholders 15 working days prior to the meeting as required by the Companies Act No: 07 of 2007 and the Articles of Association of the Company. | ✓ |
| C. 1.2 | Separate resolution for substantially separate issues. | Separate resolutions are passed for each matter taken up at the AGM. | ✓ |
| C. 1.3 | Accurate recording and counting of valid proxy appointments received for the General Meeting | Valid proxies are listed together with the number of shares held by the shareholder appointing the proxy. | ✓ |
| C.1.4 | Availability of Chairmen of Board Committees at the Annual General Meeting | The Chairman of the Board Committees or committee members are present to answer any queries of the shareholders directed to them by the Chairman of the Company. | ✓ |
| C. 1.5 | Summary of Notice of General Meetings and procedures governing voting at General Meetings | A summary of the procedure on voting is given in the Notice of Meeting. | ✓ |
| C.2 Communications with shareholders | | | |
| C. 2.1 to C. 2.7 | Communications with Shareholders | The AGM and EGM (if any) are used as the method for communicating with the shareholders.<br>All quarterly and annual financial information and other important matters as required for by the Act and the Listing Rules are shared by way of disclosures through the CSE.<br>The Company Secretaries/Registrars are the main contact people for the shareholders.<br>All major concerns of the shareholders are brought to the notice of the Board at the AGM and at Board/Subcommittee meetings.<br>All queries of shareholders are answered at the AGM and all shareholders are given the opportunity to express their views/ concerns. | ✓ |
| C.3 Major & Material Transactions | | | |
| C. 3.1 & C. 3.2 | Disclosure of Major Transactions | There were no matters which were identified as Major Transactions during the year as such no disclosure has been made in this regard.<br>In the event there are Major Transactions, relevant disclosures and relevant shareholder approvals are obtained. | ✓ |

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| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| D. Accountability & Audit | | | |
| D. 1.1 | Annual Report | Refer Accountability & Audit on pages 115 to 117. | ✓ |
| D. 1.2 | Interim and price sensitive reports to public and regulators | In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the;<br>• Companies Act No. 07 of 2007,<br>• Sri Lanka Accounting Standards and<br>• Listing Rules of the Colombo Stock Exchange.<br>The annual and interim Financial Statements were published within the time periods prescribed by the Listing Rules of the Colombo Stock Exchange. | ✓ |
| D. 1.3 | CEO Declaration | The Statement of Financials contains a declaration by the Chairman/CEO | ✓ |
| D. 1.4 | Directors' Report declarations | Refer Annual Report of the Board of Directors on page 95. | ✓ |
| D. 1.5 | Statements on responsibilities for preparation of financial statements and internal control | Refer the following:<br>• Statement of Board responsibility for preparation of financial statements - page 100.<br>• Statement from Auditors on their reporting responsibilities - page 115.<br>• Statement on Internal Control - page 100. | ✓ |
| D. 1.6 | Management discussion & analysis | Refer annual report pages from 28 to 73 which provide a management discussion and analysis of the Company's operations | ✓ |
| D. 1.7 | Serious loss of capital | Shareholders will be informed of a serious loss of capital in the event it happens. | ✓ |
| D. 1.8 | Related Party transactions | Refer the following disclosures on Related Party Transactions:<br>• Relates Party Transactions Review Committee Report on page 105.<br>• Annual Report of the Board of Directors on page 95.<br>• Note 25 to the financial statements | |
| D.2 Risk Management & Internal Control | | | |
| D. 2.1 | Monitor, review and report on financial, operational and compliance risk and internal control systems | The following reports provide details on compliance with these requirements:<br>• Directors' Statement on Internal Controls on page 100.<br>• Audit, Risk and Compliance Report on page 107.<br>• Note 33 of the Financial Statement.<br>• Risk Management on page 92. | ✓ |
| D. 2.2 | Confirm assessment of the principal risks of the company | | ✓ |
| D. 2.3 | Internal Audit | | ✓ |
| D. 2.4 | Require Audit, Risk and Compliance to carry out reviews of & Board responsibility for disclosures | | ✓ |
| D. 2.5 | Compliance with Directors' responsibilities as set out by the Code | | ✓ |

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| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| D.3 | | | |
| D. 3.1 | Establish an Audit, Risk and Compliance comittee comprising three directors of which at least 2 must be independent | Audit, Risk and Compliance comprises of all Independent Directors. Which two are independent Refer Audit, Risk and Compliance on page 107. | ✓ |
| D. 3.2 | Written Terms of Reference for Audit, Risk and Compliance | The Audit, Risk and Compliance has a written Terms of Reference summarised in the Audit, Risk and Compliance Report on page 107. | ✓ |
| D. 3.3 | Disclosures | The Audit, Risk and Compliance Report with required disclosures are given on page 107. | ✓ |
| D.5 Related Party Transactions Review Committee | | | |
| D.5.1/D.5.2/ D.5.3/9.3.2 | Related Party Transactions Review Committee | The Report of the Related Party Transactions Review Committee is given on page 105. | ✓ |
| D.6 Code of Business Conduct & Ethics | | | |
| D. 6.1 | Board declaration for compliance with Code | Refer Code of Ethics on declarations on pages 76 to 91. | ✓ |
| D. 6.2 | Price sensitive information | Material and price sensitive information is promptly disclosed to the CSE by the Company Secretaries. | ✓ |
| D. 6.3 | Monitor Share purchase by Directors/ KMPs | Refer the Related Party Transactions Review Committee Report on page 105. | ✓ |
| D. 6.4 | Chairman's statement | Refer the Chairman's Message on page 14 and the Board of Directors' Statement on Internal Controls on page 100. | |
| D. 7 | Corporate Governance disclosures | The Corporate Governance Report on pages 76 and 91 together with its Annexures comply with this requirement. | ✓ |
| E. Institutional Investors | | | |
| E. 1.1 | Institutional investors | The proxies of the major institutional investors, such as the major shareholder are obtained. | ✓ |
| E. 2 | Evaluation of Governance Disclosures | Information required for evaluation of governance structures is provided in the Annual Report. | ✓ |
| F. Other Investors | | | |
| F. 1 | Investing and divesting decision | We seek to provide sufficient information to investors through the annual report, quarterly financial statements and announcements to the CSE to assist investors with their investment and divestment decisions. | ✓ |
| F. 2 | Encouraging shareholder participation | Refer Shareholder Relations on pages 168and 169. | |
| G. Other Matters | | | |
| G. 1 | Identify connectivity and related cyber risks | The Head of IT was invited to the board and update the board every quarter. | ✓ |
| G. 2 | Appoint a CISO and allocate budget to implement a cybersecurity policy | CISO appointed and allocated budget | ✓ |
| G. 3 | Include cybersecurity in the Board agenda | It is a regular agenda item for the Board Meetings. | ✓ |

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| Reference to ICASL Code & CSE Rules | Corporate Governance Principle | How we Comply | Compliance Status |
|---|---|---|---|
| G. 4 | Obtain periodic assurance to review effectiveness of cybersecurity risk management | Consultants invited to Board and advise on Cybersecurity risk recommendation | ✓ |
| G. 5 | Disclosures in Annual Report | | ✓ |
| H. Sustainability ESG and Opportunities | | | |
| H. | Environment, Society and Governance | | |
| H. 1 | Consider the impact of sustainability risks and opportunities in the business model, operations and short, medium and long term plans to build resilience and report the same to the Board. | The Company identified and assessed the impact which have been reviewed by the Board. | ✓ |
| H. 2 | Continuously engage with and consider the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities. | The Company continuously engages with its stakeholders to consider the views and manage concerns to improve its reputation and to preserve its social license to operate. | ✓ |
| H. 3 | The company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors | • The Company has in place a system to capture its non-financial information from all locations of its operations.<br>• Internal controls are in place to ensure the accuracy and materiality of the data.<br>• Internal audit provides assurance on the same to the Audit Committee and the Board, safeguarding its operating licenses, reputation and the social license to operate.<br>• ESG related information is presented to the Board at its meetings while they are reviewed monthly by Corporate Management. | ✓ |
| H. 4 | The board should establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognising, managing and measuring on all pertinent aspects of sustainability using financial and non-financial measures. | | |
| I. Special Considerations for Listed Entities | | | |
| I. 1 | Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website. | Done | ✓ |
| I. 2 | Listed entities shall establish and maintain a formal policy | | |

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### Section 9 – Corporate Governance

| Rule Ref | Disclosure Requirement | Page Reference |
|---|---|---|
| 9.1.3 | Statement confirming the extent of compliance with the Corporate Governance Rules | 76 |
| 9.2.2 | Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted | N/A |
| 9.2.3 (i) | List of policies in place as per Rule 9.2.1, with reference to website | 91 |
| 9.2.3 (ii) | Any changes to policies adopted | N/A |
| 9.5.2 | Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-complied reasons for the same with proposed remedial action. | 95 |
| 9.6.3 | Report of SID demonstrating the effectiveness of duties | 109 |
| 9.6.4 | Rationale for appointing SID | i Since Chairman and CEO are the same person<br>ii Chairman is an Executive Director |
| 9.7.5 | (a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria<br>(b) Any non-compliance/s and remedial action taken | 95 & 110<br>Not Observed |
| 9.8.5 | Names of Directors determined to be 'independent' | 95 |

*"Singhe Hospitals is not merely a business venture, it is a meaningful service dedicated to the nation and its people. Through the delivery of quality healthcare services, we remain committed to improving lives, enhancing patient well-being and creating a healthier community.A motivated and visionary team, guided by strong leadership, can overcome challenges and achieve extraordinary outcomes. At Singhe Hospitals, we are united by "One Goal" to deliver excellence in healthcare while creating sustainable value for patients, stakeholders, and the nation."*



***Mr. A.M. Weerasinghe***
*Chairman*

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| Rule Ref | Disclosure Requirement | Page Reference |
|---|---|---|
| 9.10.4 | Directors details | |
| | • Name, qualifications and brief profile | 18-22 |
| | • Nature of his/her expertise in relevant functional areas | 18-22 |
| | • Whether either the Director or Close Family Members has any material business relationships with other Directors | 95 |
| | • Whether Executive, Non-Executive and/or independent Director | 95 |
| | • Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) | 18-22,77 |
| | • Number of Board meetings attended | 80 |
| | • Names of Board Committees in which the Director serves as Chairperson or a member | 95 |
| | • Attendance of board committee meetings | 80 |
| 9.11.6 | Nominations and Governance Committee Report | 101 |
| 9.12.8 | Remuneration Committee Report | |
| | • Names of chairperson and members with nature of directorship | 103 |
| | • Remuneration Policy | |
| | • The aggregate remuneration of the Executive and Non-Executive Directors. | 152 |

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| Rule Ref | Disclosure Requirement | Page Reference |
|---|---|---|
| 9.13.5 | • Audit, Risk and Compliance Report | Page 107 |
| 9.14.8 (1) | • Related Party Disclosures<br>• Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)<br>• Name of the RP Relationship<br>• Value of RPT<br>• Value as % of equity and total assets<br>• Terms and Conditions<br>• Rationale | There are no Non-recurrent RPT exceeding the threshold |
| 9.14.8 (2) | • Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format)<br>• Name of the RP Relationship<br>• Nature of RPT<br>• Value of aggregate RPT<br>• Value as % of gross income<br>• Terms and Conditions | There are no recurrent RPT exceeding the threshold |
| 9.14.8 (3) | • Related Party Transactions Review Committee Report<br>• Names of the Directors comprising the Committee<br>• Statement that committee has reviewed RPTs and communicated comments/observations to the Board<br>• Policies and procedures adopted by the Committee | 105 |
| 9.14.8 (4) | Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect. | 95 |
| 9.16 | Additional disclosures by Board of Directors Declaration on following<br>• All material interests in contracts and have refrained from voting on matters in which they were materially interested<br>• Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so;<br>• Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;<br>• Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations. | 95 |

### Corporate Policies

The Following corporate Policies have been publish in the company's web site.

- Policy on the matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance, Nominations and Re election
- Policy on Remuneration
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- Policy on Risk management and Internal controls
- Policy on Relations with Shareholders and Investors
- Policy on Environmental, Social and Governance Sustainability
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on Whistleblowing
- Policy on Anti-Bribery and Corruption



*Explore more details on our corporate website just scan the QR code to dive deeper.*

# Risk Management

At Singhe Hospitals PLC, risk management remains an integral part of corporate governance and operational decision-making, supporting the Group's ability to deliver sustainable healthcare services while safeguarding stakeholder interests. The healthcare industry continues to face a dynamic operating environment influenced by economic conditions, regulatory developments, technological advancementsand evolving patient expectations.

| Risk & Risk Rating | Key Drivers | Mitigation Strategies |
|---|---|---|
| **Affordability of Private Healthcare** | | |
|  Direction | ☑ Inflationary pressures<br>☑ Increased cost of living<br>☑ Lower disposable income<br>☑ Low penetration of health insurance<br>☑ Changing healthcare spending patterns | ☑ Strengthening relationships with corporates and multinational entities<br>☑ Introducing affordable healthcare packages<br>☑ Providing special discounts for selected customer segments<br>☑ Collaborating with insurance providers<br>☑ Offering flexible installment payment schemes |
| **Competition Risk** | | |
|  Direction | ☑ Expansion of private healthcare providers<br>☑ Aggressive pricing strategies<br>☑ Technological advancements by competitors<br>☑ Changing customer expectations | ☑ Enhancing service quality and patient experience<br>☑ Investing in advanced medical technology<br>☑ Strengthening brand positioning<br>☑ Expanding specialised healthcareservices<br>☑ Maintaining competitive pricing strategies |
| **Health & Safety of Employees & Patients** | | |
|  Direction | ☑ Workplace hazards<br>☑ Infection risks<br>☑ Operational complexities<br>☑ Regulatory compliance requirements | ☑ Maintaining strong health and safety policies<br>☑ Conducting staff awareness programmes<br>☑ Continuous enforcement of safety protocols<br>☑ Providing protective equipment<br>☑ Monitoring compliance with safety standards |



# Risk Management

| Risk & Risk Rating | Key Drivers | Mitigation Strategies |
|---|---|---|
| **Clinical & Patient Safety Risk** | | |
|   Direction | ☑ Medical errors<br>☑ Infection control challenges<br>☑ Increasing patient volumes<br>☑ Evolving healthcare regulations<br>☑ Operational complexities in clinical care | ☑ Strengthening clinical governance frameworks<br>☑ Conducting regular clinical audits<br>☑ Continuous staff training<br>☑ Implementing infection prevention protocols<br>☑ Monitoring patient safety standards |
| **Health & Safety of Employees & Patients** | | |
|   Direction | ☑ Workplace hazards<br>☑ Infection risks<br>☑ Operational complexities<br>☑ Regulatory compliance requirements | ☑ Maintaining strong health and safety policies<br>Conducting staff awareness programmes<br>☑ Continuous enforcement of safety protocols<br>Providing protective equipment<br>Monitoring compliance with safety standards |
| **Talent Retention** | | |
|   Direction | ☑ Global demand for skilled healthcare professionals<br>☑ Competitive industry environment<br>☑ Migration of healthcare workers<br>☑ Evolving employee expectations | ☑ Enhancing employee engagement initiatives<br>☑ Improving remuneration and benefits<br>☑ Continuous professional development and training<br>☑ Career progression opportunities<br>Introduce Staff Bonus scheme<br>☑ Fostering an employee-centric work culture |

● High ● Moderate ● Low

# CORPORATE GOVERNANCE
## Risk Management

| Risk & Risk Rating | Key Drivers | Mitigation Strategies |
|---|---|---|
| **Reputation Risk** | | |
|   Direction | ☑ Patient dissatisfaction<br>☑ Service quality concerns<br>☑ Negative publicity<br>☑ Regulatory non-compliance<br>☑ Social media exposure | ☑ Maintaining high clinical and ethical standards<br>☑ Strengthening patient feedback mechanisms<br>☑ Ensuring regulatory compliance<br>☑ Proactive stakeholder communication<br>☑ Continuous monitoring of service quality |
| **Cybersecurity & Information Security Risk** | | |
|   Direction | ☑ Increased reliance on digital healthcare systems<br>☑ Cyber threats and ransomware attacks<br>☑ Data breaches Unauthorized access to patient information | ☑ Strengthening cybersecurity infrastructure<br>☑ Implementing data protection policies<br>☑ Staff awareness training<br>☑ Maintaining secure backup systems |
| **Economic & Market Conditions** | | |
|   Direction | ☑ Economic uncertainty<br>☑ Inflationary conditions<br>☑ Taxation changes<br>☑ Industry competition | ☑ Implementing cost optimisation initiatives<br>☑ Improving operational efficiency<br>☑ Diversifying revenue streams<br>☑ Monitoring market trends<br>☑ Maintaining prudent financial management |
| **Technology & Operational Continuity** | | |
|   Direction | ☑ Dependence on information systems<br>☑ System failures and disruptions<br>☑ Digital transformation requirements<br>☑ Operational interruptions | ☑ Strengthening IT infrastructure<br>☑ Implementing business continuity plans<br>☑ Conducting regular system maintenance<br>☑ Maintaining system backups<br>☑ Investing in reliable digital healthcare solutions |



# CORPORATE GOVERNANCE
# Annual Report of the Board of Directors on the Affairs of the Company

### General

The Directors have pleasure in presenting their report and the Audited Financial Statement of the Company for the year ended 31st March 2026 and the Auditor's Report on the Financial Statements. This report provides the information as required by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and recommended best practices on Corporate Governance. This report was approved by the Board of Directors on 4th June 2026.

### Company Overview

| | |
|---|---|
| Company Name | : Singhe Hospitals PLC |
| Registration No. | : PB 70371PQ |
| Incorporation | : 16 December 2009 |
| Public Listing | : 21 April 2015 |
| Registered Office | : No. 362, Colombo Road, Ratnapura |
| Company Website | : https://www.singhehospital.com |

This Annual Report is made available to shareholders in printed and electronic form.

### Integrated Reporting

The Company has adopted an integrated approach to reporting in line with the principles and content elements of the International Integrated Reporting Framework.

This Integrated Annual Report provides an overview of the Company's operating environment, key risks and opportunities, strategic priorities, governance framework, and financial and non-financial performance during the year under review.

The report also reflects how the Company creates sustainable value through the effective utilization and management of the following capitals:

- Financial Capital
- Human Capital
- Intellectual Capital
- Manufactured Capital
- Social and Relationship Capital
- Natural Capital

### Commitment to Transparency, Accountability, Governance, and Sustainability (TAGS)

The Company remains committed to maintaining high standards of transparency, accountability, governance, and sustainability in all aspects of its operations.

During the year under review, the Company continued to strengthen its governance practices through enhanced disclosure standards, improved internal controls, regulatory compliance, and proactive stakeholder engagement initiatives.

### Pillar Key Actions Impact

TransparencyAdoption of integrated reporting practicesStrengthened stakeholder and enhanced disclosures to provide clear, concise,confidence and trust and transparent communication to stakeholders.

Accountability Strengthened Board oversight and compliance with regulatory requirements and corporate governance best practices. The Audit Committee provided oversight on financial reporting, risk management, and internal controls.Improved accountability and decision-making processes.

Governance Maintenance of an effective Board structure with Independent Non-Executive Directors providing strategic oversight and governance guidance. Regular Board and Board Committee meetings were conducted during the year.Enhanced governance and regulatory compliance.

Sustainability Continued focus on ethical healthcare practices, patient care excellence, employee well being, social responsibility, and sustainable business operations.Long-term value creation and sustainable growth.

The Board remains committed to continuously enhancing governance standards and sustainable business practices in order to create long-term value for all stakeholders.

# CORPORATE GOVERNANCE

## Annual Report of the Board of Directors on the affairs of the Company

### Principal Activities And Business Review

The Company was incorporated on the 16th December 2009 as a Board of Investment (BOI) approved project to commence operations as a Private Hospital, including Laboratory and other related services. The Company started its commercial operations in June 2012. Today, Singhe Hospitals PLC is the best private hospital operating in Ratnapura District with modern health care facilities.

Singhe Hospitals is a fully equipped tertiary care hospital with 50 beds to accommodate patients with a wide range of medical specialties available throughout the day. Patients for indoor treatment are admitted under the care of visiting consultants and with the supervision of in-house medical officers. Singhe Hospitals is committed to continuous improvement of patient care and strives to deliver high quality, cost effective healthcare to the communities. The company was listed in the Colombo Stock Exchange on the 16th April, 2015. As stated at the IPO, the company has initiated expansion of laboratory services island wide. Currently main labs have been opened in Ratnapura, Homagama, Negombo, Kandy, Bandarawela, Embilipitiya, Balangoda, Kahawatta, Avissawella, Kalawana and Karapitiya.

### Financial Statements of The Company

The Financial Statements of the Company duly certified by the Finance Manager and approved by two Directors in compliance with Sections 152, 153 and 163 of the Companies Act No. 07 of 2007 are given from pages 118 to 165 of the Annual Report.

### Auditors Report

External Auditors of the company Messr's B. R. De Silva & Co., Chartered Accountants performed the audit of the Financial Statements for the year ended 31st March 2026. The Auditor's report on the Financial Statement is given on page 115 to 117 of the Annual Report as required by Section 168 (1) c of the Status.

### Accounting Policies

A summary of the significant accounting policies adopted in the preparation of the Financial Statements are given on Pages 122to 165 of the Annual Report as required by Section 168 (1) (d) of the Companies Act No. 07 of 2007. The policies adopted are consistent with those adopted in the previous financial year.

