EAST WEST PROPERTIES PLC | ANNUAL REPORT 2025/26

Foundation for What's Next

Foundation for What's Next

For over four decades, East West Properties has built more than a presence in Sri Lanka's corporate landscape. It has built a foundation of trust, strengthened by enduring relationships with shareholders, tenants, employees and partners. This foundation has remained a constant through changing times, enabling us to navigate challenges, embrace opportunities and continue creating value.

As we move through a period of meaningful organisational change, we look to this foundation with confidence. The experience we have gained, the relationships we have nurtured and the trust we have earned provide the strength to evolve while remaining true to what matters most.

Our theme for the year under review reflects our commitment to carrying this strength forward. As we look to the future, we remain focused on building lasting value, strengthening our relationships and creating new possibilities for sustainable, long-term success. We have built the foundation for what's next in our horizon.

CONTENT

Vision

To be the number one Developer of Residential, Commercial and Hospitality Spaces without Compromising on our core values for the benefit of our stakeholders.

Mission

To exceed the expectations of our customers, tenants and Shareholders through service.

About Us

East West Properties PLC is an established Sri Lankan property company with more than four decades of experience in the ownership, leasing and management of strategically located commercial real estate. Over the years, the Company has built a focused portfolio of properties positioned within key commercial and logistics locations in and around Colombo, creating a strong platform for recurring income and long-term value creation.

The Company's property portfolio spans two principal segments: industrial, warehousing and yard facilities, together with commercial office space. Its principal property asset is the Peliyagoda warehousing and commercial complex, strategically positioned within an important logistics corridor with convenient access to Colombo, the Port of Colombo and the country's principal highway network. Complementing this asset base are the Company's commercial office properties at Dharmapala Mawatha, Colombo 03, situated within one of the capital's most established business districts.

East West serves a diversified base of corporate and commercial tenants across sectors including financial services, trading, distribution and engineering. The Company's approach to property management extends beyond the provision of physical space, with a strong emphasis on understanding tenant requirements, maintaining asset quality, responding to evolving operational needs and building enduring commercial relationships. This long-term approach supports tenant retention, occupancy and greater predictability of recurring rental income.

The Company's business model is centred on preserving, enhancing and progressively unlocking the economic potential of its property portfolio. Value creation is pursued through disciplined asset and property management, active leasing, infrastructure enhancement, rental optimisation and the continuous assessment of how each property can be deployed to its highest and best use. This approach reflects an increasing focus on active portfolio management rather than viewing property solely as a source of current rental income.

Financial strength and capital discipline remain important elements of East West's positioning. The Company maintains a debt-free balance sheet, providing resilience during periods of economic and property-market volatility while preserving the flexibility to invest in its existing assets and selectively pursue new opportunities. Surplus liquidity is prudently managed to generate supplementary investment and interest income while maintaining capital preservation and liquidity.

At Group level, East West Properties also has an interest in the media sector through its subsidiary, People's Media Networks (Pvt) Ltd, which operates television and radio broadcasting infrastructure.

Looking ahead, East West is evolving towards a more active approach to value creation—leveraging its strategically located assets, market experience, financial strength and long-standing stakeholder relationships to enhance the productivity of its existing portfolio while selectively evaluating opportunities capable of delivering sustainable long-term returns.

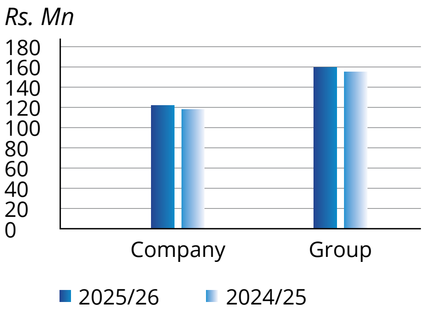
Through disciplined asset stewardship and considered capital allocation, the Company remains focused on strengthening the value of its asset base and creating enduring value for shareholders and other stakeholders.

FINANCIAL HIGHLIGHTS

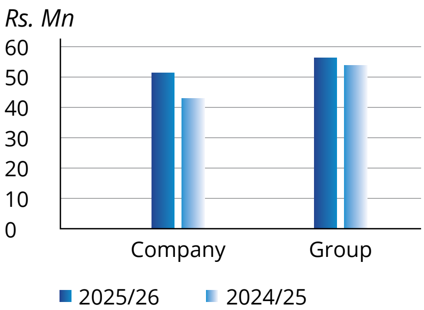
YEAR ENDED 31ST MARCH	GROUP		COMPANY	
	2025/2026	2024/2025 (RESTATED)	2025/2026	2024/2025 (RESTATED)
Performance (Rs.)				
Revenue	**160,158,752**	155,516,682	**122,360,293**	118,599,713
Gross Profit	**157,206,487**	153,304,650	**122,360,293**	118,599,713
Other Income	**10,563,445**	8,582,399	**68,250,946**	8,157,218
Fair Value Gain on Investment Property	**197,000,000**	201,477,046	**197,000,000**	201,477,046
Administrative Expenses	**(79,315,815)**	(110,038,091)	**(61,905,008)**	(96,093,916)
Results from Operating Activities	**250,740,783**	252,191,247	**291,132,361**	231,005,304
Finance Income	**56,548,505**	54,081,133	**51,635,303**	43,144,703
Profit before tax	**307,289,288**	306,104,404	**342,767,664**	274,126,815
Income tax expense	**(55,146,602)**	(52,078,601)	**(50,041,699)**	(44,373,178)
Profit for the year	**252,142,686**	254,025,803	**292,725,965**	229,753,637
Profit attributable to:				
Equity holders of the Company	**243,277,528**	242,132,443	**292,725,965**	229,753,637
Non – controlling Interest	**8,865,158**	11,893,360	**-**	-
Total Comprehensive Income Attributable to:				
Equity holders of the Parent	**244,004,731**	239,861,877	**293,369,529**	227,594,416
Non – controlling Interest	**8,945,518**	11,786,381	**-**	-
Financial Position (Rs.)				
Non-Current Assets	**2,866,613,126**	2,783,670,044	**2,889,460,001**	2,806,058,434
Total Assets	**3,584,065,876**	3,395,591,025	**3,555,183,505**	3,249,597,616
Cash & Cash Equivalents	**26,852,062**	102,828,636	**24,427,959**	100,661,704
Stated Capital	**1,212,000,000**	1,212,000,000	**1,212,000,000**	1,212,000,000
Revaluation Reserve	**-**	77,184,832	**-**	77,184,832
Retained Earnings	**2,142,062,037**	1,831,226,964	**2,144,964,329**	1,774,409,968
Shareholder Funds	**3,354,062,037**	3,120,411,796	**3,356,964,329**	3,063,594,800
Market / Shareholder information				
No of Shares in issue	**138,240,000**	138,240,000	**138,240,000**	138,240,000
Market price of share as at 31st March (Rs.)	**60.00**	13.10	**60.00**	13.10
Market capitalization (Rs.)	**1,873,695,720**	1,810,944,000	**1,873,695,720**	1,810,944,000
No of Shareholders	**3,561**	2,318	**3,561**	2,318
Information Per Ordinary Share (Rs.)				
Last Traded Price at year end	**60.00**	13.10	**60.00**	13.10
Highest Market Price	**80.00**	16.00	**80.00**	16.00
Lowest Market Price	**52.60**	11.20	**52.60**	11.20
Key Performance Indicators (Rs.)				
Net Assets	**24.26**	22.57	**24.28**	22.16
Earnings per share	**1.76**	1.75	**2.12**	1.66

HIGHLIGHTS OF THE YEAR

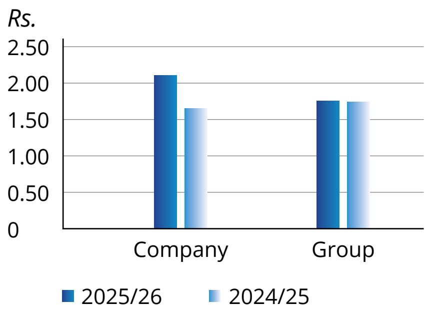
Revenue



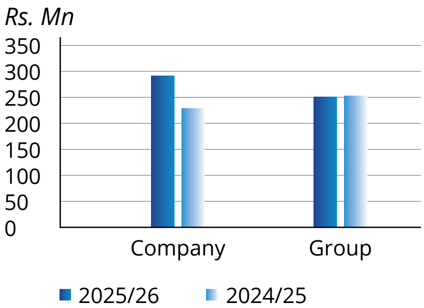
Finance Income



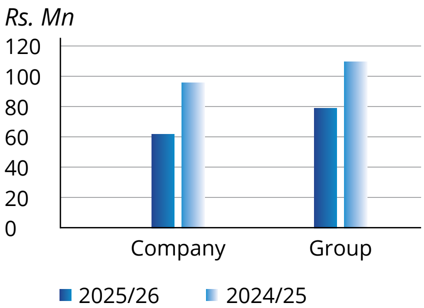
Earning per share



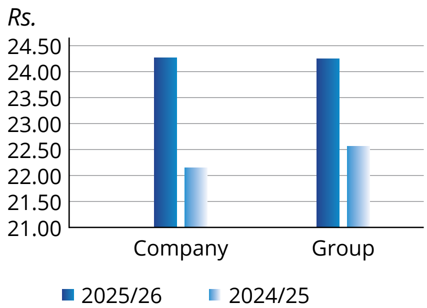
Profit for the year



Administrative Expenses



NAV Per Share



CHAIRMAN'S MESSAGE

OUR STRONG FINANCIAL POSITION ENABLES US TO TAKE A PATIENT APPROACH. IT ALLOWS US TO EVALUATE OPPORTUNITIES FROM A POSITION OF STRENGTH RATHER THAN NECESSITY AND, WHEN APPROPRIATE, TO ACT DECISIVELY WHERE THE POTENTIAL FOR LONG TERM VALUE CREATION IS COMPELLING.

Foundations for What's Next

Dear Shareholders,

The financial year 2025/26 was an important period in the evolution of East West Properties PLC.

It was a year of transition for the Company—one in which changes in ownership, Board leadership and management took place against a gradually improving economic environment in Sri Lanka. Throughout this period, our priority was to ensure continuity, preserve the strengths that have been built over more than four decades and establish the governance and organisational foundations from which East West can move confidently into its next phase.

I am pleased that the Company navigated this transition while maintaining the stability of its core operations and the confidence of its tenants and other stakeholders.

East West today possesses several attributes of considerable value. We own strategically located commercial and logistics properties, particularly in Peliyagoda and Colombo 03. We have long-established relationships with our tenants and business partners. We have accumulated significant experience in managing commercial property in Sri Lanka. Importantly, we also retain a strong, debt-free balance sheet that provides both resilience and strategic flexibility.

These strengths give us a sound foundation. Our responsibility now is to ensure that they are utilised to their fullest potential.

During the year, the Board placed particular emphasis on strengthening governance, financial discipline and accountability. The Board and its principal committees were reconstituted, and greater attention was directed towards ensuring clear responsibilities between Board oversight and executive management.

Good governance becomes particularly important during periods of change. As East West considers a broader range of strategic opportunities in the years ahead, the quality of our decision-making, the discipline with which capital is allocated and the standards by which opportunities are assessed will be fundamental to protecting shareholder interests.

The broader economic environment also became progressively more constructive during the year. Sri Lanka has moved from a period of exceptional economic disruption towards greater macroeconomic stability. While uncertainties remain, moderating inflation and improving business confidence have created greater visibility for companies and investors alike.

For East West, this provides an opportunity to look beyond preservation and towards value creation.

The Company's existing property portfolio remains central to this process. Our properties occupy locations that have become increasingly important within Colombo's commercial and logistics landscape. As infrastructure, supply chains and patterns of commercial activity continue to evolve, the long-term relevance of well-located assets should remain significant.

At the same time, the Board believes that ownership alone is not sufficient. Assets must be managed actively, capital must remain productive and opportunities must be assessed with a clear understanding of both risk and return.

The management team has therefore begun a more detailed evaluation of how the Company's existing assets and financial resources can be deployed to create greater long-term value. This includes improving the productivity of the existing portfolio while selectively considering opportunities that may extend beyond East West's traditional rental-property activities.

We support this broader perspective, provided that growth remains disciplined.

East West should not pursue expansion simply for the sake of becoming larger. New investment must have a clear strategic rationale, sound underlying economics and the capacity to generate sustainable returns on the capital entrusted to the Company.

Our strong financial position enables us to take a patient approach. It allows us to evaluate opportunities from a position of strength rather than necessity and, when appropriate, to act decisively where the potential for long-term value creation is compelling.

Sustainability and the resilience of our assets will also become increasingly relevant in this process. During the year, the Company began preparing for the evolving sustainability-reporting requirements under SLFRS S1 and SLFRS S2. Over time, greater consideration of energy efficiency, asset resilience, resource utilisation and changing tenant expectations should contribute not only to better reporting, but also to better investment and asset-management decisions.

As we look ahead, I believe East West is entering an important new chapter. The Company has a long corporate history, but longevity by itself does not guarantee future success. Each generation of leadership has a responsibility to preserve what is valuable while remaining willing to adapt what must change.

The foundations of East West are strong. We now have the opportunity to build on them with renewed purpose, stronger governance and a more active approach to value creation.

I would like to thank my fellow Directors for their guidance and commitment during a year of transition. I also extend my appreciation to the management team and employees of East West for maintaining continuity and professionalism throughout the year.

To our tenants, business partners, financial institutions, regulators and service providers, I thank you for your continued confidence and cooperation.

Most importantly, I thank our shareholders for the trust they continue to place in East West Properties PLC.

The Board remains committed to safeguarding that trust and to supporting the Company as it builds the foundations for what comes next.

Sincerely,

Mr. K.M. Tanuja Hashan
Chairman

East West Properties PLC

28th August 2026

MANAGING DIRECTOR'S MESSAGE

CAPITAL HAS NO MEMORY. OUR OBLIGATION IS TO DEPLOY IT WHERE IT CAN CREATE THE GREATEST SUSTAINABLE VALUE FROM THIS POINT FORWARD.

Building a More Valuable East West

Dear Shareholders,

FY 2025/26 was not a year defined by a major acquisition, a new development or a dramatic expansion of East West Properties PLC.

Yet I believe it may prove to have been an important year in the Company's evolution.

It was the year in which we began changing the way we think about East West.

For many years, the strength of the Company has rested on a relatively straightforward proposition: ownership of strategically located properties, stable tenants, recurring rental income and a conservative balance sheet. Those remain important strengths, and protecting them continues to be one of management's fundamental responsibilities.

But as we assessed the Company and its assets more closely during the year, it became increasingly clear that preserving what we already have cannot, by itself, define our ambition for the future.

The question we must now ask is not simply whether an asset is occupied and earning rent.

We must ask whether that asset is being used in the manner that creates the greatest sustainable value for our shareholders.

That distinction lies at the heart of the next phase of East West.

A Strong Business, but Greater Potential

East West begins this journey from a position of considerable strength.

Our principal property assets are concentrated in two locations that remain strategically important: Peliyagoda and Colombo 03.

Peliyagoda sits within one of the country's most important logistics and industrial corridors, with connectivity to Colombo, the Port of Colombo and the national highway network. As organised distribution, logistics and supply-chain activity continue to develop in Sri Lanka, the strategic importance of well-located warehousing, yard and industrial property should continue to grow.

Our Colombo 03 properties occupy a very different segment of the market, but their fundamental strength is again location. Despite the structural changes taking place in the office market, particularly through hybrid working, our Colombo 03 portfolio maintained 100% occupancy during the year. This reinforces our belief that demand remains strong for commercial premises that combine a central location with reliable infrastructure, professional management and an operating environment that meets the requirements of modern corporate occupiers.

Taken together, these assets provide East West with a valuable property platform.

As at 31 March 2026, the Company's investment-property portfolio was independently valued at approximately Rs. 2.76 billion. The move to the fair-value model under LKAS 40 also provides shareholders with a more current indication of the economic value embedded within these properties.

But valuation alone is not value creation.

The responsibility of management is to determine how these assets can generate progressively stronger economic returns over time.

Looking Beyond Occupancy

One of the most important changes in our thinking during the year was therefore to move beyond occupancy as the principal measure of property performance.

Occupancy is important. Stable tenants and predictable rental income provide the foundation of our business. But a property can be fully occupied and still not be optimally utilised.

We must consider the rental yield being generated relative to the value of the asset. We must understand whether the present configuration remains the most productive use of the property. We must assess whether selective refurbishment or infrastructure investment could materially improve income. We must consider alternative uses, redevelopment potential and the opportunity cost of the capital committed to each property.

In other words, we must continuously ask what constitutes the highest and best use of the assets entrusted to us.

This does not mean that every property must be redeveloped or repositioned. Nor does it mean sacrificing dependable rental income in pursuit of speculative returns.

It means that ownership must become active rather than passive.

Some assets may continue to deliver their greatest value through stable leasing. Others may justify refurbishment, a change in configuration or additional investment. In certain circumstances, an alternative use may create materially greater economic value. And where an asset can no longer earn an appropriate return relative to the capital tied up in it, we must be prepared to consider whether that capital can be deployed more productively elsewhere.

This approach will increasingly guide the way East West manages its portfolio.

What the Year Tells Us

The underlying business remained resilient during FY 2025/26.

Group revenue increased by approximately 3% to Rs. 160.2 million, while Company revenue increased to Rs. 122.4 million. The improvement was supported by selective revisions to rental rates and lease terms across the property portfolio.

An important point is that some of these revised rental arrangements became effective only during the year. Their full annualised impact should therefore flow into subsequent periods, providing an element of embedded growth within the existing portfolio.

At the same time, we placed considerably greater emphasis on expenditure discipline. Administrative expenses declined materially, reflecting tighter controls and a more systematic approach to procurement and operating costs.

That discipline should not be confused with indiscriminate cost cutting.

A property company can easily improve short-term expenditure numbers by postponing maintenance. The eventual result is usually deterioration in the asset, dissatisfaction among tenants and substantially higher costs later.

Our objective is therefore to distinguish between expenditure that adds little value and investment that protects or enhances the earning capacity of our properties.

During the year, for example, we continued infrastructure and maintenance improvements across the portfolio, including elevator upgrades. These are not headline investments, but reliable infrastructure is fundamental to the quality of the product we provide to our tenants and ultimately to the competitiveness of the property itself.

Reported Group profit attributable to shareholders remained broadly stable at approximately Rs. 243 million, while Company profit increased to approximately Rs. 292.7 million.

MANAGING DIRECTOR'S MESSAGE

These figures need to be understood in context.

Reported profitability was materially influenced by fair-value movements in investment property. Such movements are important because they provide an indication of changes in the underlying economic value of our asset base, but they are different from cash generated through recurring operations.

Management therefore looks at East West through both lenses: the value embedded in the balance sheet and the quality of the recurring cash flows generated from that balance sheet.

Over the long term, both matter.

Financial Strength Must Become Productive Strength

East West remained debt-free throughout the year.

This is a significant strategic advantage.

It protects the Company during periods of volatility, but perhaps more importantly, it provides us with the flexibility to act when attractive opportunities arise.

Our liquidity position also strengthened materially. Group operating cash flow increased to approximately Rs. 184 million, while Company operating cash flow increased to approximately Rs. 166.9 million. Surplus funds were deployed conservatively into short-term financial investments, with Group short-term investments reaching approximately Rs. 611 million at year-end.

This treasury portfolio has generated valuable supplementary income for the Company.

However, we should also recognise its limitations.

As interest rates normalise, the returns available from short-term deposits and similar instruments are likely to moderate. Treasury income can therefore support East West, but it cannot substitute indefinitely for increasing the productive earning capacity of the underlying business.

Our balance sheet should consequently be viewed not only as a source of security, but as a strategic resource.

Capital that is not required immediately should continue to be managed prudently. At the same time, when opportunities arise that offer compelling risk-adjusted returns, we must be prepared to deploy that capital productively.

The disposal during the year of the Crescat Residencies apartment is a small but useful example of this philosophy. The property generated limited recurring economic contribution relative to the capital invested in it. Its disposal for Rs. 100 million released capital that could be redeployed.

The important principle is not the transaction itself. It is the willingness to examine every asset without being constrained by historical ownership.

Capital has no memory. Our obligation is to deploy it where it can create the greatest sustainable value from this point forward.

From Property Company to Value-Creation Platform

This leads to a broader question about East West itself.

Should the Company's future be defined only by acquiring additional buildings and collecting additional rent?

I do not believe it should.

Property will remain central to East West. Our existing locations, experience and understanding of commercial real estate provide important competitive advantages.

But the combination of our assets, balance sheet, relationships and capabilities potentially creates a wider opportunity set.

Within our existing portfolio, we will continue evaluating refurbishment, redevelopment, improved utilisation and alternative uses.

Beyond the existing portfolio, we will selectively examine other property categories and adjacent businesses where East West possesses a genuine strategic advantage.

In some instances, the highest-value use of a property may not necessarily be to lease the property to someone else. There may be situations in which our land, buildings or infrastructure can support an operating activity capable of generating materially greater economic value.

These opportunities will be evaluated carefully.

We will not enter businesses simply because capital is available, nor will we pursue diversification for its own sake. Any opportunity must pass a series of tests: Do we understand the economics? Do we possess, or can we build, the capabilities required to succeed? Does the opportunity make effective use of our existing strengths? Is the potential return appropriate for the risk being assumed? And does it create greater long-term value than the alternative uses available for the same capital?

Those questions will determine where East West invests.

Building the Organisation Behind the Strategy

FY 2025/26 was also a year of organisational transition.

Changes in ownership, Board composition and executive leadership inevitably required adjustment across the organisation. Some employees assumed broader responsibilities, new reporting relationships were established and management processes were strengthened.

Our immediate priority was continuity.

Tenants should not experience instability simply because the organisation behind their landlord is changing. Payments must continue to be processed, buildings maintained, leases administered and operational issues resolved.

The team responded well, and I am grateful for the professionalism shown throughout the transition.

Our next priority is capability.

A more active approach to asset management demands more from the organisation than conventional property administration. It requires stronger financial analysis, disciplined project evaluation, closer monitoring of returns on capital, better procurement, stronger maintenance planning and more systematic use of information.

During the year we therefore strengthened processes relating to treasury management, receivables, procurement, tenant onboarding, security deposits, preventive maintenance and internal controls.

We are also working to create clearer accountability throughout the Company.

The East West of the future must combine the institutional knowledge accumulated over four decades with a more analytical, performance-oriented and commercially ambitious management culture.

Sustainability as Asset Management

Our approach to sustainability is similarly practical.

For a property company, sustainability is ultimately connected to asset competitiveness.

Energy consumption, water use, infrastructure efficiency, safety, building resilience and adaptability increasingly affect operating costs and tenant preferences. Over time they will also influence capital expenditure requirements and property values.

We have begun preparing for SLFRS S1 and SLFRS S2 and strengthening the systems required to collect relevant sustainability information.

But our objective should extend beyond compliance.

As data improves, sustainability considerations should become another input into the same decisions we already make about maintenance, refurbishment, redevelopment and capital allocation.

A more efficient and resilient building can be environmentally better, operationally stronger and economically more valuable at the same time.

What Comes Next

As we enter FY 2026/27, our priorities are becoming clearer.

First, we must continue strengthening the recurring earnings produced by the existing portfolio through high occupancy, appropriate rental optimisation, proactive lease management and strong tenant relationships.

Second, we must make our existing assets work harder. That means systematically evaluating utilisation, yield, configuration, capital requirements and alternative uses, and then acting where we identify a clear opportunity to increase long-term value.

MANAGING DIRECTOR'S MESSAGE

Third, we must deploy our balance sheet intelligently. Financial strength gives us the ability to be patient, but patience must not become inertia. When opportunities meet our strategic and financial criteria, we should have the confidence to act.

Fourth, we must continue building the management systems, capabilities and governance required to support a more ambitious East West.

And finally, we must remain open-minded about where the next source of value creation may come from.

The next chapter of East West does not require us to abandon what has made the Company resilient. It requires us to build upon those strengths.

We have valuable assets. We have liquidity. We have established relationships. We have more than four decades of history.

What matters now is how effectively we use them.

Our objective is not simply to make East West larger.

It is to make East West more valuable.

That means improving the earnings generated by our existing assets, releasing value where capital is underutilised, investing where the economics are compelling and maintaining the discipline to walk away when they are not.

If we do these things consistently, I believe East West can evolve from a company that has historically preserved significant value into one that more actively creates it.

I would like to thank our employees for their commitment during a period of significant change and our tenants for the confidence they continue to place in East West. I also thank the Chairman and my fellow Directors for their guidance and constructive engagement.

Finally, I thank our shareholders for entrusting us with the responsibility of leading East West into its next phase.

There is much work ahead of us, but there is also considerable opportunity.

We intend to approach both with ambition, discipline and a long-term perspective.

Sincerely,

Mr. Gaurav Mehta
Managing Director

East West Properties PLC

28th August 2026

BOARD OF DIRECTORS

MR. KANDEGEDARA MUDIYANSELAGE TANUJA HASHAN

Chairman

Mr K M T Hashan is the Chairman and Founder of DHT Cement (Pvt) Ltd, one of Sri Lanka's fastest-growing companies in the construction materials sector. Since founding the company in 2014, he has been the driving force behind its remarkable transformation from an importer of packed cement to a cement manufacturing unit with a state-of-the-art Grinding Unit in Ja Ela. His entrepreneurial foresight and unwavering commitment have positioned DHT Cement as a trusted name in the industry.

With a sharp instinct for identifying opportunities and an exceptional ability to execute complex projects, Mr Hashan has played a key role in shaping the company's strategic direction. His strength lies in envisioning large-scale industrial ventures and bringing them to life with precision and speed, earning him a reputation as a results-driven business leader.

Before establishing DHT Cement, Mr Hashan gained valuable international experience in supply chain and logistics while working in New Zealand. This global exposure helped hone his operational acumen and laid the foundation for his success in building a high performance enterprise in Sri Lanka.

(Appointed w.e.f 30.07.2025)

MR. GAURAV MEHTA

Managing Director

Mr. Gaurav Mehta is the Managing Director of DHT Cement (Pvt) Ltd, a key player in Sri Lanka's cement industry. He brings over 20 years of diverse experience across investment banking, renewable energy, and manufacturing. Mr. Mehta has played a pivotal role in shaping and scaling businesses both in India and Sri Lanka, with a strong focus on strategic growth and operational excellence.

He began his career in investment banking with Credit Suisse in London, advising global clients on mergers, acquisitions, and capital raising. Prior to his current role, he was actively involved in developing and managing large-scale renewable energy and cement projects in India, gaining deep insight into infrastructure development and industrial operations.

Mr. Gaurav Mehta holds an engineering degree and an MBA from two of India's top institutions, equipping him with a strong analytical foundation and strategic perspective. He is an active member of the Chamber of Construction Industry of Sri Lanka, the Indian CEO Forum, the Ceylon Chamber of Commerce, and YPO (Young Presidents' Organization).

(Appointed w.e.f. 30.07.2025)

MR. K.D. GAMINI GUNARATNE

Independent Non-Executive Director

Mr. Gunaratne studied at St. Thomas' College, Mount Lavinia and served as a member of the Western Provincial Council from 1989 to 2009. Mr. Gunaratne has held diverse leadership positions in both private and public sector organisations. He previously served as the Vice Chairman of the National Water Supply and Drainage Board and currently serves as the Chairman of Lanka Hotels and Residencies (Pvt) Ltd, the owners of Sheraton Colombo Hotel. He also serves on the Boards of Hayleys PLC, Dipped Products PLC, Horana Plantations PLC, Swisstek Ceylon PLC, Hiru Rice Products (Pvt) Ltd, College of Fashion and Design, and SLIIT International (Curtin University Colombo).

(Appointed w.e.f. 11.08.2025)

BOARD OF DIRECTORS

MR. CHETHIYA MINENDRA UMAGILIYA WEERAWARDENA
Independent Non-Executive Director

Mr. Weerawardena is a visionary leader with extensive experience in corporate management and entrepreneurship. He holds a Doctorate in Business Administration from the University of Azteca, North America, and an MBA from the University of Suffolk, United Kingdom. Furthermore, he is also conferred with a Master of Law from University of Buckinghamshire.

Mr. Weerawardena is the Chairman of Uni Dil Packaging Limited and Uni Dil Packaging Solutions Limited and serves as a Non-Executive Director of DHT Cement Pvt Ltd, Swisstek Aluminum Limited and Swisstek Ceylon PLC and the Fortress Resorts PLC. Renowned for his contributions to both listed and non-listed entities, Mr Weerawardena has driven growth and innovation across diverse industries.

A Fellow of the Institute of Chartered Professional Managers Sri Lanka, he is also a member of the Chartered Institute of Marketing (UK), the Chartered Management Institute (UK), and the Financial Management Association (USA). Mr Weerawardena's leadership continues to inspire excellence and progress in Sri Lanka's corporate landscape.

(Appointed w.e.f. 30.07.2025)

MR. DIYANATH ROHAN JAYASINGHE
Senior Independent Non-Executive Director

Mr. Jayasinghe currently serves as a Director of Satiana Collection (Pvt) Ltd. He brings with him a wealth of experience gained across the public and private sectors, having previously served as General Manager of Maga Neguma, Chairman of the CeyNor Foundation, and Chairman of the Grand Oriental Hotel, in addition to serving as a Director of Sri Lanka Energies Ltd and Access Agencies. His earlier career includes tenure as Deputy General Manager (Marketing) at China State Construction Engineering Corporation Ltd, and as Senior Vice President – Operations at Commonwealth Union.

MR. J.S.M.D.M. ABEYRATHNA BANDARA
Independent Non-Executive Director

Mr. Dananjaya Bandara is a seasoned professional with extensive expertise in finance and auditing, holding membership with CMA (Sri Lanka) and the designation of Certified Business Accountant from CA Sri Lanka. With over twenty years of experience as Group Internal Auditor at leading diversified Sri Lankan business organizations including some listed entities, he has demonstrated exceptional skills in managing internal audits for a large multinational organization. This experience further strengthened his expertise in financial oversight and regulatory compliance. Mr. Bandara began his career as a Financial Accountant at a leading Garment Manufacturer, where he honed his foundational expertise in accounting. After 3 years, he transitioned to printing Industries, where he served for more than six years, ultimately taking on the role of Head of Finance for the group's printing segment. His vast experience across various sectors underscores his leadership, strategic financial planning, and auditing capabilities.

The foundation for our continued excellence

BUSINESS MODEL

Strategic Inputs

- Strategically located property assets
- Peliyagoda warehousing, yard and logistics complex
- Colombo 03 commercial office properties
- Long-standing tenant relationships
- Property sector expertise and market experience
- Debt-free balance sheet and prudent liquidity
- People, governance and operational discipline

Core Activities

- Property ownership, leasing and management
- Active leasing and tenant retention
- Responsive property and asset management
- Infrastructure enhancement and maintenance
- Rental optimisation and lease renewals
- Prudent treasury management
- Portfolio evaluation and disciplined capital allocation

Peliyagoda

Strategic logistics and warehousing corridor

Governance

Risk Management

Revenue Streams

- Industrial, warehousing and yard rentals
- Commercial office rentals
- Investment and interest income
- Income from hiring of infrastructure facilities and radio and television frequencies issued by the Telecommunications Regulatory Commission of Sri Lanka through People's Media Network (Pvt) Ltd

Value Delivered

- Shareholders
- Tenants
- Employees
- Suppliers and service providers
- Government and the wider economy

Long-Term Outcomes

- Stable recurring income
- High occupancy and tenant retention
- Enhanced asset quality and reliability
- Financial resilience and flexibility
- Long-term asset appreciation
- Progressive portfolio optimisation
- Sustainable long-term value creation

Enablers

- Sustainability
- Stakeholder Relationships
- Financial Discipline

Colombo 03

Established commercial office district

BUSINESS MODEL

East West Properties PLC's business model is founded on the ownership, management and optimisation of strategically located commercial real estate, supported by disciplined capital allocation and long-term stakeholder relationships. The Company's approach is centred on generating sustainable recurring income from its existing property portfolio while progressively enhancing the long-term economic value of its assets.

At the core of the business are the Company's strategically located properties in Peliyagoda and Colombo 03. The Peliyagoda complex provides warehousing, storage, yard and other commercial facilities within an important logistics corridor offering access to Colombo, the Port of Colombo and the national highway network. The Colombo 03 properties complement this portfolio through centrally located commercial office space serving corporate and professional organisations.

OUR KEY RESOURCES AND STRENGTHS

East West's ability to create value is underpinned by a combination of tangible and intangible resources.

STRATEGICALLY LOCATED PROPERTY ASSETS

The Company's property portfolio provides exposure to two distinct but complementary segments of the commercial real estate market. The strategic positioning of the Peliyagoda complex and Colombo 03 office properties represents a significant competitive advantage, particularly as accessibility, connectivity and location become increasingly important considerations for commercial occupiers.

MARKET EXPERIENCE AND PROPERTY EXPERTISE

With more than four decades of experience in Sri Lanka's property sector, East West has developed an established understanding of commercial property cycles, tenant requirements, lease structuring, asset management and the long-term value of strategically located land.

LONG-STANDING TENANT RELATIONSHIPS

The Company places emphasis on building enduring commercial relationships rather than approaching leasing as a purely transactional activity. Maintaining close engagement with tenants, understanding evolving space requirements and proactively managing leases contribute to stronger tenant retention and greater visibility over future rental income.

FINANCIAL STRENGTH AND LIQUIDITY

East West's debt-free balance sheet provides an important layer of financial resilience and strategic flexibility. It enables the Company to manage periods of market volatility while retaining the capacity to invest in existing properties, consider new opportunities and deploy capital selectively where attractive risk-adjusted returns can be achieved. Surplus liquidity is prudently managed through financial investments to generate supplementary income while preserving capital.

HOW WE CREATE VALUE

The Company creates value through a combination of property ownership, active leasing, asset management, infrastructure enhancement, rental optimisation and disciplined capital allocation.

ACTIVE LEASING AND RENTAL MANAGEMENT

Recurring rental income remains the principal source of operating revenue. This is generated primarily from the leasing of industrial, warehousing and yard facilities in Peliyagoda and commercial office properties in Colombo 03.

East West seeks to protect the quality and predictability of these revenue streams through disciplined tenant selection, appropriate lease tenures, timely renewals, tenant retention and periodic rental revisions aligned with prevailing market conditions.

PROPERTY AND ASSET MANAGEMENT

The Company regards effective property management as integral to protecting both current income and long-term asset value. Maintaining the physical quality, reliability, security and functionality of its properties contributes to tenant satisfaction and supports sustained occupancy.

The Company therefore continues to focus on responsive property management, infrastructure maintenance and improvements that enhance the operating environment for tenants and protect the underlying economic value of its properties.

OPTIMISING ASSET PRODUCTIVITY

East West increasingly assesses its property portfolio through the lens of highest and best use. Rather than viewing properties solely as sources of present rental income, management periodically evaluates their utilisation, future potential, alternative uses and the returns that may be generated through further investment, refurbishment, redevelopment or repositioning.

This more active approach to portfolio management is intended to ensure that capital remains deployed in assets capable of generating appropriate sustainable returns over the long term.

DISCIPLINED CAPITAL ALLOCATION

Capital allocation forms an important component of the Company's long-term value creation model. Management continually assesses whether existing assets are being utilised optimally relative to prevailing market conditions and alternative uses of capital.

Where appropriate, this may include the selective restructuring, repositioning or divestment of assets where such actions could unlock embedded value or enable capital to be redeployed towards opportunities offering superior long-term returns and stronger strategic alignment.

OUR REVENUE STREAMS

East West's principal revenue streams comprise:

- Industrial, warehousing and yard rentals generated from the Peliyagoda property complex;
- Commercial office rentals generated from the Company's Colombo 03 properties;
- Investment and interest income generated through the prudent management of surplus liquidity; and
- Income from the hiring of infrastructure facilities and radio and television frequencies issued by the Telecommunications Regulatory Commission of Sri Lanka through People's Media Network (Pvt) Ltd

VALUE DELIVERED TO STAKEHOLDERS

The Company's business model is designed to create value across its stakeholder ecosystem.

SHAREHOLDERS

Value is generated through recurring rental income, cost discipline, prudent treasury management, preservation and enhancement of the property portfolio and the long-term appreciation and optimisation of strategically located assets.

TENANTS

East West provides well-located, professionally managed commercial and logistics infrastructure that supports tenants' operational requirements. Responsive property management, reliable infrastructure and long-term commercial relationships strengthen the value proposition offered to occupiers.

EMPLOYEES

Employees play an important role in managing the Company's assets and stakeholder relationships. East West seeks to provide a safe and professional working environment supported by accountability, integrity and opportunities for development.

SUPPLIERS AND SERVICE PROVIDERS

The Company works with suppliers, contractors and service providers to maintain operational continuity, property quality and service standards across its portfolio.

GOVERNMENT AND THE WIDER ECONOMY

East West contributes to economic activity through employment, engagement with local suppliers and service providers, taxes and statutory payments, while its properties provide infrastructure that enables commercial activity across a range of sectors.

SUSTAINING LONG-TERM VALUE

East West's business model continues to evolve from a predominantly rental-led approach towards a broader model of active asset stewardship and disciplined capital deployment.

The Company's focus is therefore not simply on maximising short-term rental income, but on ensuring that each asset remains relevant, productive and appropriately positioned to generate sustainable value over time. By combining recurring income with active portfolio management, financial resilience and selective investment, East West seeks to progressively unlock the full economic potential of its asset base while creating enduring value for shareholders and other stakeholders.

OPERATING ENVIRONMENT

NAVIGATING A MORE STABLE BUT EVOLVING LANDSCAPE

FY 2025/26 marked a period of gradual normalisation in Sri Lanka's operating environment following several years of significant economic and financial disruption. Greater macroeconomic stability, moderating inflation and the gradual recovery of business confidence created a more predictable environment for both property owners and occupiers, improving visibility over operating costs and supporting greater stability across the Company's tenant base.

For East West Properties PLC, the improving environment provided a more constructive backdrop for the management of its commercial property portfolio. More predictable cost conditions supported better control over property-related expenditure, while improved operating conditions across the corporate sector enabled the Company to implement selected rental revisions without compromising occupancy or long-standing tenant relationships.

Nevertheless, the operating landscape continues to evolve. The economic recovery remains in transition, while changes in workplace practices, logistics requirements, tenant expectations, construction costs and sustainability considerations are reshaping the commercial property market. Against this backdrop, East West continues to place emphasis on the qualities that have historically underpinned its resilience: strategically located assets, recurring rental income, disciplined financial management and the ability to deploy capital selectively as opportunities emerge.

ECONOMIC ENVIRONMENT

The continued stabilisation of the Sri Lankan economy during the year improved confidence and visibility across the business environment. Moderating inflation helped reduce uncertainty surrounding maintenance and operating expenditure, while improving conditions among corporate tenants supported the resilience of rental income.

The Company's debt-free balance sheet provided an additional degree of protection against fluctuations in interest rates and the broader cost of capital. This financial position allows East West to assess investment and development opportunities from a position of strength, without the immediate constraints associated with excessive leverage.

As the economy transitions from crisis management towards recovery, the strategic challenge for the Company is also changing. The focus is increasingly moving beyond protecting existing operations towards determining how best to position the Company's assets and capital to benefit from the next phase of economic and property-market growth.

COMMERCIAL PROPERTY MARKET

The commercial property sector continues to be shaped by changing occupier expectations and the growing importance of asset quality, location and operational efficiency.

Location remains a critical determinant of commercial property value. For logistics and industrial occupiers, proximity to Colombo, the Port of Colombo and major transport infrastructure has a direct bearing on operational efficiency and distribution costs. In the office segment, accessibility, convenience, employee experience and corporate positioning continue to influence leasing decisions.

This reinforces the strategic relevance of East West's two core property locations. The Peliyagoda complex provides exposure to an important logistics and industrial corridor, while the Colombo 03 properties are positioned within one of the capital's most established commercial districts.

At the same time, tenants are becoming increasingly discerning. Rental rates remain important, but leasing decisions are progressively influenced by a broader range of factors including property quality, infrastructure reliability, security, accessibility, connectivity, maintenance standards and environmental performance.

For property owners, this places greater emphasis on active asset management and the continuing relevance of the buildings they own. East West's approach therefore extends beyond maintaining occupancy to ensuring that its properties remain aligned with changing tenant requirements and capable of supporting long-term value creation.

EVOLVING OFFICE MARKET

The office property market is undergoing structural change as hybrid working practices influence the amount, configuration and quality of space required by businesses.

Some organisations are consolidating their office footprint, while others are placing greater emphasis on the quality and location of the space they retain. This has increased the importance of reliable infrastructure, connectivity, security, air-conditioning, accessibility and well-maintained working environments.

Against this backdrop, East West's Colombo 03 properties continued to demonstrate resilience during FY 2025/26, maintaining 100% occupancy during the year. This reflects the continuing demand for centrally located, professionally managed office accommodation and the strength of the Company's established tenant relationships.

The changing nature of office demand also reinforces the importance of flexibility. Rather than focusing solely on the volume of space available, the Company recognises the need to ensure that its office properties remain relevant, efficient and responsive to the evolving operational requirements of tenants.

LOGISTICS AND WAREHOUSING

The logistics and warehousing segment continues to present structural opportunities as distribution networks become more organised and businesses place greater emphasis on supply-chain efficiency.

Growth in organised distribution, e-commerce and third-party logistics is increasing the strategic importance of well-located industrial and warehousing property. Efficient vehicle access, yard capacity, loading and unloading facilities, security and proximity to major transport corridors can have a direct impact on tenant operating costs and supply-chain performance.

East West's Peliyagoda property is well positioned within this environment. Its proximity to Colombo, the Port of Colombo and the country's principal road and expressway networks provides an inherent locational advantage that is difficult to replicate. The continued development of Sri Lanka's logistics ecosystem therefore presents opportunities to enhance the utilisation and long-term value of the asset.

CHANGING TENANT EXPECTATIONS

Tenant expectations are becoming increasingly sophisticated across both office and logistics property segments.

Commercial occupiers are looking beyond rental rates and placing greater importance on the overall quality and reliability of the operating environment. In the office segment, this includes connectivity, power reliability, security, accessibility, air-conditioning and building maintenance. Sustainability and energy efficiency are also becoming increasingly relevant considerations.

Logistics and warehousing tenants similarly place emphasis on accessibility, operational efficiency, security, yard capacity and the ability of premises to support efficient movement of goods.

Tenants are also seeking greater flexibility in lease structures. While some businesses value the certainty of long-term arrangements, others increasingly require shorter commitments or the ability to expand and contract their space as operating requirements evolve. East West's response is centred on maintaining close tenant relationships and understanding individual business requirements rather than treating leasing as a purely transactional activity.

During the year, the Company also continued to invest in the underlying quality of its properties, including improvements to building infrastructure such as elevator systems, supporting both reliability and the overall tenant experience.

COMPETITIVE ENVIRONMENT

Competition within East West's property portfolio differs across its two principal market segments.

Within Colombo 03, the Company competes with established commercial landlords offering office accommodation within and around Colombo's central business district. In the warehousing and logistics segment, competition arises from property owners and operators across Peliyagoda, Ja-Ela, Ekala and surrounding logistics corridors.

East West's competitive positioning is supported by five principal strengths: location, asset scarcity, experience, relationships and financial strength. Its strategically located properties, long operating history, established tenant relationships and debt-free balance sheet collectively provide a

OPERATING ENVIRONMENT

differentiated platform from which the Company can respond to evolving market opportunities.

REGULATORY AND SUSTAINABILITY ENVIRONMENT

The regulatory environment for listed companies continues to evolve, with sustainability-related reporting becoming increasingly relevant.

A significant development is the phased introduction of SLFRS S1 and SLFRS S2, which will progressively strengthen sustainability-related disclosure requirements. East West is using the transition period to develop its processes for identifying, collecting and assessing sustainability-related information.

For a property company, these requirements extend beyond reporting compliance. Climate considerations, energy efficiency, resource utilisation, building resilience and changing tenant expectations can influence both operating costs and long-term asset values. Strengthening the Company's ability to assess these factors will therefore support more informed asset-management and capital-allocation decisions.

The Company also continues to operate within the broader regulatory framework applicable to listed and property-owning entities, including the Companies Act, CSE Listing Rules, SEC requirements, tax legislation, applicable SLFRS/LKAS standards and relevant UDA and local authority requirements.

Outlook

The outlook for commercial property is becoming more constructive as economic conditions stabilise and private-sector confidence gradually strengthens. Improved business activity, infrastructure development and the continued evolution of organised distribution and logistics are expected to support demand for strategically located commercial and industrial property.

However, the market will remain selective. Construction and refurbishment costs remain elevated, office-space requirements continue to evolve, tenant expectations are increasing and competition for attractive assets may intensify as investment activity recovers.

Against this backdrop, East West will continue to pursue a disciplined approach to asset management and capital allocation. The Company's focus remains on protecting the quality of its recurring income, enhancing the productivity and relevance of its existing properties and evaluating opportunities where location, underlying economics and long-term demand provide a compelling basis for sustainable value creation.

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

FY 2025/26 was a year of operational stability, stronger financial discipline and strategic repositioning for East West Properties PLC. Against a gradually improving economic environment, the Company maintained the resilience of its core rental business, implemented selective revisions to rental rates and lease terms, strengthened cost management and preserved the financial flexibility afforded by its debt-free balance sheet.

Rather than pursuing large-scale acquisitions or development activity, management maintained a deliberate focus on improving the productivity, quality and long-term value of the existing asset base. Properties were assessed not only in terms of their present rental contribution, but also with regard to location, underlying land value, alternative uses, development potential and their capacity to generate sustainable returns over the longer term.

This approach reflects an evolution in East West's management philosophy—from primarily managing a portfolio of income-generating properties towards more active asset stewardship, disciplined capital allocation and the creation of greater value from the assets and resources already within the Group.

FINANCIAL CAPITAL

GROUP REVENUE INCREASED BY APPROXIMATELY 3% TO RS. 160.2 MILLION FROM RS. 155.5 MILLION IN THE PREVIOUS YEAR, WHILE COMPANY REVENUE INCREASED FROM RS. 118.6 MILLION TO RS. 122.4 MILLION.

FINANCIAL PERFORMANCE

FY 2025/26 saw a strengthening of financial performance alongside continued balance-sheet resilience.

Group revenue increased by approximately 3% to Rs. 160.2 million from Rs. 155.5 million in the previous year, while Company revenue increased from Rs. 118.6 million to Rs. 122.4 million.

Growth was driven primarily by selective revisions to rental rates and lease terms across the Company's warehouse and office portfolio, supported by sustained occupancy. As a number of revised agreements took effect during the year, their full annualised contribution is expected to be reflected in future periods, providing a measure of embedded growth within the existing portfolio.

Cost discipline remained a key management priority. Administrative expenses declined materially during the year as a result of tighter expenditure controls and a more systematic approach to procurement and operating expenditure.

Profitability was further supported by higher finance income and the dividend received from People's Media Network (Pvt) Ltd. The subsidiary declared a dividend of Rs. 14 per share, resulting in a net receipt of approximately Rs. 58.7 million at Company level. Group finance income increased from Rs. 54.1 million to Rs. 56.5 million, while Company finance income grew by approximately 20%, from Rs. 43.1 million to Rs. 51.6 million.

PROFITABILITY AND QUALITY OF EARNINGS

The Group reported profit attributable to equity holders of the parent of Rs. 243 million, compared with Rs. 242 million in FY 2024/25, resulting in Group earnings per share of Rs. 1.76.

At Company level, profit increased to Rs. 292.7 million from Rs. 229.8 million, while earnings per share improved from Rs. 1.66 to Rs. 2.12.

The Group result was materially influenced by the fair-value appreciation of the investment-property portfolio following the adoption of the fair-value model under LKAS 40. While this valuation uplift provides a more current representation of the economic value embedded within the portfolio, it does not represent recurring rental income or operating cash generation.

Management therefore evaluates performance from two complementary perspectives: the quality and sustainability of recurring cash earnings, and the longer-term economic value embedded within the Company's property assets. This distinction enables a more balanced assessment of both current operating performance and the underlying value of the asset base.

Prudent recognition of credit risk also remained an important aspect of financial management during the year, including provisions relating to trade and other receivables and staff loans. Such measures support the integrity and quality of the balance sheet.

BALANCE SHEET AND ASSET POSITION

A significant development during FY 2025/26 was the change in the subsequent measurement of investment properties from the cost model to the fair-value model in accordance with LKAS 40.

Comparative figures were restated retrospectively, resulting in an increase of Rs. 201 million in the carrying value of investment properties as at 31 March 2025.

As at 31 March 2026, the Company's investment properties were valued at approximately Rs. 2.76 billion and represented around 78% of total Company assets. At Group level, investment properties accounted for approximately 77% of total assets.

This concentration is reflective of the fundamental nature of East West's business, with much of its long-term value residing in strategically located property assets and the recurring income, optionality and future economic potential associated with them.