### Results And Dividends

#### Gross Revenue

The total revenue of the company for the year ended 31st March 2026 was Rs. 1,925,901,761/-.

#### Profit and Appropriation

The profit before income tax of the Company for the year ended 31st March 2026 was Rs. 301,167,443 and the profit after the tax for the year ended 31st March 2026 was Rs. 216,005,345. The details of profit/(loss) relating to the Company are given on page 118 in this report.

#### Dividend on Ordinary Shares

The Directors have not recommended any dividend for the financial year ended 31st March 2026.

#### Provision for Taxation

Income Tax for 2025/26 has been provided on taxable income arising from the operations of the Company has been disclosed in accordance with Sri Lanka Accounting Standards.

Information on Income Tax expenses and Deferred Taxes is given in the Notes to the Financial Statements in page 139 of this Annual Report.

#### Reserves

The Company's total reserves as at 31st March 2026 amounted to Rs. 773,015,156/- The movement of the reserves is given on Page 120 under the Statement of Changes in Equity.

PPE, Investments Properties, Leasehold Properties and Intangible Assets

Details of capital expenditure incurred on Property Plant and Equipment are given in the Notes to the Financial Statements from Pages 140 to 142.

# CORPORATE GOVERNANCE

## Annual Report of the Board of Directors on the affairs of the Company

### List of Directors

Names of the persons who held office as Directors of the Company as at 31st March 2026 and the names of the persons who ceased to hold office as Directors of the Company at any time during the year 2025/2026, as required by Section 168 (I) (h) of the Companies Act No. 07 of 2007 are given below:

- Mr. A. M. Weerasinghe
  Chairman
- Mr. Navinda Weerasinghe
  Managing Director
- Mr. Lakshika Weerasinghe
  Non Independent Executive Director
- Mr. H. M. A. B. Weerasekara
  Non-Independent Non-Executive Director
- Mr. U. B. H. Jayalath Kithsiri
  Non-Independent Non-Executive Director
- Mr. A. M. A. Cader
  Non-Independent Non-Executive Director
- Mr. Chaaminda Kumarasiri
  Independent Non-Executive Director
  (Resigned on 06th June, 2025)
- Mr. Piyumal Weerasinghe
  Non-Independent Non-Executive Director
- Dr. Aruna Jayakody
  Independent Non-Executive Director
- Dr. P.D.S. Obeysekara
  Independent Non-Executive Director
- Mr. Jude Fernando
  Independent Non-Executive Director
  (Appointed on 11th June 2025)

### Election and Re- Election of Directors

In accordance with Article No. 82 of the Articles of Association of the Company, Mr. A.M. Weerasinghe and Mr. A.M.P.N. Weerasinghe come up for re-election and the Board unanimously recommended their re-election.

In accordance with Article No. 89 of the Articles of Association of the Company Mr. Jude Fernando who was appointed as Director in the previous year, comes up for election and the Board unanimously recommends his election.

### Disclosure of Director's Dealings in Shares

| Directors | No of Shares as at 31st March 2025 | 2026 |
|---|---|---|
| Mr. A.M. Weerasinghe | 372,697,415 | 372,697,415 |
| Mr. Navinda Weerasinghe | 10 | 10 |
| Mr. Lakshika Weerasinghe | 50,000 | 50,000 |
| Mr. U.B.H. Jayalath Kithsiri | 1,100,000 | 1,100,000 |

### Remuneration and Other Benefits

Directors' remuneration and other benefits in respect of the Company for the financial year ended 31st March 2026 are disclosed on Page 152 of this Annual Report.

### Related Party Transaction

The Directors confirm that Section 09 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issued by Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by the company.

### Stated Capital

The stated capital of the company as at 31st March 2026 was Rs. 375,000,000/-. Details of the stated capital are given in Note 17 to the Financial Statement on Page 145 to the Annual Report.

### Share Information

Details of share related information are given on pages 168 to 169 of this Annual Report.

Public Holding of Share In The Company

The public shareholding as at 31st March 2026 was 13.25%.

### Substantial Shareholding

The Twenty Largest shareholders of the Company as at 31st March 2026 are indicated on page 169 of this Annual Report.

### Equitable Treatment of Shareholders

The Company has at all times ensured that all shareholders are treated equitably.

### Corporate Donations

During the year the Company made donations to charity amounting to Rs. 322,141 The information given above on donations is as required by Section 168 (I) (g) of the Companies Act No. 07 of 2007.

# CORPORATE GOVERNANCE

## Annual Report of the Board of Directors on the affairs of the Company

### Statutory Payments

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

### Events After The Reporting Period

There have been no material events occurring after the reporting date that would require adjustment to or disclosure in the Financial Statement other than disclosed on page 154 of this Annual Report.

### Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they have certified that the company has adequate resources to continue its operations in the foreseeable future. Therefore, these financial statements are prepared on going concern basis.

### Risk Management And System of Internal Control

### Risk Management

Specific steps that have been taken by the Company are detailed from pages 160 to 164 of this Annual Report.

### System of Internal Control

The Board of Directors has established an effective and comprehensive system of Internal Control to ensure that proper controls are in place to safeguard the assets of the company to detect and prevent fraud and irregularities to ensure that proper records are maintained and Financial Accounts are prepared, giving the management relevant, reliable and up to date Financial Statements and key performance indicators.

The Audit, Risk and Compliance reviews on a regular basis, the reports, policies and procedures to ensure that a comprehensive internal control framework is in place. More details in this regard can be seen from Pages 107 to 108 of this Annual Report.

The Board has conducted a review of the controls covering financial, operational and compliance and risk management and has obtained reasonable assurance of their effectiveness and successful adherence therewith for the period up to the date of signing the Financial Statements.

### Audit, Risk and Compliance

The composition of the Audit, Risk and Compliance and their Report is given from Page 107 to 108 of this Annual Report.

### Related Party Transaction Review Committee

As per Section 9 of the Listing Rules and the Circular No. 01/2016 of the Colombo Stock Exchange, the Company has formed a Related Party Transaction Review Committee and the committee comprises the following members:

Dr. Aruna Jayakody - Chairman
Mr. Chaaminda Kumarasiri - Member
*(Ceased on 06th June 2025)*
Mr. A.M.A. Cader - Member
Mr. Jude Fernando - Member
*(Appointed on 11th June 2025)*

### Remuneration Committee

The Remuneration Committee comprises the following members:

Dr. P.D.S. Obeysekara - Chairman
Mr. U.B.H. Jayalath Kithsiri- Member
Mr. Chaaminda Kumarasiri - Member
*(Ceased on 06th June 2025)*
Mr. Jude Fernando - Member
*(Appointed on 11th June 2025)*

The Committee reviews and revises the company's recruitments, promotions, remuneration packages, annual increments, bonuses and incentive plans.

The Committee also reviews information related to executive compensation to ensure that it is on par with market/industry rates.

Determining the compensation and benefits of the key Management Personnel and establishing performance parameters in setting individual goals and targets

### Nominations And Governance Committee

The Nominations and Governance Committee was formed on 30th January 2024 and comprised the following members:

Dr. Aruna Jayakody- Member - Chairman
Mr. Chaaminda Kumarasiri - Member
*(Ceased on 06th June 2025)*
Mr. U.B.H. Jayalath Kithsiri - Member
Mr. Jude Fernando - Member
*(Appointed on 11th June 2025)*

# CORPORATE GOVERNANCE

## Annual Report of the Board of Directors on the affairs of the Company

The Committee reviews and evaluates the appointment of new Directors, considering the relevant knowledge and experience of the Directors, through an established transparent procedure. A criteria, based on academic/professional qualifications, skills and experience would be adopted in selecting Directors. The Committee also established a suitable process to evaluate Directors and CEO and to develop a succession plan for Board of Directors and Key Management Personnel. The Committee reviews the overall corporate governance framework based on the CSE Rules, to adopt best practices. Management compliance and other corporate and regulatory compliance are reviewed by the Committee.

**Corporate Governance**

The Company is committed to high standards of Corporate Governance. The main Corporate Governance practices are set out page 76 of this Annual Report. The Directors acknowledge their responsibility for the company's corporate governance and the system of internal control.

**Operational Excellence**

To increase efficiency and reduce operating costs, the company has ongoing initiatives to drive policy standardization and to optimize the use of existing technology platform.

**Appointment of External Auditors**

The Financial Statements for the year have been audited by Messr's B. R. De Silva & Co. Chartered Accountants, who offer themselves for re-appointment. A resolution to re-appoint them as Auditors and authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

**Auditor's Remuneration and Interest In**

**Contracts With The Company**

The Company Audit Fees paid for the year 2025/26 amounted to Rs. 900,000/-. Apart from that, the Company has engaged an associate company of Messr's B. R. De Silva & Co., the External Auditors to advise on taxation. As far as the Directors are aware, the Auditors do not have any other relationship or interest in contracts with the Company.

**Annual General Meeting**

The 12th Annual General Meeting of the Company will be held on 27th June, 2026 at Singhe Hospitals PLC , Ratnapura at 10.00 a.m.

**Notice of Meeting**

Notice of Annual General Meeting is published on page 171 of the report.

**Acknowledgment of The Contents of The Report**

As required by Section 168 (1) (k) of the Companies Act No: 07 of 2007 the Board of Directors hereby acknowledge the contents of this Report.

**Fit And Proper Assessment Of Directors**

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, Declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year under review and as at the date of such declarations.

**Senior Independent Director**

In terms of Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Senior Independent Director has been appointed since the Chairperson and CEO are the same person and the Chairman is an Executive Director. Dr. P.D.S. Obeysekara was appointed as Senior Independent Director. His duties are as follows.

The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members. The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate. The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c).

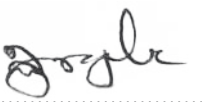
For and on behalf of the Board



.....
Managing Director



.....
Director



.....
Nexia Corporate Consultants (Pvt) Ltd.

Secretaries
4th June, 2026

# CORPORATE GOVERNANCE

## Statement of Director's Responsibility

The following statement which should be read in conjunction with the Auditor's statement of responsibilities has been made with a view to distinguishing between the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

Section 150, 152 (1) and 153 (1) of the Companies Act No. 07 of 2007 require that the Directors prepare the financial statements and circulate it among the shareholders. These financial statements comprise a Statement of Comprehensive Income, which presents a true and fair view of the profit or loss of the Company for its financial year as well as a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of its financial year.

As the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a 'going concern' basis.

In preparing the financial statements as disclosed on pages 118 to 165, the Directors consider that the Company has used appropriate accounting policies that have been applied consistently and supported by reasonable and prudent judgment and estimates, while all accounting standards considered to be applicable and relevant have been followed.

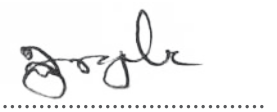
The Directors are responsible for ensuring that the Company maintains accounting records which disclose with reasonable accuracy, the financial position of the Company while complying with the provisions of the Companies Act No. 07 of 2007.

The Directors have a general responsibility to take reasonable steps in safeguarding the assets of the Company, provide proper consideration towards the establishment of appropriate internal control systems with a view to detecting and preventing fraud and other irregularities.

**Compliance Report**

The Directors confirm to the best of their knowledge that 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, all other known statutory dues which were due and payable by the Company as at the reporting date have been paid or where relevant provided for in arriving at the financial results for the year under review.

By order of the Board



Nexia Corporate Consultants (Pvt) Ltd,

Secretaries

4th June, 2026

# CORPORATE GOVERNANCE

## Nominations & Governance Committee Report

Composition of the Committee

The Nominations & Governance Committee was established on 30th January 2024 to ensure that the Board comprises the appropriate balance of skills, experience, knowledge, independence, and diversity necessary to support the strategic direction and long-term interests of the Company.

As at 31st March 2026, the Committee comprised the following members:

- Dr. Aruna Jayakody – Chairman
- Mr. U.B.H. Jayalath Kithsiri – Member
- Mr. Chaaminda Kumarasiri – Member
  *(Ceased 6th June 2025)*
- Mr. Jude Fernando – Member
  *(Appointed on 11th June 2025)*

The Committee comprises Non-Executive Directors, the majority of whom are independent in accordance with the Corporate Governance Rules of the Colombo Stock Exchange.

### Changes to the Composition of the Committee

During the financial year 2025/26, the following changes occurred:

- Mr. Jude Fernando was appointed as a Member of the Committee with effect from 11th June 2025.
- Mr. Chaaminda Kumarasiri ceased to serve as a Member with effect from 6th June 2025.
- Mr. U.B.H. Jayalath Kithsiri continued to serve as a Member of the Committee.
- Dr. Aruna Jayakody continued to serve as Chairman of the Committee.

Profiles of the Committee members, including their professional background and experience, are disclosed in the Directors' Profiles section of this Annual Report.

### Regulatory Framework

The Committee operates under approved Terms of Reference adopted by the Board of Directors, which clearly define its authority, responsibilities, and scope in accordance with the applicable Corporate Governance Rules.

### Key Responsibilities

The primary responsibilities of the Committee include reviewing the structure, size, composition, and competencies of the Board and making recommendations where necessary to ensure effective governance and strategic oversight. The Committee also evaluates whether Directors satisfy the "fit and proper" criteria as prescribed by applicable laws and regulations.

The Committee is responsible for making recommendations relating to the appointment, promotion, transfer, redesignation, and succession planning of the Managing Director, Executive Directors, and Senior Management personnel. In addition, the Committee recommends Directors retiring by rotation for re-election by shareholders and assesses the independence and effectiveness of Directors in carrying out their responsibilities.

The Committee also evaluates the ability of Directors to devote sufficient time and attention to the affairs of the Company, taking into consideration their commitments on other listed company boards and principal responsibilities. The Committee considers any other governance-related matters referred to it by the Board of Directors.

The Committee periodically reviews the succession planning process of the Board and Senior Management to ensure continuity of leadership and long-term sustainability of the Company.

### Activities During the Year

During the year under review, the Committee held one (01) meeting. The key matters considered by the Committee included the re-election of Directors retiring at the Annual General Meeting, recommendations relating to the continuation in office of Directors over the age threshold prescribed by the Companies Act No. 7 of 2007, succession planning for key management personnel, and evaluation of the existing Board composition with recommendations for additional expertise where necessary.

The Committee also reviewed the independence of Non-Executive Directors and assessed the overall effectiveness and composition of the Board in line with applicable Corporate Governance requirements.

A report of the decisions and recommendations made by the Committee was submitted to and approved by the Board of Directors.

### Committee Meetings

The Committee met once during the financial year under review. The attendance of members at the meeting is given below:

| Name of the Member | Attendance |
|---|---|
| Dr. Aruna Jayakody | 1/1 |
| Mr. U. B. H. Jayalath Kithsiri | 1/1 |
| Mr. Jude Fernando *(Appointed on 11/06/2025)* | 0/1 |
| Mr. Chaaminda Kumarasiri *(Ceased on 06/06/2025)* | 1/1 |

**Policies and Procedures**

The Committee operates under a formal Terms of Reference approved by the Board. As per these terms:

- The Committee shall consist of at least three members, with a majority being Non-Executive Directors.
- Meetings shall be held at least once per financial year, with additional meetings convened at the discretion of the Chairman or upon the request of a member in consultation with the Chairman.

The Committee is pleased to confirm that 03 out of 07 Non-Executive Directors are independent from acting in an executive capacity in the company and that the board succession plan ensures the board appoints Directors who have the requisite skills and experience

On behalf of the Committee;



.....

**Dr. Aruna Jayakody**
Chairman – Nominations & Governance Committee
04th June 2026

# CORPORATE GOVERNANCE
## Remuneration Committee Report

### Committee Composition

The Remuneration Committee is a subcommittee, appointed by and responsible to the Board of Directors and consists of two Independent Non-Executive Directors and a Non-Executive Director.

As at 31st March 2026, the Remuneration Committee comprised the following members:

- Dr. P.D.S. Obeysekara -Chairman
- Mr. U.B.H.J. Kithsiri -Member
- Mr. T.C.D. Kumarasiri -Member
  *(Ceased on 06/6/2025)*
- Mr. Jude Fernando -Member
  *(Appointed on 11/06/2025)*

The Committee comprises Non-Executive Directors, the majority of whom are independent in accordance with the Corporate Governance Rules of the Colombo Stock Exchange.

### Changes to the Composition of the Committee

During the financial year 2025/26, the following changes occurred:

- Mr. Jude Fernando was appointed as a Member of the Committee with effect from 11th June 2025.
- Mr. Chaaminda Kumarasiri ceased to serve as a Member with effect from 6th June 2025.
- Mr. U.B.H.J. Kithsiri continued to serve as a Member of the Committee.
- Dr. P.D.S. Obeysekara continued to serve as Chairman of the Committee.

Profiles of the Committee members, including their professional background and experience, are disclosed in the Directors' Profiles section of this Annual Report.

### Scope of the Committee

The Remuneration Committee is responsible for reviewing developments in the corporate sector with regard to remuneration structures, salary revisions, and terms and conditions applicable to senior executive staff. In discharging its duties, the Committee seeks input and recommendations from the Chairman and the Managing Director where appropriate.

The Committee makes recommendations to the Board of Directors on matters relating to remuneration packages, annual salary increments, performance incentives, and bonuses applicable to the Managing Director, Corporate Management and Senior Executive staff. The Committee also reviews and recommends guidelines for compensation structures applicable to executive-level employees and monitors the implementation of approved remuneration policies to ensure consistency and fairness across the organization.

The Managing Director attends meetings by invitation and contributes to deliberations except in matters relating to his own remuneration and performance evaluation.

### Remuneration Policy

The Company's remuneration policy is designed to attract, retain, and motivate suitably qualified and experienced professionals with the competencies required to achieve the strategic objectives of the Company in a competitive business environment. The policy aims to ensure that remuneration structures are competitive, performance-driven and aligned with market practices while supporting sustainable value creation for shareholders and stakeholders.

The remuneration framework maintains an appropriate balance between short-term performance objectives and the long-term strategic goals of the Company. It also seeks to align the interests of Executive Directors and Senior Management with the long-term success and sustainability of the Company.

### Committee Meetings

The Committee met two times during the financial year under review and the decisions and recommendations of the Committee were presented to and approved by the Board of Directors. The attendance of members at Committee meetings is given below:

| Name of the Member | Attendance |
|---|---|
| Mr. P.D.S. Obeysekara | 2/2 |
| Mr. U.B.H.Jayalath Kithsiri | 2/2 |
| Mr. Chaaminda Kumarasiri *(Ceased on 06/6/2025)* | 1/1 |
| Mr. Jude Fernando *(Appointed on 11/06/2025)* | 1/1 |

The proceedings and recommendations of the Committee were regularly reported to the Board of Directors for consideration and approval.

**Professional Advice**

The Committee is empowered to obtain independent professional advice on matters within its scope and authority whenever necessary to support effective decision-making and the discharge of its responsibilities.

The Remuneration Committee confirms that it has discharged its responsibilities in accordance with its terms of reference during the year under review.



.....

**Dr. P.D.S. Obeysekara**
Chairman – Remuneration Committee

4th June 2026

# CORPORATE GOVERNANCE
## RPTR Committee Report

The Board of Directors of Singhe Hospitals PLC has adopted the Code of Best Practices on Related Party Transactions issued by the Colombo Stock Exchange (CSE) and has established the Related Party Transactions Review Committee (RPTRC) on 28th May 2016 to ensure compliance with the relevant Listing Rules and to strengthen transparency and governance in respect of related party transactions.

### Composition of the Committee

As at 31st March 2026, the Related Party Transactions Review Committee comprised the following Directors:

- Dr. Aruna Jayakody – Chairman
- Mr. A.M.A. Cader – Member
- Mr. Jude Fernando – Member
  *(Appointed 11th June 2025)*
- Mr. Chaaminda Kumarasiri – Member
  *(Ceased 6th June 2025)*

The Company Secretary acts as the Secretary to the Committee.

The Committee comprises Non-Executive Directors, the majority of whom are independent in accordance with the Corporate Governance Rules of the Colombo Stock Exchange, and the Chairman is an Independent Non-Executive Director.

### Changes to the Composition of the Committee

During the financial year 2025/26, the following changes occurred:

- Mr. Jude Fernando was appointed as a Member of the Committee with effect from 11th June 2025.
- Mr. Chaaminda Kumarasiri ceased to serve as a Member with effect from 6th June 2025.
- Mr. A.M.A. Cader continued to serve as a Member of the Committee.
- Dr. Aruna Jayakody continued to serve as Chairman of the Committee.

Profiles of the Committee members, including their professional background and experience, are disclosed in the Directors' Profiles section of this Annual Report.

### Objective of the Committee

The primary objective of the Committee is to assist the Board in ensuring that all Related Party Transactions (RPTs) of the Company are carried out in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange and are disclosed in a timely, accurate, and transparent manner. The Committee is also responsible for ensuring that all related party transactions are conducted on an arm's length basis and are in the best interests of the Company, thereby safeguarding the interests of shareholders.

### Activities During the Year

During the year under review, the Committee undertook several key responsibilities including the development and recommendation of a Related Party Transactions Policy for Board approval, aligned with the Company's operational structure and decision-making framework. The Committee also defined threshold values for related party transactions and established classification criteria for transactions requiring pre-approval by the Board, immediate market disclosure, shareholder approval where applicable, and disclosure in the Annual Report.