During the year, the Company also disposed of its condominium apartment at Crescat Residencies, together with the associated assets, for proceeds of Rs. 100 million. Although the transaction resulted in a book loss of approximately Rs. 4.76 million, it released capital from an asset that was not contributing meaningfully to recurring earnings. The proceeds were subsequently redeployed into short-term financial investments.

The transaction reflects management's evolving approach to capital allocation, whereby assets are assessed not simply on the basis of historical ownership, but according to their current returns, strategic relevance and potential to create future value.

LIQUIDITY AND CAPITAL ALLOCATION

East West remained debt-free throughout FY 2025/26, preserving an important source of financial flexibility.

Company-level net cash generated from operating activities increased significantly to Rs. 166.9 million, compared with an outflow of Rs. 3.9 million in the previous year. At Group level, operating cash generation strengthened to Rs. 184 million from Rs. 21.6 million.

Surplus liquidity was actively redeployed during the year. Company short-term investments increased from Rs. 140.2 million to Rs. 593.5 million, while Group short-term financial investments increased to approximately Rs. 611 million. This approach enabled the Group to retain liquidity while generating additional finance income.

Capital allocation during the year remained guided by three priorities.

PRESERVING THE QUALITY OF THE EXISTING PORTFOLIO

Capital expenditure remained deliberately modest at approximately Rs. 0.54 million, with expenditure focused on maintaining and protecting the quality of the existing investment-property portfolio rather than pursuing expansion solely to increase scale.

DEPLOYING SURPLUS CAPITAL PRODUCTIVELY

Capital released from non-core assets and other sources was redeployed into short-term financial investments, enabling available funds to generate returns while remaining readily accessible.

MAINTAINING BALANCE-SHEET STRENGTH

The Company continued to operate without interest-bearing debt, thereby limiting exposure to borrowing-cost volatility and maintaining the flexibility to respond to attractive opportunities.

Management does not regard a debt-free position as an objective in itself. Rather, the priority is to maintain a capital structure that provides East West with the flexibility to act when opportunities offer compelling risk-adjusted returns and a clear strategic rationale.

SHAREHOLDER VALUE CREATION

Improved performance during the year translated into stronger shareholder value indicators.

At Company level, net asset value per share increased from Rs. 22.16 to Rs. 24.28, while total equity increased by approximately Rs. 293.4 million to Rs. 3.36 billion without any new capital issuance. Revenue reserves increased from Rs. 1.77 billion to approximately Rs. 2.14 billion.

At Group level, net asset value per share increased from Rs. 22.57 to Rs. 24.26, while equity attributable to shareholders of the parent increased by approximately Rs. 233.7 million.

These improvements support management's broader objective of enhancing not merely revenue or accounting profitability, but the intrinsic value of the capital entrusted to East West.

MANUFACTURED CAPITAL

THE COMPANY MAINTAINED STRONG OCCUPANCY ACROSS ITS PROPERTY PORTFOLIO DURING THE YEAR, SUPPORTED BY PROACTIVE LEASE-RENEWAL DISCUSSIONS AND CONTINUED ENGAGEMENT WITH TENANTS.

OUR PROPERTY PORTFOLIO

East West's property portfolio comprises strategically located land, warehouses and commercial office buildings concentrated within two important commercial and logistics locations.

The Peliyagoda portfolio comprises multiple warehouse facilities, including four warehouse buildings situated on leasehold land held from the Urban Development Authority under a 99-year lease.

The Company also owns two office properties on Dharmapala Mawatha, Colombo 03: Marine House, a six-storey office building, and a four-storey office building located at No. 51A, Dharmapala Mawatha.

As at 31 March 2026, the investment-property portfolio was valued at approximately Rs. 2.76 billion.

The strategic significance of the portfolio extends beyond its current rental contribution. Its value is also underpinned by location, underlying land value, established tenant relationships and the potential for alternative uses and value-enhancing initiatives over time.

OCCUPANCY AND ASSET UTILISATION

The Company maintained strong occupancy across its property portfolio during the year, supported by proactive lease-renewal discussions and continued engagement with tenants.

Revenue from investment properties increased from Rs. 118.6 million to Rs. 122.4 million, reflecting stable-to-improving utilisation together with the impact of rental revisions.

Management is increasingly evaluating asset utilisation through the broader lens of productivity rather than occupancy alone. While maintaining strong occupancy remains important, a fully occupied property may not necessarily represent optimal utilisation where rental yields, configuration, development potential or alternative uses indicate opportunities to generate greater long-term value.

This approach allows management to consider how each asset can make its strongest possible contribution to the portfolio over time.

PRESERVING AND ENHANCING ASSET VALUE

During the year, elevator upgrades were completed at the Peliyagoda warehouse complex, while maintenance and upgrading works continued across the Dharmapala Mawatha office properties. Supporting utility infrastructure, including electricity backup and water systems, was also maintained to ensure reliable operations for tenants.

The Company continues to shift towards a more preventive approach to property management. Regular maintenance, early identification of structural and operational requirements, tenant engagement, infrastructure upgrades, appropriate insurance coverage and physical and operational security form part of a coordinated approach to protecting asset quality and long-term value.

Independent professional valuations provide an additional mechanism through which management and the Board assess the underlying value of the portfolio and support informed asset-management decisions.

ACTIVE ASSET MANAGEMENT

Management continued to deepen its assessment of the performance, configuration and longer-term economic potential of the Company's properties during FY 2025/26.

Increasingly, properties are evaluated on the basis of their highest and best use, taking into account:

- current occupancy and rental yield;
- long-term cash-flow potential;
- capital investment requirements;
- refurbishment or repositioning opportunities;
- development potential;
- alternative uses; and
- the opportunity cost of capital committed to individual assets.

The objective is to ensure that each property makes an appropriate contribution to long-term shareholder value rather than remaining within the portfolio purely on the basis of historical ownership.

HUMAN CAPITAL

THE MANAGEMENT RECOGNISES THE PARTICULAR IMPORTANCE OF PRACTICAL, WORKPLACE-BASED LEARNING WITHIN A PROPERTY-MANAGEMENT BUSINESS, WHERE TECHNICAL KNOWLEDGE, RESPONSIVENESS AND FAMILIARITY WITH INDIVIDUAL ASSETS DIRECTLY INFLUENCE THE QUALITY OF SERVICE PROVIDED TO TENANTS.

East West's people play an important role in maintaining tenant relationships, managing properties effectively and supporting operational continuity.

During FY 2025/26, priorities centred on retaining experienced employees, maintaining competitive and equitable remuneration, safeguarding employee welfare and strengthening practical capabilities through workplace-based learning.

EMPLOYEE WELFARE AND RETENTION

The Company maintains defined-benefit gratuity provisions in accordance with LKAS 19, together with life insurance and other employee welfare measures.

During the year, employees received a festival allowance in addition to annual bonuses, while assistance was also extended to employees affected by natural disasters.

These measures form part of the Company's broader commitment to employee security and wellbeing while supporting continuity during a period of organisational transition.

BUILDING CAPABILITY

Management recognises the particular importance of practical, workplace-based learning within a property-management business, where technical knowledge, responsiveness and familiarity with individual assets directly influence the quality of service provided to tenants.

During the year, the Company expanded its structured On-the-Job Training framework, with emphasis on:

- communication;
- problem-solving;
- technical competencies;
- safety; and
- operational standards.

The focus extends beyond the completion of training hours to building employees who are able to assume greater ownership of their responsibilities, exercise sound judgement and respond effectively to tenant and operational requirements.

ORGANISATIONAL TRANSITION

The Company underwent a period of organisational transition following changes in ownership, Board leadership and management. This resulted in some employee departures and required certain employees to assume broader responsibilities while replacement appointments were made.

Management's priority throughout this period was to maintain operational continuity while progressively rebuilding the organisation around clearer responsibilities, stronger accountability and more clearly defined objectives.

INTELLECTUAL CAPITAL

TECHNOLOGY ADOPTION IS APPROACHED ON THE BASIS OF PRACTICAL VALUE RATHER THAN AS AN END IN ITSELF, WITH INVESTMENT DIRECTED TOWARDS SOLUTIONS CAPABLE OF IMPROVING VISIBILITY, REDUCING INEFFICIENCIES AND ENHANCING THE QUALITY OF DECISION-MAKING.

East West's intellectual capital is derived from a combination of four decades of institutional property knowledge, management capability, governance systems and increasingly structured operating processes.

The Company's longstanding experience in managing the Peliyagoda warehousing portfolio and Colombo 03 commercial properties has created accumulated institutional knowledge that cannot readily be replicated.

At the same time, changes in management during the year introduced additional strategic and transactional capabilities. The combination of established institutional knowledge and new perspectives provides an important platform for the Company's next phase of development.

SYSTEMS AND PROCESSES

Management continued to strengthen operational and financial processes during the year, including those relating to:

- treasury management;
- receivables monitoring;
- tenant onboarding;
- security-deposit administration;
- procurement;
- preventive maintenance; and
- internal controls.

A more structured procurement framework was introduced, incorporating defined approval thresholds and documented validation procedures for maintenance and operating expenditure. This has enhanced accountability, budgetary discipline and transparency.

The link between property managers and senior management was also strengthened, enabling portfolio-level decisions to incorporate the practical insights of employees who are closest to tenants and day-to-day property operations.

TECHNOLOGY

Technology continues to support the Company's financial and operational processes through cloud-based accounting systems and digital property-management capabilities, where appropriate.

The Company is also exploring the increased application of technology in areas such as property security, energy monitoring and building management.

Technology adoption is approached on the basis of practical value rather than as an end in itself, with investment directed towards solutions capable of improving visibility, reducing inefficiencies and enhancing the quality of decision-making.

GOVERNANCE AND INTERNAL CONTROL

East West operates within a governance framework designed to promote appropriate oversight, accountability and independence in decision-making.

MANAGEMENT DISCUSSION & ANALYSIS

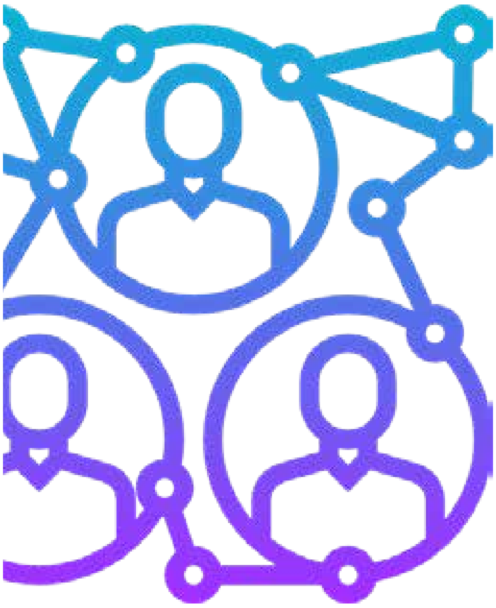
As at 31 March 2026, the Board comprised six Directors: one Executive Managing Director, four Independent Non-Executive Directors and one Non-Independent Non-Executive Chairman.

The Board is supported by four committees:

- Audit Committee;
- Remuneration Committee;
- Related Party Transactions Review Committee; and
- Nomination & Governance Committee.

The governance framework assumed particular importance during a year of organisational transition. Strengthening the Board and its committees has reinforced the distinction between oversight and management while providing a more robust platform for reviewing and challenging strategic decisions.

Internal controls extend across financial reporting, expenditure approvals, asset protection, risk management and compliance. The Company's financial statements for FY 2025/26 were independently audited by BDO Partners.



SOCIAL AND RELATIONSHIP CAPITAL

THE COMPANY SEEKS TO BUILD ENDURING BUSINESS RELATIONSHIPS WITH ITS TENANTS RATHER THAN VIEWING THEM SOLELY AS SOURCES OF RENTAL INCOME. THIS RELATIONSHIP LED APPROACH CONTRIBUTES TO OCCUPANCY, TENANT RETENTION AND THE RESILIENCE OF RECURRING EARNINGS.

East West's relationships with tenants, shareholders, regulators, suppliers and business partners are an important contributor to the Company's ability to create and preserve value over the long term.

TENANTS

Long-term tenant relationships remain central to the Company's recurring-income model.

Management engages proactively with tenants ahead of lease expiries, maintains properties to appropriate standards and responds to operational requirements as they arise.

The Company seeks to build enduring business relationships with its tenants rather than viewing them solely as sources of rental income. This relationship-led approach contributes to occupancy, tenant retention and the resilience of recurring earnings.

SHAREHOLDERS

East West maintains regular communication with shareholders through quarterly financial reporting, the Annual Report and the Annual General Meeting.

The 44th Annual General Meeting was conducted using audio-visual technology, supporting greater accessibility and shareholder participation.

REGULATORS, SUPPLIERS AND BUSINESS PARTNERS

The Company maintains ongoing engagement with regulatory authorities and remains committed to timely statutory filings, payments and disclosures.

Relationships with suppliers and contractors are managed through agreed contractual terms, defined service standards and periodic performance reviews.

These relationships support operational continuity, regulatory compliance and the reliable maintenance of the Company's property portfolio.

NATURAL CAPITAL

THE COMPANY WILL CONTINUE TO PROTECT AND GROW RECURRING RENTAL INCOME THROUGH SUSTAINED OCCUPANCY, SELECTIVE RENTAL OPTIMISATION, PROACTIVE LEASE MANAGEMENT AND STRONGER TENANT RELATIONSHIPS.

East West's direct environmental footprint is relatively modest when compared with manufacturing or industrial businesses. Nevertheless, the operation of warehouses and commercial office properties requires electricity, water and other resources associated with property maintenance and therefore carries environmental responsibilities.

The Company's approach is centred on responsible resource utilisation and the prevention of adverse environmental impacts.

During FY 2025/26:

- no environmental incidents were recorded;
- the Company reported no activities that caused, or were likely to cause, material detriment to the environment; and
- general waste generated through office and warehouse operations continued to be managed in accordance with applicable municipal requirements.

Looking ahead, management intends to establish more systematic environmental baselines, particularly for energy and water consumption, as part of the Company's preparations for SLFRS S1 and SLFRS S2.

Improved baseline information will provide a stronger basis for identifying opportunities to enhance resource efficiency and, where economically appropriate, reduce the environmental footprint of the property portfolio.

Sustainability considerations are therefore expected to become increasingly integrated into the wider asset-management and capital-allocation process rather than being addressed solely as a compliance requirement.

OUTLOOK AND PRIORITIES FOR FY 2026/27

Management enters FY 2026/27 with a clear focus on strengthening the quality of recurring earnings, improving asset productivity and preserving the financial flexibility required to pursue future opportunities selectively.

STRENGTHEN RECURRING EARNINGS

The Company will continue to protect and grow recurring rental income through sustained occupancy, selective rental optimisation, proactive lease management and stronger tenant relationships.

The objective will be to improve the quality and durability of the income generated from the existing property portfolio while maintaining mutually beneficial relationships with tenants.

ENHANCE ASSET PRODUCTIVITY

Management will continue evaluating each property in relation to its condition, utilisation, income-generating potential, investment requirements and highest and best use.

The emphasis will increasingly be on extracting greater economic value from the existing portfolio rather than judging asset performance solely by reference to occupancy.

OPTIMISE TREASURY MANAGEMENT

Surplus liquidity will continue to be deployed prudently, balancing returns with the need to retain appropriate financial flexibility.

Management recognises that a declining interest-rate environment may moderate the contribution generated by fixed deposits and other short-term financial investments. This reinforces the importance of strengthening the underlying earnings capacity of the property portfolio.

MAINTAIN FINANCIAL FLEXIBILITY

East West intends to preserve the balance-sheet strength and liquidity necessary to respond selectively to opportunities from a position of financial strength rather than necessity.

The Company will remain disciplined in the deployment of capital, with investment decisions assessed against expected returns, strategic fit and associated risk.

EVALUATE STRATEGIC OPPORTUNITIES

Management does not view growth solely through the acquisition of additional properties.

The Company's existing portfolio, financial resources and organisational capabilities provide a platform from which East West can evaluate a broader range of opportunities, including:
alternative uses of existing assets;

- new asset classes;
- adjacent businesses; and
- opportunities capable of generating superior risk-adjusted returns.

Management will remain selective. Potential opportunities will be assessed on the basis of strategic alignment, underlying economics, capital requirements and risk before resources are committed.

STRENGTHEN SUSTAINABILITY REPORTING

The Company will continue to strengthen sustainability-related data collection and reporting capabilities in preparation for SLFRS S1 and SLFRS S2.

Greater attention will be directed towards environmental baselines, asset resilience and the longer-term sustainability of the property portfolio, supporting the progressive integration of sustainability considerations into strategic and capital-allocation decisions.

MANAGEMENT'S PERSPECTIVE

Management remains cautiously optimistic about FY 2026/27.

Sri Lanka's continued economic stabilisation and improving business confidence provide a more constructive environment for commercial activity, while the Company's core rental business is expected to remain resilient through sustained occupancy, disciplined lease management and measured rental optimisation.

At the same time, a declining interest-rate environment may moderate returns from short-term financial investments. Against this backdrop, improving the productivity and earnings capacity of the underlying property portfolio will assume greater importance.

The next phase of East West will therefore extend beyond protecting the business that exists today. It will involve determining how the Company's assets, capital, relationships and capabilities can be deployed more effectively to create sustainable value over time.

The objective remains clear: to build a stronger and more valuable East West through disciplined asset stewardship, sound capital allocation and considered decisions about where and how the Company deploys its resources.

OUR ESG APPROACH

INTEGRATING SUSTAINABILITY INTO LONG-TERM VALUE CREATION

At East West Properties PLC, sustainability is increasingly viewed as an integral component of responsible asset management and long-term value creation. For a property company, environmental, social and governance considerations are closely linked to the resilience, relevance and competitiveness of the assets it owns and manages.

The Company's approach therefore extends beyond compliance. Sustainability considerations are progressively being incorporated into the way East West evaluates its properties, engages with stakeholders, manages resources and assesses future investment opportunities.

Buildings that are energy-efficient, well maintained, safe and adaptable are more likely to remain attractive to tenants and resilient in value over time. Conversely, assets that fail to respond to evolving environmental standards, regulatory requirements or occupier expectations may face increasing economic and operational pressures.

Against this backdrop, East West is working towards a more structured ESG framework that supports better decision-making, protects asset quality and strengthens the Company's long-term resilience.

SUSTAINABILITY PHILOSOPHY

East West's sustainability philosophy is founded on the principle that responsible business practices and long-term commercial value are mutually reinforcing.

The Company does not regard sustainability as a standalone initiative disconnected from core operations. Instead, environmental efficiency, tenant wellbeing, employee welfare, stakeholder relationships, governance, risk management and financial discipline are increasingly considered as part of the broader process of protecting and enhancing asset value.

This approach reflects the nature of East West's business. The long-term performance of commercial property depends not only on location and rental income, but also on the quality, reliability and adaptability of the assets themselves.

Accordingly, the Company's approach is centred on three broad priorities:

- Responsible Management of Assets and Resources
- Strong Relationships with People and Stakeholders
- Sound Governance and Accountability

Together, these priorities provide the foundation for the Company's evolving ESG approach.

Environmental Responsibility

East West recognises that the environmental performance of commercial property will become increasingly relevant to operating efficiency, tenant expectations and long-term asset competitiveness.

The Company's environmental focus is therefore centred on the responsible management of resources associated with its properties, including energy, water and other operational inputs, together with maintaining and improving the efficiency and longevity of the physical asset base.

Particular attention is progressively being directed towards:
- energy and resource efficiency;
- responsible property maintenance;
- building resilience;
- efficient utilisation of infrastructure;
- monitoring environmental performance; and
- understanding sustainability-related risks and opportunities that may affect asset values.

This approach is closely linked to the Company's wider asset-management philosophy. Improvements that enhance the efficiency, reliability and lifespan of a property can contribute both to environmental performance and to long-term economic value.

East West therefore intends to integrate environmental considerations increasingly into maintenance planning, refurbishment decisions, property upgrades and future capital-allocation assessments.

Social Responsibility

The social dimension of East West's ESG approach is centred on the relationships that support the Company's operations and long-term value creation.

The Company's key stakeholder groups include employees, tenants, suppliers and service providers, shareholders, regulators and the wider communities connected to its operations.

For employees, East West seeks to maintain a safe and professional working environment founded on accountability, integrity and clear communication.

For tenants, the Company's responsibility extends beyond providing physical space. East West places importance on maintaining reliable and secure commercial environments, responding to changing operational requirements and building long-term relationships that contribute to tenant retention and business continuity.

The Company also recognises the role played by suppliers, contractors and service providers in maintaining asset quality and operational continuity, and seeks to maintain constructive and responsible relationships across this network.

The information provided by management further highlights the importance placed on a safe and professional environment for employees, tenants and visitors, together with maintaining strong relationships with communities and service providers connected to the Company's properties.

Governance and Accountability

Strong governance remains fundamental to East West's approach to sustainable value creation.

FY 2025/26 represented an important period in the evolution of the Company's governance framework, following changes in Board leadership and composition. The Board and its principal committees were reconstituted to strengthen oversight, accountability and alignment with the regulatory responsibilities applicable to a listed company.

The Board continued to exercise oversight over financial performance, occupancy, rental income, expenditure, cash flows and other key operating indicators, while internal control and approval mechanisms were reviewed and strengthened.

The Company's governance priorities are centred on:
- clear accountability;
- effective Board and committee oversight;
- financial discipline;
- robust internal controls;
- regulatory compliance;
- safeguarding of assets; and
- timely and reliable information for decision-making.

East West regards these elements not simply as governance requirements, but as essential safeguards for the preservation of shareholder value and long-term organisational resilience.

Preparing for SLFRS S1 and SLFRS S2

One of the most significant sustainability-related developments during the year was the Company's preparation for the emerging disclosure requirements under SLFRS S1 and SLFRS S2.

East West is using the transition period to strengthen the processes required to identify, collect and assess sustainability-related information. This is expected to improve the Company's ability to recognise sustainability-related risks and opportunities and progressively integrate them into strategic and operational decision-making.

OUR ESG APPROACH

The Company views this transition as extending beyond reporting compliance.

For a property business, factors such as climate, energy efficiency, resource utilisation, building resilience and changing tenant expectations can ultimately influence:

- operating costs;
- tenant demand;
- capital expenditure requirements;
- regulatory exposure; and
- long-term asset values.

Developing a more structured understanding of these factors will therefore support more informed asset-management and capital-allocation decisions.

ESG and Asset Resilience

East West's evolving ESG approach is closely connected to its broader objective of protecting and enhancing the long-term economic value of its property portfolio.

A commercial property must remain relevant to the changing requirements of its users if it is to generate sustainable value over time.

This means that considerations such as infrastructure reliability, safety, adaptability, resource efficiency, maintenance standards and tenant expectations will increasingly influence the Company's assessment of individual properties.

As East West moves towards a more active asset-management model, ESG considerations will progressively form part of the evaluation of:

- refurbishment and infrastructure upgrades;
- redevelopment and repositioning opportunities;
- maintenance priorities;
- tenant requirements;
- capital expenditure; and
- long-term asset competitiveness.

This enables sustainability to be considered within the same decision-making framework as occupancy, rental yield, operating cost, asset quality and return on capital.

Stakeholder Engagement

The Company recognises that meaningful stakeholder engagement is an important source of information and insight.

During the year, management maintained regular engagement with tenants through meetings, property visits, operational correspondence and lease-renewal discussions. These interactions help the Company understand changing tenant requirements, respond to concerns and identify opportunities to strengthen commercial relationships.

Employees were engaged through management interaction, training, performance discussions and internal communication, particularly during the period of leadership transition.

The Company also maintained relationships with suppliers, contractors, service providers, regulators and statutory authorities, while shareholders continued to receive information through the Annual General Meeting, financial statements, annual reporting and other statutory communications.

East West regards stakeholder engagement not merely as a reporting requirement, but as a means of supporting better long-term decision-making.

KEY ESG PRIORITIES

As the Company's sustainability framework continues to evolve, East West's principal ESG priorities include:

Environmental

- improving the understanding and management of energy and resource use;
- maintaining the efficiency and longevity of physical assets;
- strengthening building resilience;
- considering environmental factors in maintenance and capital investment decisions; and
- progressively improving sustainability-related data collection.

Social

- maintaining a safe and professional environment for employees, tenants and visitors;
- strengthening employee engagement and accountability;
- building enduring tenant relationships;
- maintaining responsible supplier and service-provider relationships; and
- supporting the wider economic activity generated through the Company's properties.

Governance

- maintaining effective Board and committee oversight;
- strengthening internal controls and accountability;
- ensuring regulatory and statutory compliance;
- integrating sustainability-related risks into governance processes; and
- preparing for the implementation of SLFRS S1 and SLFRS S2.

Looking Ahead

East West's ESG journey remains at an evolving stage, with the Company progressively strengthening its ability to identify, assess and manage sustainability-related matters.

The immediate priority is to establish stronger processes for the collection and monitoring of relevant information while ensuring that ESG considerations are increasingly incorporated into property management, risk oversight, capital allocation and long-term strategic planning.

The Company's objective is not to treat ESG as a parallel reporting exercise, but to embed sustainability more meaningfully within the way East West manages its assets and makes decisions.

By doing so, the Company seeks to strengthen resilience, preserve the competitiveness of its properties and support the creation of sustainable long-term value for shareholders and other stakeholders.

ESG Priorities at a Glance

East West Properties PLC's ESG priorities are closely aligned with its long-term approach to asset stewardship, stakeholder relationships and responsible governance.

The Company is progressively strengthening the way environmental, social and governance considerations are incorporated into property management, risk oversight, capital allocation and strategic decision-making.

This would be presented as a visual six-pillar page rather than a long narrative article.

ESG PRIORITY	OUR FOCUS
Resource Efficiency	Strengthening the monitoring and responsible management of energy, water and other resources across the property portfolio
Asset Resilience	Maintaining reliable, adaptable and well-managed properties capable of responding to evolving tenant and environmental expectations
People and Workplace	Supporting a safe and professional work environment, employee accountability, communication and capability development
Tenant and Stakeholder Relationships	Maintaining close engagement with tenants and other stakeholders to understand evolving expectations and support long-term relationships
Governance and Risk Oversight	Strengthening Board oversight, internal controls, accountability, regulatory compliance and disciplined decision-making
Sustainability Reporting Readiness	Preparing for SLFRS S1 and SLFRS S2 and developing stronger processes for sustainability-related data collection and assessment

The Company's evolving ESG approach reflects the view that environmental efficiency, social responsibility and strong governance are increasingly relevant to both operational resilience and long-term asset value.

Key Priorities Going Forward

Environmental

- improve the quality and consistency of environmental data;
- strengthen energy and resource monitoring;
- incorporate sustainability considerations into maintenance and capital expenditure;
- protect asset resilience and longevity.

Social

- maintain safe and professional workplaces;
- strengthen employee capability and accountability;
- preserve long-term tenant relationships;
- support responsible relationships with suppliers and service providers.

Governance

- maintain more effective Board and committee oversight;
- strengthen internal controls and regulatory compliance;
- integrate sustainability-related risks into governance processes;
- continue preparations for SLFRS S1 and SLFRS S2.

Moving from Commitment to Measurement

The next stage in East West's ESG journey will be to strengthen measurable performance information.

As environmental, employee and community-related data becomes more consistently available, the Company will be better positioned to establish baselines, monitor trends and provide more quantitative disclosure on sustainability performance.

This progression will support both the Company's evolving reporting obligations and its wider objective of integrating ESG considerations more meaningfully into long-term business and asset-management decisions.

GOVERNANCE AT A GLANCE

Strong corporate governance is fundamental to the way East West Properties PLC safeguards stakeholder interests, manages risk and supports sustainable long-term value creation.

During FY 2025/26, the Company continued to strengthen its governance framework in response to changes in Board leadership and composition, evolving regulatory expectations and the need to maintain clear accountability during a period of organisational transition.

The Board and its principal committees were reconstituted during the year, reinforcing the oversight framework within which management operates. Internal controls, approval mechanisms and reporting processes also continued to receive attention, supporting disciplined, transparent and accountable decision-making across the organisation.

Governance at East West is therefore viewed not simply as a compliance requirement, but as an important enabler of financial discipline, operational resilience, responsible capital allocation and long-term value creation.

GOVERNANCE FRAMEWORK

The Board of Directors retains overall responsibility for the strategic direction, governance and stewardship of the Company.

Its responsibilities include oversight of financial performance, risk management, internal controls, regulatory compliance, capital allocation, major investment and asset-management decisions and the effectiveness of management and organisational structures.

Management is responsible for executing the Company's strategy and overseeing day-to-day operations within the governance framework established by the Board. This separation between oversight and execution supports clear accountability while allowing management sufficient flexibility to respond effectively to operational requirements and emerging opportunities.

Governance Structure

The Company's governance framework is supported by the Board and its principal committees, each of which provides focused oversight within defined areas of responsibility.

GOVERNANCE AREA	OVERSIGHT / RESPONSIBILITY	FY 2025/26 FOCUS
Board of Directors	Overall strategic direction, governance and stewardship	Financial performance, capital allocation, risk oversight and organisational transition
Audit Committee	Financial reporting, internal controls and risk oversight	Strengthening controls, monitoring financial integrity and key risk exposures
Remuneration Committee	Remuneration-related oversight	Supporting appropriate and responsible remuneration practices
Related Party Transactions Review Committee	Review and oversight of related party transactions	Supporting transparency and compliance with applicable requirements
Nomination & Governance Committee	Board composition and governance matters	Supporting the reconstitution and strengthening of governance structures
Management	Execution of strategy and day-to-day operations	Operational continuity, asset management, cost discipline and tenant relationships

The Board and its principal committees were reconstituted during the year as part of the broader strengthening of the Company's governance structure.

Detailed disclosures relating to committee composition, attendance, activities and responsibilities are presented separately within the respective Governance Reports.

BOARD OVERSIGHT

The Board maintained close oversight over the Company's operational and financial performance throughout FY 2025/26.

Particular attention was directed towards the quality of recurring earnings, occupancy, rental yields, tenant retention, administrative expenditure, cash flows and internal controls.

From an operating perspective, the Board's approach is not to pursue rental increases in isolation, but to optimise the balance between market-aligned rentals, high occupancy and sustainable long-term tenant relationships. Financial discipline was similarly emphasised through close oversight of expenditure, liquidity and the prudent management of surplus funds.

These areas of focus reflect the Board's wider responsibility to protect the strength of the existing business while ensuring that East West retains the financial, organisational and governance capacity required to pursue future opportunities.

Internal Controls and Accountability

A sound internal-control environment is central to protecting the Company's assets, ensuring reliable financial reporting and supporting disciplined decision-making.

During FY 2025/26, East West continued to strengthen internal controls and approval mechanisms, with particular attention given to expenditure management, cash flows, financial oversight and operational accountability.

The Company's control environment is designed to ensure that:

- responsibilities and approval authorities are clearly defined;
- significant transactions receive appropriate review;
- expenditure is subject to disciplined oversight;
- financial and operational information is reviewed on a timely basis;
- key risks are identified and escalated appropriately; and
- Company assets and stakeholder interests are adequately safeguarded.

These mechanisms are supported by Board and committee oversight and will continue to evolve alongside the Company's operations and strategic priorities.

ETHICS AND COMPLIANCE

East West is committed to conducting its business in accordance with applicable laws, regulations and accepted standards of corporate conduct.

The Company operates within a regulatory framework that includes the Companies Act, CSE Listing Rules, SEC requirements, applicable SLFRS/LKAS financial reporting standards, tax legislation, property-related regulations and requirements imposed by the UDA and relevant local authorities.
Compliance is supported through internal controls, management responsibility and Board oversight.

The Company's broader governance philosophy is centred on accountability, integrity, transparency and responsible stewardship of the assets and capital entrusted to it.

Governance and Risk Management

Risk management is closely integrated into the Company's governance framework.

The Board retains ultimate responsibility for risk oversight, supported by the Audit Committee, management and the Company's internal-control processes.

Key areas monitored include economic and market conditions, tenant performance, occupancy, credit risk, liquidity, property maintenance, regulatory compliance and emerging sustainability-related matters.

This integration of governance and risk oversight supports more informed decision-making and helps ensure that opportunities are evaluated within clearly understood risk parameters.

Sustainability Governance

Sustainability is becoming increasingly relevant to the Company's governance and decision-making processes.

During the year, East West commenced preparations for the emerging reporting requirements under SLFRS S1 and SLFRS S2. This process is expected to strengthen the Company's ability to identify, assess and monitor sustainability-related risks and opportunities that

GOVERNANCE AT A GLANCE

may influence asset performance, operating costs and long-term value.

Over time, the Company intends to integrate sustainability considerations more systematically into governance, risk management, asset management and capital-allocation decisions.

FY 2025/26 Governance Priorities

The Company's governance priorities during the year were centred on six areas:

- Effective Board Oversight – ensuring that strategic, financial and operational decisions receive appropriate scrutiny and direction.
- Strong Internal Controls – maintaining appropriate approval mechanisms, financial controls and operational safeguards.
- Clear Accountability – defining responsibilities across the Board, committees and management to support timely and effective decision-making.
- Regulatory Compliance – maintaining compliance with applicable statutory, listing, financial-reporting and property-related requirements.
- Risk Oversight – ensuring that material financial, operational, strategic and emerging risks are identified and managed appropriately.
- Responsible Capital Stewardship – ensuring that capital is deployed in a disciplined manner consistent with long-term shareholder interests.

Looking Ahead

East West will continue to strengthen its governance framework as the Company evolves towards a more active approach to asset management and capital allocation.

As the strategic opportunity set broadens, effective governance will become increasingly important in ensuring that new investments, redevelopment opportunities and alternative uses of existing assets are assessed with appropriate discipline.

The Company will also continue to enhance its governance processes in response to evolving regulatory and sustainability-related requirements, including the phased implementation of SLFRS S1 and SLFRS S2.

Through strong Board oversight, clear accountability, disciplined controls and responsible stewardship, East West remains focused on maintaining a governance framework capable of supporting both the resilience of its existing business and its long-term growth ambitions.

OUR PEOPLE

East West Properties PLC recognises that the effectiveness of its operations depends not only on the quality of its assets, but also on the people responsible for managing those assets, maintaining stakeholder relationships and supporting the day-to-day functioning of the business.

FY 2025/26 was a particularly important year from a people perspective, as the Company navigated changes in leadership and organisational structure while maintaining operational continuity. Employees played a central role in ensuring that property management, tenant engagement, administrative functions and internal processes continued without disruption during this period of transition.

The Company's approach to people management is therefore centred on maintaining a professional working environment, strengthening accountability, supporting communication and ensuring that employees have the clarity and capability required to contribute effectively to the organisation's objectives.

Managing Through Transition

The organisational changes experienced during the year required a high degree of adaptability across the business.

Management placed emphasis on continuity, internal communication and clearer responsibility structures to ensure that changes in leadership did not affect the quality of service provided to tenants or the reliability of internal operations.

Regular management interaction and ongoing communication supported employees through this period, while performance discussions and role-specific engagement helped reinforce expectations and accountability.

This focus on continuity was particularly important given the Company's relationship-led business model, where the quality of engagement with tenants, suppliers and service providers directly influences operational stability and long-term value creation.

Employee Engagement and Development

East West recognises the importance of maintaining an engaged workforce with the knowledge and capabilities required to support the Company's evolving strategic direction.

During the year, employees were engaged through management interaction, training, performance discussions and internal communication. These mechanisms provide opportunities to clarify responsibilities, strengthen capability and ensure greater alignment between individual roles and organisational priorities.

As the Company moves towards a more active approach to asset management and capital allocation, employee capability will become increasingly important. Property management, financial discipline, tenant engagement, compliance and the assessment of new opportunities all require sound judgement, clear accountability and appropriate technical understanding.

The Company therefore intends to continue strengthening employee capability in line with the evolving requirements of the business.

Performance and Accountability

Clear accountability forms an important part of the Company's people-management philosophy.

East West seeks to maintain an organisational culture in which responsibilities are understood, performance expectations are communicated and employees are accountable for the quality and timeliness of their work.

This approach is supported through management oversight, performance discussions and the continued strengthening of internal processes and approval mechanisms.

The objective is to ensure that employees are empowered to carry out their responsibilities effectively while operating within a clear governance and control framework.

OUR PEOPLE

HEALTH, SAFETY AND WELLBEING

East West is committed to maintaining a safe and professional environment for employees, tenants, visitors and others interacting with the Company's properties.

For a property business, health and safety considerations extend beyond the workplace itself and include the physical condition, accessibility, maintenance and reliability of the buildings and infrastructure under management.

The Company therefore regards property maintenance, infrastructure reliability and safe operating practices as important components of both employee wellbeing and responsible asset management. Management information provided for FY 2025/26 also highlights the importance placed on maintaining a safe and professional environment across the Company's operations.

Culture and Values

The Company's people approach is underpinned by the principles of integrity, accountability, professionalism and responsible conduct.

These principles support the wider governance framework and are particularly important in areas such as tenant relationships, financial management, regulatory compliance and asset stewardship.

As East West continues to evolve, management intends to reinforce a culture in which employees understand not only their operational responsibilities but also the broader importance of protecting the Company's reputation, assets and stakeholder relationships.

Employee Profile

The employee profile below provides an overview of the Company's workforce composition, training and workplace indicators for FY 2025/26, together with comparative information for FY 2024/25.

INDICATOR	FY 2025/26	FY 2024/25
Total Employees	08	12
Male Employees	07	09
Female Employees	01	03
Training Hours	210	170

People Priorities

Going forward, the Company's people priorities will centre on:

- strengthening role clarity and accountability;
- maintaining effective internal communication;
- supporting employee capability and development;
- reinforcing a professional and ethical organisational culture;
- maintaining safe and well-managed working environments; and
- aligning employee responsibilities more closely with the Company's evolving strategic and governance requirements.

Looking Ahead

As East West enters its next phase of development, its people will continue to play an important role in translating strategy into execution.

The Company's move towards more active asset management, stronger sustainability oversight and disciplined capital allocation will require employees to work with greater analytical focus, accountability and cross-functional coordination.

East West will therefore continue to strengthen its people-management practices in a manner that supports operational continuity, professional development and a culture of responsible performance.

By investing in capability, communication and accountability, the Company seeks to ensure that its workforce remains equipped to support both the resilience of the existing business and the creation of sustainable long-term value.

ENVIRONMENTAL PERFORMANCE

East West Properties PLC recognises that the environmental performance of its properties is increasingly relevant to operating efficiency, tenant expectations and long-term asset competitiveness.

For a property company, environmental responsibility is closely connected to the way buildings are maintained, how efficiently resources are used and how effectively assets are positioned to respond to changing regulatory and market expectations. East West therefore approaches environmental performance as an extension of responsible asset management rather than as a standalone initiative.

The Company's current focus is centred on improving resource efficiency, maintaining the longevity and resilience of its properties and progressively strengthening the systems required to monitor environmental performance.

RESOURCE EFFICIENCY

The efficient use of energy, water and other resources is becoming an increasingly important consideration in the management of commercial property.

East West recognises that improved resource efficiency can contribute to lower operating costs, better building performance and greater tenant satisfaction while supporting the long-term value of the underlying asset base.

Accordingly, the Company's environmental approach includes attention to:

- energy efficiency;
- responsible water use;
- efficient utilisation of building infrastructure;
- resource-conscious maintenance practices; and
- the progressive monitoring of environmental performance.

These considerations are expected to become increasingly embedded within property-management and capital-expenditure decisions as the Company strengthens its sustainability framework.

Responsible Property Maintenance

Effective maintenance is central to both environmental performance and asset longevity.

Well-maintained properties are more likely to operate efficiently, remain reliable for tenants and avoid the environmental and financial costs associated with premature deterioration or major unplanned repairs.

East West therefore seeks to balance cost discipline with the need to maintain the functionality and quality of its buildings and related infrastructure.

During FY 2025/26, the Company continued to invest in the underlying quality of its properties, including upgrades to building infrastructure such as elevator systems. These improvements support operational reliability and tenant experience while contributing to the broader objective of protecting asset quality over the long term.

Asset Resilience

Environmental considerations are becoming increasingly relevant to the resilience and competitiveness of commercial properties.

Factors such as energy efficiency, resource utilisation, infrastructure reliability and the adaptability of buildings can influence operating costs, tenant demand and future capital requirements.

East West is therefore progressively considering these factors as part of its broader assessment of asset quality and long-term performance.

ENVIRONMENTAL PERFORMANCE

As the Company continues to evaluate the highest and best use of its properties, environmental considerations are expected to play a greater role in decisions relating to:

- refurbishment;
- infrastructure upgrades;
- redevelopment;
- repositioning;
- preventive maintenance; and
- future capital investment.

This approach supports the Company's wider objective of ensuring that its properties remain economically relevant and competitive as market expectations evolve.

ENERGY MANAGEMENT

Energy consumption represents an important area of environmental performance for commercial property owners.

East West intends to strengthen the monitoring of electricity and fuel consumption across its operations and properties, enabling management to develop a clearer understanding of consumption patterns and identify opportunities for greater efficiency.

Energy consumption represents an important area of environmental performance for commercial property owners.

The Company continues to promote responsible energy and resource use as part of its broader approach to environmental management and operational efficiency.

WATER MANAGEMENT

Responsible water use forms another component of the Company's evolving environmental approach.

As East West strengthens its sustainability-related data collection, water consumption will become an important indicator for monitoring resource use across the property portfolio.

The Company intends to use improved data availability to identify trends, support responsible consumption and assess whether future efficiency measures may be appropriate.

WASTE AND RESOURCE MANAGEMENT

Responsible waste management and efficient use of materials are relevant to both day-to-day property operations and longer-term maintenance activities.

East West Properties PLC adopts a responsible approach to waste and resource management across its property operations. The Group promotes the efficient use of materials, responsible disposal practices and prudent resource consumption as part of its day-to-day property management and maintenance activities.

These practices support the Group's broader environmental objectives by helping to minimise unnecessary resource use, reduce operational waste and encourage greater efficiency across its properties.

Environmental Performance Indicators

The following represents the performance indicators relating to the Peliyagoda. Warehouse Complex.

ENVIRONMENTAL INDICATOR	FY 2025/26	FY 2024/25
Electricity Consumption (kWh)	88,648	89,272
Water Consumption	2,944 m³	3,066 m³

Preparing for SLFRS S1 and SLFRS S2

The phased introduction of SLFRS S1 and SLFRS S2 represents an important development in the Company's environmental and sustainability reporting journey.

During FY 2025/26, East West commenced preparations to strengthen the processes required to identify, collect and assess sustainability-related information.

For East West, these developments are relevant not only from a reporting perspective but also from an asset-management standpoint. Climate-related and environmental factors can influence operating costs, capital expenditure, tenant expectations and long-term property values.

Improved sustainability-related data will therefore support more informed decision-making while strengthening the Company's ability to respond to future reporting requirements.

Environmental Priorities

East West's immediate environmental priorities include:

- strengthening the collection of energy, water and other relevant environmental data;
- improving understanding of resource-consumption patterns;
- maintaining efficient and reliable building infrastructure;
- incorporating environmental considerations into maintenance and capital expenditure decisions;
- protecting the resilience and longevity of the Company's property assets; and
- developing the systems required to support future SLFRS S1 and SLFRS S2 disclosures.

Looking Ahead

East West's environmental management framework remains at an evolving stage.

The immediate priority is to establish stronger and more consistent environmental data, enabling the Company to move progressively from qualitative reporting towards measurable performance monitoring.

Over time, greater visibility over resource use and environmental performance will support improved operational efficiency, more informed asset-management decisions and greater preparedness for evolving tenant, regulatory and sustainability expectations.

By integrating environmental considerations increasingly into property management and capital allocation, East West seeks to protect the competitiveness, resilience and long-term value of its asset portfolio.

COMMUNITY ENGAGEMENT

East West Properties PLC's contribution to the wider community is closely linked to the economic activity supported through its operations, properties and stakeholder relationships.

The Company's commercial properties provide infrastructure that enables businesses across a range of sectors to operate, store and distribute goods, employ people and contribute to economic activity. In this way, the Company's impact extends beyond the direct income generated through its property portfolio.

East West also contributes through employment, engagement with local suppliers, contractors and service providers, and the payment of applicable taxes and statutory obligations.

Enabling Commercial Activity

The Company's properties support a diversified base of corporate and commercial tenants operating across sectors including financial services, trading, distribution and engineering.

The Peliyagoda complex provides warehousing, yard and logistics-related facilities that support storage and distribution activities, while the Colombo 03 portfolio provides centrally located office accommodation for corporate and professional organisations.

By providing reliable commercial infrastructure, East West indirectly supports the employment, supplier networks and wider economic activity generated by the businesses that occupy its properties.

Supporting Local Economic Participation

The Company's operations also create economic value through relationships with suppliers, contractors and service providers involved in property maintenance, infrastructure, professional services and day-to-day operations.

These relationships contribute to broader economic participation and support the continuity and quality of the Company's property portfolio.

Statutory and Economic Contribution

East West contributes to the national economy through applicable taxes, statutory payments and compliance obligations associated with its listed-company and property-related activities.

These contributions form part of the Company's wider responsibility as a long-standing corporate entity and property owner.

Looking Ahead

East West will continue to assess how its business activities can contribute positively to the communities and economic networks connected to its operations.

Future reporting will seek to provide greater visibility over community initiatives and measurable social contributions as relevant data and programmes are developed.

The Company's immediate focus remains on creating value responsibly through well-managed properties, employment, commercial relationships and the wider economic activity supported through its asset portfolio.

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

At East West Properties PLC, corporate governance extends beyond statutory compliance. It provides the framework through which the Company is directed, controlled and held accountable, while supporting ethical leadership, transparent decision-making and responsible stewardship of shareholder value. Our governance philosophy is underpinned by five core principles:

PRINCIPLE	DESCRIPTION
Responsibility	The Board and Management are responsible for the prudent conduct of the Company's affairs.
Accountability	The Board is accountable to shareholders and all stakeholders for Company performance and conduct.
Impartiality	Decisions are made objectively, free from conflicts of interest and bias.
Transparency	Material information is disclosed in a timely, accurate, and accessible manner.
Awareness	The Board remains cognisant of applicable laws, regulations, and evolving best practices.

GOVERNANCE FRAMEWORK AND STRUCTURE

East West Properties PLC maintains a governance structure designed to promote clear accountability, appropriate delegation and effective oversight throughout the organisation. The Board of Directors is responsible for overall governance and strategic direction and is supported by four Board Sub-Committees

The Company Secretary supports the effective functioning of the Board by advising on governance procedures, facilitating compliance with statutory and regulatory requirements, maintaining governance records and supporting communication between the Board and shareholders.

The External Auditors report their findings to the Board and express an independent opinion to shareholders on the financial statements, thereby reinforcing the integrity of the Company's reporting framework.

Governance Structure

GOVERNANCE LAYER	ROLE AND RESPONSIBILITY
Shareholders	Elect directors; approve major resolutions; receive annual report.
Board of Directors	Provide strategic leadership; ensure sound internal controls; oversee risk management; ensure regulatory compliance.
Board Sub-Committees	Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations & Governance Committee — each focused on specific governance areas.
Managing Director / CEO	Day-to-day management of the Company; implements Board strategy; reports to the Board.
Company Secretary	Ensures compliance with applicable laws, regulations, and Board procedures; maintains statutory registers.
Internal Audit	Provides independent assurance on internal controls and risk management; reports to the Board Audit Committee.
External Auditors	Provide independent opinion on the financial statements; report findings to the Board and shareholders.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board of Directors provides strategic leadership and governance oversight in the conduct of the Company's affairs. In discharging its responsibilities, the Board has regard to the applicable Listing Rules of the Colombo Stock Exchange, the Securities and Exchange Commission of Sri Lanka Act, the Companies Act No. 7 of 2007 and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

BOARD COMPOSITION AND BALANCE

As at 31 March 2026, the Board comprised six Directors, with a balance of executive, independent non-executive and non-independent non-executive representation. This composition supports objective judgement, constructive challenge and an appropriate separation between oversight and executive management.

CATEGORY	NUMBER OF DIRECTORS
Executive Directors	1
Independent Non-Executive Directors	4
Non-Executive Directors	1
Total	6

BOARD RESPONSIBILITIES

The Board retains responsibility for the overall direction and governance of the Company. Its principal responsibilities include:

- Approving strategic and business plans with due consideration of the Company's capabilities, opportunities and material risks
- Overseeing the effectiveness of the Company's systems of internal control and risk management
- Reviewing and approving annual budgets and significant capital expenditure
- Monitoring financial and operational performance against approved plans and budgets
- Overseeing compliance with applicable laws, regulations, Listing Rules and ethical standards
- Reviewing and approving interim financial statements and the annual financial statements
- Overseeing succession planning for the Board and Key Management Personnel
- Safeguarding the interests of shareholders and protecting the Company's assets

APPOINTMENT, RE-ELECTION AND RESIGNATION OF DIRECTORS

Appointments to the Board are made in accordance with the Articles of Association and the applicable Listing Rules. The Nominations and Governance Committee supports the process by identifying and recommending suitable candidates after considering their skills, experience, independence and fitness against the relevant criteria.