In addition, the Committee introduced a structured process for the identification and monitoring of recurring related party transactions and implemented a standard documentation format for submission of transactions for Committee review. The Committee reviewed existing related party transactions in accordance with Section 9 of the CSE Listing Rules and ensured appropriate disclosure and compliance.

All material related party transactions were subject to prior review by the Committee and approval by the Board of Directors in accordance with the approved Related Party Transactions Policy.

The Committee also ensured that the proceedings and recommendations of the Committee were regularly reported to the Board of Directors for consideration and approval.

### Committee Meetings

The Committee held four (04) meetings during the financial year ended 31st March 2026. The attendance of members at these meetings is given below:

| Name of the member | Attendance |
|---|---|
| Dr. Aruna Jayakody | 4/4 |
| Mr. A.M.A. Carder | 4/4 |
| Mr. Jude Fernando *(Appointed 11/06/2025)* | 2/4 |

The Committee met as often as required during the year to discharge its responsibilities effectively.

**Disclosures in Terms of the Listing Rules**

As required by Rule 9.14.8 (3) of the Listing Rules of the Colombo Stock Exchange, all related party transactions entered into during the financial year were reviewed by the Committee. The Committee is of the opinion that such transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company or its minority shareholders.

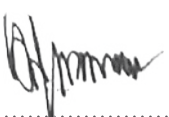
The Committee continuously evaluates the fairness, transparency, and compliance of related party transactions undertaken by the Company. The proceedings of the Committee are regularly reported to the Board of Directors.

The recurrent and non-recurrent related party transactions for the year ended 31st March 2026 are disclosed in Note 25.4 and 25.5 to the Financial Statements in accordance with the Listing Rules.

The Committee confirms that it is not aware of any material related party transactions that have not been properly disclosed in the Financial Statements.

The Committee also supports the certification of the Financial Statements by Management and confirms that related party disclosures have been reviewed for completeness and accuracy.

The Committee confirms that it has discharged its responsibilities in accordance with its mandate and ensured that all related party transactions were properly reviewed, approved, and disclosed in compliance with applicable regulatory requirements.



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**Dr. Aruna Jayakody**
Chairman – Related Party Transactions Review Committee

4th June 2026

# CORPORATE GOVERNANCE
## Audit, Risk and Compliance Committee Report

The Audit, Risk and Compliance Committee of Singhe Hospitals PLC assists the Board of Directors in fulfilling its oversight responsibilities relating to financial reporting, internal controls, internal audit, external audit, risk management and compliance with legal and regulatory requirements. The Committee operates in accordance with its approved Charter, which incorporates the requirements of the Companies Act No. 7 of 2007, applicable Corporate Governance Rules and other relevant regulatory requirements. The primary role of the Committee is to oversee the integrity of the Company's financial reporting process, ensure the effectiveness of internal control and risk management systems and ensure compliance with applicable laws and regulations in order to safeguard the interests of all stakeholders.

### Composition of the Committee

As at 31st March 2026, the Audit, Risk and Compliance Committee comprised the following Directors:

- Mr. Jude Fernando – Chairman
  *(Appointed 11th June 2025)*
- Mr. Chaaminda Kumarasiri – Chairman
  *(Ceased 6th June 2025)*
- Mr. U.B.H. Jayalath Kithsiri – Member
- Dr. Aruna Jayakody – Member

The Company Secretary acts as the Secretary to the Committee.

### Changes to the Composition of the Committee

During the financial year 2025/26, the following changes occurred:

- Mr. Jude Fernando was appointed as Chairman of the Committee with effect from 11th June 2025.
- Mr. Chaaminda Kumarasiri ceased to serve as Chairman with effect from 6th June 2025.
- Mr. U.B.H. Jayalath Kithsiri continued as a Member of the Committee.
- Dr. Aruna Jayakody continued as a Member of the Committee.

Profiles of the Committee members, including their professional background and experience, are disclosed in the Directors' Profiles section of this Annual Report.

### Independence and Authority

The Audit, Risk and Compliance Committee is independent of Management and has full access to financial records, personneland external auditors as required to discharge its duties effectively. The Committee also has the authority to obtain independent professional advice where necessary. All members are Non-Executive Directorsand the majority are independent in accordance with the Corporate Governance Rules of the Colombo Stock Exchange.

### Overview of Responsibilities

The Committee assisted the Board in ensuring that the preparation, presentation, and disclosure of Financial Statements were in compliance with Sri Lanka Accounting Standards (LKAS/SLFRS), the Companies Act No. 7 of 2007 and other applicable regulatory requirements. The Committee also reviewed the adequacy and effectiveness of the Company's internal controls and risk management framework, including the identification and mitigation of key financial, operational, clinical, IT and compliance risks. In addition, the Committee assessed the Company's going concern position and ensured compliance with statutory and regulatory requirements.

The Committee also reviewed related party transactions to ensure compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange and confirmed that all transactions were conducted on an arm's length basis and properly disclosed in the Financial Statements.

### Risk Management Oversight

The Committee reviewed the Company's enterprise risk management framework and assessed key risks affecting the business. It also monitored the effectiveness of mitigation actions implemented by Management to address financial, operational, clinical, IT, and compliance-related risks.

### Key Responsibilities

During the financial year, the Committee carried out its duties in accordance with its mandate, focusing on the following key areas:

The Committee reviewed quarterly financial statements prior to submission to the Board to ensure accuracy, consistency and compliance with Sri Lanka Accounting Standards. It also reviewed the performance and ind

# CORPORATE GOVERNANCE
## Audit, Risk and Compliance Committee Report

ependence of both External and Internal Auditors and assessed the adequacy and effectiveness of the internal control systems of the Company.

The Internal Audit function was evaluated in terms of structure, staffing, reporting lines, audit coverage, and frequency. The Internal Audit Plan was reviewed and approved by the Committee and follow-up actions on audit findings were regularly monitored.

The Committee engaged with the External Auditors, Messr's B. R. De Silva & Co., Chartered Accountants, and reviewed their audit reports together with Management responses. The Committee confirmed that the External Auditors remained independent and that no conflicts of interest existed. Audit and non-audit fees were also reviewed to ensure independence and objectivity were maintained. The Committee recommended the re-appointment of the External Auditors for the ensuing financial year, subject to shareholder approval at the Annual General Meeting.

The Committee also reviewed quarterly compliance reports submitted by the Finance Manager and ensured that adequate systems were in place to comply with applicable laws, regulationsand corporate governance requirements. Matters relating to financial statement certification by Management were also reviewed.

Ernst & Young, with the concurrence of the Board, continued to perform the Internal Audit function. The Committee reviewed internal audit coverage relating to Head Office (Hospital) and Outpatient Laboratory Services, including findings and follow-up actions and also considered resource requirements and succession planning for the Internal Audit function.

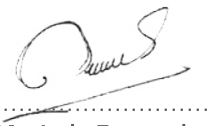
### Committee Meetings

The Audit, Risk and Compliance Committee held five (5) meetings during the year under review. Proceedings of the Committee were regularly reported to the Board of Directors.

| Name of the member | Attendance |
|---|---|
| Mr. Jude Fernando *(Appointed 11-06-2025)* | 3/3 |
| Mr. U.B.H.Jayalath Kithsiri | 5/5 |
| Mr. T.C.D. Kumarasiri *(Ceased 06/06/2025)* | 2/2 |
| Dr. Aruna Jayakody | 5/5 |

The meetings were attended by the Chairman, Managing Director, Directors, General Manager, and Finance Manager by invitation.

The Audit, Risk and Compliance Committee confirms that it has discharged its responsibilities as set out in its Charter and that the Company maintained an effective system of financial reporting, internal controls, and risk management during the year under review.



.....

**Mr. Jude Fernando**
Chairman – Audit, Risk and Compliance Committee
4th June 2026

# CORPORATE GOVERNANCE
## Senior Independent Director's Statement

This Statement is presented in compliance with the requirements set out in the 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.

The appointment of the Senior Independent Director (SID) of Singhe Hospitals PLC is intended to ensure the maintenance of an appropriate balance of authority and accountability within the Board structure and to facilitate independent judgment in Board deliberations and decision-making processes.

The Board continues to maintain its position that the role of the Executive Chairman is appropriate for the Company in effectively addressing stakeholder interests and supporting the strategic direction of the Company. In this context, the role of the Senior Independent Director remains important in ensuring that no individual Director has unfettered powers of decision-making and that Board discussions are conducted in an environment that encourages constructive challenge and independent thought.

The Senior Independent Director also serves as an independent channel through which concerns may be conveyed confidentially when necessary and is available to shareholders where concerns cannot be resolved through the usual channels of communication or where such channels are considered inappropriate.

During the year under review, the Senior Independent Director chaired a meeting of the Independent Non-Executive Directors without the participation of Executive Directors, enabling open discussion on matters relating to governance, Board effectiveness, strategic oversight, and the performance of the Chairman where necessary.

**Meeting of the Senior Independent Director**

| Name of the member | Attendance |
|---|---|
| Dr. P.D.S. Obeysekara | 1/1 |

The following Independent Non-Executive Directors attended the meeting:

- Dr. A.C. Jayakody
- Mr. Jude Fernando

The Independent Non-Executive Directors are satisfied that the Company's governance, risk management, compliance, and internal control frameworks continued to operate effectively during the year and remained aligned with accepted corporate governance best practices. The Board is satisfied that the Company has complied with the applicable Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange during the year under review. The Independent Non-Executive Directors wish to place on record their appreciation to the Chairman, members of the Board, and the management team for their continued transparency, cooperation, and constructive engagement throughout the year.



**Dr. P.D.S. Obeysekara**
Senior Independent Director
04 June 2026

# CORPORATE GOVERNANCE

## Chief Executive Officer's and Chief Financial Officer's Statement of Responsibility

The Financial Statements of Singhe Hospitals PLC ("the Company") for the year ended 31 March 2026 are prepared and presented in compliance with the following requirements:

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka);
- Companies Act No. 07 of 2007;
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Listing Rules of the Colombo Stock Exchange (CSE); and
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The disclosure and preparation of the Financial Statements are in compliance with the Sri Lanka Accounting Standards issued by CA Sri Lanka and other relevant statutory requirements. Appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgments and estimates.

We confirm that the Company has adequate resources to continue its operations in the foreseeable future and accordingly the going concern basis has been adopted in preparing these Financial Statements.

Management is responsible for establishing, implementingand maintaining adequate internal controls and procedures within the Company to ensure the safeguarding of assets, prevention and detection of frauds and irregularitiesand the accuracy and reliability of accounting records.

The internal control systems and procedures are reviewed on an ongoing basis together with the Internal Audit functionand we are satisfied that there were no material deficiencies or significant weaknesses in the design and operation of such controls during the year under review.

The Financial Statements of the Company were audited by Messr's B. R. De Silva & Co., Chartered Accountants, and their Independent Auditor's Report is provided in this Annual Report.

The Audit Committee reviewed the Internal Audit programmes, External Audit plans, effectiveness of the internal control systems, compliance with statutory and regulatory requirements and the adoption of significant accounting policies.

To ensure independence, the External Auditors and Internal Auditors have unrestricted access to the Audit Committee to discuss any matters of significance.

However, it should be recognised that any system of internal control can provide only reasonable and not absolute assurance against material misstatement or loss.

We further confirm that, to the best of our knowledge, the Company has complied with all applicable laws, regulations and statutory requirements and that there are no material litigation matters pending against the Company.



**A.M. Weerasinghe**
Chairman / Chief Executive Officer



**Asanka De Silva**
Chief Financial Officer

04thJune 2026

SINGHE
Hospitals
quality healthcare



Ritigala Ancient Hospital

The ancient hospital complex at Ritigala stands as a testament to Sri Lanka's rich healthcare heritage and the advanced medical knowledge that flourished in ancient times. Situated within a secluded forest monastery on the slopes of Ritigala Mountain in the Anuradhapura District, the hospital is believed to have functioned between the 8th and 12th centuries AD, serving the healthcare and wellness needs of meditating monks.

The site features medicinal troughs, herbal preparation facilities, treatment areas, and other healthcare-related structures, reflecting a holistic approach to healing that integrated physical, mental, and spiritual well-being. As one of the best-preserved monastic hospital complexes in Sri Lanka, Ritigala highlights the country's long-standing tradition of compassionate care, preventive medicine, and sustainable healthcare practices.

Source: Department of Archaeology, Sri Lanka; Historical records and archaeological studies of the Ritigala Monastery Complex.

# FINANCIAL STATEMENTS

## FINANCIAL STATEMENTS


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119 Statement of Financial Position

120 Statement of Changes in Equity

121 Statement of Cash Flows

122 Notes to the Financial Statement

# FINANCIAL CALENDAR

| 2025/26 | Date |
|---|---|
| **Interim Financial Statements - Submission to the Colombo Stock Exchange (CSE)** | |
| Three months ended 30th June 2025 - Un Audited | 1st August 2025 |
| Six months ended 30th September 2025 - Un Audited | 27th October 2025 |
| Nine months ended 31st December 2025 - Un Audited | 2nd February 2026 |
| Twelve months ended 31st March 2026 - Un Audited | 25th May 2026 |
| **Audited Financial Statement and AGM** | |
| Authorization for Issue of Audited Financial Statements for 2025/26 | 4th June 2026 |
| Publication of Annual Report for the financial year ended 31st March 2026 | 4th June 2026 |
| 12th Annual General Meeting to be held on | 27th June 2026 |

| 2026/27 | Date |
|---|---|
| **Interim Financial Statements - Submission to the Colombo Stock Exchange (CSE)** | |
| Three months ended 30th June 2026 - Un Audited | 15th August 2026 |
| Six months ended 30th September 2026 - Un Audited | 15th November 2026 |
| Nine months ended 31st December 2026 - Un Audited | 15th February 2027 |
| Twelve months ended 31st March 2027 - Un Audited | 30th May 2027 |
| **Audited Financial Statement and AGM** | |
| Authorization for Issue of Audited Financial Statements for 2026/27 | June 2027 |
| Publication of Annual Report for the financial year ended 31st March 2027 | June 2027 |
| 13th Annual General Meeting to be held on | June 2027 |

# INDEPENDENT AUDITOR'S REPORT

B.R.DE SILVA & CO.
Chartered Accountants

A member of Nexia International

## INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF SINGHE HOSPITALS PLC

### Report on the Audit of the Financial Statements

### Opinion

We have audited the Financial Statements of Singhe Hospitals PLC ("the Company"), which comprise the Statement of Financial Position as at 31st March 2026, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including material accounting policy information.

In our opinion, the accompanying Financial Statements of the Company give a True and Fair view of, the Financial Position of the Company as at 31st March 2026, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the Company in accordance with 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.

### Key Audit Matters

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

Partners : N.S.C.De Silva FCA, FCMA (UK), CGMA, L.C.Piyasena FCA, L.L.S.Wickramasinghe FCA
S.M.S.S.Bandara MBA, FCA, D.S.De Silva LLB, Attorney - at Law ACA, ACMA (UK), CGMA

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Web : www.brdesilva.com

# INDEPENDENT AUDITOR'S REPORT

| Key Audit Matter | How the matter was Addressed |
|---|---|
| 1. Recognition of Revenue<br><br>The Company derived its revenue of Rs. 1,925,901,761 by providing healthcare services as disclosed in Note 3 to the Financial Statements.<br><br>Revenue is considered as a key audit matter due to:<br><br>• Significance of the reported revenue coupled with the significant increase in revenue recorded by the company during the year.<br><br>• Complexity of revenue recognition due to involvement of multiple divisions to provide medical services<br><br>• Revenue streams are captured and invoiced through the Hospital Management Software which is not fully integrated with the transaction recording modules. | • Our audit procedures in relation to revenue recognition included both test of controls as well as substantive procedures.<br><br>• Our testing of the company's manual and automated controls focused on controls around the timely & accurate recording of sales transactions.<br><br>• We reviewed the company's accounting policies in respect of revenue recognition and found them to be in compliance with Sri Lanka Accounting Standards.<br><br>• We performed analytical review procedures to assess whether the recognized revenue was in line with the expected level.<br><br>• Checked a sample of invoices raised to patients, to ensure whether revenue is recognized and measured in accordance with the contractual terms of the contracts and the Company's accounting policies.<br><br>• Checked a sample of invoices raised to patients, to ensure that all the transactions have been accurately recorded in the accounting system.<br><br>• Carried out substantive tests in respect of cut off at the end of the year.<br><br>• Assessed the adequacy of the disclosures made in the Financial Statements. |

## Other Information

The Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditor's report thereon.

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

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

## Responsibilities of Management and those Charged with Governance for the Financial Statements

The 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 the Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on 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 an assurance of a high level, but not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 ethical requirements in accordance with the Code of Ethics 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, related safeguards.

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 it 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 the independent auditor's report is FCA 2122.



B. R. DE SILVA & CO.

Chartered Accountants

Colombo 05.




4th June 2026

# Singhe Hospitals PLC
# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| FOR THE YEAR ENDED 31ST MARCH, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Revenue | (3) | 1,925,901,761 | 1,506,667,898 |
| Cost of Services | | (654,361,550) | (521,148,386) |
| Gross Profit | | 1,271,540,211 | 985,519,512 |
| Other Income | (4) | 19,326,371 | 3,819,700 |
| Administration Expenses | | (788,564,433) | (688,076,264) |
| Selling & Distribution Expenses | | (159,962,193) | (114,724,012) |
| Profit from Operating Activities | | 342,339,956 | 186,538,936 |
| Finance Costs | (5) | (41,172,513) | (39,569,018) |
| **Profit/(Loss) Before Taxation** | (6) | **301,167,443** | **146,969,918** |
| Income Tax Expense | (7) | (85,162,098) | (30,791,478) |
| **Profit/(Loss) For the Year** | | **216,005,345** | **116,178,440** |
| Other Comprehensive Income | | | |
| Items That Will Not be Re-classified to Profit or Loss | | | |
| Actuarial Gain/(Loss) from Valuation of Defined Benefit Plans | | (4,110,862) | (2,840,693) |
| Deferred Tax Impact on Defined Benefit Plan Actuarial Gain/(Loss) | | 822,172 | 568,139 |
| Gain on Revaluation on Motor Vehicle | | 28,543,450 | - |
| Deferred Tax Impact on Revaluation Surplus | | (5,708,690) | - |
| Other Comprehensive Income for the Year | | 19,546,070 | (2,272,554) |
| Total Comprehensive Income/(Loss) for the Year | | 235,551,415 | 113,905,886 |
| Basic Earnings/(Loss) Per Share | (8) | 0.50 | 0.27 |

The Notes to the Financial Statements from pages 122 to 165 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

# Singhe Hospitals PLC
# STATEMENT OF FINANCIAL POSITION

| AS AT 31ST MARCH, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | (9) | 1,210,637,336 | 1,121,137,690 |
| Right to Use of Assets | (10) | 121,129,871 | 66,665,196 |
| Intangible Assets | (11) | 14,425,686 | 12,482,746 |
| | | 1,346,192,893 | 1,200,285,632 |
| **Current Assets** | | | |
| Inventories | (12) | 100,436,931 | 104,080,977 |
| Trade and Other Receivables | (13) | 51,259,578 | 48,892,797 |
| Amounts Due from Related Parties | (14) | 95,282,653 | 3,261,691 |
| Financial Assets | (15) | 144,155,345 | 68,106,136 |
| Cash and Cash Equivalents | (16) | 73,399,145 | 70,833,785 |
| Total Current Assets | | 464,533,652 | 295,175,386 |
| **Total Assets** | | **1,810,726,545** | **1,495,461,018** |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and Reserves** | | | |
| Stated Capital | (17) | 375,000,000 | 375,000,000 |
| Revolution Reserves | (18) | 424,263,410 | 401,428,650 |
| Retained Earnings | | 348,751,746 | 136,035,091 |
| Total Equity | | 1,148,015,156 | 912,463,741 |
| **Non-Current Liabilities** | | | |
| Retirement Benefit Obligations | (19) | 34,237,962 | 22,487,192 |
| Interest Bearing Borrowings | (20) | 92,779,735 | 111,935,811 |
| Lease Liability | (10.1) | 57,540,128 | 19,855,595 |
| Deferred Tax Liability | (21) | 195,799,058 | 172,094,219 |
| Total Non Current Liabilities | | 380,356,883 | 326,372,817 |
| **Current Liabilities** | | | |
| Bank Overdrafts | (22) | 8,239,342 | 20,963,197 |
| Trade and Other Payables | (23) | 127,958,707 | 124,447,709 |
| Interest Bearing Borrowings | (20) | 76,438,354 | 65,251,529 |
| Lease Liability | (10.1) | 29,970,584 | 21,225,176 |
| Income tax Payable | (24) | 39,747,519 | 24,736,849 |
| Total Current Liabilities | | 282,354,506 | 256,624,460 |
| **Total Equity and Liabilities** | | **1,810,726,545** | **1,495,461,018** |

These Financial Statements are prepared in compliance with the requirements of the Companies Act No.07 of 2007.