A Director appointed by the Board to fill a casual vacancy holds office until the next Annual General Meeting and is then subject to election by shareholders. Directors retiring by rotation in accordance with the Articles of Association may offer themselves for re-election.

Any resignation from the Board is formally communicated in writing and disclosed to the Colombo Stock Exchange in accordance with the applicable requirements.

Please refer to the Annual Report of the Directors for details of any new appointments or changes to the composition of the Board during the year under review.

FIT AND PROPER ASSESSMENT

The Company assesses the fitness and propriety of Directors in accordance with the criteria specified in the CSE Listing Rules, including honesty, integrity and reputation; competence and capability; and financial soundness. The Board confirms that all Directors satisfy the applicable fit and proper criteria, and annual declarations are obtained to support the Board's ongoing assessment.

In line with good corporate governance practices, the roles and responsibilities of the Chairman and Managing Director are clearly separated. The Managing Director is responsible for overseeing the day-to-day operations of the Company and leads the Corporate Management team in making and implementing operational decisions. He is also responsible for recommending strategic initiatives to the Board for consideration and approval.

FINANCIAL ACUMEN

Directors possess strong knowledge and experience in financial matters, enabling the Board to effectively assess financial performance, understand financial reporting, and make informed decisions relating to budgeting, capital management, and investments. This collective expertise strengthens the Company's financial discipline and supports sustainable strategic growth.

BOARD MEETINGS AND SUPPLY OF INFORMATION

Board meetings are scheduled and convened as required to enable timely consideration of strategic, financial, operational and governance matters. The Company Secretary coordinates meeting dates in consultation with Directors, while Board papers containing relevant financial and non-financial information are circulated sufficiently in advance.

Directors have unrestricted access to the Corporate Secretaries, SSP Corporate Services (Pvt) Ltd, for advice and assistance on Board procedures and governance requirements. Where considered necessary for the proper discharge of their duties, Directors may also obtain independent professional advice at the Company's expense.

BOARD AND BOARD SUB-COMMITTEE ATTENDANCE FOR THE YEAR 2025/26

NAME OF DIRECTOR	NATURE OF DIRECTORSHIP	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	RPTRC	NGC
Mr. K.M. Tanuja Hashan	Chairman / Non-Executive	1/1	N/A	N/A	N/A	N/A
Mr. Gaurav Mehta	Executive / Managing Director	1/1	N/A	N/A	N/A	N/A
Mr. Diyanath Rohan Jayasinghe	Independent Non-Executive	1/1	4/4	1/1	1/1	1/1
Mr. J.S.M.D.M.A. Bandara	Independent Non-Executive	1/1	4/4	1/1	1/1	1/1
Mr. C.M.U. Weerawardena	Independent Non-Executive	0/1	N/A	N/A	N/A	N/A
Mr. K.D. Gamini Gunaratne	Independent Non-Executive	1/1	3/3	1/1	1/1	1/1

Note: Attendance is stated as meetings attended / meetings eligible to attend. RPTRC = Related Party Transactions Review Committee; NGC = Nominations & Governance Committee. Ms. M.W.A.D.A.A.V. Wijesuriya attended 1/1 Audit Committee meeting for which she was eligible during her period of membership.

BOARD SUB-COMMITTEES

To support focused oversight and the effective discharge of specialised governance responsibilities, the Board has established four Sub-Committees operating under Terms of Reference. Each Committee reviews matters within its mandate and reports its deliberations, recommendations and material matters to the Board. Please refer to the respective Committee Reports for detailed information on the composition and activities of each committee.

CORPORATE GOVERNANCE REPORT

MANDATORY PROVISIONS — FULLY COMPLIANT

Compliance with CSE Listing Rules — Section 7

Compliance with the rules set out in Section 7 of the Colombo Stock Exchange Listing Rules on Corporate Governance

RULE	REQUIREMENT	STATUS
7.4	The Company prepares and submits Interim Financial Statements to CSE within the criteria	Complied
7.5	The company ensures that the Annual Report is made available to all shareholders of the company and given to CSE within relevant period	Complied
7.8	The Company makes an announcement to the Exchange pertaining to the relevant interest/ charges in shares held by its Directors and CEO	Complied

Compliance with the rules set out in Section 7.6 of the Colombo Stock Exchange Listing Rules on Corporate Governance

RULE	REQUIREMENT	COMPLIANCE STATUS
(i)	Names of persons who were Directors of the Company	Complied
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Complied
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Complied
(iv)(a)	Float adjusted market capitalisation, public holding percentage (%), number of public shareholders and the minimum public holding option	Complied
(v)	A statement of each Director's holding in shares of the Entity at the beginning and end of each financial year	Complied
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Complied
(vii)	Details of material issues pertaining to employees and industrial relations	Complied
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Complied
(ix)	Number of shares representing the Entity's stated capital	Complied
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Complied
(xi)	Financial ratios and market price information	Complied
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	Complied
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Not Applicable
(xiv)	Information in respect of employee share option scheme or share purchase schemes	Not Applicable
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Complied
(xvi)	Related Party transactions exceeding 10% of the equity or 5% of the total assets of the Entity as per audited financial statements, whichever is lower	Complied

Compliance with CSE Listing Rules — Section 9

Compliance with the rules set out in Section 9 of the Colombo Stock Exchange Listing Rules on Corporate Governance

RULE	REQUIREMENT	STATUS
9.2	Policies — Establish and maintain the required policies and disclose their existence, along with details of their implementation, on its official website in accordance with Listing Rule 9.2.1 (a) to (l)	Complied
9.2.3	Disclosure in Annual Report of list of policies and any changes thereto	Complied
9.2.4	Policies to be made available to shareholders upon written request	Complied
9.3.1	Board committees such as Nominations and Governance Committee, Remuneration Committee, Board Audit Committee and Related Party Transactions Review Committee, are established and maintained at a minimum and are functioning effectively in accordance with Listing Rules	Complied
9.3.2	Composition, responsibilities, and disclosures of Board Committees in compliance with Listing Rules	Complied
9.3.3	Chairperson of the Board shall not be the Chairperson of any Board Committee	Complied
9.4.1	Records of all resolutions and voting information maintained	Complied
9.4.2	Policy on communication and relations with shareholders and investors in place; contact person designated	Complied
9.5.1	Formal policy governing matters relating to the Board of Directors established and maintained	Complied
9.5.2	Confirmation of compliance with Board policy in Annual Report	Complied
9.6.1	The Chairperson of the Listed Entity shall be a Non-Executive Director, and the position of the Chairperson and CEO shall not be held by the same individual	Complied
9.6.2	The requirement for Senior Independent Director (SID)	Complied
9.7 .1	Company to take necessary steps to ensure that their Directors and the CEO are, always, fit and proper persons in terms of the rules	Complied
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Complied
9.7.3	Assessment Criteria: Honest, Integrity and Reputation, Competence and Capability, Financial Soundness	Complied
9.7.4	The company shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules	Complied
9.7.5	Disclosures in Annual Report	Complied
9.8.1	Board of Directors to consist of minimum five (5) Directors	Complied
9.8.2	Minimum number of Independent Directors — at least two (2) or one third of total Directors, whichever is higher	Complied
9.8.3-9.8.4	Criteria for determining independence applied	Complied
9.8.5	Signed and dated independence declarations obtained from each Independent Director; annual determination made; names of independent directors disclosed	Complied
9.9	Alternate Directors — not applicable; no alternate directors appointed	Not Applicable
9.10.1-9.10.4	Disclosures relating to Directors — immediate market announcements on appointments; committee composition changes; Annual Report disclosures	Complied
9.11	Nominations and Governance Committee in place and functioning	Complied
9.12	Remuneration Committee in place and functioning	Complied
9.13	Audit Committee in place and performing audit and risk functions	Complied
9.14.1–9.14.5	Related Party Transactions Review Committee — established; composition compliant; functions discharged; transactions reviewed	Complied
9.14.6	Shareholder approval for related party transactions — no such requirement arose during the year	Not Applicable
9.14.7	Immediate disclosures for related party transactions — no such events occurred	Not Applicable
9.14.8	Disclosures in the Annual Report relating to related party transactions	Complied
9.14.9	Acquisition and disposal of assets from/to related parties — no such transactions occurred	Not Applicable
9.14.10	Exempted related party transactions	Not Applicable
9.17	Additional disclosures by Board of Directors	Complied

AUDIT COMMITTEE REPORT

The Audit Committee of East West Properties PLC (the "Company") is established in accordance with the applicable Listing Rules of the Colombo Stock Exchange and the principles set out in the Code of Best Practice on Corporate Governance applicable to the Company. The Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to financial reporting, internal controls, risk management, compliance and the independence and performance of the external and internal audit functions.

AUDIT COMMITTEE MEMBERS

The Audit Committee comprised the following Directors during the financial year 2025/2026:

- **Mr. J.S.M.D.M.A. Bandara** – Chairman
- **Ms. M.W.A.D.A.A.V. Wijesuriya** – Member
- **Mr. D. Rohan Jayasinghe** – Member
- **Mr. K.D. Gamini Gunaratne** – Member (appointed with effect from 11 August 2025)

MEETINGS

The Audit Committee met four times during the financial year 2025/2026. The attendance of members at the meetings was as follows:

NAME OF DIRECTOR	POSITION	30.05.2025	14.08.2025	11.11.2025	11.02.2026	ATTENDANCE
Mr. J.S.M.D.M.A. Bandara	Chairman	✓	✓	✓	✓	4/4
Ms.M.W.A.D.A.A.V. Wijesuriya	Member	✓	–	–	–	1/1
Mr. D. Rohan Jayasinghe	Member	✓	✓	✓	✓	4/4
Mr. K.D. Gamini Gunaratne	Member	–	✓	✓	✓	3/3

Ms.M.W.A.D.A.A.V. Wijesuriya resigned from the Board with effect from 25th August 2025.

COMPOSITION

The Audit Committee comprises three independent non-executive directors who are the members of the Board appointed in accordance with the applicable corporate governance requirements. The Committee has unrestricted access to the Company's management, employees, records and information necessary to discharge its responsibilities effectively.

The Committee invite the Managing Director, Finance function(HOF), external auditors and other relevant members of management to attend meetings when matters within their areas of responsibility are considered.

TERMS OF REFERENCE

The Charter sets out the Committee's authority, responsibilities and Terms of Reference and is reviewed periodically to ensure that it remains appropriate and aligned with applicable regulatory requirements and good corporate governance practices.

The Audit Committee reports to the Board of Directors and assists the Board in fulfilling its oversight responsibilities relating to financial reporting, internal controls, risk management, compliance and audit matters.

The Committee also oversees financial reporting on sustainability and ESG related matters to ensure compliance with applicable regulations.

The principal responsibilities of the Committee include the following:

FINANCIAL REPORTING

The Committee assists the Board in ensuring the integrity and reliability of the Company's and Group's financial reporting.
In discharging this responsibility, the Committee reviews:

- The financial reporting processes and controls established to ensure that transactions are accurately, completely and appropriately recorded.
- The Company's accounting policies and their consistent application in the preparation of financial statements.
- Compliance with applicable Sri Lanka Accounting Standards (SLFRS and LKAS), the Companies Act No. 7 of 2007 and other applicable laws, regulations and reporting requirements.

- The annual financial statements and interim financial information prior to their submission to the Board for approval.
- Significant accounting judgements, estimates and disclosures relevant to the Company and its subsidiary.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Committee reviews the adequacy and effectiveness of the Company's internal control systems and processes designed to safeguard assets and ensure the reliability of financial and operational information.

Particular attention is given to controls relating to:

- Rental agreements, invoicing and collection of rental income.
- Monitoring of receivables.
- Occupancy and utilization of warehouses, yards.
- Safeguarding and maintenance of property and other assets.
- Capital expenditure and property-related expenditure.
- Procurement and payment processes.
- Bank and cash management.
- Access to and security of Company properties and infrastructure.
- Related-party transactions and compliance with applicable requirements.

The Committee also considers significant business and operational risks affecting the Company and its subsidiary and makes recommendations to the Board where appropriate.

COMPLIANCE

The Committee monitors compliance with applicable laws, regulations, Listing Rules, accounting standards and other regulatory requirements relevant to the Company and its subsidiary.

The Committee also encourages the adoption of appropriate corporate governance practices and ensures that significant compliance matters are brought to the attention of the Board.

EXTERNAL AUDITORS

The Audit Committee is responsible for making recommendations to the Board regarding the appointment, reappointment and remuneration of the external auditors.

The Committee also reviews the scope and results of the external audit, significant audit findings and management responses, and considers the independence and objectivity of the external auditors.

PRINCIPAL ACTIVITIES CONDUCTED DURING THE YEAR

During the financial year 2025/2026, the Audit Committee met four times and reported the proceedings and significant matters arising from its meetings to the Board of Directors.

During the year, the Committee:

- Reviewed the Company's annual financial statements and interim financial information prior to submission to the Board.
- Reviewed the Company's accounting policies and significant accounting matters to ensure compliance with applicable accounting standards and regulatory requirements.
- Monitored the adequacy and effectiveness of internal controls relating to the Company's operations and financial reporting.
- Reviewed matters relating to rental income, receivables and collection procedures arising from the Company's leasing of warehouses, yards and other commercial infrastructure.
- Considered controls relating to the safeguarding, maintenance and utilization of the Company's property and infrastructure assets.
- Monitored compliance with applicable statutory and regulatory requirements.
- Considered the audit findings and recommendations of the external auditors and followed up on matters raised with management.
- Ensured that the external auditors had unrestricted access to relevant information, records and personnel required to conduct the audit effectively.
- Reviewed management representations concerning the maintenance of proper accounting records and compliance with applicable accounting standards, laws and regulations.

The Audit Committee is satisfied that the independence and objectivity of the Company's external auditors, Messrs. BDO Partners, have not been impaired.

AUDIT COMMITTEE REPORT

The Committee considered the nature of audit and non-audit services, where applicable, and the related fees in assessing the independence of the external auditors. The Committee also considered the auditors' confirmation regarding their independence and compliance with the applicable professional and ethical requirements.

The Audit Committee recommends the reappointment of Messrs. BDO Partners as the External Auditors of East West Properties PLC for the financial year ending 31 March 2027, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

CONCLUSION

The Committee is satisfied that the Company's financial reporting, internal controls and risk management systems provide reasonable assurance over the effective management and safeguarding of the Company's and its subsidiary's assets, compliance with applicable requirements, and reliability of financial information. The Committee will continue to support the Board in strengthening governance, risk management and internal controls.

Mr. J.S.M.D.M.A. Bandara
Chairman – Audit Committee

East West Properties PLC

28th August 2026

REMUNERATION COMMITTEE REPORT

East West Properties PLC (the "Company") has established a Remuneration Committee in accordance with the Listing Rules of the Colombo Stock Exchange. The Committee reports directly to the Board of Directors and assists the Board in ensuring that remuneration policies and practices are appropriate, competitive and aligned with the Company's objectives.

The Committee seeks to ensure that remuneration arrangements are designed to attract, retain and motivate suitably qualified and experienced personnel while maintaining a balance between the interests of the Company, its shareholders and employees.

COMPOSITION

The Remuneration Committee is appointed by the Board of Directors and comprises three Independent Non-Executive Directors. The Managing Director and other members of management attend Committee meetings by invitation when matters within their areas of responsibility are considered.

The Committee operates independently in making recommendations to the Board on matters relating to the remuneration of Directors and Key Management Personnel (KMP).

REMUNERATION COMMITTEE MEMBERS

The Remuneration Committee comprised the following members during the financial year 2025/2026:

- **Mr. D. Rohan Jayasinghe** – Chairman
- **Mr. J.S.M.D.M.A. Bandara** – Member
- **Mr. K.D. Gamini Gunaratne** – Member (appointed with effect from 11 August 2025)

TERMS OF REFERENCE

The primary objective of the Remuneration Committee is to assist the Board in establishing appropriate remuneration policies and making recommendations regarding the remuneration of Directors and senior management (KMP).

The principal responsibilities of the Committee include:

- Making recommendations to the Board regarding the remuneration packages of the Directors and senior management (KMP).
- Reviewing the remuneration structure of senior management to ensure that remuneration is competitive and appropriate for attracting, retaining and motivating suitably qualified personnel.
- Considering remuneration arrangements in the context of the Company's business objectives, performance and financial position.
- Considering the appropriateness of remuneration structures and benefits applicable to senior management (KMP) and making recommendations where necessary.

REMUNERATION POLICY

The Company's remuneration policy is designed to ensure that remuneration is fair, competitive and appropriate to the responsibilities and performance of the respective positions.

In determining remuneration, the Committee considers factors including the Company's financial performance, individual responsibilities, qualifications and experience, prevailing market conditions and the need to attract and retain competent personnel. No Director is involved in deciding his own remuneration.

The remuneration framework is intended to support the Company's long-term objectives and sustainable performance, while ensuring that remuneration decisions are made in a transparent and responsible manner.

MEETINGS

The Remuneration Committee met once during the financial year 2025/2026. The attendance of members was as follows:

NAME OF DIRECTOR	POSITION	18.03.2026	ATTENDANCE
Mr. D. Rohan Jayasinghe	Chairman	✓	1/1
Mr. J.S.M.D.M.A. Bandara	Member	✓	1/1
Mr. K.D. Gamini Gunaratne	Member	✓	1/1

PRINCIPAL ACTIVITIES CONDUCTED DURING THE YEAR

The Committee reviewed the remuneration arrangements of the Directors and made appropriate recommendations to the Board, taking into consideration the Company's performance, business requirements and prevailing market conditions.

During the year, the Committee also reviewed the remuneration levels and related arrangements applicable to the senior management (KMP) of the Company and considered whether such remuneration remained appropriate to attract and retain personnel with the necessary skills and experience.

REMUNERATION COMMITTEE REPORT

The Committee's recommendations were made following due consideration of the Company's financial position, operational requirements and the responsibilities entrusted to the respective Directors and senior management (KMP).

CONCLUSION

The Remuneration Committee is satisfied that the remuneration policies and practices of East West Properties PLC are appropriate to support the Company's business objectives and enable the Company to attract, retain and motivate suitably qualified Directors and KMP.

The Committee will continue to review remuneration practices periodically and make recommendations to the Board to ensure that remuneration remains competitive, equitable and aligned with the Company's long-term interests and those of its shareholders.

Mr. D. Rohan Jayasinghe
Chairman – Remuneration Committee

East West Properties PLC

28th August 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee of East West Properties PLC (the "Company") has been established in accordance with the section 09 of the Listing Rules of the Colombo Stock Exchange and the principles set out in the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka and CA Sri Lanka.

The Committee reports directly to the Board of Directors and is responsible for reviewing related party transactions to ensure that such transactions are undertaken in accordance with applicable laws, regulations, Listing Rules and the Company's policies and procedures.

The Committee seeks to ensure that related party transactions are conducted on appropriate terms, are in the best interests of the Company and its shareholders, and are appropriately identified, reviewed, approved and disclosed.

COMPOSITION

The Related Party Transactions Review Committee is appointed by the Board of Directors in accordance with the requirements of the Listing Rules of the Colombo Stock Exchange.

The Committee is comprised of three Independent Non-Executive Directors.

MEMBERS OF THE RELATED PARTY TRANSACTION REVIEW COMMITTEE

- **Mr. D. Rohan Jayasinghe** – Chairman
- **Mr. J.S.M.D.M.A. Bandara** – Member
- **Mr. K.D. Gamini Gunaratne** – Member (appointed with effect from 11 August 2025)

TERMS OF REFERENCE

The principal responsibility of the Committee is to review proposed and ongoing related party transactions and make recommendations to the Board in accordance with the applicable Listing Rules and the Company's related party transaction procedures.

The Committee's responsibilities include:

- Review related party transactions quarterly and ensure that such transactions are properly identified, recorded and reported in accordance with applicable requirements.
- Review related party transactions to determine whether they require prior approval of shareholders, immediate disclosure to the Colombo Stock Exchange, or disclosure in the Annual Report, in accordance with the applicable Listing Rules and prescribed thresholds.
- Review and monitor ongoing relationships and recurring transactions with related parties to ensure that they are conducted in accordance with the Committee's approved guidelines, applicable regulatory requirements and the interests of the Company and its shareholders.

MEETINGS

The Related Party Transactions Review Committee met one time during the financial year 2025/2026. The attendance of members was as follows:

NAME OF DIRECTOR	POSITION	11.02.2026	ATTENDANCE
Mr. D. Rohan Jayasinghe	Chairman	✓	1/1
Mr. J.S.M.D.M.A. Bandara	Member	✓	1/1
Mr. K.D. Gamini Gunaratne	Member	✓	1/1

During the financial year 2025/2026, the Committee reviewed related party transactions and considered whether such transactions were undertaken in accordance with the applicable regulatory requirements and the Company's established procedures.

The activities and recommendations of the Committee were communicated to the Board through the tabling of the minutes of the Committee meetings and reporting of matters requiring the Board's attention.

The Committee conducted a comprehensive self-evaluation of its effectiveness during the period. The Board reviewed the outcome and was satisfied that the Committee had effectively fulfilled its responsibilities and that its terms of reference, mandate and scope were adequate for the period under review.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

CONCLUSION

The Related Party Transactions Review Committee is satisfied that the Company has appropriate procedures in place to identify, review, monitor and disclose related party transactions in accordance with the applicable regulatory requirements.

The Committee will continue to monitor related party transactions and provide appropriate recommendations to the Board to ensure that such transactions are conducted transparently, on appropriate terms and in the best interests of East West Properties PLC and its shareholders.

Mr. D. Rohan Jayasinghe
Chairman – Related Party Transactions Review Committee

East West Properties PLC

28th August 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of East West Properties PLC (the "Company") reports directly to the Board of Directors and assists the Board in ensuring that the Company maintains an appropriate balance of skills, experience, knowledge and diversity to provide effective leadership and strategic direction.

The Committee reviews the composition and effectiveness of the Board and its Committees and makes recommendations regarding the appointment and succession of Directors. In carrying out its responsibilities, the Committee seeks to ensure that recommendations are made objectively and in the best interests of the Company, without undue personal or business influence.

COMPOSITION

The Nominations and Governance Committee is appointed by the Board of Directors and comprises three Independent Non-Executive Directors. The Committee reports directly to the Board and invite the Managing Director, members of senior management or other relevant persons to attend meetings when matters within their areas of responsibility are considered.

MEMBERS OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Committee comprised the following members during the financial year 2025/2026:

- **Mr. D. Rohan Jayasinghe** – Chairman
- **Mr. J.S.M.D.M.A. Bandara** – Member
- **Mr. K.D. Gamini Gunaratne** – Member (appointed with effect
- from 11 August 2025)

TERMS OF REFERENCE

The principal responsibilities of the Nominations and Governance Committee include:

- Reviewing the composition, structure, effectiveness and diversity of the Board and its Committees.
- Identifying and recommending suitable candidates for appointment or reappointment to the Board, considering their qualifications, experience, competence and independence.
- Reviewing succession planning for the Board and senior leadership positions and making appropriate recommendations to the Board.

MEETINGS

The Nominations and Governance Committee met once during the financial year 2025/2026. The attendance of members was as follows:

NAME OF DIRECTOR	POSITION	18.03.2026	ATTENDANCE
Mr. D. Rohan Jayasinghe	Chairman	✓	1/1
Mr. J.S.M.D.M.A. Bandara	Member	✓	1/1
Mr. K.D. Gamini Gunaratne	Member	✓	1/1

PRINCIPAL ACTIVITIES CONDUCTED DURING THE YEAR

During the year under review, the Committee reviewed matters relating to the composition and effectiveness of the Board and its Committees and considered whether the current structure continued to provide an appropriate balance of skills, experience and knowledge required to support the Company's strategic objectives.

The Committee also considered the composition of the Board Committees and their continued effectiveness in carrying out their respective responsibilities. Where appropriate, recommendations were made to the Board regarding the composition and functioning of the Committees.

The Committee further considered matters relating to Board succession planning and the continued development of an appropriate leadership structure to support the Company's long-term objectives.

GOVERNANCE AND BOARD EFFECTIVENESS

The Committee recognizes that effective corporate governance is fundamental to the sustainable growth and long-term success of East West Properties PLC. Accordingly, the Committee continues to support the Board in maintaining an appropriate governance framework, clear accountability and an effective balance of responsibilities among the Board and its Committees.

The Committee will continue to review the Board's composition and succession requirements periodically, taking into consideration the Company's evolving business needs, regulatory requirements and the interests of shareholders.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

CONCLUSION

The Nominations and Governance Committee is satisfied that the Board and its Committees have an appropriate structure to discharge their responsibilities effectively. The Committee will continue to assist the Board in ensuring that the Company maintains a suitably qualified, experienced and diverse leadership team capable of providing effective oversight and strategic direction.