Asanka De Silva
*Finance Manager*

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by,



Navinda Weerasinghe
*Managing Director*



Lakshika Weerasinghe
*Director*

4th June 2026, Ratnapura

The Notes to the Financial Statements in pages 122 to 165 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

# Singhe Hospitals PLC
# STATEMENT OF CHANGES IN EQUITY

| FOR THE YEAR ENDED 31ST MARCH | Stated Capital Rs. | Revaluation Reserve Rs. | Retained Earnings Rs. | Total Rs. |
|---|---|---|---|---|
| Balance as at 31st March, 2024 | 375,000,000 | 401,428,650 | 22,129,205 | 798,557,855 |
| Profit for the Year | - | - | 116,178,440 | 116,178,440 |
| Other Comprehensive Income | - | - | (2,840,693) | (2,840,693) |
| Deferred Tax Impact on other comprehensive income | - | - | 568,139 | 568,139 |
| Balance as at 31st March, 2025 | 375,000,000 | 401,428,650 | 136,035,091 | 912,463,741 |
| Profit for the Year | | - | 216,005,345 | 216,005,345 |
| Other Comprehensive Income | - | - | (4,110,862) | (4,110,862) |
| Deferred Tax Impact on Defined Benefit Plan Actuarial Gain/(Loss) | - | - | 822,172 | 822,172 |
| Gain on Revaluation on Motor Vehicle | - | 28,543,450 | - | 28,543,450 |
| Deferred Tax Impact on Revaluation Surplus | - | (5,708,690) | - | (5,708,690) |
| Balance as at 31st March, 2026 | 375,000,000 | 424,263,410 | 348,751,746 | 1,148,015,156 |

The Notes to the Financial Statements in pages 122 to 165 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

# Singhe Hospitals PLC
# STATEMENT OF CASH FLOWS

| FOR THE YEAR ENDED 31ST MARCH | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Cash Flow from /(Used in) Operating Activities | | | |
| Profit/(Loss) Before Income Tax Expenses | | 301,167,443 | 146,969,918 |
| Adjustments for : | | | |
| Depreciation | (9.2) | 62,257,869 | 56,942,263 |
| Depreciation on ROUA | (10) | 36,498,789 | 27,688,925 |
| Intangible Assets Amortization | (11.2) | 1,367,132 | 1,752,361 |
| Interest Income | (4) | (10,314,270) | (2,695,631) |
| Finance Costs | (5) | 41,172,513 | 39,565,774 |
| Fair Value (Gain/Loss) on Quoted Investments | (4) | - | 3,245 |
| Gain on Disposal of Assets | (4) | (1,535,706) | - |
| Provision for Retirement Benefit Obligations | (19.2) | 9,152,844 | 5,544,656 |
| Operating Profit/(Loss) before Working Capital Changes | | 439,766,614 | 275,771,511 |
| Changes in Working Capital | | | |
| (Increase)/ Decrease in Inventories | | 3,644,046 | (39,199,128) |
| (Increase)/ Decrease in Trade & Other Receivables | | (2,366,781) | 5,060,126 |
| Increase/ (Decrease) in Trade & Other Payables | | 3,510,998 | 52,806,872 |
| (Increase) / Decrease in Amounts Due from Related Parties | | (92,020,962) | (3,261,691) |
| Cash Generated from/(Used in) Operating Activities | | 352,533,915 | 291,177,690 |
| Finance Cost Paid | (5) | (41,172,513) | (39,565,774) |
| Defined Benefit Plan Costs Paid | (19.1) | (1,512,936) | (2,330,426) |
| WHT Paid | (24) | (670,510) | (94,018) |
| Income Tax Paid | (24) | (50,662,597) | (16,867,530) |
| Net Cash Generated from/(Used in) Operating Activities | | **258,515,359** | 232,319,942 |
| Cash Flows from/(Used in) Investing Activities | | | |
| Acquisition of Property, Plant & Equipment | (9.1) | (126,591,541) | (70,275,066) |
| Acquisition of Right to Use of Assets | (10) | (90,963,464) | (26,439,746) |
| Acquisition of Capital Work in Progress | (9.3) | 3,343,182 | (609,350) |
| Acquisition of Intangible Assets | (11.1) | (3,238,800) | (1,114,571) |
| Acquisition of Capital Work in Progress - Intangible Assets | | (71,272) | (1,283,782) |
| Investment in Fixed Deposit | (15) | (76,049,209) | (54,179,878) |
| Income from Investments - Interest Received | (4) | 10,314,270 | 2,695,631 |
| Proceeds from Disposal of Property, Plant & Equipment | | 1,570,000 | - |
| Net Cash Generated from/(Used in) Investing Activities | | **(281,686,834)** | (151,206,762) |
| Cash Generated from/(Used in) Financing Activities | | | |
| Net Proceeds from Interest Bearing Borrowings | | (7,969,251) | (36,847,194) |
| Proceeds from Leases | (10.1) | 85,591,392 | 30,457,484 |
| Repayments of Lease Liability | (10.1) | (39,161,451) | (33,971,068) |
| Net Cash Generated from/(Used in) Financing Activities | | **38,460,690** | (40,360,778) |
| Net Increase/ Decrease in Cash and Cash Equivalents | | 15,289,215 | 40,752,402 |
| Cash and Cash Equivalents at the Beginning of the Year | | 49,870,588 | 9,118,186 |
| Cash and Cash Equivalents at the End of the Year | | **65,159,803** | 49,870,588 |
| Analysis of Cash and Cash Equivalents | | | |
| Cash at Bank | (16) | 59,061,119 | 59,371,254 |
| Bank Overdrafts | (22) | (8,239,342) | (20,963,197) |
| Cash in Hand | (16) | 14,338,026 | 11,462,531 |
| Cash and Cash Equivalents at the End of the Year | | **65,159,803** | 49,870,588 |

The notes to the Financial Statements in pages 122 to 165 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION – REPORTING ENTITY

### 1.1. Legal Form

Singhe Hospitals PLC ("The Company") is a quoted public company with limited liability incorporated in Sri Lanka under the provisions of The Companies Act No. 07 of 2007. Its registered office and principal place of business are located at No: 362, Colombo Road, Rathnapura.

### 1.2.

| Total Number of Employees | 2024-25 | 2025-26 |
|---|---|---|
| Company | 537 | 602 |

### 1.3. Principal Activities and Nature of Operations

During the year the principal activity of the Company, were to operate a hospital, by providing healthcare services. There were no significant changes in the nature of principal activities during the reporting year.

### 1.4. Approval of Financial Statements

The Financial Statements for the year ended 31st March 2026 were authorized for issue by the Directors on 4th June 2026.

## 2. BASIS OF PREPARATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1. Basis of Preparation of Financial Statements and Statement of Compliance

#### 2.1.1. Statement of Compliance

The Financial Statements of the Company comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows together with the Notes to the Financial Statements.

These Financial Statements of the Company have been prepared as per the Sri Lanka Accounting Standards comprising SLFRS/LKAS (hereinafter SLFRS) as issued by the Institute of Chartered Accountants in Sri Lanka and the requirements of Companies Act No. 07 of 2007.

#### 2.1.2. Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of the Financial Statements of the Company as per the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the Annual Report of the Board of Directors, Statement of Directors' Responsibility, and the certification on the Statement of Financial Position.

#### 2.1.3. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the Financial Statements, except for the following material items in the Statement of Financial Position:

- Land and buildings are measured at fair value.
- Non-derivative financial instruments are classified as "Financial Assets – Fixed Deposits" and "Interest Bearing Borrowings" measured at amortized cost.
- Defined Benefit Obligations are measured at present value, based on actuarial valuation as explained in Note 19.

The Financial Statements have been prepared on the basis that the Company will continue as a Going Concern for the foreseeable future.

#### 2.1.4. Going Concern

The directors have assessed the Company's ability to continue as a going concern and they confirmed that the company has adequate resources to continue its operations in the foreseeable future.

Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, these financial statements are prepared on the assumption that the Company is a going concern.

Moreover, the Chairman of the Company, Mr. A. M. Weerasinghe has agreed to provide funds to the company as and when it is necessary.

2.1.5. Functional Currency and Presentation Currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency"). The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee.

2.1.6. Materiality and Aggregation

Each material class of similar items are presented separately in the Financial Statements. Items of dissimilar nature or functions are presented separately, unless they are immaterial as permitted by the LKAS 01 on "Presentation of Financial Statements".

2.1.7. Comparative Information

The Financial Statements for the Comparative periods comprise results for the 12-months from 01st April 2024 to 31st March 2025. In this circumstance, the comparative information for the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes are comparable with the current reporting period.

The previous year's figures and phrases have been re-arranged whenever necessary to confirm to the current year's presentation.

2.1.8. Significant Accounting Judgments, Estimates and Assumptions

The presentation of Financial Statements in conformity with SLFRS/LKAS requires the Management to make judgements, estimates and assumptions that affect the application of Accounting Policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the under mentioned notes:

a) Assessment of Impairment – Key Assumptions Used in Discounted Cash Flow Projections

The Company assesses at each Reporting Date whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its Value in Use (VIU) and its Fair Value (FV) less cost to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflect the current market assessment of the time value of money and risks specific to the asset.

b) Useful Lifetime of the Property, Plant & Equipment

The Company reviews the residual values, useful lives and method of depreciation of Property, Plant and Equipment at each Reporting Date. The judgement of the Management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

c) Deferred Taxation – Utilization of Tax Losses

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

d) Defined Benefit Plans

The assessment of the present value of the defined benefit obligations involves a significant element of assumptions; including discount rates, future salary escalations, mortality rates and future pension increases and due to the long term nature of these plans, such estimations are subject to uncertainty.

e) Current Taxation

Current tax liabilities are provided for in the Financial Statements applying the relevant tax statutes and regulations, which the Management believes reflect the actual liability.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 2.2. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements by the Company unless otherwise indicated.

### 2.2.1. Foreign Currency Translation

The Financial Statements of the Company are presented in Sri Lankan Rupees, which is the functional and presentation currency of the Company. Transactions denominated in foreign currencies are recorded at the functional currency by using the exchange rate prevailing in the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency by using the exchange rate prevailing at the date of The Statement of Financial Position.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the prevailing exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value denominated in a foreign currency are translated using the exchange rates prevailing at the dates when the fair value was determined.

Foreign Currency differences arising on re-translation are generally recognized in profit or loss.

## 2.3 Valuation of Assets and their Measurement Bases

### 2.3.1 Inventories

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

The cost of inventories is based on actual cost. The costs incurred in bringing inventories to their present location and condition are accounted for as follows,

| | |
|---|---|
| Pharmacy and Surgical | - At actual cost |
| General | - At actual cost |

Net realizable value is the estimated price at which inventories can be sold in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.3.2 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term highly liquid investments ready convertible to known amounts of cash and subject to an insignificant risk of changes in value.

For the purpose of presenting the Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits at banks, net of outstanding bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Investments with short term maturities (i.e. three months or less from the date of acquisitions)are also treated as cash equivalents.

Statement of Cash Flows

The Statement of Cash Flows has been prepared using the 'indirect method'. Interests paid are classified as operating cash flows while interests received are classified as investing cash flows for the purpose of presentation of presenting the Statement of Cash Flows.

For the purpose of presenting the Statement of Cash Flows, Cash & Cash Equivalents consist of cash in hand, cash at banks and short-term deposits, net of outstanding bank overdrafts.

### 2.3.3. Property, Plant & Equipment

(a) Recognition and Measurement

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

The cost of an item of Property, Plant and Equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition for its intended use, and borrowing costs if the recognition criteria are met.

Such costs include 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 the Property,Plant and Equipment are required to be replaced at intervals, the Company de-recognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in the Statement of Comprehensive Income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

All items of Property, Plant and Equipment are recognized initially at cost.

Land and buildings and motor vehicles are measured at fair value, less accumulated depreciation and impairment losses recognized after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Revaluation of Property, Plant & Equipment are undertaken by professionally qualified valuers.

Any revaluation surplus is recognized in Other Comprehensive Income and credited to the revaluation surplus in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Statement of Profit or Loss, in which case the increase is recognized in the Statement of Profit orLoss, except to the extent that it offsets an existing surplus in the same asset recognized in the asset revaluation reserve. Any balance remaining in the revaluation surplus in respect of an asset is transferred directly to retained earnings in retirement or disposal of the assets.

The Company Policy is to revalue its land and building and motor vehicles once in every 3-5 Years thereafter to comply with the requirement of the Revaluation Model under the Sri Lanka Accounting Standard 16 – 'Property, Plant & Equipment'.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning of the business has been treated as capital expenditure.

The provision for depreciation is calculated by using the straight line method based on the cost or valuation of all Property, Plant and Equipment other than freehold land, in order to write-off such amounts over the following estimated useful lives.

(b) Depreciation

Depreciation is based on the cost of an asset, less its residual value. Depreciation is recognized in the Statement of Comprehensive Income on a straight line basis over the estimated useful lives of each component of items of Property, Plant and Equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed of. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of Property,Plant and Equipment are as follows:

| Equipment | Percentage |
|---|---|
| Buildings | 02% |
| Furniture & Fittings | 10% |
| Computer Equipment | 25% |
| Office Equipment | 10% |
| Computer Software | 10% |
| Elevators | 10% |
| Generator | 10% |
| Tool and Equipment | 10% |
| Television | 10% |
| Motor Vehicle | 20% |
| Medical Equipment | 10% |
| Laundry Equipment | 10% |
| Housekeeping Equipment | 10% |
| Air Condition Equipment | 10% |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized.

The cost of replacement of components of assets recognized in the carrying amount of Property, Plant and Equipment is depreciated over the balance useful life of the asset.

Depreciation methods, useful lives and the residual values are reviewed at each Reporting Date and adjusted accordingly.

(c) Restoration Cost

Expenditure incurred on repairs and maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance, is recognized as an expense when incurred.

(d) De-Recognition

The carrying amount of an item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in profit or loss when the item is de-recognized.

2.3.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and Right-of-Use Assets representing the right to use the underlying assets.

(b) The Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit or Loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Right of Use Assets

The Company recognizes Right-of-Use Assets at the commencement date of the lease (i.e., the date 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 re measurement of lease liabilities. The cost of Right-of-Use Assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-Use Assets are depreciated on a straight-line basis over the lease term.

Lease Liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

2.3.5 Capital Work-In-Progress

The cost of Work in Progress is the cost of purchase or construction together with any related expenses thereon.

Capital Work-In-Progress is transferred to the respective asset accounts at the time of the first utilization or at the time the asset is commissioned.

### 2.3.6 Investment Property

Recognition and measurement

A property that is held by the Company to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business, is accounted for as investment properties.

An investment property is measured initially at its cost. The cost of a purchased investment property comprises its purchase price and any directly attributableexpenditure. The cost of a self-constructed investment property is its cost at the date when the construction or development is complete.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the Reporting Date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a valuation performed by an accredited external independent valuer.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognized.

Changes in fair values are recognized in the Statement of Comprehensive Income. Investment properties are de-recognized when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition. The amount of consideration to be included in the gain or loss arising from the de-recognition of investment property is determined in accordance with the requirements for determining the transaction price in SLFRS 15.

If an item of revalued owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of the item at the date of transfer is treated in the same way as a revaluation under LKAS 16; "Property, Plant and Equipment". Accordingly, the surplus on revaluation is recognized in the Statement of Comprehensive Income to the extent that it reverses a previous impairment loss. Further, any resulting decrease in the carrying amount of the property is initially charged in the Statement of Comprehensive Income against any previously recognized revaluation surplus, with any remaining decrease charged to profit or loss. The effect of depreciation on revalued property is also reversed within the Statement of Comprehensive Income.

### 2.3.7 Intangible Assets

### 2.3.8 Initial Recognition and Measurement

The Company recognizes intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets includes the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalized includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditures and expenditures on research activities, undertaken with the prospect of gaining new technical knowledge and understanding are expensed in the Statement of Comprehensive Income as and when incurred.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

2.3.9 Subsequent Costs

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

2.3.10 Subsequent Measurement

After initial recognition an intangible asset is stated at its costs, less any accumulated amortization and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life of the asset. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each Reporting Date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Comprehensive Income.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible Assets Recognized by the Company

Computer Software

All computer software costs incurred and licensed for use by the Company, which does not form an integral part of related hardware, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalized under intangible assets and such capitalized intangible assets are amortized over the useful lifetime as follows,

Hospital Billing Management System's (Intangible Assets) amortization rate – 10% p.a.

2.3.11 SLFRS 9 -Financial Instruments

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at Amortized Cost; FVOCI- Debt Investment; FVOCI – Equity Investment; or FVTPL.

Financial assets are not re-classified subsequent to their initial recognition unless the Company changes its business model for Managing Financial Assets, in which case all affected financial assets are re-classified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at Amortized Cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by-investment basis.

All financial assets not classified as measured at Amortized Cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at Amortized Cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Business Model Assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the Management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's Management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and of which the performance is evaluated on a fair value basis are measured at FVTPL.

Financial Assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows as such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the Company's claim to the cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par-amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial Liabilities –Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value

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# NOTES TO THE FINANCIAL STATEMENTS

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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and other financial liabilities.

Financial Liabilities –Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit or Loss.

Financial Assets - Derecognition

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

Financial Liabilities - Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged, or canceled, or expire. The Company also de-recognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Off setting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company currently has a legally enforceable right to set o the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Impairment

Impairment policy

Non-derivative financial assets

Financial instruments and contract assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the twelve months after the Reporting Date (or a shorter period if the expected life of the instrument is less than twelve months).

The maximum period is considered when estimating ECLs in the maximum contractual period over which the Company is exposed to the credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired Financial Assets

At each Reporting Date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have been occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

Significant financial difficulty of the borrower or issuer;

A breach of contract such as a default or being more than 180 days past due;

The re-structuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

It is probable that the borrower will enter bankruptcy or other financial re-organization; orThe disappearance of an active market to a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company procedures to the recovery of amounts due.

## 2.4 Liabilities and Provisions

Liabilities classified as Current Liabilities in the Statement of Financial Position are those, which fall due for payment on demand or within one year from the Reporting Date. Non-Current Liabilities are those balances that fall due for payment after one year from the Reporting Date. Provisions are recognized when the Company has a present obligation (Legal or Constructive) as a result of a past event, 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. The expense relating to any provision is presented in the Statement of Comprehensive Income, 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 recognized as a financial cost.

All known liabilities have been accounted for in preparing the Financial Statements.

### 2.4.1 Retirement Benefit Obligations

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# NOTES TO THE FINANCIAL STATEMENTS

(a) Defined Benefit Plan – Employee Benefits

The liability recognized in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the Reporting Date. Benefits falling due more than 12 months after the Reporting Date are discounted to present value.

The present value of the defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method (PUC) as recommended by LKAS 19 – "Employees Benefits". The defined benefit liability is recognized in the Statement of Financial Position.

Employees are eligible to receive a gratuity payment of half month's salary per year of service at the end of the service period, provided the employee has completed 5 years of continuous service. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The actuarial gains and losses are charged to the Statement of Comprehensive Income in the period in which they arise. The assumptions based in which the results of the actuarial valuation were determined as at 31st March 2026, are included in the Note 19 to the Financial Statements. The Gratuity liability was computed from the first year of service for all employees in conformity with Sri Lanka Accounting Standard 19 (LKAS 19) – "Employee Benefit"

However, according to the Payment of Gratuities Act No.12 of 1983, the liability for the gratuity payable to an employee arises only on the completion of 5 years of continued service with the Company.

The Company is liable to pay gratuity in terms of the relevant statute. The Liability is not externally funded.

(b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

The Employees' Provident Fund and Employees' Trust Fund are post-employment benefit plans under which an entity pays a fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts.

All employees who are eligible for the Employees' Provident Fund and Employees' Trust Fund are covered by relevant contribution funds in line with the respective statutes. The Employer's contribution to the defined contribution plans are recognized as an expense in the Statement of Comprehensive Income when incurred.

## 2.5 The Statement of Profit or Loss and Other Comprehensive Incomes

### 2.5.1 Revenue from Contracts with Customers

Revenue from contracts with customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Company recognises revenue when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided below.

#### 2.5.1.1 Healthcare service

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, theatre, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used.

Revenue is recognized over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on the provision of services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Company sells the services in separate transactions.

#### 2.5.1.2 Sale of Goods

Pharmacy Sales are recognised when the risk and reward of ownership are passed to the customer.

Revenue is recognized at a point in time and measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the

government. Revenue is reduced for rebates and loyalty points granted upon purchase and are stated net of returns and discounts wherever applicable.

- Variable consideration

  If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return. The rights of return give rise to variable consideration.

- Rights of return

  Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in SLFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognizes a refund liability.

2.5.1.3 Interest Income

Interest income is recognized as it accrues in the Statement of Comprehensive Income. For all financial instruments measured at amortized cost interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Interest income is included under Other Income in the Statement of Comprehensive Income.

2.5.1.4 Other Income.

Other Income comprises, gains on disposals of Property, Plant & Equipment, and interest income. Net gains and losses of revenue nature resulting from the disposal of Property, Plant & Equipment have been accounted for in the Statement of Comprehensive Income.

2.5.2 Expenditure Recognition

(a) Expenses are recognized in the Statement of Comprehensive Income 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 income in arriving at the profit for the year.

(b) For the purpose of presenting the Statement of Comprehensive Income, the Directors are of the opinion that the function of expenses method, presents fairly the elements of the Company's performance and hence, such presentation method is adopted.

2.5.3 Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.5.4 Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the company's shareholders. Interim dividends are deducted from equity when they are

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# NOTES TO THE FINANCIAL STATEMENTS

declared and are no longer at the discretion of the Company.

### 2.5.5 Income Tax Expense

Income Tax Expense comprises current tax and deferred tax. The income tax expense is recognized in the Statement of Comprehensive Income except, to the extent that it relates to the items recognized directly in the Statement of Changes in Equity, in which case it is recognized directly in the respective Statements.

#### 2.5.5.1 Current Taxation

Current income tax assets and liabilities 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 as at the Reporting Date.

Taxation for the current and previous periods to the extent unpaid is recognized as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset in the Financial Statements.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No 24 of 2017 and subsequent amendments thereto, commencing from 01stApril, 2019.

The Company enjoyed a five-year tax holiday period recorded from the year in which the enterprise commences to make profits or any year of assessment not later than two (02) year from the date of commencement of the commercial operations (whichever year is earlier).

After the expiration of the tax exemption period, the profits and income of the enterprise shall be charged at the rate of 10% for the period of two years immediately succeeding the last date of the tax exemption period.

Subsequent to the expiration of the aforesaid concessionary tax rate of 10%, the profits and income of the enterprise shall for any year of assessment be charged at the rate of 20%, but according to the new amendment the effective rate is 20% for the financial year since the normal tax rate is 30%. Therefore, we have considered tax rate of 20% for business income and 30% for investment income.

#### 2.5.5.2 Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted as at the Reporting Date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they are related to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will have realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against the which they can be utilized. Deferred tax assets are reviewed at each Reporting Date and are reduced to extent that it is no longer probable that the related tax benefit will be released, based on the level of future taxable profit forecast and tax planning strategies.

## 2.6 Determination of Fair Values

The Company accounting policies and disclosures require the determination of fair value, both financial and non-financial assets and liabilities. Fair Values have been determined for measurement and / or disclosure purposes based on following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset and liability.

When measuring the fair value of an asset or liability

the company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – Quoted market price (unadjusted) in an active market of an identical assets or liabilities that the entity can access the measurement date.

Level 2 – Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices), this category included instruments valued using: quoted market prices in active markets similar instruments; quoted prices for identical or similar instruments in markets are considered less than active: or other valuation techniques where all significant inputs are directly observable from market data.

Level 3 – Valuation techniques use significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable market data and the unobservable inputs have a significant effect on the instrument's valuation. (Unobservable Inputs)

If the inputs used to measure the fair value of an asset or a liability might categorize in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level inputs that is significant to the entire measurement.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, other equity pricing models and other valuation models. Assumptions and inputs used in valuation technique include risk free and benchmark interest rates, credit spreads and other premium used in estimating discount rates, bond and other equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

(a) Property, Plant & Equipment

The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using the quoted market prices for similar items (when available) and depreciated replacement cost (when appropriate). Depreciated replacement costs reflect adjustments for physical deterioration as well as functional and economic obsolescence.

(b) Inventories

The fair value of inventories is determined based on the estimated selling price in the ordinary course of business, less the estimated cost of completion and sale and a reasonable profit margin is based in the effort required to complete and sell the inventories.

(c) Trade and Other Receivables

The fair values of trade and other receivables, are estimated at present value of future cash flows, discounted at the measured date. Short term receivables with no stated interest rates are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(d) Other Non-Derivative Financial Liabilities

Other Non-Derivative Financial Liabilities are measured at fair value, at initial recognition and for the disclosure purposes, at each Reporting Date. Fair value is calculated based on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

For finance leases the market rate of interest is determined with reference to similar lease agreements.

## 2.7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Companies' principal financial liabilities comprise interest bearing loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company has trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to Market Risks, Credit Risks, and Liquidity Risk. The Senior Management of

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the Company oversees the management of these risks,and determines on financial risks and the appropriate Financial Risk Governance Framework for the Company. The financial risk-taking activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with the company's policies and risk appetite.

The Board of Directors reviews and agrees on policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise four types of risks: interest rate risks, currency risks, commodity price risks and other price risks such as equity price risks. Financial instruments affected by market risks include loans and borrowings, equity investments classified as fair value through profit or loss.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt and short-term borrowings with floating interest rates. The Company manages its risk by striking a balance between long term and short-term debts. The Company has easy access to funds at competitive interest rates.

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 Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks.

Trade Receivables

Customer credit risk is managed in accordance with the Company's established policy, procedures and control relating to Customer Credit Risk Management. Individual credit limits are defined in accordance with the prior experience with the customers. Outstanding customer receivables are regularly monitored. The requirement for an impairment is analyzed at each Reporting Date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

The calculation is based on actually incurred historical data. The Company evaluates the concentration of risk with respect to trade receivables as "low".

Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and finance leases. The Company assesses the concentration of risk with respect to refinancing its debt, and has concluded it to be "low". Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

## 2.8 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's Financial Statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### 2.8.1. Amendment to SLFRS 9, Financial Instruments and SLFRS 7 Financial Instruments

The amendments specify.

When a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date.

How to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs; and new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other

comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

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2.8.2. Amendments to SLFRS 18 Presentation and Disclosure in Financial Statements

The amendment requires additional defined subtotals in the statement of profit or loss; requiring disclosures about management-defined performance measures; and adding new principles for the aggregation and disaggregation of items.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027.

# Singhe Hospitals PLC
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## 3 REVENUE

| For The Year End 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Healthcare Services | 1,925,901,761 | 1,506,667,898 |
| | 1,925,901,761 | 1,506,667,898 |

## 3.2 Segment Information

The Company has identified the following operating segments based on the information regularly reviewed by the General Management Committee for resource allocation and performance evaluation purposes.

Hospital revenue comprises income generated from the Company's principal healthcare service departments, including inpatient services, surgical services, pharmacy operations, laboratory services, and radiology services. Revenue from pharmacy, laboratory, and radiology operations is separately identified and monitored for management reporting purposes.

### Major Product / Service Lines

| For The Year End 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Hospital Revenue | 695,393,041 | 545,913,436 |
| Pharmacy Revenue | 313,430,993 | 218,198,276 |
| Laboratory Revenue | 811,425,964 | 654,891,649 |
| Radiology Services | 105,651,763 | 87,664,537 |
| | **1,925,901,761** | **1,506,667,898** |

### Timing of Revenue Recognition

| For The Year End 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Services and Goods Transferred at a Point In Time | 1,584,082,339 | 1,241,856,638 |
| Services Transferred Over Time | 341,819,422 | 264,811,260 |
| | **1,925,901,761** | **1,506,667,898** |

## 4 OTHER INCOME

| For The Year End 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Interest on Fixed Deposits | 8,213,112 | 1,764,107 |
| Interest on Savings Accounts | 2,101,158 | 931,524 |
| FV Gain on Quoted Shares | 14,620 | - |
| Gain on Disposal Assets | 1,535,706 | - |
| Related Party Loan Interest | 5,444,593 | - |
| Sundry Income | 2,017,182 | 1,124,069 |
| | **19,326,371** | **3,819,700** |

## 5 FINANCE COSTS

| For The Year End 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Bank Charges | 2,019,114 | 1,292,935 |
| Loan Interest - Term Loans | 16,650,521 | 20,908,421 |
| Finance Cost on Lease Liability | 9,976,881 | 8,087,738 |
| Overdraft Interest | 891,946 | 1,383,974 |
| FV Loss on Quoted Shares | - | 3,245 |
| Credit Card Commission | 11,634,051 | 7,892,705 |
| | **41,172,513** | **39,569,018** |

## 6 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

| For The Year End 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Profit/(Loss) from ordinary activities before taxation is stated after charging all expenses including the following. | | |
| Salaries and Wages | 249,138,861 | 185,737,739 |
| Auditors' Remuneration | 900,000 | 800,000 |
| Depreciation | 98,756,658 | 84,631,188 |
| Amortization | 1,367,132 | 1,752,361 |
| Provision for Retirement Benefit Obligations | 9,152,844 | 5,544,656 |
| Charity & Donations | 322,141 | - |
| Emoluments Paid to Directors | 6,555,000 | 2,185,000 |
| Bad Debt Written off | - | 645,394 |

## 7 INCOME TAX EXPENSES

| For The Year End 31st March, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Income Tax on Current Year Profit | (7.1) | 66,343,777 | 34,232,528 |
| Transferred/ (Reversal) to Deferred Taxation | (21.3) | 18,818,321 | (3,441,050) |
| | | 85,162,098 | 30,791,478 |

## 7.1 RECONCILIATION OF TAXABLE PROFIT AND ACCOUNTING PROFIT & EFFECTIVE TAX RATES

| For The Year End 31st March, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Profit/(Loss) before Income Tax | | 301,167,443 | 146,969,918 |
| Items considered as separate sources of income | | (13,672,325) | (2,692,386) |
| Aggregated Non Deductible Expenses for Tax | | 130,848,207 | 104,888,357 |
| Aggregated Deductible Expenses for Tax | | (107,125,592) | (82,046,693) |
| Adjusted Profit/ (Loss) from Company | | 311,217,733 | 167,119,196 |
| Less:Accounting (Profit)/ Loss on Disposal Fixed Asset | | (1,535,706) | - |
| Add:Assesable Charge / (Balancing Allowance) | | 1,570,000 | - |
| Total Assessable Income | | 311,252,027 | 167,119,196 |
| Investment Income | | 13,657,705 | - |
| Less : Qualifying Payments | | (19,698) | - |
| Taxable Profit/(Loss) | | 324,890,034 | 167,119,196 |
| Current Income Tax Expense | | | - |
| Taxation on Business Income | | | - |
| at a rate of 20% | | 62,246,466 | 33,423,839 |
| Taxation on Investment Income | | | |
| at a rate of 30% | | 4,097,311 | 808,689 |
| | | | |
| Tax Provision for the Year | | 66,343,777 | 34,232,528 |

The company is enjoying a five-year tax holiday period commencing from 16th August 2014, and a concessionary rate of Tax at 10% for two years thereafter, in terms of the agreement entered into Subsequent to the expiration of the aforesaid concessionary tax rate of 10%, the profits and income of the Company be charged for Tax at the rate of 20%. However according to the new amendment to the Inland Revenue Act, effective tax rate is 20% for the financial year since the Investment income of the company will be taxed at 30% for the financial year.

## 8 EARNINGS / (LOSS) PER SHARE

### 8.1 Basic Earnings/ (Loss) Per Share

Ordinary shareholders by the weighted average number of ordinary shares outstanding during the year

| | | |
|---|---|---|
| Net Profit Attributable to Ordinary Shareholders (Rs) | 216,005,345 | 116,178,440 |
| Weighted Average Number of Shares Outstanding During the Year | 431,300,895 | 431,300,895 |
| Basic Earnings Per Share (Rs) | 0.50 | 0.27 |

### 8.2 Diluted Earnings Per Share

There was no dilution of ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is the same as basic Earnings Per Share as shown in Note 8.1.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 9 PROPERTY, PLANT AND EQUIPMENT

### 9.1 Description of Assets

| Cost or Valuation | Opening Balance as at 01.04.2025 Rs. | Additions/ Transfers During the Year Rs. | Cost Adjustment on Revaluation Rs. | Revaluation Adjustment Rs. | Disposals/ Transfers During the Year Rs. | Closing Balance as at 31.03.2026 Rs. |
|---|---|---|---|---|---|---|
| At Valuation | | | | | | |
| Land | 247,885,000 | 550,000 | - | - | - | 248,435,000 |
| Building | 650,462,400 | 4,236,750 | - | - | - | 654,699,150 |
| Motor Vehicles | 19,163,473 | 727,070 | (18,375,450) | 28,543,450 | (1,515,093) | 28,543,450 |
| | 917,510,873 | 5,513,820 | (18,375,450) | 28,543,450 | (1,515,093) | 931,677,600 |
| At Cost | | | | | | |
| Air Conditioners | 77,346,541 | 6,376,409 | - | - | - | 83,722,950 |
| Computer Equipment | 59,255,497 | 8,349,776 | - | - | - | 67,605,273 |
| C.S.S.D. | 14,056,936 | - | - | - | - | 14,056,936 |
| Elevators | 4,375,933 | - | - | - | - | 4,375,933 |
| Fixtures and Fittings | 94,538,153 | 18,611,187 | - | - | - | 113,149,340 |
| Furniture and Fittings | 23,799,623 | 13,735,399 | - | - | - | 37,535,022 |
| Generator | 18,217,099 | 5,466,994 | - | - | - | 23,684,093 |
| Hospital Furniture | 24,181,469 | 102,500 | - | - | - | 24,283,969 |
| Housekeeping Equipment | 1,083,971 | 256,844 | - | - | - | 1,340,815 |
| Kitchen Equipment | 10,055,341 | 236,011 | - | - | - | 10,291,352 |
| Laundry Equipment | 10,674,986 | - | - | - | - | 10,674,986 |
| Office Equipment | 8,737,416 | 1,409,295 | - | - | - | 10,146,711 |
| Television | 3,755,366 | 383,810 | - | - | - | 4,139,176 |
| Tools and Equipment | 2,841,815 | - | - | - | - | 2,841,815 |
| Linen | 2,320,244 | - | - | - | - | 2,320,244 |
| UPS | 5,909,669 | 812,990 | - | - | - | 6,722,659 |
| Medical Equipment | 365,094,561 | 63,480,060 | - | - | - | 428,574,621 |
| Name Boards | 22,406,495 | 1,432,770 | - | - | - | 23,839,265 |
| CCTV Camera System | 2,889,459 | 1,150,746 | - | - | - | 4,040,205 |
| Mortuary | 909,841 | - | - | - | - | 909,841 |
| | 752,450,415 | 121,804,791 | - | - | - | 874,255,206 |
| Total | 1,669,961,288 | 127,318,611 | (18,375,450) | 28,543,450 | (1,515,093) | 1,805,932,806 |

## 9 PROPERTY, PLANT AND EQUIPMENT

### 9.2 DEPRECIATION

| Description of Assets | Opening Balance as at 01.04.2025 Rs. | Charge for the Year Rs. | Depreciation adjustment on Revaluation Rs. | Transfer During the Year Rs. | Disposals During the Year Rs. | Closing Balance as at 31.03.2026 Rs. |
|---|---|---|---|---|---|---|
| At Valuation | | | | | | |
| Building | 15,138,348 | 15,180,715 | - | - | - | 30,319,063 |
| Motor Vehicles | 19,051,299 | 77,880 | (18,375,450) | 727,070 | (1,480,799) | - |
| | 34,189,647 | 15,258,595 | (18,375,450) | 727,070 | (1,480,799) | 30,319,063 |
| At Cost | | | | | | |
| Air Conditioners | 39,437,486 | 5,416,205 | - | - | - | 44,853,691 |
| Computer Equipment | 44,575,850 | 7,345,146 | - | - | - | 51,920,996 |
| C.S.S.D. | 11,934,506 | 541,897 | - | - | - | 12,476,403 |
| Elevators | 3,775,218 | 153,374 | - | - | - | 3,928,592 |
| Fixtures and Fittings | 44,037,956 | 6,082,555 | - | - | - | 50,120,511 |
| Furniture and Fittings | 14,231,579 | 2,360,925 | - | - | - | 16,592,504 |
| Generator | 16,976,131 | 791,368 | - | - | - | 17,767,499 |
| Hospital Furniture | 23,686,334 | 109,476 | - | - | - | 23,795,810 |
| Housekeeping Equipment | 770,722 | 69,228 | - | - | - | 839,950 |
| Kitchen Equipment | 9,287,826 | 113,295 | - | - | - | 9,401,121 |
| Laundry Equipment | 8,620,014 | 232,374 | - | - | - | 8,852,388 |
| Office Equipment | 4,924,498 | 616,069 | - | - | - | 5,540,567 |
| Television | 3,541,692 | 68,574 | - | - | - | 3,610,266 |
| Tools and Equipment | 2,820,476 | 4,065 | - | - | - | 2,824,541 |
| Linen | 2,320,244 | - | - | - | - | 2,320,244 |
| UPS | 5,518,265 | 88,299 | - | - | - | 5,606,564 |
| Medical Equipment | 276,612,461 | 20,463,023 | - | - | - | 297,075,484 |
| Name Boards | 9,030,932 | 2,142,524 | - | - | - | 11,173,456 |
| CCTV Camera System | 1,130,248 | 330,372 | - | - | - | 1,460,620 |
| Mortuary | 579,664 | 70,505 | - | - | - | 650,169 |
| | 523,812,102 | 46,999,274 | - | - | - | 570,811,376 |
| Total | 558,001,749 | 62,257,869 | (18,375,450) | 727,070 | (1,480,799) | 601,130,439 |

| | 2026 Rs. | 2025 Rs. |
|---|---|---|
| | 1,204,802,367 | 1,111,959,539 |
| Net Book Value | 1,204,802,367 | 1,111,959,539 |

The number of buildings constructed on the entity's land holding is one. This is the hospital premises No. 362, Colombo Road, Ratnapura.

### 9.3 Capital Work In Progress

| Description of Assets | Opening Balance as at 01.04.2025 Rs. | Additions During the Year Rs. | Transfers to Property,Plant & Equipment Rs. | Closing Balance as at 31.03.2026 Rs. |
|---|---|---|---|---|
| Capital Work in Progress | 9,178,151 | 5,665,200 | (9,008,382) | 5,834,969 |
| | 9,178,151 | 5,665,200 | (9,008,382) | 5,834,969 |

9.3.1 Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred on property, plant and equipment.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 9 PROPERTY, PLANT AND EQUIPMENT

### 9.4 NET BOOK VALUE OF PROPERTY PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Property Plant & Equipment | 1,204,802,367 | 1,111,959,539 |
| Capital Work in Progress | 5,834,969 | 9,178,151 |
| Total Net Book Value | 1,210,637,336 | 1,121,137,690 |

9.5 The gross carrying amount of fully depreciated property, plant and equipment that are still in use for the Company as at 31st March 2026 was Rs. 329,042,595/- (as at 31st March 2025- Rs.330,703,325/-)

9.6 The Company assessed the potential impairment loss for property, plant, and equipment as at the reporting date by considering the impact from the current economic conditions. Based on the assessment, no impairment provision is required to be made in respect of property, plant, and equipment as at the reporting date 31st March, 2026

### 9.7 REVALUATION OF LAND AND BUILDINGS

There was no revaluation of Land and Buildings carried out during the financial year 2025/26.

The most recent revaluation was performed as at 31st March 2024 by Mr. D S N Perera - Incorporated Valuer (Chartered Valuation Surveyor-UK). The valuations were based on the Market Approach, and the carrying amounts of these assets continue to reflect the revalued amounts determined at that date.

Management has reviewed the fair value of the assets as at 31st March 2026 and concluded that there were no material changes in the fair value since the last revaluation.

The value of land which has been revalued by an independently qualified valuer is indicated above together with the last date of revaluation. The valuation was performed by Mr D S N Perera -Incorporated Valuer (Chartered Valuation Surveyor-UK) using The Market Approach, and the Value of these Assets has been reflected in the Financial Statements at the revalued amounts.

Valuations are based on market prices, adjusted for any difference in nature, location or condition of the specific property.The land No 01 is a commercial land directly facing to the Colombo Rathnapura main road and the hospital main building has been constructed on this land.The land No 02 is the company's car park.

Valuation is as defined in the Sri Lanka Accounting Standards (SLFRS 13) made on Fair Value measurement. The valuation is based on the price that would be received on selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### 9.8 REVALUATION OF MOTOR VEHICLE

There was a revaluation of motor vehicles carried out during the financial year 2025/26. The revaluation was performed as at 31st March 2026 by Southern Associate. The valuations were based on the market approach, and the carrying amounts of these assets reflect the revalued amounts determined as at that date. The revaluation resulted in a surplus of Rs. 10.17 Mn, which has been recognized in Other Comprehensive Income and accumulated in the Revaluation Reserve under equity.