Mr. D. Rohan Jayasinghe
Chairman – Nominations and Governance Committee

East West Properties PLC

28th August 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS

In Compliance with the provisions of the Companies Act No.07 of 2007, the Directors present their Report on the state of affairs of the Company together with the Audited Financial Statements for the year ended 31st March 2026. The Report also provides information as required by the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and are guided by recommended best accounting practices and other disclosure where relevant to the stakeholders of the Company.

GENERAL

East West Properties PLC is a Public Quoted Company with Limited Liability incorporated in Sri Lanka on 18th March, 1981 and re-registered under the Companies Act No. 7 of 2007 on 15th June 2009. The Company was listed on the main board of the Colombo Stock Exchange in 1983.

PRINCIPAL ACTIVITIES AND NATURE OF OPERATION

The Principal Activities of the Company are renting Warehouses, Ground, Office Space & yard for commercial purposes.

The subsidiary, People's Media Network (Pvt) Ltd is engaged in setting up and operating television and radio broadcasting stations.

BOARD OF DIRECTORS

As at 31st March 2026, the Board of Directors of East West Properties PLC consisted of six (06) Directors.

NAME OF DIRECTOR	POSITION	BOARD ATTENDANCE
Mr. K.M.T. Hashan (Appointed w.e.f. 30.07.2025)	Chairman/Non-Executive Director	1\1
Mr. Gaurav Mehta (Appointed w.e.f. 30.07.2025)	Managing Director/ Executive Director	1\1
Mr. D. Rohan Jayasinghe	Senior Independent Non-Executive Director	1\1
Mr. J.S.M.D.M.A. Bandara	Independent Non-Executive Director	1\1
Mr. C.M.U. Weerawardena (Appointed w.e.f. 30.07.2025)	Independent Non-Executive Director	0\1
Mr. K.D. Gamini Gunaratne (Appointed w.e.f. 11.08.2025)	Independent Non-Executive Director	1\1

BOARD SUB-COMMITTEES

The Board is supported by four sub-committees, established to facilitate effective decision-making and enhance the overall management and governance of the Company. Each Committee operates in compliance with the Listing Rules of the Colombo Stock Exchange. There were changes to sub committees during the year, and the required announcements were made to the CSE.

The Board sub-committees are:

- The Audit Committee
- The Remuneration Committee
- The Nominations and Governance Committee
- The Related Party Transactions Review Committee

The Committee Reports are set out on pages 52 to 60 of the Annual Report.

CHANGES IN THE DIRECTORATE

There were changes to the Board during the year, and the required announcements were made to the CSE.

During the year four Directors were appointed to the Board

NAME OF THE DIRECTOR	DATE OF APPOINTMENT
Mr. K.M.T. Hashan	30.07.2025
Mr. Gaurav Mehta	30.07.2025
Mr. C.M.U. Weerawardena	30.07.2025
Mr. K.D. Gamini Gunaratne	11.08.2025

During the year under review, the following Directors resigned from the Board.

NAME OF THE DIRECTOR	DATE OF RESIGNATION
Mr. M. W. A. D. J. Nahil Wijesuriya	25.08.2025
Ms. M.W.A.D.Anika A.V.Wijesuriya	25.08.2025
Mr. M.W.A.D.J.Vajira Wijesuriya	25.08.2025
Mr. A. K. S. Ariyawansha	25.08.2025

ANNUAL REPORT OF THE BOARD OF DIRECTORS

DIRECTORS' MEETINGS

The Board of Directors convened once during the year under review, while Nineteen (19) circular resolutions were adopted by circulation during the same period.

Directors' Interest in Shares

NAME OF THE DIRECTOR	AS AT 31.03.2026	AS AT 31.03.2025
Mr. K.M. Tanuja Hashan	Nil	Nil
Mr. Gaurav Mehta	Nil	Nil
Mr. C.M.U. Weerawardena	Nil	Nil
Mr. D.R. Jayasinghe	10,000	10,000
Mr. K.D. Gamini Gunaratne	Nil	Nil
Mr. J.S.M.D.M.A. Bandara	Nil	Nil

REVIEW OF PERFORMANCE

The financial performance of the Group and the Company, together with the operating environment influencing such performance and the future outlook, are discussed in detail in the Managing Director's Message on pages 08 to 12 and the Chairman's Message on pages 06 to 07 of this Annual Report.

DIRECTORS RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for the preparation and presentation of the Financial Statements of the Group and the Company, ensuring that they provide a true and fair view of the financial position and performance of the Group and the Company.

The Statement of Directors' Responsibilities for the Financial Reporting provided on page 65 of the Annual Report.

FINANCIAL STATEMENTS AND AUDITORS REPORT

The Financial Statements have been prepared in accordance with the requirements of the Companies Act No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards, the Listing Rules of the Colombo Stock Exchange, and other applicable requirements of relevant regulatory authorities.

The Company has complied with all applicable statutory and regulatory requirements prescribed by the relevant authorities, including the Colombo Stock Exchange and the Registrar General of Companies.

The Financial Statements, duly signed by the Directors, are provided from the pages 76 to 127 and the Auditors Report on the Financial Statements are provided on pages 73 to 75 of this Report.

MATERIAL ACCOUNTING POLICIES

The Company and the Group prepared the Financial Statements in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No.7 of 2007.

During the year, the Company changed its subsequent measurement method for Investment Properties from the cost model to the fair value model. Management determined that the fair value model provides more relevant and reliable information regarding the value of the Company's Investment Properties. Accordingly, the change in accounting policy has been applied in accordance with the requirements of LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The Accounting Policies adopted in preparation of the Financial Statements are given from pages 80 to 90 of this Report.

GOING CONCERN

The Directors have assessed the Group's and the Company's ability to continue as a going concern and are satisfied that adequate resources are available to enable the Group and the Company to continue their operations for the foreseeable future. Accordingly, the Financial Statements have been prepared on a going concern basis.

RISK MANAGEMENT

An ongoing process is in place to identify, evaluate, and manage the key risks associated with the Group's business and operations. The Board of Directors, through the Audit Committee, regularly reviews this process and oversees the implementation of appropriate risk mitigation strategies. Further details on Group risk management are set out in the Risk Management Report on pages 67 to 70.

SHARE INFORMATION

There were 3,561 registered shareholders as at 31st March 2026. (31st March 2025 – 2,318)

SHAREHOLDER INFORMATION

The distribution of shareholders and information relating to major shareholders of the Company as at 31st March 2026, are given on pages 130 to 131 in the Annual Report.

MAJOR SHAREHOLDERS

The twenty largest shareholders of the Company as at 31st March 2026, together with an analysis are given on page 131.

DIRECTORS' INTEREST REGISTER

The Company maintains the Director's Interest Register conforming to the provisions of the Companies Act No. 07 of 2007.

DIRECTORS INTEREST IN CONTRACTS

All Directors of the Company have made the necessary declarations of their interests in contracts, to the Board and such interests were duly recorded in the Directors Interests Register. The Directors have no direct or indirect interest in any contracts or proposed contracts with the Company other than those disclosed in the Interests Register. During the year, there were no such interested transactions warranting disclosure.

RELATED PARTY TRANSACTIONS

The relate party transactions of the company during the financial year have been reviewed by the Related Party Transactions Review Committee. During the financial year, there were no recurrent or non-recurrent Related Party Transactions that exceeded the applicable thresholds specified in Section 9 of the Listing Rules of the Colombo Stock Exchange, requiring specific disclosure in the Annual Report. The Directors declare that the Company has complied with the requirements of the Listing Rules of the CSE on Related Party Transactions.

The Related Party Transaction presented in the financial statements are disclosed in note No. 26 on the page no 118 to 120.

AUDITORS

The financial statements for the year ended 31st March 2026 have been audited by Messrs. BDO Partners, Chartered Accountants. The fees payable to the Auditors during the year are disclosed in Note 08 to the financial statements. As far as the Board of Directors is aware, the Auditors do not have any relationship (other than that of an Auditor) with the Company. The Auditors also do not have any interest in the Company.

DIVIDENDS

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

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2026 amounted to Rs. 1,212,000,000/- consisting of 138,240,000 Ordinary Shares. There was no change in the Stated Capital of the Company during the year.

PROPERTY, PLANT AND CAPITAL EXPENDITURE

During the financial year, total additions to the Group's Property, Plant, and Equipment amounted to Rs. 8,235,398. This includes Rs. 7,690,728 transferred from Capital Work-in-Progress (CWIP) to Buildings.

Detailed disclosures relating to Property, Plant, and Equipment, Leasehold Property, Intangible Assets, and Investment Properties are provided in Notes 11, 12, 13, and 14 to the Financial Statements.

Investment Properties are carried at fair value. Further information on the fair value measurement of Investment Properties is disclosed in Note 14 to the Financial Statements.

TAXATION

The Company's tax liability has been calculated based on the provisions of the Inland Revenue Act at the prescribed rates. Detailed disclosures are provided in Note 09 to the Financial Statements.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There is no capital Commitments and contingent liabilities as at 31st March 2026.

STATUTORY PAYMENTS

To the best of the knowledge and belief of the Board of Directors all statutory payments in relation to the government, regulatory institutions and the employees have been made on time during the year under review.

ENVIRONMENTAL PROTECTION

It is the Company's policy to minimize any adverse effect its activities have on the environment and to promote co-operations and compliance with the relevant authorities and regulations. The company to the best of its knowledge has not undertaken any activities which have caused or are likely to cause detriment to the environment.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) reflects our core company values. The Board remains fully committed to responsible stewardship for all stakeholders, ensuring we manage economic, environmental, and social impacts with agility and efficiency across our entire value chain.

CORPORATE GOVERNANCE/INTERNAL CONTROL

The Board of Directors confirms that, as at date of the Annual Report, the company complies with and is committed to good corporate governance. The measures taken and the extent to which the Company has complied with the Listing Rules of the CSE are set out under the "Corporate Governance Report" on page 47.

EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting period that require adjustments to or disclosures in the Financial Statements

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 25th September 2026 at 2.00 p.m. via audio visual technology. The Notice of Annual General meeting appears on page 136.

ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

As required by section 168 (1) (K) of the Companies Act No.07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

K.M. Tanuja Hashan
Director

Gaurav Mehta
Managing Director

S S P Corporate Services (Private) Limited,
Secretaries

Colombo

28th August 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Statement of Directors' Responsibilities acknowledges the responsibilities of the Directors of East West Properties PLC in relation to the preparation and presentation of the Financial Statements of the Company and the Group, in accordance with the provisions of the Companies Act No. 7 of 2007, applicable Sri Lanka Accounting Standards and other relevant statutory and regulatory requirements.

The responsibilities of the Directors include the following:

- The Directors are responsible, under Sections 150(1), 151, 152(1) and 153 of the Companies Act No. 7 of 2007, for ensuring compliance with the requirements set out therein and for preparing Financial Statements for each financial year, which give a true and fair view of the state of affairs and profit & loss of the Company and the Group for the financial year.
- The Directors are also responsible, under Section 148 for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.
- The Directors are also responsible for taking reasonable measures to safeguard the assets of the Company and the Group and, in that context, have instituted appropriate systems of internal control to prevent and detect fraud, errors and other irregularities.
- The Directors are responsible for preparing the Financial Statements and providing the External Auditors with every opportunity to undertake whatever inspections and reviews of the accounting records, supporting documents, minutes of meetings and internal control systems as they consider necessary to enable them to express their independent audit opinion.

In accordance with the above responsibilities, the Directors of East West Properties PLC confirm that:

- The Financial Statements of the Company and the Consolidated Financial Statements of the Group for the year ended 31 March 2026 have been prepared in accordance with the applicable Sri Lanka Financial Reporting Standards/Sri Lanka Accounting Standards (SLFRS/LKAS), the requirements of the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.
- The Financial Statements have been prepared using appropriate accounting policies, which have been selected and applied consistently, while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected. Accounting policies adopted by the Company and the Group are disclosed in the Financial Statements together with the relevant explanatory information.

The Financial Statements comprise

- The Statement of Profit or Loss and Other Comprehensive Income,
- The Statement of Financial Position
- The Statement of Changes in Equity
- The Statement of Cash Flows
- Accounting policies and notes thereto

The Board of Directors confirms that the Financial Statements of the Company and the Group give a true and fair view of the Financial position of the Company and Group as at 31 March 2026 and Financial performance of the Company and Group for the year ended 31 March 2026.

The Financial Statements of the Company have been certified by the Head of Finance of the Company, the officer responsible for preparation as required by the section 150 (1) (b) of the Companies Act. Further, the Financial Statements of the Company have been signed by two Directors of the Company on 28th August 2026 as required by the section 150 (1) (c) of the Company Act.

The Directors are also satisfied that the company has adequate resources to continue in operations to justify applying the going concern basis in preparing these financial statements.

The Company's External Auditors Messrs. BDO Partners who were re-appointed in terms of the Companies Act were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements.

The Directors confirm that, to the best of their knowledge, all statutory payments, including taxes, levies, duties and other statutory obligations due to employees and the

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Government in respect of the Company and its Subsidiaries as at the Balance Sheet date have been duly paid or, where applicable, adequately provided for.

The Directors continue to place emphasis on compliance with applicable laws and regulations and on maintaining appropriate standards of corporate governance, business ethics and responsible business conduct throughout the Company and the Group.

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

By Order of the Board of
EAST WEST PROPERTIES PLC

K.M. Tanuja Hashan
Director

Gaurav Mehta
Managing Director

Colombo

28th August 2026

RISK MANAGEMENT REPORT

STRENGTHENING RESILIENCE THROUGH DISCIPLINED RISK OVERSIGHT

Effective risk management is integral to safeguarding the long-term resilience of East West Properties PLC and protecting the value created for shareholders and other stakeholders. The Company operates within an environment influenced by economic conditions, commercial property dynamics, tenant requirements, regulatory obligations and evolving sustainability expectations.

East West's approach to risk management is therefore embedded within both operational and strategic decision-making. The objective is not to eliminate risk entirely, but to ensure that material risks are identified, assessed, evaluated monitored and managed within acceptable parameters while retaining the flexibility required to respond to changing market conditions and emerging opportunities.

The Company's strong financial position, strategically located property portfolio, established tenant relationships and disciplined approach to capital allocation provide important safeguards against volatility. These strengths are complemented by Board oversight, internal controls and ongoing management review.

RISK GOVERNANCE

The Board of Directors retains overall responsibility for risk oversight, supported by the Audit Committee, management and the Company's internal control framework.

Independent assurance from the external auditors supplements this framework in relation to the financial statements and the internal control environment, while internal checks, controls and procedures are designed to safeguard assets and support the reliability of records.

During FY 2025/26, governance and oversight structures were strengthened following changes in Board leadership and composition. The Board and its principal committees were reconstituted, while internal control and approval mechanisms continued to be reviewed and reinforced.

Risk oversight is supported through the ongoing monitoring of key areas including financial performance, occupancy, rental income, tenant collections, cash flows, expenditure, asset quality, regulatory compliance and emerging sustainability-related matters.

Management is responsible for the day-to-day identification and management of operational and financial risks, while significant exposures and strategic risks are escalated for Board consideration where appropriate.

This framework enables risk considerations to be incorporated into leasing, property management, investment decisions, capital expenditure and broader strategic planning.

PRINCIPAL RISKS AND MITIGATION

PRINCIPAL RISK	POTENTIAL IMPACT	KEY MITIGATION MEASURES
Economic and Market Risk	Economic volatility may affect tenant performance, rental affordability, demand for commercial space and property values. New commercial developments and technological disruption may also intensify competition and affect market position.	Maintain a conservative financial position; monitor economic conditions, property-market developments and new market supply; preserve balance-sheet flexibility; focus on service quality, facility modernisation and tenant relationships; apply disciplined capital allocation and investment criteria.
Occupancy and Tenant Concentration Risk	Loss of significant tenants, lower occupancy or excessive concentration could adversely affect recurring rental income and cash-flow stability.	Maintain close tenant relationships; proactively manage lease renewals through advance discussions; monitor occupancy, tenant requirements and external warehousing rental-market conditions; balance rental optimisation with retention; maintain exposure across office and warehousing segments.

RISK MANAGEMENT REPORT

PRINCIPAL RISK	POTENTIAL IMPACT	KEY MITIGATION MEASURES
Credit and Receivables Risk	Delayed payments or counterparty defaults may affect cash flows and result in impairment losses.	Apply appropriate tenant onboarding and credit assessment; obtain appropriate customer or tenant deposits; conduct regular trade-debtor reviews and follow-up; monitor rental collections; engage proactively with tenants; recognise impairments prudently and in a timely manner.
Rental Market Risk	Changes in market rentals, competitive supply or tenant affordability may affect rental growth and occupancy levels.	Undertake periodic market-aligned rental reviews; maintain asset quality; strengthen tenant relationships; optimise the balance between rental yield, occupancy and long-term retention.
Property Maintenance and Capital Expenditure Risk	Inadequate maintenance, fire incidents or building-safety failures may reduce asset quality, safety, reliability and tenant satisfaction, while excessive or poorly targeted expenditure may reduce investment returns.	Maintain planned and preventive maintenance programmes and fire-protection systems; conduct periodic safety inspections and fire drills; ensure specialised equipment and life-support systems are maintained by qualified professionals; maintain appropriate insurance; assess capital expenditure against operational benefits and long-term asset value.
Liquidity and Investment Risk	Changes in financial-market conditions, investment yields or counterparty quality may affect returns and available liquidity.	Manage surplus funds conservatively; prioritise capital preservation and liquidity; maintain deposits with established financial institutions; ensure sufficient liquidity to meet liabilities as they fall due under normal and stressed conditions; retain adequate financial flexibility.
Interest Rate Risk	Changes in interest rates may affect investment income and could influence future financing costs if leverage is introduced.	Maintain a debt-free position at present; actively manage treasury investments and negotiate appropriate rates and tenors, including one-year placements where suitable; balance liquidity, capital preservation and appropriate returns.
Foreign Exchange Risk	Currency movements may affect foreign-currency transactions and indirectly increase the cost of imported equipment, materials and specialist services.	Maintain predominantly Sri Lankan Rupee-denominated income and expenditure; monitor exchange-rate movements continuously; maintain appropriate foreign-currency reserves where exposures arise; reflect indirect exchange-rate impacts in budgeting and expenditure planning.
Changing Office Utilisation	Hybrid working and evolving workplace practices may alter demand for conventional office accommodation.	Maintain centrally located and professionally managed properties; invest in infrastructure, accessibility and reliability; monitor tenant space requirements and evolving workplace trends.
Regulatory and Compliance Risk	Changes or non-compliance with statutory, tax, listing, financial reporting, environmental, import-duty or property-related requirements could result in operational, financial or reputational consequences.	Maintain Board and committee oversight; strengthen internal controls; monitor regulatory and Government policy developments; coordinate with relevant authorities and professional advisers; conduct periodic compliance reviews; ensure compliance with applicable Companies Act, CSE, SEC, IRD, SLFRS/LKAS, UDA and local authority requirements.

PRINCIPAL RISK	POTENTIAL IMPACT	KEY MITIGATION MEASURES
Sustainability and Climate-Related Risk	Energy use, resource efficiency, climate-related considerations and evolving tenant expectations may affect operating costs, capital requirements and long-term asset competitiveness.	Prepare for SLFRS S1 and S2; strengthen sustainability-related data collection; maintain Board-level oversight of ESG risks; monitor energy use, environmental compliance and community impact; integrate resource efficiency, resilience and environmental considerations into property-management and investment decisions.
Strategic and Capital Allocation Risk	Investment in unsuitable assets, redevelopment projects or new businesses could weaken returns or reduce financial flexibility.	Operate within clear business plans and approved annual budgets, with periodic variance reviews; assess strategic fit, risk-adjusted returns, capital requirements, cash-flow potential and downside risk; maintain a selective approach to new investments; avoid growth pursued solely for scale.
Human Capital Risk	Difficulty attracting and retaining qualified and experienced personnel may affect operational continuity, service quality and the execution of strategic priorities.	Maintain competitive remuneration and benefits aligned with market benchmarks; apply performance-based appraisal systems; undertake succession planning for key roles; invest in staff training and development.
Technology and Cyber Risk	IT system failures, cybersecurity threats, data breaches or failure to adopt relevant technological advancements may disrupt operations and expose information assets.	Maintain robust IT infrastructure and cybersecurity controls; undertake regular system updates and reviews; provide staff IT and cybersecurity awareness training; evaluate technology-driven efficiency improvements where relevant.
Ownership and Governance Transition Risk	Changes in ownership, Board composition and management may affect strategic continuity, decision-making and operational stability during the transition period.	Support strategic continuity through the reconstituted Board and Managing Director; maintain transparent communication with shareholders and stakeholders; undertake structured handover and knowledge-transfer processes; continue adherence to CSE Listing Rules and corporate-governance best practices.

The principal risks identified above reflect the Company's exposure to economic conditions, tenant performance, occupancy, property maintenance, liquidity, regulatory requirements and the broader commercial property environment.

FINANCIAL RESILIENCE

East West's financial position remains one of the most important components of its overall risk-management framework.
The Company continued to maintain a debt-free balance sheet during FY 2025/26. This limits exposure to movements in lending rates, reduces pressure on operating cash flows and provides greater flexibility during periods of economic or market uncertainty.

Surplus liquidity is managed conservatively, with priority given to capital preservation, liquidity and an appropriate return rather than maximising short-term investment income. This approach provides the Company with the financial capacity to meet its operating requirements while retaining the ability to consider new investment opportunities from a position of strength.

The resilience of the Company's recurring rental income further supports financial stability. The property portfolio remained the principal source of operating income during the year, while the Colombo 03 office portfolio maintained 100% occupancy, demonstrating continued demand for well-located commercial property.

Financial resilience, however, is not viewed as a substitute for disciplined decision-making. Capital allocation continues to be assessed against long-term return potential, strategic fit and downside risk, with the objective of preserving balance-sheet strength

RISK MANAGEMENT REPORT

while progressively improving the productivity of the Company's assets.

EMERGING RISKS

The Company recognises that risk management must extend beyond currently identified operational and financial exposures.

Several structural changes have the potential to influence East West's operating environment over the medium to long term.

Changing workplace models continue to affect office-space requirements, with hybrid working encouraging businesses to reconsider both the volume and quality of space they occupy. While centrally located, high-quality office properties remain attractive, the Company will continue to monitor changes in utilisation patterns and tenant preferences.

Changing logistics requirements are also influencing demand for industrial and warehousing property. Greater emphasis on distribution efficiency, accessibility, vehicle circulation, security and proximity to transport infrastructure is reshaping tenant expectations and asset requirements.

Sustainability and climate-related expectations are expected to become increasingly important to both regulators and commercial occupiers. Energy efficiency, resource use, building resilience and environmental characteristics may progressively influence asset competitiveness and capital expenditure requirements.

Regulatory and reporting requirements are also evolving, particularly with the phased introduction of SLFRS S1 and SLFRS S2. The Company has commenced preparations to strengthen its ability to identify, assess and report sustainability-related risks and opportunities.

Management will continue to monitor these developments as part of the Company's broader strategic and asset-management processes.

INTEGRATING RISK INTO STRATEGIC DECISION-MAKING

As East West adopts a more active approach to asset management, risk considerations are becoming increasingly important in evaluating the highest and best use of individual properties.

Management continues to assess not only the current income generated by an asset, but also its future cash-flow potential, required capital investment, alternative uses, redevelopment potential and the opportunity cost of capital deployed.

Similarly, potential new investments are assessed against strategic fit, expected returns, capital requirements and downside risks.

This approach seeks to ensure that the Company does not pursue growth solely for the purpose of increasing scale. Instead, opportunities are evaluated according to their ability to enhance the long-term value of shareholders' capital while maintaining appropriate financial resilience.

Outlook

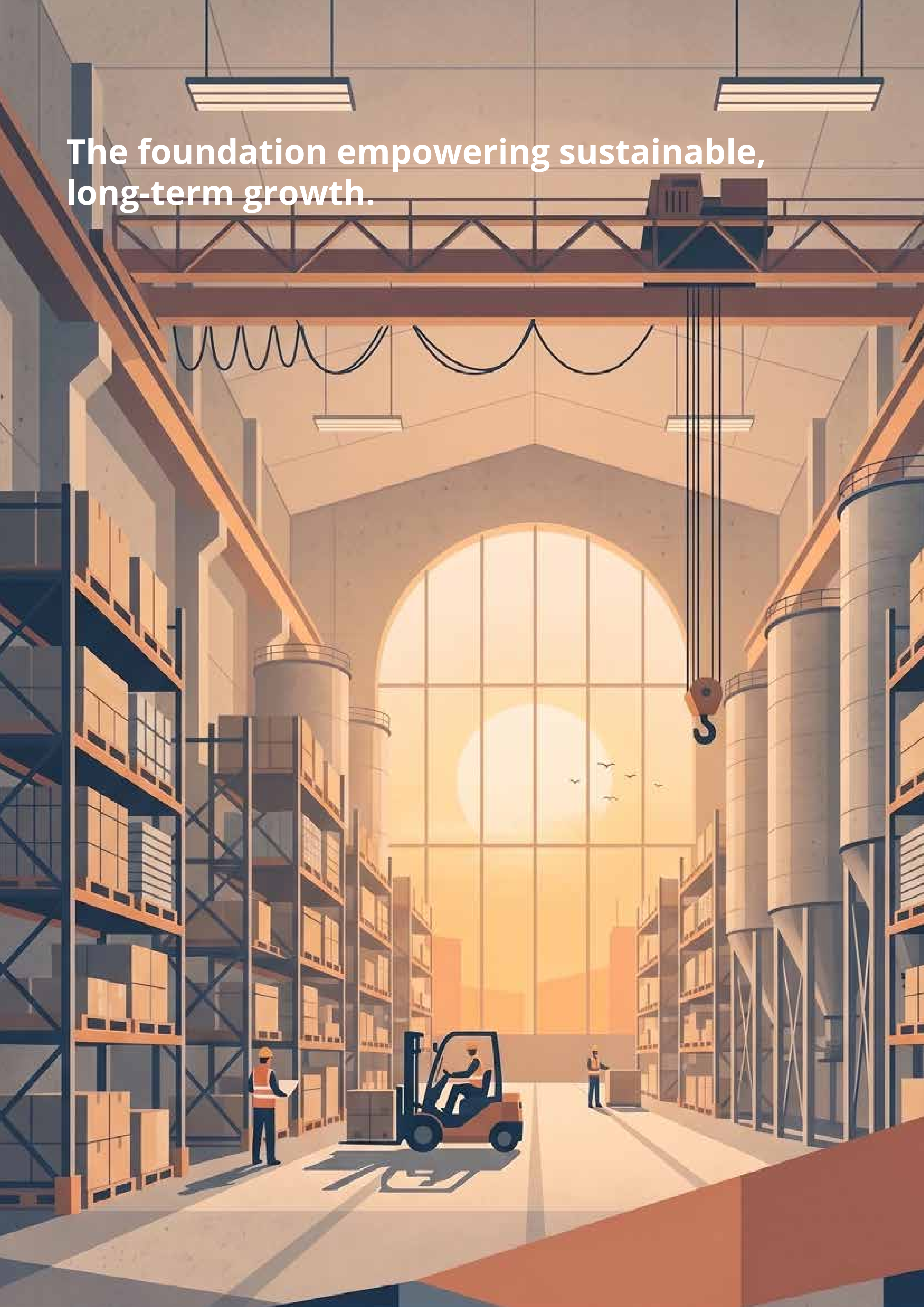
The risk environment facing East West will continue to evolve alongside Sri Lanka's economic recovery, changes within the commercial property sector and increasing sustainability and regulatory expectations.

The Company will therefore continue to strengthen its risk-management processes while preserving the financial and operational flexibility that has historically supported its resilience.

Priority will remain on protecting the quality of recurring earnings, maintaining tenant relationships, safeguarding asset quality, preserving balance-sheet strength and ensuring that future investment decisions are undertaken within clearly understood risk parameters.

East West's approach remains one of **disciplined risk-taking rather than risk avoidance**. By maintaining strong governance, financial resilience and active oversight, the Company seeks to protect the value of its existing portfolio while retaining the capacity to pursue opportunities capable of generating sustainable long-term returns.

The foundation empowering sustainable, long-term growth.



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BDO

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Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

TO THE SHAREHOLDERS OF EAST WEST PROPERTIES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of East West Properties PLC (the "Company") and the Consolidated Financial Statements of the Company and its Subsidiary (the "Group"), 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 a summary of material accounting policy information as set out on pages 76 to 127.

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

Basis for Opinion

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

We are independent of the 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 judgment, were of the 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 there on and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Value of Investment Properties Accounting policy for investment properties has been changed from the cost model to the fair value model in accordance with LKAS 40 Investment Property. As required by LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the change has been applied retrospectively, resulting in the restatement of comparative financial information. Investment Property Valuations at Reporting Dates: 2024- Rs. 2,347,600,000/- 2025- Rs. 2,561,000,000/- 2026- Rs. 2,758,000,000/-	• Evaluated whether the change in accounting policy is appropriate and in compliance with LKAS 40 and LKAS 8 • Assessed the competence, independence, and objectivity of the independent professional valuer engaged by the Company • Evaluated the valuation methodology adopted and testing the key assumptions used in determining fair values • Assessed the accuracy of the retrospective restatement adjustments and the related accounting entries • Checked disclosures for compliance with applicable accounting standards

Other Information

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 the Auditor's Report thereon.

AUDIT REPORT

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 identified above, and in doing so, consider whether the other information is materially consistent with the Financial Statements and our knowledge obtained during the audit, or otherwise whether it appears to be materially misstated. If, based upon 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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated 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 Consolidated 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 and Group'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 Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

in a manner that achieves fair presentation.

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group's Audit. We remain solely responsible for our opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that are of the 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 this independent Auditor's Report is 4324.

BDO Partners

CHARTERED ACCOUNTANTS

Colombo

28th August 2026

HSR/dm

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2026	Note	Group 2025/2026 Rs.	Group 2024/2025 (Restated) Rs.	Company 2025/2026 Rs.	Company 2024/2025 (Restated) Rs.
Revenue	4	160,158,752	155,516,682	122,360,293	118,599,713
Direct Cost		(2,952,265)	(2,212,032)	-	-
Gross Profit		157,206,487	153,304,650	122,360,293	118,599,713
Other Income	5	10,563,445	8,582,399	68,250,946	8,157,218
Fair Value Gain on Investment Property	14	197,000,000	201,477,046	197,000,000	201,477,046
		364,769,932	363,364,095	387,611,239	328,233,977
Administrative Expenses		(79,315,815)	(110,038,091)	(61,905,008)	(96,093,916)
Other Expenses	5.1	(34,713,334)	(1,134,757)	(34,573,870)	(1,134,757)
Profit from Operating Activities	8	250,740,783	252,191,247	291,132,361	231,005,304
Finance Income	6	56,548,505	54,081,133	51,635,303	43,144,703
Finance Costs	7	-	(167,976)	-	(23,192)
Net Finance Income		56,548,505	53,913,157	51,635,303	43,121,511
Profit before Tax		307,289,288	306,104,404	342,767,664	274,126,815
Income Tax Expense	9	(55,146,602)	(52,078,601)	(50,041,699)	(44,373,178)
Profit for the year		252,142,686	254,025,803	292,725,965	229,753,637
Other Comprehensive Income					
Re-measurement of Employee Benefits		1,124,375	(3,357,506)	919,377	(3,084,601)
Deferred Tax on Re-measurement of Employee Benefits		(316,812)	979,961	(275,813)	925,380
Total Other Comprehensive Income for the year		807,563	(2,377,545)	643,564	(2,159,221)
Total Comprehensive Income for the year		252,950,249	251,648,258	293,369,529	227,594,416
Profit attributable to:					
Equity holders of the Parent		243,277,528	242,132,443	292,725,965	229,753,637
Non-controlling interest		8,865,158	11,893,360	-	-
Profit for the year		252,142,686	254,025,803	292,725,965	229,753,637
Total comprehensive income attributable to:					
Equity holders of the Parent		244,004,731	239,861,877	293,369,529	227,594,416
Non-controlling interest		8,945,518	11,786,381	-	-
Total comprehensive income for the year		252,950,249	251,648,258	293,369,529	227,594,416
Earnings per share	10	1.76	1.75	2.12	1.66

Figures in brackets indicate deductions.

The accounting policies and notes on pages 80 to 127 form an integral part of these Financial Statements.

Colombo
28th August 2026

STATEMENT OF FINANCIAL POSITION

As At 31st March 2026	Note	Group As at 2025/2026 Rs.	Group As at 2024/2025 (Restated) Rs.	Group As at 2023/2024 (Restated) Rs.	Company As at 2025/2026 Rs.	Company As at 2024/2025 (Restated) Rs.	Company As at 2023/2024 (Restated) Rs.
ASSETS							
Non-Current Assets							
Property, Plant and Equipment	11	61,903,426	175,621,990	186,614,251	58,184,907	171,362,849	181,666,366
Leasehold Property	12	23,968,004	24,388,495	24,808,986	23,968,004	24,388,495	24,808,986
Intangible Assets	13	22,452,583	22,452,583	22,452,583	-	-	-
Investment Properties	14	2,758,000,000	2,561,000,000	2,347,600,000	2,758,000,000	2,561,000,000	2,347,600,000
Investments in Subsidiary	15	-	-	-	49,307,090	49,307,090	49,307,090
Deferred Tax Asset		289,113	206,976	48,318	-	-	-
Total Non-Current Assets		2,866,613,126	2,783,670,044	2,581,524,138	2,889,460,001	2,806,058,434	2,603,382,442
Current Assets							
Inventories		1,165,760	2,002,296	2,103,504	-	-	-
Trade and Other Receivables	16	78,185,656	105,918,185	117,771,108	47,727,411	73,298,043	74,235,288
Amounts Due from Related Parties	26	-	129,358,654	105,224,775	25,862	129,358,654	105,224,775
Other Financial Assets	17	611,249,272	271,813,210	210,989,249	593,542,272	140,220,781	136,270,120
Cash and Cash Equivalents	18	26,852,062	102,828,636	102,883,257	24,427,959	100,661,704	77,892,984
Total Current Assets		717,452,750	611,920,981	538,971,893	665,723,504	443,539,182	393,623,167
Total Assets		3,584,065,876	3,395,591,025	3,120,496,031	3,555,183,505	3,249,597,616	2,997,005,609
EQUITY AND LIABILITIES							
Equity							
Stated Capital - 138,240,000 Ordinary Shares	19	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000
Revaluation Reserve	20	-	77,184,832	77,184,832	-	77,184,832	77,184,832
Retained Earnings		2,142,062,037	1,831,226,964	1,591,365,087	2,144,964,329	1,774,409,968	1,546,815,552
Total equity attributable to owners of the entity		3,354,062,037	3,120,411,796	2,880,549,919	3,356,964,329	3,063,594,800	2,836,000,384
Non-controlling Interest		23,012,915	80,390,268	68,603,887	-	-	
Total Equity		3,377,074,952	3,200,802,064	2,949,153,806	3,356,964,329	3,063,594,800	2,836,000,384
Non-Current Liabilities							
Employee Benefits	21	9,863,431	11,367,619	6,847,411	8,279,696	9,864,425	5,692,027
Deferred Tax Liabilities	22	153,898,270	130,882,876	107,249,519	153,898,270	130,882,876	107,249,519
Rent Received in Advance	23	600,534	2,201,959	3,979,042	600,534	2,201,959	3,979,042
Total Non-Current Liabilities		164,362,235	144,452,454	118,075,972	162,778,500	142,949,260	116,920,588
Current Liabilities							
Trade and Other Payables	24	34,224,075	35,183,105	38,157,098	27,561,308	31,445,833	33,356,048
Rent Received in Advance	23	1,601,426	1,601,426	1,601,426	1,601,426	1,601,426	1,601,426
Income Tax Liabilities	25	6,803,189	13,551,976	13,507,729	6,277,943	10,006,298	9,127,163
Total Current Liabilities		42,628,689	50,336,507	53,266,253	35,440,676	43,053,557	44,084,637
Total Liabilities		206,990,924	194,788,961	171,342,225	198,219,176	186,002,817	161,005,225
Total Equity and Liabilities		3,584,065,876	3,395,591,025	3,120,496,031	3,555,183,505	3,249,597,616	2,997,005,609

The accounting policies and notes on pages 80 to 127 form an integral part of these Financial Statements.

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

Sandya Bandara
Head of Finance

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

K. M. Tanuja Hashan
Director

Gaurav Mehta
Managing Director

28th August 2026

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March Group	Stated Capital Rs.	Revaluation Reserve Rs.	Revenue Reserve Rs.	Total Rs.	Non-Controlling Interest Rs.	Total Equity Rs.
Balance as at 01st April 2024	1,212,000,000	77,184,832	1,376,918,431	2,666,103,263	68,603,887	2,734,707,150
Prior Year Adjustments	-	-	214,446,656	214,446,656	-	214,446,656
Balance as at 31st March 2024 (Restated)	1,212,000,000	77,184,832	1,591,365,087	2,880,549,919	68,603,887	2,949,153,806
Profit for the Year	-	-	242,132,443	242,132,443	11,893,360	254,025,803
Other Comprehensive Income/ (Expenses)	-	-	(2,270,566)	(2,270,566)	(106,979)	(2,377,545)
Total Comprehensive Income	-	-	239,861,877	239,861,877	11,786,381	251,648,258
Balance as at 31st March 2025 (Restated)	1,212,000,000	77,184,832	1,831,226,964	3,120,411,796	80,390,268	3,200,802,064
Profit for the Year	-	-	243,277,528	243,277,528	8,865,158	252,142,686
Other Comprehensive Income/ (Expenses)	-	-	727,203	727,203	80,360	807,563
Total Comprehensive Income	-	-	244,004,731	244,004,731	8,945,518	252,950,249
Dividend Paid	-	-	(10,354,490)	(10,354,490)	(66,322,871)	(76,677,361)
Realised Revaluation surplus on disposal	-	(77,184,832)	77,184,832	-	-	-
Balance as at 31st March 2026	1,212,000,000	-	2,142,062,037	3,354,062,037	23,012,915	3,377,074,952

Company	Stated Capital Rs.	Revaluation Reserve Rs.	Revenue Reserve Rs.	Total Rs.
Balance as at 01st April 2024	1,212,000,000	77,184,832	1,332,368,894	2,621,553,726
Prior Year Adjustments	-	-	214,446,658	214,446,658
Balance as at 31st March 2024 (Restated)	1,212,000,000	77,184,832	1,546,815,552	2,836,000,384
Profit for the Year	-	-	229,753,637	229,753,637
Other Comprehensive Income/ (Expenses)	-	-	(2,159,221)	(2,159,221)
Total Comprehensive Income	-	-	227,594,416	227,594,416
Balance as at 31st March 2025 (Restated)	1,212,000,000	77,184,832	1,774,409,968	3,063,594,800
Profit for the Year	-	-	292,725,965	292,725,965
Other Comprehensive Income/ (Expenses)	-	-	643,564	643,564
Total Comprehensive Income	-	-	293,369,529	293,369,529
Realised Revaluation Surplus on Disposal	-	(77,184,832)	77,184,832	-
Balance as at 31st March 2026	1,212,000,000	-	2,144,964,329	3,356,964,329

Figures in brackets indicate deductions.

The accounting policies and notes on pages 80 to 127 form an integral part of these Financial Statements.

Colombo
28th August 2026

STATEMENT OF CASH FLOWS

For the year ended 31st March 2026	Group 2025/2026 Rs.	Group 2024/2025 (Restated) Rs.	Company 2025/2026 Rs.	Company 2024/2025 (Restated) Rs.
Cash Flows from Operating Activities				
Profit before Tax	307,289,288	306,104,404	342,767,664	274,126,815
Adjustment for:				
Depreciation on Property, Plant and Equipment	9,500,201	12,126,858	8,414,908	10,893,705
Amortisation of Leasehold Property	420,491	420,491	420,491	420,491
Gratuity Provision	561,187	1,300,704	275,648	1,087,797
Interest Received	(56,414,438)	(48,515,598)	(51,501,235)	(39,471,234)
Fair Value Gain on Investment Property	(197,000,000)	(201,477,046)	(197,000,000)	(201,477,046)
Dividend Income	-	-	(58,675,437)	-
Loss on Disposal of Property, Plant and Equipment	4,763,033	-	4,763,033	-
Profit/(Loss) on Disposal of Financial Assets	-	(3,673,469)	-	(3,673,469)
Operating Profit before Working Capital Changes	69,119,762	66,286,344	49,465,072	41,907,059
Changes in Working Capital				
(Increase)/Decrease in Inventories	836,536	101,209	-	-
(Increase)/Decrease in Trade and Other Receivables	27,732,529	12,605,930	25,570,632	937,243
(Increase)/Decrease in Trade and Other Receivables	-	(816,481)	-	-
(Increase)/Decrease in Amounts due from Related Parties	129,358,654	(24,133,879)	129,332,792	(24,133,879)
Increase/(Decrease) in Trade and Other Payables	(959,030)	(2,910,520)	(3,884,525)	(1,910,213)
Increase/(Decrease) in Deposits and Advance Received	(1,601,425)	(1,777,083)	(1,601,426)	(1,777,083)
Cash Generated from/(used in) Operating Activities	224,487,026	49,355,519	198,882,545	15,023,127
Tax Paid	(39,278,945)	(27,579,695)	(31,030,473)	(18,935,307)
Gratuity Paid	(941,000)	(138,000)	(941,000)	-
Net Cash Flows from/(used in) Operating Activities	184,267,081	21,637,824	166,911,072	(3,912,180)
Cash Flows from Investing Activities				
Purchase of Property, Plant and Equipment	(544,670)	(1,134,594)	-	(590,186)
Purchase of Investment Properties	-	(11,922,954)	-	(11,922,954)
Short-Term Investments	(339,436,062)	(60,823,963)	(453,321,491)	(3,950,663)
Acquisition of Financial Assets	-	(99,370,624)	-	(99,370,624)
Interest Received	56,414,438	48,515,598	51,501,235	39,471,234
Dividend Income	-	-	58,675,438	-
Proceeds from Disposal of Financial Assets	-	103,044,092	-	103,044,093
Proceeds from Disposal of Property, Plant and Equipment	100,000,000	-	100,000,000	-
Net Cash Flows (used in) / from Investing Activities	(183,566,294)	(21,692,445)	(243,144,818)	26,680,900
Cash Flows from Financing Activities				
Dividend Payment	(76,677,361)	-	-	-
Net Cash Flows (used in) Financing Activities	(76,677,361)	-	-	-
Net (Decrease)/ Increase in Cash and Cash Equivalents	(75,976,574)	(54,621)	(76,233,746)	22,768,720
Cash and Cash Equivalents as at the beginning of the year	102,828,636	102,883,257	100,661,704	77,892,984
Cash and Cash Equivalents as at the end of the year	26,852,062	102,828,636	24,427,959	100,661,704
Cash and Cash Equivalents at the end of the year				
Call Deposit	19,718,528	96,670,940	19,718,528	96,670,940
Savings Accounts	4,675,129	4,812,311	2,831,062	2,645,379
Cash in Hand and at Bank	2,458,405	1,345,385	1,878,369	1,345,385
	26,852,062	102,828,636	24,427,959	100,661,704

Figures in brackets indicate deductions.

The accounting policies and notes on pages 80 to 127 form an integral part of these Financial Statements.

Colombo
28th August 2026

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 General

East West Properties PLC is a public quoted company with limited liability, incorporated and domiciled in Sri Lanka. The registered office of the Company is currently located at No. 253, Raja Mawatha, Ekala, Ja-Ela. (The Company registered office was previously located at No. 02-01, 53 Dharmapala Mawatha, Colombo 03).

The Ordinary Shares of the Company are listed on the Colombo Stock Exchange.

1.2 Consolidated Financial Statements

In the Consolidated Financial Statements, "the Company" refers to East West Properties PLC as the Parent Company and "the Group" refers to the companies whose accounts have been consolidated therein.

There is no identifiable parent and ultimate parent Company.

1.3 Principal Activities and Nature of Operations

The principal activity of the Company was renting warehouses, office spaces and yards for commercial purposes.

1.4 Date of authorisation for issue

The Consolidated Financial Statements for the year ended 31st March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 28 th August 2026.

1.5 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of these Financial Statements as per Sri Lanka Accounting Standards (SLFRS / LKAS) and the provisions of the Companies Act No. 07 of 2007.

2. BASIS OF PREPARATION

2.1. The consolidated Financial Statements

The Financial Statements of the Company have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka and are in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the CSE.

2.2 These Financial Statements include the following components.

- The Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Company and Group for the year under review
- Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end
- Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company and Group
- Statement of Cash Flows providing the information to users, on the ability of the Company and Group to generate cash and cash equivalents and utilisation of those cash flows
- Notes to the Financial Statements comprising significant accounting policies and other explanatory information

2.3 Basis of Measurement

The Financial Statements of the Company and Group have been prepared on the historical cost basis, except for the following material items in the statement of financial position.

a) Items of Property, Plant and Equipment are initially recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.
b) Defined benefit plans which are measured at the present value of Employee Benefits

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, the Company uses observable market data as far as possible. Fair Values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1: inputs are unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs are inputs that are not based on observable market data (unobservable inputs)

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in determining fair value is disclosed in the notes specific to the relevant asset or liability.

2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

2.5 Use of Estimates, Judgments and Assumptions

The presentation of the Financial Statements of the Company and Group in conformity with Sri Lanka Accounting Standards (SLFRS / LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.6 Use of Materiality and Offsetting

a) Materiality and Aggregation

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

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Company. Understandability of the Financial Statements is not compromised by observing material information or by aggregating material items that have different nature of functions.

b) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when legally there is an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the material accounting policies of the Company.

2.7 Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period, or

is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

2.8 Going Concern

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for 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, the Financial Statements of the Company continue to be prepared on a going concern basis.

2.9 Changes in Material Accounting Policies

The Company has adopted the amendments to LKAS 1 Presentation of Financial Statements and SLFRS Practice Statement 2 Making Materiality Judgements relating to the disclosure of accounting policies, effective from 1 January 2023.

The adoption of these amendments did not result in any changes to the Company's accounting policies, recognition and measurement principles, or the accounting treatment applied to transactions and events. However, the amendments

NOTES TO THE FINANCIAL STATEMENTS

resulted in changes to the accounting policy information disclosed in the Financial Statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies.

3. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these Financial Statements, except if mentioned otherwise.

During the year, the Company changed its subsequent measurement method for Investment Properties from the cost model to the fair value model. Management determined that the fair value model provides more relevant and reliable information regarding the value of the Company's Investment Properties. Accordingly, the change in accounting policy has been applied in accordance with the requirements of LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

3.1 Basis of Consolidation

The Group's Financial Statements comprise the Consolidated Financial Statements of the Company and its Subsidiary prepared in terms of Sri Lanka Accounting Standard SLFRS 10 - 'Consolidated Financial Statements'. A list of Subsidiary is disclosed in Note 15 to the Financial Statements.

3.1.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method at the acquisition date which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to groups of cash-generating units that are expected to benefit from the synergies of the combination.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognized. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets pro-rata to the carrying amount of each asset in the unit.

3.1.2 Subsidiary

Subsidiary is entity controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Financial Statements of Subsidiary is included in the Consolidated Financial Statements from the date on which control commences until the date when control ceases.

3.1.3 Transactions with Non-controlling Interests

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the Parent, directly or indirectly through subsidiaries, is disclosed separately under the heading "Non-Controlling Interest".

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

The acquisition of an additional ownership interest or a disposal of ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interests is recognized in equity of the parent. No adjustment is made to goodwill as a result of such transactions.

3.1.4 Loss of Control

On the loss of control, the Group derecognizes the assets, including goodwill and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any gain or loss arising on the loss of control is recognized in the Statement of Profit or Loss.

If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.1.5 Profits and Losses

The total profits and losses of the Company and its subsidiary for the period are included in the consolidation. The proportion of the profit or loss after taxation attributable to Non-Controlling Interest of shareholders of the subsidiary is shown as a component of profit for the period in the Statement of Profit or Loss.

3.1.6 Assets and Liabilities

All assets and liabilities of the Company and its subsidiary are included in the Statement of Financial Position. Non-controlling interest which represents the proportion of interest attributable to the non-controlling interest of the subsidiary in the net assets employed by the Group is disclosed as a component of equity in the Statement of Financial Position, separately from the Parent shareholders' equity.

3.1.7 Transactions Eliminated on Consolidation

All intra group balances and transactions, income and expenses, profits and losses resulting from intra group transactions that are recognised in assets, liabilities, income and expenses are eliminated in preparing the Consolidated Financial Statements.

3.1.8 Financial Period

The Subsidiary has a common financial year as the Parent Company.

3.2 Foreign Currency Transactions

All foreign currency transactions are translated to Sri Lankan Rupees at the exchange rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to local currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on re-translation are recognised in the Statement of Profit or Loss.