9.9 Fair value measurement of the property has been categorised under Level 3 in the fair value Hierarchy based on the valuation techniques used

9.10 The carrying amount of revalued assets that would have been included in the financial statements if the assets were carried at cost less depreciation is as follows:

| Class of Asset | 2025/26 | | | 2024/25 | | |
|---|---|---|---|---|---|---|
| | Cost Rs. | Accumulated Depreciation if Assets were Carried at Cost Rs. | Carrying Amount as at 31st March 2026 Rs. | Cost Rs. | Accumulated Depreciation if Assets were Carried at Cost Rs. | Carrying Amount as at 31st March, 2025 Rs. |
| Free Hold Land | 103,505,106 | - | 103,505,106 | 103,505,106 | - | 103,505,106 |
| Building | 282,929,248 | (70,220,345) | 212,708,903 | 282,929,248 | (64,561,760) | 218,367,488 |
| Motor Vehicle | 17,648,380 | (17,648,380) | - | - | - | - |
| | 404,082,734 | (87,868,725) | 316,214,009 | 386,434,354 | (64,561,760) | 321,872,594 |

## 10 RIGHT TO USE OF ASSETS

| Asset Details | Cost | | | | Depreciation | | | | Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance as at 01-04-2025 Rs. | Additions during the year Rs. | Disposal/ Transfer during the year Rs. | Closing Balance as at 31-03-2026 Rs. | Opening Balance as at 01-04-2025 Rs. | Charge for the Year Rs. | Disposal/ Transfer during the year Rs. | Closing Balance as at 31-03-2026 Rs. | 31-03-2026 Rs. | 31-03-2025 Rs. |
| Land & Building | 175,472,781 | 90,963,464 | - | 266,436,245 | 114,196,571 | 34,737,813 | - | 148,934,384 | 117,501,861 | 61,276,210 |
| Laboratory Machine | 18,292,282 | - | - | 18,292,282 | 12,903,296 | 1,760,976 | - | 14,664,272 | 3,628,010 | 5,388,986 |
| Motor Vehicle | 937,020 | - | (937,020) | - | 937,020 | - | (937,020) | - | - | - |
| Total | 194,702,083 | 90,963,464 | (937,020) | 284,728,527 | 128,036,887 | 36,498,789 | (937,020) | 163,598,656 | 121,129,871 | 66,665,196 |

### 10.1 Lease Liability

| Asset Details | Opening Balance as at 01-04-2025 Rs. | Lease Additions during The Year Rs. | Interest Charge Rs. | Payments Rs. | Closing Balance as at 31-03-2026 Rs. |
|---|---|---|---|---|---|
| Land & Building | 41,080,771 | 75,614,512 | 9,976,880 | (39,161,451) | 87,510,712 |
| Total | 41,080,771 | 75,614,512 | 9,976,880 | (39,161,451) | 87,510,712 |

| | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Amount Payable Within One Year | 29,970,584 | 21,225,176 |
| Amount Payable After One Year | 57,540,128 | 19,855,595 |
| Total | 87,510,712 | 41,080,771 |

### 10.2 Maturity Analysis of Lease Liabilities (Discounted)

| | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Payable within one year | 29,970,584 | 21,225,176 |
| Payable between one and two years | 26,705,818 | 5,779,160 |
| Payable between two and five years | 19,195,854 | 7,560,802 |
| Payable after five years | 11,638,456 | 6,515,633 |
| Total Discounted Lease Payments | 87,510,712 | 41,080,771 |

## 11 INTANGIBLE ASSETS

### 11.1 Cost

| Asset Details | Opening Balance as at 01.04.2025 Rs. | Addition for the Year Rs. | Disposals / Transfers Rs. | Closing Balance as at 31.03.2026 Rs. |
|---|---|---|---|---|
| Hospital Management System | 19,414,470 | 3,238,800 | - | 22,653,270 |
| | 19,414,470 | 3,238,800 | - | 22,653,270 |

### 11.2 Amortization

| Asset Details | Opening Balance as at 01.04.2025 | Charge for the Year Rs. | Disposals / Transfers Rs. | Closing Balance as at 31.03.2026 Rs. |
|---|---|---|---|---|
| Hospital Management System | 11,521,506 | 1,367,132 | - | **12,888,638** |
| | 11,521,506 | 1,367,132 | - | **12,888,638** |
| **Net Book Value** | **7,892,964** | | - | **9,764,632** |

### 11.3 Capital Work in Progress

| Asset Details | Opening Balance as at 01.04.2025 | Charge for the Year Rs. | Disposals / Transfers Rs. | Closing Balance as at 31.03.2026 Rs. |
|---|---|---|---|---|
| Hospital Management System | 4,589,782 | 71,272 | - | 4,661,054 |
| | 4,589,782 | 71,272 | - | 4,661,054 |
| **Total Carrying Value** | **12,482,746** | | | **14,425,686** |

## 12 INVENTORIES

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| General Stock | 58,215,624 | 49,599,988 |
| Pharmaceutical & Surgical Items | 42,974,216 | 54,480,989 |
| | 101,189,840 | 104,080,977 |
| Less:Impairment Provision | (752,909) | - |
| | **100,436,931** | **104,080,977** |

## 13 TRADE AND OTHER RECEIVABLES

| As at 31st March, | | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Trade Receivables | (13.1) | 18,653,056 | 30,871,274 |
| Prepayments, Deposits & Advances | | 30,127,170 | 16,947,487 |
| Other Receivables | | 2,479,352 | 1,074,036 |
| | | **51,259,578** | **48,892,797** |

### 13.1 Trade Receivables

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Trade Receivables | 19,154,206 | 30,871,274 |
| Less:Impairment Provision | (501,150) | - |
| | **18,653,056** | 30,871,274 |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 14 AMOUNTS DUE FROM RELATED PARTIES

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Singhe Medical Suppliers (Pvt) Ltd | 6,294,751 | 3,261,691 |
| Singhe Hotels And Resorts (Pvt) Ltd | 88,897,865 | - |
| Singhe Trading And Distributors (Pvt) Ltd | 90,037 | - |
| | **95,282,653** | **3,261,691** |

## 15 FINANCIAL ASSETS

| As at 31st March, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Financial Assets at Fair Value Through Profit and Loss | (15.1) | 38,610 | 23,990 |
| Fixed Deposits | | 144,116,735 | 68,082,146 |
| | | **144,155,345** | **68,106,136** |

### 15.1 Investments Valued at Fair Value Through Profit and Loss

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Equity Investments in Quoted Public Companies | | |
| Market Value as at 01st April, | 23,990 | 27,235 |
| Gain /(Loss) in Market Value During the Year | 14,620 | (3,245) |
| Market Value as at the 31st March, | 38,610 | 23,990 |

## 16 CASH AND CASH EQUIVALENTS

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Cash at Bank | 59,061,119 | 59,371,254 |
| Petty Cash | 3,294,020 | 3,136,519 |
| Cash in Hand | 11,044,006 | 8,326,012 |
| | **73,399,145** | **70,833,785** |

## 17 STATED CAPITAL

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| 431,300,895 Ordinary Shares | 375,000,000 | 375,000,000 |

## 18 REVALUATION RESERVE

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| On Property Plant and Equipment Balance as at 01st April, | 401,428,650 | 401,428,650 |
| Gain on Revaluation on Motor Vehicle | 28,543,450 | - |
| Deferred Tax Impact on Revaluation Gain | (5,708,690) | - |
| Balance as at 31st March, | 424,263,410 | 401,428,650 |

## 19 RETIREMENT BENEFIT OBLIGATIONS

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Present Value of Defined Benefit Obligations | 34,237,962 | 22,487,192 |

### 19.1 Movement In The Present Value Of Defined Benfit Obligations (PV DBO)

| As at 31st March, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Balance at the Beginning of the Year | | 22,487,192 | 16,432,269 |
| Current Service Cost | (19.2) | 7,128,997 | 3,408,461 |
| Interest Cost | (19.2) | 2,023,847 | 2,136,195 |
| During the year payments | | (1,512,936) | (2,330,426) |
| Actuarial (Gain / Loss) on PV DBO | (19.3) | 4,110,862 | 2,840,693 |
| Balance at the End of the Year | | **34,237,962** | **22,487,192** |

### 19.2 Amount Recognized In The Income Statement

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Current Service Cost | 7,128,997 | 3,408,461 |
| Interest Cost | 2,023,847 | 2,136,195 |
| | 9,152,844 | 5,544,656 |

### 19.3 Amount Recognized In The Other Comprehensive Income

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Actuarial (Gains) / Losses recognized during the year | 4,110,862 | 2,840,693 |
| | 4,110,862 | 2,840,693 |

19.4 The retirement benefit liability of the company is based on the actuarial valuation carried out by Actuarial Consultant (Pvt) Ltd, (Mr. Samath Perera FSA), a qualified actuary.
As recommended by the Sri Lanka Accounting Standard (LKAS 19 - Employee Benefits), the Projected Unit Credit (PUC) method has been used in this valuation.

### 19.5 Acturial Assumptions

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Discount Rate | 10% | 9% |
| Expected Rate of Salary Increase | 10% | 8% |
| Staff Turnover Rate | 20% | 29% |
| Retirement Age - As specified by the Company | 60 Years | 60 Years |

In addition to above, demographic assumptions such as mortality and withdrawal disability were considered for the actuarial valuation. A 1967/70 mortality table issued by the Institute of Actuaries, London was taken as the base for the valuation.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 19.6 Sensitivity Analysis Of Present Value Of Defined Benefit Obligations

The sensitivity analysis depicted below has been determined based on a method that extrapolates the impact on employee benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant.

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

In order to illustrate the significance of the salary escalation rate and discount rate assumed in this valuation as at 31st March, 2026 assuming the following salary escalation rate and discount rate.

| | 2025/26 Rs. | 2024/25 Rs. |
|---|---|---|
| **Assumption Changed** | | |
| 01% Increase in Discount Rate | 32,448,507 | 21,851,232 |
| 01% Decrease in Discount Rate | 36,247,757 | 23,164,575 |
| 01% Increase in Salary Increment Rate | 36,064,996 | 23,266,276 |
| 01% Decrease in Salary Increment Rate | 32,581,441 | 21,743,429 |

## 19.7 Maturity Analysis Of The Payments

| | 2025/26 Rs. | 2024/25 Rs. |
|---|---|---|
| Within the next 12 months | 788,307 | 5,625,455 |
| Between 1 and 5 years | 674,719 | 12,413,803 |
| Between 5 and 10 years | 31,224,481 | 3,675,493 |
| Beyond 10 years | 1,550,455 | 772,441 |
| Total expected payments | 34,237,962 | 22,487,192 |

## 20 INTEREST BEARING BORROWINGS

### 20.1 Borrowings - Term Loans

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Term Loans | 169,218,089 | 177,187,340 |
| | **169,218,089** | **177,187,340** |

### 20.2

| Borrowings - Term Loans | | Balance As at 01-04-2025 Rs. | Facilities Obtained During The Year Rs. | (Repayment)/ Transfers Rs. | Balance As at 31-03-2026 Rs. |
|---|---|---|---|---|---|
| National Development Bank PLC | (A) | 7,306,885 | - | (5,640,190) | 1,666,695 |
| Nations Trust Bank PLC | (B) | 169,880,455 | 65,761,861 | (68,090,922) | 167,551,394 |
| Term Loans | | **177,187,340** | **65,761,861** | **(73,731,112)** | **169,218,089** |

### 20.3 Analysis

| Category | | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Re-Payable within One Year Rs. | Re-Payable after One year Rs. | Total Rs. | Re-Payable within One Year Rs. | Re-Payable after One year Rs. | Total Rs. |
| National Development Bank PLC | (A) | 1,666,696 | - | 1,666,696 | 4,535,659 | 2,771,226 | 7,306,885 |
| Nations Trust Bank PLC | (B) | 74,771,658 | 92,779,735 | 167,551,393 | 60,715,870 | 109,164,585 | 169,880,455 |
| | | 76,438,354 | 92,779,735 | 169,218,089 | 65,251,529 | 111,935,811 | 177,187,340 |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 20 INTEREST BEARING BORROWINGS

### 20.4 Borrowings - Long Term Loans

| Bank | Facility Amount | 31st March 2026 | | | 31st March 2025 | | |
|---|---|---|---|---|---|---|---|
| | | Re-Payable Within One Year Rs. | Re-Payable After One Year Rs. | Total Rs. | Re-Payable Within One Year Rs. | Re-Payable After One Year Rs. | Total Rs. |
| National Development Bank PLC | - | - | - | - | 312,476 | - | 312,476 |
| Nations Trust Bank PLC | - | - | - | - | 4,182,337 | - | 4,182,337 |
| National Development Bank PLC | 20 Mn | 1,666,696 | - | 1,666,696 | 4,223,183 | 2,771,226 | 6,994,409 |
| Nations Trust Bank - Term Loan | 8.6Mn | 2,865,018 | - | 2,865,018 | 2,522,361 | 2,953,543 | 5,475,904 |
| Nations Trust Bank - Term Loan | 25 Mn | 6,821,434 | 4,004,534 | 10,825,968 | 6,085,944 | 11,163,936 | 17,249,880 |
| Nations Trust Bank - Term Loan | 16.2 Mn | 5,307,130 | - | 5,307,130 | 4,735,015 | 5,307,140 | 10,042,155 |
| Nations Trust Bank - Term Loan | 8.1 Mn | 1,046,206 | 4,629,251 | 5,675,457 | 1,001,368 | 5,908,355 | 6,909,723 |
| Nations Trust Bank - Term Loan | 6 Mn | 765,704 | 3,388,083 | 4,153,787 | 732,887 | 4,324,241 | 5,057,128 |
| Nations Trust Bank - Term Loan | 3.1 Mn | 411,778 | 1,788,395 | 2,200,173 | 391,578 | 2,273,130 | 2,664,708 |
| Nations Trust Bank - Term Loan | 6 Mn | 883,488 | 3,869,374 | 4,752,862 | 804,009 | 4,762,597 | 5,566,606 |
| Nations Trust Bank - Term Loan | 6.6 Mn | 972,708 | 4,384,645 | 5,357,353 | 889,553 | 5,371,051 | 6,260,604 |
| Nations Trust Bank - Term Loan | 105 Mn | 36,570,000 | 16,454,562 | 53,024,562 | 34,680,000 | 53,024,562 | 87,704,562 |
| Nations Trust Bank - Term Loan | 2.7 Mn | 394,194 | 1,791,381 | 2,185,575 | 365,187 | 2,192,615 | 2,557,802 |
| Nations Trust Bank - Term Loan | 7.7 Mn | 1,402,942 | 4,911,774 | 6,314,716 | 1,255,110 | 6,314,715 | 7,569,825 |
| Nations Trust Bank - Term Loan | 3.4 Mn | 630,141 | 2,208,106 | 2,838,247 | 574,557 | 2,838,248 | 3,412,805 |
| Nations Trust Bank - Term Loan | 11.5Mn | 2,730,447 | - | 2,730,447 | 2,495,964 | 2,730,452 | 5,226,416 |
| Nations Trust Bank - Term Loan | 37.9 Mn | 6,096,084 | 27,027,640 | 33,123,724 | - | - | - |
| Nations Trust Bank - Term Loan | 23 Mn | 3,200,762 | 18,321,990 | 21,522,752 | - | - | - |
| Nations Trust Bank - Term Loan | 4.7 Mn | 4,673,622 | - | 4,673,622 | - | - | - |
| Total | | 76,438,354 | 92,779,735 | 169,218,089 | 65,251,529 | 111,935,811 | 177,187,340 |

## 21 DEFERRED TAX LIABILITY

| As at 31st March, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Balance as at 01st April, | | 172,094,219 | 176,103,408 |
| Provision/(Reversal) During the Year | | | |
| In Statement of Profit or Loss | (21.3) | 18,818,321 | (3,441,050) |
| In OCI - Actuarial Gain/(Loss) | (21.4) | (822,172) | (568,139) |
| In OCI - Revaluation | (21.4) | 5,708,690 | - |
| Balance as at 31st March, | | 195,799,058 | 172,094,219 |

## 21.1 Deferred Tax Provision as at the End of Year is Made up as Follows;

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Deferred Tax Provision from: | | |
| Temporary Difference of Property, Plant and Equipment | 89,558,482 | 76,234,495 |
| Temporary Difference of Intangible Assets | 549,295 | (4,497,439) |
| Temporary Difference of Impairment Provision | (250,812) | - |
| Temporary Difference of Right of Use Assets | 24,225,974 | - |
| Temporary Difference of Lease Liability | (17,502,142) | - |
| Temporary Difference of Retirement Benefit Obligations | (6,847,592) | - |
| Temporary Difference of Revaluation Reserve | 106,065,853 | 100,357,163 |
| | 195,799,058 | 172,094,219 |

Taxable / (Deductible) Temporary Differences

| As at 31st March, | 2026 Temporary Differences Rs. | 2025 Temporary Differences Rs. |
|---|---|---|
| Property, Plant and Equipment | 447,792,410 | 373,398,747 |
| Intangible Assets | 2,746,475 | 7,773,726 |
| Impairment Provision | (1,254,059) | - |
| Right of Use Asset | 121,129,871 | - |
| Lease Liability | (87,510,712) | - |
| Retirement Benefit Obligations | (34,237,962) | (22,487,192) |
| Revaluation Reserves | 530,329,263 | 501,785,813 |
| | 978,995,286 | 860,471,094 |

## 21.2 Originating During the Year

| As at 31st March, | Notes | 2026 Rs. | 2025 Rs. |
|---|---|---|---|
| Statement of Profit & Loss | (21.3) | 18,818,321 | (3,441,050) |
| Statement of Other Comprehensive Income | (21.4) | 4,886,518 | (568,139) |
| | | 23,704,839 | (4,009,189) |

## 21.3 Originating During The Year

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Originating During the Year | 18,818,321 | (3,441,050) |
| | 18,818,321 | (3,441,050) |

## 21.4 Amounts Recognized In Other Comprehensive Income

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Deferred Tax on Defined Benefit Plan Actuarial Gain/(Losses) | (822,172) | (568,139) |
| Deferred Tax on Revaluation Gain | 5,708,690 | - |
| | 4,886,518 | (568,139) |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 22 BANK OVERDRAFTS

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Nations Trust Bank PLC | 8,239,342 | 20,963,197 |
| | 8,239,342 | 20,963,197 |

## 23 TRADE AND OTHER PAYABLES

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Trade Payables | 50,997,615 | 50,825,583 |
| Other Payables | 76,961,092 | 73,622,126 |
| | 127,958,707 | 124,447,709 |

## 24 INCOME TAX PAYABLE / (RECOVERABLE)

| As at 31st March, | 2026 Rs. | 2025 Rs. |
|---|---|---|
| Opening Balance as at 01st April | 24,736,849 | 7,465,868 |
| Income Tax Provision for the Year | 66,343,777 | 34,232,529 |
| WHT Receivable | (670,510) | (94,018) |
| Income Tax Paid | (50,662,597) | (16,867,530) |
| Closing Balance as at 31st March | 39,747,519 | 24,736,849 |

## 25 RELATED PARTY DISCLOSURE

### 25.1 PARENT AND ULTIMATE CONTROLLING PARTY

The Company doesn't have ultimate parent or controlling party.

### 25.2 IDENTIFYING THE RELATED PARTIES

The Company maintains related party relationships with the Affiliated Companies, Directors of the Company, Key Management Personnel of the Company and their Close Family Members.

### 25.3 TRANSACTIONS HELD WITH KEY MANAGEMENT PERSONNEL

According to the Sri Lanka Accounting Standard 'LKAS 24 - Related Party Disclosures', Key Management Personnel (KMP), are those having authority and responsibility for planning, directing and controlling the activities of the entity.

Accordingly, the Board of Directors (including Executive and Non Executive Directors) of Singhe Hospitals PLC has been classified as Key Management Personnel of the Company.

#### 25.3.1 Compensation of Key Management Personnel

| | 2025/26 Rs. | 2024/25 Rs. |
|---|---|---|
| Short Term Employee Benefits | 24,160,288 | 13,129,000 |

#### 25.3.2 Other Transactions Held with Key Management Personnel

As at the reporting date Directors of the Company hold 86.41% of the voting shares of the Company directly and indirectly.

Transactions held with Key Management Personnel and their Related Parties have been conducted on relevant commercial terms.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 25.4 NON RECURRENT RELATED PARTY TRANSACTIONS

There were no non-recurrent related party transactions of which aggregate value exceeds 10% of the equity or 5% of the total assets which ever is lower of the Company as per 31st March 2026 audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under the Section 13(c) of the Security Exchange Commission Act.

## 25.5 RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions in which aggregate value exceeds 10% of the revenue of the Company as per 31st March 2026 audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Security Exchange Commission Act.

## 25.6 TRANSACTIONS , ARRANGEMENTS & AGREEMENTS INVOLVING WITH KEY MANAGEMENT PERSONNEL (KMP) & THEIR CLOSE FAMILY MEMBERS (CFM)

Close Family Members (CFM) of a Key Management Personnel (KMP) are those family members who are expected to influence, or be influenced by, that individual in their dealing with the entity.

They may include,

(a) The individual's domestic partner and children;

(b) Children of the individual's domestic partner ; and

(c) Dependent of the individual or the individual's domestic partner CFM are related parties to the entity.

There were no transactions with Close Family Members during the reporting year.

## 25.7 TERMS AND CONDITIONS OF TRANSACTIONS HELD WITH RELATED PARTIES

Transactions held with related parties are carried out in the ordinary course of the business. Outstanding balances at the year end are unsecured and settlement will occurred in cash.

All the transactions have been entered into with these related parties on an Arm's length basis under normal commercial terms and conditions.

I. The employees of Royal Ceramics Lanka PLC, are entitled to discount on Hospital Room Charges (VIP 30%, Luxury & Family 20%, Supreme 15%, and Executive 10%) and other services ( CT Scan 10%, Ultrasound Scan 10%, X-Ray 10%, Echo 10%, Theatre Charges 5%, Endoscopy 10%, Colonoscopy 10% and Pharmacy 5%) from Singhe Hospitals PLC.

II. The Company has granted a loan Rs.50Mn to Singhe Hotels And Resorts (Pvt) Ltd at a rate of AWPLR (8.02%) +0.35%

## 25.8 TRANSACTIONS HELD WITH RELATED COMPANIES

| Name of the company | Relationship | Name of Director | Balance as at 01-04-2025 Receivable/ Payable Rs. | Nature of Transaction | Amount (Received)/ Charged Rs. | Balance as at 31-03-2026 Receivable/ Payable Rs. |
|---|---|---|---|---|---|---|
| Singhe Medical | Related Company | Mr.Navinda Weerasinghe | 3,261,691 | Fund Transfer | 218,015 | 6,294,752 |
| Suppliers (Pvt) Ltd | | Mr.Lakshika Weersinghe | | Reimbursement of Expenses | 2,815,046 | |
| Singhe Hotels And | Related Company | Mr.Navinda Weerasinghe | - | Inter Company Loan | 50,000,000 | 88,897,865 |
| Resorts (Pvt) Ltd | | Mr.Lakshika Weerasinghe | | Interest on Loan | 5,444,593 | |
| | | Mr.Bathiya Angammana | | Reimbursement of Expenses | 33,453,272 | |
| Singhe Trading And | Related Company | Mr.Navinda Weerasinghe | - | Reimbursement of Expenses | 90,037 | 90,037 |
| Distributors (Pvt) Ltd | | Mr.Lakshika Weersinghe | | | | |

## 26 CONTINGENT LIABILITIES

There were no significant Contingent Liabilities as at the reporting date that require adjustment to or disclosure in the Financial Statements except the following.

I. A court case has been filed against the Company by a patient, case no bearing 33371/M, which is pending at the District Court - Rathnapura.

II. Singhe Hotel and Resort (Pvt) Ltd obtained a term loan facility of Rs. 200 million from Nations Trust Bank PLC on 11 May 2025, repayable over a period of five years at an interest rate of 10.75% per annum for 7 years and AWPLR+0.75% for next two years. The Company has provided a corporate guarantee in respect of this loan facility.

The Directors have assessed the feasibility of the project of the related party and determined that the likelihood of any outflow of economic benefits arising from the guarantee is remote. Accordingly, no material provision has been recognized in these Financial Statements

## 27 EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events occurred after the balance sheet date that require adjustments or disclosure in the Financial Statements.

## 28 CAPITAL COMMITMENTS

There were no contract for capital expenditure of material amounts approved or contracted for as at the reporting date of the Company.

## 29 ASSETS PLEDGED AS COLLATERALS

Assets Pledged As Collaterals by the Company

The following assets of the Company have been pledged as collaterals for overdraft facilities and loans obtained by the Company to the respective financial institutions concerned.

| Name of the Financial Institution | Nature of the Facility | Facility Granted Rs. | Securities Pledged | Balance as at Reporting Date of 31-03- 2026 Rs. |
|---|---|---|---|---|
| Nations Trust Bank PLC | Term Loan VIII | 11,500,000 | Primary Mortgage Bond for Rupees 63,000,000 over property Depicted as Lot 1 and 2 in dated 31-July-2019 prepared by Mr. K.A.K.L. Edirisinghe | 2,730,447 |
| Nations Trust Bank PLC | Term Loan- V/VI | 40,000,000 | Primary Mortgage Bond for Rupees 63,000,000 over property Depicted as Lot 1 and 2 in dated 31-July-2019 prepared by Mr. K.A.K.L. Edirisinghe | - |
| Nations Trust Bank PLC | Term Loan VII | 25,000,000 | Primary Mortgage Bond for Rs 272,000,000 over land and buildings at No362, Colombo Road, Ratnapura, depicted as Lot No 01 in Plan No1220 dated 10.01.2015 made by K.A.K.L. Edirisinghe (L.S.) | 10,825,968 |
| Nations Trust Bank PLC | Term Loan IX | 8,198,000 | Primary Mortgage Bond for Rs 272,000,000 over land and buildings at No362, Colombo Road, Ratnapura, depicted as Lot No 01 in Plan No1220 dated 10.01.2015 made by K.A.K.L. Edirisinghe (L.S.) | 5,675,457 |
| Nations Trust Bank PLC | Term Loan X | 6,000,000 | Primary Mortgage Bond for Rs272,000,000 over land and buildings at No362, Colombo Road, Ratnapura, depicted as Lot No 01 in Plan No1220 dated 10.01.2015 made by K.A.K.L. Edirisinghe (L.S.) | 4,153,787 |
| Nations Trust Bank PLC | Term Loan XI | 3,128,000 | Primary Mortgage Bond for Rs272,000,000 over land and buildings at No362, Colombo Road, Ratnapura, depicted as Lot No 01 in Plan No1220 dated 10.01.2015 made by K.A.K.L. Edirisinghe (L.S.) | 2,200,173 |
| Nations Trust Bank PLC | Term Loan XII | 6,000,000 | Primary Mortgage Bond for Rs272,000,000 over land and buildings at No362, Colombo Road, Ratnapura, depicted as Lot No 01 in Plan No1220 dated 10.01.2015 made by K.A.K.L. Edirisinghe (L.S.) | 4,752,862 |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 29 ASSETS PLEDGED AS COLLATERALS (CONT'D)

Assets Pledged As Collaterals by the Company

The following assets of the Company have been pledged as collaterals for overdraft facilities and loans obtained by the Company to the respective financial institutions concerned.

| Name of the Financial Institution | Nature of the Facility | Facility Granted Rs. | Securities Pledged | Balance as at Reporting Date of 31-03- 2026 Rs. |
|---|---|---|---|---|
| Nations Trust Bank PLC | Term Loan I | 6,674,000 | Primary Mortgage Bond for Rs.272,000,000 over land and buildings at No.362, Colombo Road, Ratnapura, depicted as Lot No 01 in Plan No1220 dated 10.01.2015 made by K.A.K.L. Edirisinghe (L.S.) | 5,357,353 |
| Nations Trust Bank PLC | Term Loan II | 131,625,331 | Primary Mortgage Bond for Rs.272,000,000 over land and buildings at No.362, Colombo oad, Ratnapura, depicted as Lot No.01 in Plan No.1220 dated 10.01.2015 made by K.A.K.L.Edirisinghe (L.S.) | - |
| Nations Trust Bank PLC | Term Loan III | 50,000,000 | Primary Mortgage Bond for Rs.272,000,000 over land and buildings at No.362, Colombo Road, Ratnapura, depicted as Lot No.01 in Plan No.1220 dated 10.01.2015 made by K.A.K.L.Edirisinghe (L.S.) | - |
| Nations Trust Bank PLC | Bank Overdraft Facility | 15,000,000 | Primary Mortgage Bond for Rupees 63,000,000 over property Depicted as Lot 1 and 2 in dated 31-July-2019 prepared by Mr. K.A.K .L Edirisinghe | 8,239,342 |

## 30 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

### 30.1 ACCOUNTING CLASSIFICATIONS & FAIR VALUES

Financial Instruments are measured on an ongoing basis either at Fair Value or Amortized Cost. The summary of material accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognized.

The following methods and assumptions were used to estimate the fair values:

Cash & Cash Equivalents, Short Term Deposits, Trade and Other Receivables, Trade and Other Payables approximate their carrying amounts largely due to the short term maturities of these instruments.

Long Term Loans and Leases approximate their carrying amount.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

### 30.2 Fair Value VS Carrying Amounts

Classification as at 31st March, 2026

| Financial Assets | Financial Assets Recognized Through Profit or Loss (FVTPL) Rs. | Financial Assets at Amortized Cost Rs. | Total Carrying Amount Rs. | Fair Value Rs. |
|---|---|---|---|---|
| Financial Investments | 38,610 | 144,116,735 | 144,155,345 | 144,155,345 |
| Cash & Cash Equivalents | - | 73,399,145 | 73,399,145 | 73,399,145 |
| Trade and Other Receivables | - | 51,259,578 | 51,259,578 | 51,259,578 |
| Total Financial Assets | 38,610 | 268,775,458 | 268,814,068 | 268,814,068 |

| Financial Liabilities | Financial Liabilities at Amortized Cost Rs. | Total Carrying Amount Rs. | Fair Value Rs. |
|---|---|---|---|
| Interest Bearing Borrowings | 169,218,089 | 169,218,089 | 169,218,089 |
| Finance Lease Liabilities | 87,510,712 | 87,510,712 | 87,510,712 |
| Trade & Other Payables | 127,958,707 | 127,958,707 | 127,958,707 |
| Bank Overdrafts | 8,239,342 | 8,239,342 | 8,239,342 |
| Total Financial Liabilities | 392,926,850 | 392,926,850 | 392,926,850 |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 31 ACCOUNTING CLASSIFICATIONS & FAIR VALUES

### 31.1 Fair Value VS Carrying Amounts

Classification as at 31st March 2025

| Financial Assets | Financial Assets Recognized Through Profit or Loss (FVTPL) Rs. | Financial Assets at Amortized Cost Rs. | Total Carrying Amount Rs. | Fair Value Rs. |
|---|---|---|---|---|
| Financial Investments | 23,990 | 68,082,146 | 68,082,146 | 68,082,146 |
| Cash & Cash Equivalents | - | 70,833,785 | 70,833,785 | 70,833,785 |
| Trade and Other Receivables | - | 52,154,491 | 52,154,491 | 52,154,491 |
| Total Financial Assets | 23,990 | 191,070,422 | 191,070,422 | 191,070,422 |

| Financial Liabilities | Financial Liabilities at Amortized Cost Rs. | Total Carrying Amount Rs. | Fair Value Rs. |
|---|---|---|---|
| Interest Bearing Borrowings | 177,187,340 | 177,187,340 | 177,187,340 |
| Finance Lease Liabilities | 41,080,771 | 41,080,771 | 41,080,771 |
| Trade & Other Payables | 124,447,709 | 124,447,709 | 124,447,709 |
| Bank Overdrafts | 20,963,197 | 20,963,197 | 20,963,197 |
| Total Financial Liabilities | 363,679,017 | 363,679,017 | 363,679,017 |

## 32 FINANCIAL INSTRUMENTS - FAIR VALUE

### 32.1 The following tables show an analysis of financial instruments at Fair Value & by levels of the Fair Value hierarchy.

| As at 31st March 2026 | Total Carrying Amount Rs. | Level 1 Rs. | Level 2 Rs. | Level 3 Rs. | Fair Value Rs. |
|---|---|---|---|---|---|
| **Financial Assets Measured at Fair Value** | | | | | |
| Investment in Quoted Equity Shares | 38,610 | 38,610 | - | - | 38,610 |
| | 38,610 | 38,610 | - | - | 38,610 |
| | | | | | |
| **Financial Assets not Measured at Fair Value** | | | | | |
| Investment in Fixed Deposits | 144,116,735 | - | 144,116,735 | - | 144,116,735 |
| Trade and Other Receivables | 51,259,578 | - | - | 51,259,578 | 51,259,578 |
| Cash and Cash Equivalents | 73,399,145 | - | - | 73,399,145 | 73,399,145 |
| | 268,775,458 | - | 144,116,735 | 124,658,723 | 268,775,458 |
| | | | | | |
| Total Financial Assets | 268,814,068 | 38,610 | 144,116,735 | 124,658,723 | 268,814,068 |
| | | | | | |
| **Financial Liabilities not measured at Fair Value** | | | | | |
| Interest Bearing Borrowings | 169,218,089 | - | 169,218,089 | - | 169,218,089 |
| Finance Lease Liability | 87,510,712 | - | 87,510,712 | - | 87,510,712 |
| Trade and Other Payables | 127,958,707 | - | - | 127,958,707 | 127,958,707 |
| Bank Overdraft | 8,239,342 | - | 8,239,342 | - | 8,239,342 |
| | 392,926,850 | - | 264,968,143 | 127,958,707 | 392,926,850 |
| Total Financial Liabilities | 392,926,850 | - | 264,968,143 | 127,958,707 | 392,926,850 |

| As at 31st March 2025 | Total Carrying Amount Rs. | Level 1 Rs. | Level 2 Rs. | Level 3 Rs. | Fair Value Rs. |
|---|---|---|---|---|---|
| **Financial Assets measured at Fair Value** | | | | | |
| Investment in Quoted Equity Shares | 23,990 | 23,990 | - | - | 23,990 |
| | 23,990 | 23,990 | - | - | 23,990 |
| **Financial Assets not measured at Fair Value** | | | | | |
| Investment in Fixed Deposits | 68,082,146 | - | 68,082,146 | - | 68,082,146 |
| Trade and Other Receivables | 52,154,491 | - | - | 52,154,491 | 52,154,491 |
| Cash and Cash Equivalents | 70,833,785 | - | - | 70,833,785 | 70,833,785 |
| | 191,070,422 | - | 68,082,146 | 122,988,276 | 191,070,422 |
| | | | | | |
| Total Financial Assets | 191,094,412 | 23,990 | 68,082,146 | 122,988,276 | 191,094,412 |
| | | | | | |
| **Financial Liabilities not measured at Fair Value** | | | | | |
| Interest Bearing Borrowings | 177,187,340 | - | 177,187,340 | - | 177,187,340 |
| Finance Lease Liability | 41,080,771 | - | 41,080,771 | - | 41,080,771 |
| Trade and Other Payables | 124,447,709 | - | - | 124,447,709 | 124,447,709 |
| Bank Overdraft | 20,963,197 | - | 20,963,197 | - | 20,963,197 |
| | 363,679,017 | - | 239,231,308 | 124,447,709 | 363,679,017 |
| Total Financial Liabilities | 363,679,017 | - | 239,231,308 | 124,447,709 | 363,679,017 |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS - FAIR VALUE (Contd.)

## 32.2 Transfers Between Levels of Fair Value Hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the year.

## 32.3 Valuation Techniques and Significant Unobservable Inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable Input used.

| Assets and Liabilities | Valuation Techniques | Significant Unobservable Input |
|---|---|---|
| Interest Bearing Borrowings | Discounted cash flows<br>The valuation model considers the Present Value of the expected payments, discounted using a risk adjusted discount rate. | Current market interest rates |
| Lease Liabilities | Discounted cash flows<br>The valuation model considers the Present Value of the expected payments, discounted using a risk adjusted discount rate. | Current market interest rates |

## 33 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

This note represents information about the Company's exposure to each of above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

### RISK MANAGEMENT FRAMEWORK

The Board of Directors has the overall responsibility for the establishment & oversight of the company's Risk Management Framework.

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

The Company, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit, Risk & Compliance Committee, oversees how management monitors compliance with the Company's risks, management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit, Risk & Compliance Committee is assisted in its role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of controls and procedures, the results of which are reported to the Audit, Risk & Compliance Committee. Further quantitative disclosures are included throughout these Company Financial Statements.

### 33.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a client or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's Receivables from customers.

**Trade and Other Receivables**

The company is exposed to the credit risk mainly from its normal course of business in terms of individual characteristics of each customer. The Management has established credit policy under which each new corporate customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered.

**Management of Credit Risk Include Following components**

- Formulating credit policies in consultation with business units covering credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.
- Establishing the authorization structure for the approval.
- The carrying amount of financial assets represents the maximum credit exposure.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS

34 RISK MANAGEMENT FRAMEWORK (Cont'd)

34.1 Investments

Investments of surplus fund are made only with approved counter parties and with in credit limits assigned to each counter party. The limits are set to minimize concentration of risks and therefore mitigate financial loss through potential counter party's failure.

Cash and Cash Equivalents

The Company held cash and cash equivalents of Rs.73,399,145 as at 31st March 2026 (2024/25 - Rs.70,833,785) which represents its maximum credit exposure on these assets.

| Company as at 31.03.2026<br>Assets | Neither Past Due Nor Impaired<br>Rs. | Past Due But not Impaired<br>Rs. | Individually Impaired<br>Rs. | Impairment Provision<br>Rs. | Totals<br>Rs. |
|---|---|---|---|---|---|
| Trade Debtors and Other Receivables | 51,259,578 | - | - | - | 51,259,578 |
| Cash & Cash Equivalents | 73,399,145 | - | - | - | 73,399,145 |
| Total Financial Assets | 124,658,723 | - | - | - | 124,658,723 |

| Company as at 31.03.2025<br>Assets | Neither Past Due Nor Impaired<br>Rs. | Past Due But not Impaired<br>Rs. | Individually Impaired<br>Rs. | Impairment Provision<br>Rs. | Totals<br>Rs. |
|---|---|---|---|---|---|
| Trade Debtors and Other Receivables | 52,154,491 | - | - | - | 52,154,491 |
| Cash & Cash Equivalents | 70,833,785 | - | - | - | 70,833,785 |
| Total Financial Assets | 122,988,276 | - | - | - | 122,988,276 |

Analysis of Concentration of Risk

The following table shows the risk concentration by sector for the components of the Statement of Financial Position.

| Company as at 31.03.2026<br>Sector Wise Breakdown | Cash & Cash Equivalents<br>Rs. | Other Financial Assets<br>Rs. | Interest Bearing Borrowings<br>Rs. | Other Financial Liabilities<br>Rs. | Totals<br>Rs. |
|---|---|---|---|---|---|
| Cooparate Institutions | 59,061,119 | 144,116,735 | 169,218,089 | - | 372,395,943 |
| Others | 14,338,026 | - | - | - | 14,338,026 |
| Total | 73,399,145 | 144,116,735 | 169,218,089 | - | 386,733,969 |

34.2 Liquidity Risk

Liquidity risk is the risk that the Company will not have adequate financial resources to meet Company's obligations as and when they fall due. This risk arises from mismatches in the timing of cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft and bank loans. The Company assessed the concentration of risk with respect to refinancing its debts and concluded it to below. Access to source of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

RISK MANAGEMENT FRAMEWORK (Cont'd)

Exposure to Liquidity Risk - Maturity Analysis of Financial Assets

The table below summarizes the maturity profile of the Company's financial assets as at reporting dates based on contractual undiscounted payments.

| Year Ended 31-03-2026 Assets | Carrying Amount Rs. | On Demand Rs. | Up to 1 Year Rs. | 1 - 3 Years Rs. | 3 - 5 Years Rs. | Over 5 Years Rs. |
|---|---|---|---|---|---|---|
| Cash & Cash Equivalents | 73,399,145 | 73,399,145 | - | - | - | - |
| Trade and Other Receivables | 51,259,578 | - | 51,259,578 | - | - | - |
| As at 31st March 2026 | 124,658,723 | 73,399,145 | 51,259,578 | - | - | - |

| Year Ended 31-03-2025 Assets | Carrying Amount Rs. | On Demand Rs. | Up to 1 Year Rs. | 1 - 3 Years Rs. | 3 - 5 Years Rs. | Over 5 Years Rs. |
|---|---|---|---|---|---|---|
| Cash & Cash Equivalents | 70,833,785 | 70,833,785 | - | - | - | - |
| Trade and Other Receivables | 52,154,491 | - | 52,154,491 | - | - | - |
| As at 31st March 2025 | 122,988,276 | 70,833,785 | 52,154,491 | - | - | - |

Maturity Analysis of Financial Liabilities

The table below summarizes the maturity profile of the Company's financial liabilities as at reporting date based on contractual undiscounted payments.

| Year Ended 31-03- 2026 Liabilities | Carrying Amount Rs. | On Demand Rs. | Up to 1 Year Rs. | Over 1 Year Rs. |
|---|---|---|---|---|
| Interest Bearing Borrowings | 169,218,089 | - | 76,438,354 | 92,779,735 |
| Leases Liability | 87,510,712 | - | 29,970,584 | 57,540,128 |
| Trade and Other Payables | 127,958,707 | - | 127,958,707 | - |
| Bank Overdrafts | 8,239,342 | 8,239,342 | - | - |
| As at 31st March 2026 | 392,926,850 | 8,239,342 | 234,367,645 | 150,319,863 |

| Year Ended 31-03- 2025 Liabilities | Carrying Amount Rs. | On Demand Rs. | Up to 1 Year Rs. | Over 1 Year Rs. |
|---|---|---|---|---|
| Interest Bearing Borrowings | 177,187,340 | - | 65,251,528 | 111,935,812 |
| Trade and Other Payables | 124,447,709 | - | 124,447,709 | - |
| Leases Liability | 41,080,771 | - | 21,225,176 | 19,855,595 |
| Bank Overdrafts | 20,963,197 | 20,963,197 | - | - |
| As at 31st March 2025 | 363,679,017 | 20,963,197 | 210,924,413 | 131,791,407 |

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

34.2.1 FINANCIAL INSTRUMENTS

Credit Quality of Financial Assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to the extent of collaterals provided by counter parties:

| Counterparties without external credit ratings | 2026 (Rs.) | 2025 (Rs.) |
|---|---|---|
| Counterparties without external credit ratings & Cash in hand | 14,338,026 | 11,462,531 |
| | 14,338,026 | 11,462,531 |

| Cash at bank and short-term bank deposits | Rating | 2026 (Rs.) | 2025 (Rs.) |
|---|---|---|---|
| Hatton National Bank PLC | AA- (lka) | 456,891 | 2,123,664 |
| Sampath Bank PLC | A+ (lka) | 1,011,753 | 920,800 |
| Bank of Ceylon | AA+ (lka) | 5,153,727 | 10,381,069 |
| Commercial Bank of Ceylon PLC | AA (lka) | 89,290 | 265,695 |
| Nations Trust Bank (FD) | A (lka) | 84,614,488 | 68,082,146 |
| Nations Trust Bank (Bank A/C) | A (lka) | 46,740,885 | 38,923,544 |
| National Development Bank(FD) | A- (lka) | 59,502,247 | - |
| National Development Bank | A- (lka) | 3,917,279 | 1,488,907 |
| Counterparties without external credit rating | | 14,338,026 | 11,462,531 |
| | | 215,824,586 | 133,648,357 |

RISK MANAGEMENT FRAMEWORK - (Cont'd)

## 34.3 Market Risk

Market Risk is that the Fair Value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risks: Interest Rate Risk, Currency Risk, Commodity Price Risk and Other Price Risks.

Financial Instruments affected by market risk include loans and borrowings, short term deposits.

The objective of market risk management is to manage control and control market risk exposure within acceptable parameters, while optimizing the return.

### 34.3.1 Management of Market Risk

All interest bearing borrowing rates are linked to AWPLR and SLIBOR. Hence, any movement will be in line with the market and have a corresponding impact.

### 34.3.2 Interest Rate Risk

Interest Rate is the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mainly borrows in the short term to fund its working capital requirement which is linked and floating interest rates. For other funding needs the Company maintains a proper mix of fixed and floating interest rates based on the predictability of future cash flow.

### 34.3.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and innovation. In all cases, Company policy requires compliance with all applicable legal and regulatory requirements.

Risk Management Committee is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- information technology and cyber risks;
- ethical and business standards.

# Singhe Hospitals PLC
# NOTES TO THE FINANCIAL STATEMENTS

## 35 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and Capital consists of Ordinary Shares, Retained Earnings and Revaluation Reserve of the Company.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, retain capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2025 and 31st March, 2026.

The Company's policy is to keep the gearing ratio between 25% and 40%.

The Company's net debts to adjusted equity ratio as at the reporting date were as follows.

| | Notes | 2025/26 | 2024/25 | 2023/24 |
|---|---|---|---|---|
| | | Rs. | Rs. | Rs. |
| Interest Bearing Borrowings | (20) | 169,218,089 | 177,187,340 | 214,034,533 |
| Other Financial Liabilities | (10.1) | 87,510,712 | 41,080,771 | 44,594,355 |
| Trade and Other Payables | (23) | 127,958,707 | 124,447,709 | 71,640,835 |
| Bank Overdrafts | (22) | 8,239,342 | 20,963,197 | 21,379,965 |
| Less : Cash & Cash Equivalents | (16) | (73,399,145) | (70,833,785) | (30,498,151) |
| Net Debts | | 319,527,705 | 292,845,232 | 321,151,537 |
| Total Equity | | 1,148,015,156 | 912,463,741 | 798,557,855 |
| | | | | |
| Adjusted Net Debts to Adjusted Equity Ratio | | 28% | 32% | 40% |






**Pre-Historic Medicine in Ceylon | Medicine under Sri Lankan kings**

Sri Lanka was known by various people by various names. It has been called Lanka by the ancient Sinhalese, Taprobane by the Greeks, Serendib by the Arabs, Ceilao by the Portuguese, Ceylan by the Dutch and Ceylon by the British. With the promulgation of the new constitution in 1972, the name was officially changed to Sri Lanka. The history of medicine in Sri Lanka has been fashioned over the centuries by a synthesis of several intrinsic and extrinsic factors, some of which were unique to the country. Being an island, Sri Lanka insulated to a large extent from external forces influencing medicine. Disease being as old as mankind, prehistoric man in Sri Lanka would have evolved his own approach to sickness which need not necessarily have invoked the use of herbs and other drugs. The history of medicine in Sri Lanka can be divided in to major historical periods in its rule. There are: Ancient Medical Practices, Medicine under Sri Lankan kings, the Portuguese period, the Dutch period. There is hardly any information on the state of medicine in Pre-historic time. It is traditionally believed that Ravana, the prehistoric King of Lanka of Ramayana fame was well-versed in medical lore. Sri Lanka was ruled by its own kings from the inception of its written history until 1815, when the British conquered the Kandyan kingdom. Considerable information on the structure of the medical system that prevailed during this period is available from literary and archaeological sources. The ancient chronicle, the Mahavamsa, is undoubtedly the richest single source of such information. In that time there were several Hospitals. The Portuguese first arrived in Colombo in 1505. Medicine practiced by the Portuguese at the time was not entirely Western, for it had an oriental flavor as well. Some of their medicinal knowledge was derived from the Moors of Spain. That was the Portuguese period in Sri Lanka. This was followed by the Dutch period. The Dutch completed the capture of the maritime provinces by defeating the long drawn out siege of Colombo in 1656.

The impact that the Dutch had on the local medicine was only a fraction more than in the case of the Portuguese. They built more hospitals than the Portuguese, and that again was for the purpose of serving their forces, shipping personnel and other Dutch nationals in the country. Hospitals were established in strategic garrison towns, several of which possessed harbours as well. The British captured the maritime provinces from the Dutch in 1796, and annexed the Kandyan kingdom in 1815. They ruled the country till 1948 when Sri Lanka achieved independence. The early phase of British medicine belonged to the military who controlled both the military and civil health institutions. With the creation of a separate Civil Medical Department in 1858, a new phase was born by which medical facilities were provided to the civilian by a department free of military control. The British were very much concerned about the health of the local population. Several Governors, in their addresses to the Legislative Council, indicated their solicitude for the health of the people

*Source: Ministry of Health, Sri Lanka Official Website. Information referenced from A History of Medicine in Sri Lanka by Dr. C. G. Uragoda.*

# SUPPLEMENTRY STATEMENTS

# SUPPLEMENTARY STATEMENTS

## Singhe Hospitals PLC

## SHARE INFORMATION

| Shareholding | Resiident | | | Non - Resident | | |
|---|---|---|---|---|---|---|
| | Number of Shareholders | No. of Shares | % | Number of Shareholders | No. of Shares | % |
| 1 - 1000 | 1,227 | 312,121 | 0.08% | 2 | 300 | 0.00% |
| 1001 - 10,000 | 410 | 1,690,236 | 0.39% | 0 | - | 0.00% |
| 10,001 - 100,000 | 161 | 5,864,000 | 1.36% | 2 | 39,000 | 0.01% |
| 100,001 - 1,000,000 | 33 | 9,548,946 | 2.21% | 2 | 655,024 | 0.15% |
| Over 1,000,000 | 12 | 413,191,268 | 95.80% | 0 | - | 0.00% |
| | 1,843 | 430,606,571 | 99.84% | 6 | 694,324 | 0.16% |

**Categories of Shareholders**

| Categories of Shareholders | Number of Shareholders | No. of Shares |
|---|---|---|
| Individuals | 1,796 | 390,894,454 |
| Institutional | 53 | 40,406,441 |
| | 1,849 | 431,300,895 |

**Public Shareholding**

| Public Shareholding | 2025/26 | 2024/25 |
|---|---|---|
| No of Share Holders | 1,844 | 1,415 |
| No of Share | 57,168,396 | 57,168,396 |
| | 13.25% | 13.25% |

**Investor Ratios**

| Investor Ratios | 2025/26 | 2024/25 |
|---|---|---|
| Earnings Per Share (Rs) | 0.50 | 0.27 |
| Net Assets Value Per Share (Rs) | 2.66 | 2.12 |

**Market Activities**

**Market Value Per Share**

| | 2025/26 | | | 2024/25 | | |
|---|---|---|---|---|---|---|
| | Highest Traded Price | Lowest Traded Price | Last Traded Price | Highest Traded Price | Lowest Traded Price | Last Traded Price |
| Voting Shares (Rs) | 22.70 | 2.70 | 19.20 | 3.20 | 2.00 | 2.80 |
| Date | 17-02-2026 | 30-04-2025 | 31-03-2026 | 28-01-2025 | 16-05-2024 | 28-03-2025 |

**Market Capitalization**

**Float adjusted Market Capitalization**

| | 2025/26 | 2024/25 |
|---|---|---|
| Market Capitalization | 8,280,977,184 | 1,207,642,506 |
| Float Adjusted Market Capitalization | 1,097,633,203 | 160,071,560 |

# SUPPLEMENTARY STATEMENTS

## Singhe Hospitals PLC

## MAJOR SHARE HOLDINGS

| | Name of the Shareholder | Country of Residence | As at 31st March 2026 | % | As at 31st March 2025 | % |
|---|---|---|---|---|---|---|
| 01 | Mr. A. M. Weerasinghe | Sri Lanka | 372,697,415 | 86.41% | 372,697,415 | 86.41% |
| 02 | Commercial Bank of Ceylon PLC/ W. Jinadasa | Sri Lanka | 11,772,532 | 2.73% | - | - |
| 03 | Seylan Bank PLC/WeththingeJinadasa | Sri Lanka | 7,765,016 | 1.80% | - | - |
| 04 | Hatton National Bank PLC/Almas Holdings (PVT) LTD | Sri Lanka | - | - | 15,635,239 | 3.63% |
| 05 | DFCC Bank PLC/G.A.C De Silva | Sri Lanka | 6,637,507 | 1.54% | 9,147,534 | 2.12% |
| 06 | DFCC Bank PLC/W.Jinadasa | Sri Lanka | 3,831,518 | 0.89% | - | - |
| 07 | Citizens Development Business Finance PLC/S.Vasudevan | Sri Lanka | 2,450,000 | 0.57% | - | - |
| 08 | Mr.A.S. Jayasinghe | Sri Lanka | 2,179,673 | 0.51% | 2,389,998 | 0.55% |
| 09 | People's Leasing & Finance PLC/Mr.R.R.S.Ananda | Sri Lanka | 1,507,813 | 0.35% | - | - |
| 10 | People's Leasing & Finance PLC/Mr.N.N.Dissanayaka | Sri Lanka | 1,244,018 | 0.29% | - | - |
| 11 | Mr. A.M.C.S Atapattu | Sri Lanka | - | - | 1,999,243 | 0.46% |
| 12 | Assetline Finance Limited/M.S.Hiripitiya | Sri Lanka | - | - | 1,631,248 | 0.38% |
| 13 | Mr. W.A.S.P. De Saram | Sri Lanka | - | - | 1,610,279 | 0.37% |
| 14 | Mr. N.S.Niles | Sri Lanka | - | - | 1,564,000 | 0.36% |
| 15 | Mr. K. K. D. P. A. P. Weligepola | Sri Lanka | - | - | 1,497,101 | 0.35% |
| 16 | Sampath Bank PLC/A. P. Lasantha Fernando | Sri Lanka | - | - | 1,200,000 | 0.28% |
| 17 | Mr. U.B.H.J. Kithsiri | Sri Lanka | 1,100,000 | 0.26% | 1,100,000 | 0.26% |
| 18 | People's Leasing & Finance PLC/M.K.P.N.A.Perera | Sri Lanka | 1,005,180 | 0.23% | - | - |
| 19 | Mr. R.R.S.Ananda | Sri Lanka | 1,000,596 | 0.23% | - | - |
| 20 | Merchant Bank of Sri Lanka & Finance PLC/ W.K.S.M.Karunarathne | Sri Lanka | 974,506 | 0.23% | - | - |
| 21 | Mr. B.A.R.Dissanayake | Sri Lanka | 973,295 | 0.23% | - | - |
| 22 | Dr.W.K.D.J.Kumara | Sri Lanka | 520,230 | 0.12% | - | - |
| 23 | Dr.G.S.Perera | Sri Lanka | 511,224 | 0.12% | - | - |
| 24 | Mr.K.B.Kannangara | Sri Lanka | 500,000 | 0.12% | - | - |
| 25 | Merchant Bank of Sri Lanka & Finance PLC/G.C.U.Kumara | Sri Lanka | 463,859 | 0.11% | - | - |
| 26 | Merchant Bank of Sri Lanka & Finance PLC/R.R.S.Ananda | Sri Lanka | 456,410 | 0.11% | - | - |
| 27 | Mr. R.P. Hettiarachchi | Sri Lanka | 402,410 | 0.09% | - | - |
| | Total | | 417,993,202 | 96.94% | 410,472,057 | 95.17% |

# SUPPLEMENTARY STATEMENTS

## Singhe Hospitals PLC

## TEN YEAR SUMMARY

| Rs' 000 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| OPERATING RESULTS | | | | | | | | | | |
| Turnover | 1,925,902 | 1,506,668 | 1,272,305 | 1,071,706 | 1,001,699 | 700,337 | 671,631 | 595,107 | 488,314 | 405,367 |
| Other Income | 19,326 | 3,820 | 1,830 | 1,790 | 687 | 173 | 2,020 | 35,217 | 3,880 | 4,387 |
| Profit/(Loss) Before Tax | 301,167 | 146,970 | 32,486 | 15,947 | 14,143 | 5,801 | (18,846) | 17,518 | (66,003 | (74,340) |
| Income Tax | (85,162) | (30,791) | (7,857) | (28,673) | 2,269 | (3,502) | 13,096 | (29,392) | 16,957 | (3,610) |
| Profit/(Loss) After Tax | 216,005 | 116,178 | 24,628 | (12,726) | 16,413 | 2,299 | (5,750) | (11,873) | (49,046) | (77,951) |
| | | | | | | | | | | |
| BALANCE SHEET | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Total Fixed Assets | 1,346,193 | 1,200,286 | 1,186,947 | 790,981 | 815,419 | 803,304 | 824,633 | 787,089 | 791,290 | 844,343 |
| Inventories | 100,437 | 104,081 | 64,882 | 110,358 | 84,950 | 67,886 | 48,596 | 39,368 | 35,479 | 36,023 |
| Receivables & Others | 290,698 | 120,261 | 67,882 | 56,823 | 39,865 | 53,034 | 46,291 | 32,477 | 26,062 | 43,300 |
| Cash & Cash Equivalents | 73,399 | 70,834 | 30,498 | 23,031 | 12,379 | 27,809 | 15,268 | 22,182 | 21,219 | 16,743 |
| | 1,810,727 | 1,495,461 | 1,350,209 | 981,193 | 952,613 | 952,033 | 934,789 | 881,116 | 874,050 | 940,409 |
| | | | | | | | | | | |
| Equity & Liabilities | | | | | | | | | | |
| Share Capital | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 375,000 | 914,352 | 848,201 | 848,201 |
| Reserves | 773,015 | 537,464 | 423,557 | 98,613 | 119,366 | 101,511 | 97,846 | (434,021) | (422,634) | (364,017) |
| Interest Bearing Borrowings | 169,218 | 177,187 | 214,035 | 225,909 | 235,027 | 241,764 | 193,325 | 225,507 | 295,886 | 279,132 |
| Payables & Others | 485,254 | 384,847 | 316,237 | 246,873 | 172,500 | 162,999 | 182,051 | 116,676 | 88,331 | 96,314 |
| Overdraft | 8,239 | 20,963 | 21,380 | 34,798 | 50,719 | 70,759 | 86,567 | 59,602 | 64,266 | 80,779 |
| | 1,810,727 | 1,495,461 | 1,350,209 | 981,193 | 952,613 | 952,033 | 934,789 | 881,116 | 874,050 | 940,409 |

# SUPPLEMENTARY STATEMENTS

## Singhe Hospitals PLC

## NOTICE OF MEETING

Notice is hereby given that the 12th Annual General Meeting of the Shareholders of Singhe Hospitals PLC, will be held on 27th June 2026 at 10.00 a.m. at Singhe Hospitals PLC, No. 362, Colombo Road, Rathnapura.

The business to be brought forward before the meeting will be:

1. To receive and consider the Annual Report of the Directors and the Financial Statements for the year ended 31st March 2026 together with the Report of the Auditors thereon. (Resolution 1)

2. To re-elect Mr. A.M. Weerasinghe, who retires by rotation under Article 82 of the Articles of Association and, being eligible, offers himself for re-election. (Resolution 2)

3. To re-elect Mr. A.M.P.N. Weerasinghe, who retires by rotation under Article 82 of the Articles of Association and, being eligible, offers himself for re-election. (Resolution 3)

4. To elect Mr. M.S.J. Fernando, who was appointed during the previous year in terms of Article 89 of the Articles of Association. (Resolution 4)

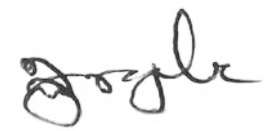
5. To pass the ordinary resolution set out below to appoint Mr. H.M.A.B. Weerasekara, who is more than 74 years of age, as a Director of the Company in terms of Section 211 of the Companies Act No. 7 of 2007:

   "IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. H.M.A.B. Weerasekara, who is more than 74 years of age, and that he be and is hereby appointed a Director of the Company in terms of Section 211 of the Companies Act No. 7 of 2007." (Resolution 5)

6. To re-appoint M/s B R De Silva & Company, Chartered Accountants, the retiring Auditors who have expressed their willingness to continue in office as the Company's Auditors until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to determine their remuneration. (Resolution 6)

7. To authorize the Directors to determine donations for the year 2026/2027. (Resolution 7)

BY ORDER OF THE BOARD
NEXIA CORPORATE CONSULTANTS (PVT) LTD



SECRETARIES

Dated this 4th day of June 2026.

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her.
2. A proxy need not be a shareholder of the Company.
3. A Form of Proxy accompanies this Notice.

## NOTES

Supplementary Statements

# Form of Attendance

I hereby record my presence at the Annual General Meeting of Singhe Hospitals PLC held on 27th June 2026 at 10.00 a.m.

Full Name of Shareholder : .....

National Identity Card

No. of Shareholder : .....

Address of Shareholder : .....

: .....

: .....

Name of Proxy Holder : .....

(If applicable) : .....

National Identity Card

No. of Proxy Holder : .....

Address of Proxy Holder : .....

No of Shares Held : .....

Share Certificate No. : .....

Signature of Shareholder : .....

Date : .....

Note

Shareholders are requested to:

1. Bring the Form of Attendance when attending the Meeting and hand it over at the entrance to the meeting hall. Bring the National Identity Card or Passport.

2. Shareholders appointing persons (other than Directors of the Company) to attend the Meeting are requested to indicate the number of the National Identity Card of the Proxy Holder on the Form of Proxy and request the Proxy Holder to bring with them their National Identity Card or Passport.

Supplementary Statements

# Form of Proxy

I/ We .....

.....

..... of .....

..... being a

shareholder / shareholders of Singhe Hospitals PLC. hereby appoint

| | |
|---|---|
| Mr. A.M. Weerasinghe | or failing him |
| Mr. A.M.D.H. Navinda Weerasinghe | or failing him |
| Mr. A.M. Lakshika Maduranga Weerasinghe | or failing him |
| Mr. U.B.H. Jayalath Kithsiri | or failing him |
| Mr. H.M.A.B. Weerasekara | or failing him |
| Mr. A.M.A. Cader | or failing him |
| Mr. A.M.P.N. Weerasinghe | or failing him |
| Dr. A.C. Jayakody | or failing him |
| Dr. P.D.S. Obeysekera | or failing him |
| Mr. M.S.J. Fernando | or failing him |

Mr./Mrs./Miss .....

.....

..... of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 27th June 2026 at 10.00am and any adjournment there of.

| Resolutions | For | Against |
|---|---|---|
| 1. To receive the Financial Statements for the year ended 31st March 2026 | | |
| 2. To re-elect Mr. A.M. Weerasinghe, who retires by rotation | | |
| 3. To re-elect Mr. A.M.P.N. Weerasinghe, who retires by rotation | | |
| 4. To elect Mr. M.S.J. Fernando as a Director | | |
| 5. To appoint Mr. H.M.A.B. Weerasekara in terms of Section 211 of the Companies Act No. 7 of 2007 | | |
| 6. To re-appoint the Auditors | | |
| 7. To authorize the Directors to determine donations | | |

Signed on This ..... day of ..... 2026

.....
Signature

## INSTRUCTIONS TO COMPLETE THE FORM OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him/her.

2. Kindly complete the Form of Proxy by filling in your full name and address legibly and signing in the space provided.

3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy if it has not already been registered with the Company.

4. The duly completed Form of Proxy should be deposited at the Registered Office of the Company at No. 362, Colombo Road, Rathnapura. (not less than 48 hours before the time appointed for the holding of the Meeting)

Supplementary Statements

# Corporate Information

## NAME OF THE COMPANY
Singhe Hospitals PLC

## LEGAL FORM
A quoted public company with limited liability incorporated in Sri Lanka under the companies act no 07 of 2007.

## Company Registration Number
PB 70371 PQ

## STOCKS EXCHANGE LISTING
The company ordinary share are listed on the Colombo Stock Exchange of Sri Lanka.

## REGISTERED OFFICE
No 362, Colombo Road, Ratnapura.
Tel : 045 7 555 555
Email : info@singhehospitals.com
Web : singhehospital.com

## DIRECTORS OF THE COMPANY
Mr. A. M. Weerasinghe
*Chairman*
Mr. Navinda Weerasinghe
*Managing Director*
Mr. Lakshika Weerasinghe
*Non Independent Executive Director*
Mr. H. M. A. B. Weerasekara
*Non Independent Non Executive Director*
Mr. U. B. H. Jayalath Kithsiri
*Non Independent Non Executive Director*
Mr. A. M. A. Cader
*Non Independent Non Executive Director*
Mr. Chaaminda Kumarasiri
*Independent Non Executive Director*
*(Resigned on 06 June 2025)*
Mr. Piyumal Weerasinghe
*Non Independent Non Executive Director*
Dr. Aruna Jayakody
*Independent Non Executive Director*
Dr. P.D.S. Obesekara
*Independent Non Executive Director*
Dr. Jude Fernando
*Independent Non Executive Director*
*(Appointed on 11 June 2026)*

## BANKERS
Bank of Ceylon
Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Sampath Bank PLC
Nations Trust Bank PLC
National Development Bank PLC

## AUDITORS
Messr's B. R. De Silva & Co.
Chartered Accountants
No 22/4, Vijaya Kumarathunga Mawatha,
Colombo 05.
Tel : 0112 513421
Email : brds@eureka.lk

## SECRETARIES
Nexia Corporate Consultants (Pvt) Ltd
No. 130, Level 02, Nawala Road,
Narahenpita.
Tel : 0112 368154
Email : nexia@eureka.lk

## REGISTRARS
SSP Corporate Services (Pvt) Ltd
546, Galle Road, Colombo 03.
Tel : 0112 573485
Email : kishank@sltnet.lk

## NOTES

Singhe Hospitals PLC
362, Colombo Road, Ratnapura.
info@singhehospitals.com
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