3.3 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument of another entity.

3.3.1 Financial Assets

a) Initial Recognition and Measurement

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not 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.

The financial assets of the Company comprise financial assets at amortised cost and financial assets at fair value through profit or loss.

Financial Assets at Amortised Cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method

NOTES TO THE FINANCIAL STATEMENTS

and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include cash and cash equivalents and trade and other receivables, investment in fixed deposits, investments in repurchase agreements, investment in debentures and amounts due from related parties.

Financial Assets at Fair Value through Profit or Loss (FVTPL)
Financial assets at fair value through profit or loss include financial assets held for trading.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

c) Derecognition
The Group derecognises 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 Group enters into transactions whereby it transfers assets recognised 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 derecognised.

d) Impairment of Financial Assets
The Group reviews its individually significant receivables at each reporting date to assess whether an impairment loss should be recorded in the Statement of Profit or Loss, in particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

The Group follows a 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date, impairment loss allowance charges (or reversal) recognised during the period is recognised as income/ expense.

3.3.2 Financial Liabilities

a) Initial Recognition and Measurement
Financial liabilities are classified at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and income tax liability.

b) Subsequent Measurement of Financial Liabilities
Financial liabilities are subsequently measured at amortised cost. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

The amortised cost of financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method minus any reduction for impairment.

c) Derecognition
A Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

Items of Property, Plant and Equipment are measured at cost (or at valuation in the case of certain items) less accumulated depreciation and accumulated impairment losses.

3.4.2 Owned Assets
The cost of Property, Plant and Equipment include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Increases in the carrying amount on revaluation is recognised in other comprehensive income and accumulated in equity in the revaluation reserve, unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

Decrease in the carrying amount on revaluation that offset previous increases of the same individual assets are charged against revaluation reserve directly in equity. All other decreases are recognised in profit or loss.

3.4.3 Subsequent Costs
The cost of replacing components of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably.

The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss as incurred.

3.4.4 Derecognition
An item of property, plant and equipment is derecognised upon disposal of or when no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition of the asset is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within ‘Other Income’ in profit or loss.

3.4.5 Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflected the expected pattern of consumption of the future economic benefits embodied in the asset.

Depreciation is calculated on a straight-line basis over the useful lives of the assets as disclosed below.

Site Buildings	Over 10 Years
Furniture and Fittings	Over 5 - 8 Years
Fixtures and Fittings	Over 5 Years
Office Equipment	Over 5 - 8 Years
Computers and Accessories	Over 4 - 5 Years
Communication Equipment	Over 8 Years
Air Conditioners	Over 5 - 8 Years
Generators	Over 5 Years
Plant and Machinery	Over 5 Years
Tools and Equipment	Over 5 Years
CCTV Camera System	Over 5 Years
Equipment- Radio Studio	Over 8 Years
TV2 Studio	Over 8 Years
Encoder and Decoder	Over 8 Years
UPS System	Over 4 Years
Studio Broadcast System	Over 5 Years
Digital Audio Router	Over 5 Years
Transmitter Towers	Over 8 Years
Transmitters	Over 8 Years
Transformers	Over 5 - 10 Years
Antenna	Over 8 Years
Cables and Connectors	Over 8 Years
Gongala Cabin	Over 8 Years
Motor Vehicles	Over 5 Years
Excavator	Over 5 Years
Diesel Tank	Over 5 Years

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 derecognised.

NOTES TO THE FINANCIAL STATEMENTS

3.5 Capital Work-in-Progress

Capital expenses incurred during the period for work not completed as at the reporting date are shown as capital work-in-progress, whilst the capital assets if any, which have been completed during the period and put to use have been transferred to property, plant and equipment.

3.6 Leasehold Property

Leasehold Property includes leasehold rights to land of Urban Development Authority situated at 3rd Lane, New Nuge Road, Peliyagoda which is on a 99 years lease. Leasehold Property is amortised over their remaining period of leases.

3.6.1 Lease Rentals paid in Advance

Prepaid lease rentals paid to acquire land use rights are amortised over the lease term. Details of the leasehold property are given in note 12 to the Financial Statements.

3.7 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property was initially recognized at cost, including transaction costs directly attributable to its acquisition.

After initial recognition, the Group measures all investment properties using the fair value model. Investment properties are carried out at fair value, which reflects market conditions at the reporting date. Fair values are determined based on valuations performed by independent professionally qualified valuers having appropriately recognized professional qualifications and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair value of investment properties are recognized in the Statement of Profit or Loss in the period in which they arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on derecognition, being the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.8 Intangible Assets

Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

3.8.1 Computer Software

All computer software costs incurred licensed for use by the Company, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and is probable that they will lead to future economic benefits, are included in the statement of financial position under the category intangible assets and carried at cost less amortisation and any accumulated impairment losses.

Computer software is amortised over their estimated useful economic life over a period of 5 years on a straight-line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3.8.2 Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Gain from bargain purchase arising on an acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Gain from bargain purchase is recognized immediately in the Statement of Profit or Loss.

Derecognition of Intangible Assets

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

3.9 Inventories

Inventories are measured at the lower cost and net realizable value, after making due allowances for obsolete and slow-moving items. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price, less estimated costs of completion and estimated costs necessary to make the sale.

3.10 Trade and Other Receivables

Trade and Other Receivables are stated at the amounts estimated to be realised after providing for impairment on trade and other receivables.

Trade and Other Receivables and amounts due from related parties are recognised at cost, less provision for impairment.

3.11 Cash and Cash Equivalents

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise call deposits, savings accounts, cash in hand, cash at banks.

3.12 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset.

For impaired assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indication exists, the Group makes an estimate of the recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss.

3.13 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

As per the Companies Act No. 07 of 2007, Section 58(1), Stated Capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of calls in arrears.

3.14 Liabilities and Provisions

3.14.1 Liabilities

Liabilities classified as current liabilities on 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 payable after one year from the reporting date.

All known liabilities are accounted for in the statement of financial position.

Trade and Other Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3.15 Provisions

A provision is recognised in the Statement of Financial Position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with LKAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets'. The amount recognised is the best estimate of the consideration required to settle the present obligation at the Reporting date, taking into account the risks and uncertainties surrounding the obligation at the date. Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is determined based on the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

Commitments and Contingencies
Capital commitments and contingent liabilities of the Group are disclosed in respective notes to the Financial Statements.

3.16 Employee Benefits

a) Defined Benefit Plan – Retirement Gratuity
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by the Company using the projected unit credit method based on the formula prescribed in "LKAS 19 - Employee Benefits".

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Provision has been made for retirement gratuities for the first year of service for all employees, in conformity with "LKAS 19 - Employee Benefits". However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The key assumptions used in the computation are stated in the note 21 to the Financial Statements.

b) Defined Contribution Plans - Employees Provident Fund and Employees Trust Fund
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

All employees who are eligible for Employees Provident Fund contributions and Employees Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations. contribution plans are recognised as an expense in the statement of profit or loss when incurred.

3.17 Statement of Profit or Loss and Other Comprehensive Income

3.17.1 Revenue from Contracts with Customers
The Company recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration that the Company is to be entitled in exchange for those goods or services. Determining the timing of the transfer of control of goods or services, at a point in time or over time, requires judgments taking into consideration the nature of goods or services that the Company offers.

SLFRS 15 requires an entity to disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group's contracts with customers are in similar nature and revenue from these contracts are not significantly affected by economic factors apart from the service categories.

a) Rental Income
Rental Income is recognised in the statement of profit or loss as it accrues. Income represents the invoice values of services rendered to customers.

b) Lease Rental Income
The Company has sub leased part of the Land lease owned by the Company for a period of thirty years. The lease Rentals have been collected in advance and will be accounted as income as per the provisions of the lease agreement.

c) Infrastructure Rental
Infrastructure Rental Income is recognized in the statement of profit or loss as it accrues.

3.17.2 Net Finance Income
Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets and foreign exchange gain.

Interest Income is recognised on an accrual basis. Dividend Income is recognised when the Shareholders right to receive such dividend is established. Foreign currency gains and losses are reported on a net basis.

3.17.3 Other income and expenses
Other income is recognised on an accrual basis. Net gains and losses of a revenue nature on disposal of an item of property, plant and equipment and other non-current assets including investments have been accounted for in profit or loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

3.17.4 Expenditure Recognition
All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss.

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

a) Income Tax Expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognised directly in Equity or in Other Comprehensive Income.

Current Tax

The provision for taxation is based on the elements of Income and Expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, Inland Revenue (Amendment) Act No.10 of 2021, Inland Revenue (Amendment) Act No. 45 of 2022 and Inland Revenue (Amendment) Act No.04 of 2023.

Deferred Tax

Deferred Tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Financial Statements.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.17.5 Segmental Reporting

A segment is a distinguishable component of the Group that is engaged in providing services which is subject to different risks and rewards. The Company's core business is renting warehouses and office premises for commercial purpose and this line of business accounts for the entire operation of the Company.

People's Media Network (Subsidiary) is a private limited company incorporated and domiciled in Sri Lanka on 25 April 2006. The principal activity of the Company during the year was the provision of infrastructure facilities, including the leasing of radio and television frequencies issued by the Telecommunications Regulatory Commission of Sri Lanka.

The Financial Statements taken as a whole presents the profitability, assets and the cash flows related to above operations.

Further geographic segmentation with distinguishable components associated with differing risks and returns do not arise for the Company.

Segment information of the Company is stated in note 4.5 and 4.6.

3.17.6 Earnings Per Share

The Company presents Earnings per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.17.7 Statement Of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect method".

3.17.8 Transactions With Related Parties

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per Sri Lanka Accounting Standard (LKAS) 24 - "Related Party Disclosures".

Related Party Receivables and Payables are treated as Current Assets and Current Liabilities as they are deemed to be of a temporary nature.

NOTES TO THE FINANCIAL STATEMENTS

3.17.9 Changes in accounting standards

The Company has initiated to apply certain standards and amendments that are effective for annual periods beginning on or after 01st January 2025.

Accounting standard	Description	Effective date
SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures	These disclosures aim to provide decision useful information to primary users regarding Climate-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions	01st January 2025
SLFRS 17 – Insurance Contracts	Measure Insurance Contract Liability at a current fulfilment value and provide a more uniform measurement and presentation approach for all insurance contracts.	01st January 2026
Amendments to SLFRS 9 and SLFRS 7	Classification and Measurement of financial instruments including sustainability linked financial information and nature-dependent electricity contracts	01st January 2026

3.17.10 New Accounting Standards Issued but Not Yet Effective

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 01st January 2027 or at a later date.

The new and amended standards that are issued but are not yet effective at the date of issuance of these Financial Statements are disclosed below.

Accounting standard	Description	Effective date
SLFRS 18 – Presentation of Financial Statements	Enhanced presentation requirements in the statement of profit or loss, establishes a consistent definition of operating profit, and strengthens disclosure requirements, particularly in relation to management-defined performance measures	01st January 2027
SLFRS 19 - Subsidiaries without Public Accountability: Disclosures	Reduced disclosure requirements for eligible subsidiaries that do not have public accountability, while continuing to apply full SLFRS recognition and measurement principles.	01st January 2027

4. REVENUE

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Rental Income	160,158,752	155,516,682	122,360,293	118,599,713
	160,158,752	155,516,682	122,360,293	118,599,713

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over goods, or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of Service	Nature and timing of Satisfaction of Performance Obligations,including Significant Payment Terms	Revenue recognition policies
Rent income on Warehouses, Yard Rental, Office Space and Infrastructure	This represents the income from letting the Company's investment property. The performance obligation is satisfied over time as the properties are being used by the customer. The customer is invoiced on a monthly basis.	Rent income is recognised as revenue on a straightline basis over the term of the lease (recognition over time).

4.1 Revenue Streams
The Companies in the Group are primarily involved in renting space and Infrastructure is recognised over a period of time, depending on agreements.

At the inception of the contract, the entity determines whether it satisfies the performance obligation over time or at a point in time. Timing and amount of cash flow will be determined according to the agreement.

4.2 Disaggregation of Revenue from Contracts with Customers
Revenue from contracts with customers is disaggregated by Service Lines and Timing of Revenue Recognition as follows.

4.2.1 Service Lines

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Warehouses and Yard Rental	58,792,971	53,997,259	58,792,971	54,603,839
Office Space Rental	63,070,091	63,995,874	63,567,322	63,995,874
Infrastructure Rental	38,295,690	37,523,549	-	-
	160,158,752	155,516,682	122,360,293	118,599,713

4.3 Contract Balances
Contract Assets
A contract asset is the right to a consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays the consideration on or before payment is due, a contract assets is recognised for the earned consideration that is conditional.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE (CONTD.)

4.3 Contract Balances (Contd.)

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays the consideration before the Group transfers goods or Services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

The following table provides information about receivables, contract assets and liabilitie from contracts with customers.

		Group		Company	
		2025/2026	2024/2025	2025/2026	2024/2025
	Note	Rs.	Rs.	Rs.	Rs.
Trade debtors, which are included in trade and other receivables	16	24,041,757	22,887,232	12,173,872	17,019,753
Leasehold Property	12	23,968,004	24,388,495	23,968,004	24,388,495
Rent Received in Advance	23	2,201,959	3,803,385	2,201,959	3,803,385

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period amounts to Rs. 2,201,959/- which is disclosed under Note 23.

Rent Received in Advance under operating lease is recognised based on the term of the lease. The lease term is for a fixed period of 30 years together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

4.4 Obligations for returns, refunds and types of warranties and related obligations

Costs incurred by the Group under the terms of the warranty agreement between the principal suppliers are reimbursed to the Group. Any amount that is not reimbursed under the warranty agreement is charged to the Statement of Comprehensive Income. The Group has no warranty liability in respect of past sales which can occur in future, as the cost is reimbursed by the principal.

4. REVENUE (CONTD.)

4.5 Operating Segments

Segment information is presented in respect of the Group's business segments. Business segments are based on the Group's management and internal reporting structure.

Inter-segment transactions are carried in the ordinary course of business. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises the following main business segments.

Rental	- Warehouses, Yard, Ground and Office Space Rental
Infrastructure	- Infrastructure Rental

Unallocated assets and liabilities comprise mainly the assets and liabilities that cannot be attributed to a particular segment.

The Board of Directors regularly reviews the operating results of all operating business segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, is measured differently from operating profit or loss in the Consolidated Financial Statements.

4.6 Business Segments Analysis

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Rental	121,863,062	117,993,133	122,360,293	118,599,713
Infrastructure	38,295,690	37,523,549	-	-
	160,158,752	155,516,682	122,360,293	118,599,713

4. REVENUE (CONTD.)

4.6 Business Segments Analysis (Contd.)

	Rental	
	2025/2026 Rs.	2024/2025 Restated Rs.
External Revenue	122,360,293	118,599,713
Net Revenue	122,360,293	118,599,713
Segment Results	291,132,361	231,005,304
Finance Income	51,635,303	43,144,703
Finance Costs	-	(23,192)
Net Finance Income	51,635,303	43,121,511
Profit/(Loss) before tax	342,767,664	274,126,815
Tax Expense	(50,041,699)	(44,373,178)
Profit/(Loss) for the year	292,725,965	229,753,637
Purchase and construction of Property, Plant and Equipment	7,690,728	590,186
Purchase of Investment Property	-	11,922,954
Depreciation on Property, Plant and Equipment	8,414,908	10,893,705
Amortisation of Leasehold Property	420,491	420,491
Gratuity Provision and Related Costs	275,648	1,087,797
Property, Plant and Equipment	58,184,907	171,362,849
Leasehold Property	23,968,004	24,388,495
Investment Property	2,758,000,000	2,561,000,000
Deferred Tax Asset	-	-
Segment Non-Current Assets	2,840,152,911	2,756,751,344
Goodwill		
Total Non-Current Assets		

Infrastructure		Inter Segment Elimination		Group Total	
2025/2026	2024/2025 Restated	2025/2026	2024/2025	2025/2026	2024/2025 Restated
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
38,295,690	37,523,549	(497,231)	(606,580)	160,158,752	155,516,682
38,295,690	37,523,549	(497,231)	(606,580)	160,158,752	155,516,682
18,283,860	21,185,943	(58,675,438)	-	250,740,783	252,191,247
4,913,202	10,936,430	-	-	56,548,505	54,081,133
-	(144,784)	-	-	-	(167,976)
4,913,202	10,791,646	-	-	56,548,505	53,913,157
23,197,062	31,977,589	(58,675,438)	-	307,289,288	306,104,404
(5,104,903)	(7,705,423)	-	-	(55,146,602)	(52,078,601)
18,092,159	24,272,166			252,142,686	254,025,803
544,670	544,408	-	-	8,235,398	1,134,594
-	-	-	-	-	11,922,954
1,085,292	1,233,153	-	-	9,500,200	12,126,858
-	-	-	-	420,491	420,491
285,538	212,906	-	-	561,186	1,300,703
3,718,519	4,259,141	-	-	61,903,426	175,621,990
-	-	-	-	23,968,004	24,388,495
-	-	-	-	2,758,000,000	2,561,000,000
289,113	206,976	-	-	289,113	206,976
4,007,632	4,466,117	-	-	2,844,160,543	2,761,217,461
				22,452,583	22,452,583
				2,866,613,126	2,783,670,044

4. REVENUE (CONTD.)

4.6 Business Segments Analysis (Contd.)

	Rental	
	2025/2026	2024/2025 Restated
	Rs.	Rs.
Inventories	-	-
Trade and Other Receivables	47,727,411	73,298,043
Amounts due from Related Parties	25,862	129,358,654
Other Financial Assets	593,542,272	140,220,781
Cash and Cash Equivalents	24,427,959	100,661,704
Total Current Assets	665,723,504	443,539,182
Total Assets		
Non-Current Liabilities		
Employee Benefits	8,279,696	9,864,425
Rent Received in Advance	600,534	2,201,959
Segment Non-Current Liabilities	8,880,230	12,066,384
Deferred Tax Liability	153,898,270	130,882,876
Total Non-Current Liabilities		
Trade and Other Payables	29,162,734	33,047,260
Segment Current Liabilities	29,162,734	33,047,260
Income Tax Liability	6,277,943	10,006,298
Amounts due to Related Party	-	-
Total Current Liabilities		
Total Liabilities		

The Group has not provided any impairment losses for Segments, since Management is reasonably certain that no impairment provision is required to be made in the Financial statements relating to reportable Segments.

Infrastructure		Inter Segment Elimination		Group Total	
2025/2026	2024/2025 Restated	2025/2026	2024/2025	2025/2026	2024/2025 Restated
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,165,760	2,002,295	-	-	1,165,760	2,002,295
30,458,245	32,683,613	-	(63,474)	78,185,656	105,918,182
-	-	(25,862)	-	-	129,358,654
17,707,000	131,592,429	-	-	611,249,272	271,813,210
2,424,103	2,166,933	-	-	26,852,062	102,828,637
51,755,108	168,445,270	(25,862)	(63,474)	717,452,750	611,920,978
				3,584,065,876	3,395,591,022
1,583,735	1,503,194	-	-	9,863,431	11,367,619
-	-	-	-	600,534	2,201,959
1,583,735	1,503,194	-	-	10,463,965	13,569,578
-	-	-	-	153,898,270	130,882,876
				164,362,235	144,452,454
6,662,766	3,800,747	-	(63,474)	35,825,500	36,784,533
6,688,628	3,800,747	-	(63,474)	35,825,500	36,784,533
525,246	3,545,678	-	-	6,803,189	13,551,976
25,862	-	(25,862)	-	-	-
				42,628,688	50,336,508
				206,990,924	194,788,962

NOTES TO THE FINANCIAL STATEMENTS

5. OTHER INCOME

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Insurance Commission	989,044	255,898	-	25,081
Reimbursement of Electricity	3,414,757	3,232,560	4,010,646	4,093,718
Reimbursement of Water	407,844	430,900	501,439	518,669
Sundry Income	5,152	3,519,750	-	3,519,750
Trading Income	683,224	1,143,291	-	-
Dividend Income	-	-	58,675,437	-
Unclaimed Dividend add back	5,063,424	-	5,063,424	-
	10,563,445	8,582,399	68,250,946	8,157,218

5.1 Other Expenses

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Provision for Impairment of Trade and Other Receivables	28,213,371	1,134,757	28,073,907	1,134,757
Bad Debt Written Off	1,736,930	-	1,736,930	-
Loss on Disposal of Property, Plant and Equipment	4,763,033	-	4,763,033	-
	34,713,334	1,134,757	34,573,870	1,134,757

6. FINANCE INCOME

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Interest on Related Party Balances	3,929,251	6,348,526	3,929,251	6,348,526
Interest on Bank Deposits	23,274,396	14,933,848	21,021,984	6,501,956
Interest on Repo Investments	840,103	618,996	-	-
Interest on Treasury Bills	1,707,104	1,885,543	-	-
Interest on Debentures	26,550,000	26,620,752	26,550,000	26,620,752
Profit on Disposal of Financial Assets	-	3,673,469	-	3,673,469
Exchange Gain on Conversion of Foreign Currency	247,651	-	134,068	-
	56,548,505	54,081,133	51,635,303	43,144,703

7. FINANCE COSTS

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Interest on Bank Overdraft	-	124,971	-	-
Exchange Loss on Conversion of Foreign Currency	-	43,005	-	23,192
	-	167,976	-	23,192

8. PROFIT FROM OPERATIONS

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Profit from operations is stated after charging all expenses including the following:				
Employees' benefit expense/staff costs	29,292,433	33,587,075	20,494,902	26,547,623
Depreciation of property, plant and equipment	9,500,201	12,126,858	8,414,908	10,893,705
Amortisation of leased assets	420,491	420,491	420,491	420,491
Audit Fee	1,390,000	1,458,312	950,000	1,058,312
Donations	123,988	18,557,819	123,988	17,503,819

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX EXPENSE

		Group		Company	
		2025/2026	2024/2025	2025/2026	2024/2025
	Note	Rs.	Rs.	Rs.	Rs.
Current Income Tax					
Tax Expenses on Ordinary Activities for the year	9.1	32,530,157	27,623,941	27,302,118	19,814,441
Deferred Tax					
Origination/(Reversal) of temporary differences	22	22,616,445	24,454,660	22,739,581	24,558,737
		55,146,602	52,078,601	50,041,699	44,373,178

9.1 Reconciliation of Accounting Profit and Taxable Income

	Group		Company	
	2025/2026	2024/2025	2025/2026	2024/2025
	Rs.	Rs.	Rs.	Rs.
Profit before Tax	307,289,288	306,104,404	342,767,664	274,126,815
Aggregate disallowed expenses	44,683,481	33,583,632	43,173,061	31,063,759
Aggregate allowable deductions	(41,627,295)	(45,767,159)	(35,908,064)	(33,957,151)
Income Considered Separately/Removed	(253,607,159)	(244,621,750)	(312,282,596)	(244,621,748)
	56,738,315	49,299,126	37,750,065	26,611,675
a) Assessable Profit/(Loss) from Business	56,738,315	49,299,126	37,750,065	26,611,675
Aggregate Liable Investment Income	58,024,957	50,343,159	53,256,993	39,436,461
b) Assessable Income from Investment	58,024,957	50,343,159	53,256,993	39,436,461
Taxable Income				
Assessable Profit/(Loss) from Business	56,738,315	49,299,126	37,750,065	26,611,675
Assessable Income from Investment	58,024,957	50,343,159	53,256,993	39,436,461
Taxable Income	114,763,272	99,642,285	91,007,058	66,048,136
Corporate Income Tax				
- Business Income	15,122,670	12,520,993	11,325,020	7,983,503
- Investment Income	17,407,487	15,102,948	15,977,098	11,830,938
	32,530,157	27,623,941	27,302,118	19,814,441

10. EARNINGS PER SHARE

The calculation of basic earnings per share for the Company was based on the profit attributable to ordinary shareholders and the weighted average number of shares calculated as follows.

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Amounts used as the Numerator (Rs.)				
Profit for the year	243,277,528	242,132,443	292,725,965	229,753,637
Number of Ordinary Shares used as Denominator				
Weighted average number of Ordinary Shares	138,240,000	138,240,000	138,240,000	138,240,000
Basic earnings per share (Rs.)	1.76	1.75	2.12	1.66

NOTES TO THE FINANCIAL STATEMENTS

11. PROPERTY, PLANT AND EQUIPMENT

11.A Group

Description	Land Rs.	Buildings Rs.	Plant and Machinery Rs.
At cost/valuation			
Balance as at 01st April 2025	42,152,700	143,340,603	25,335,926
Additions	-	7,690,728	-
Disposals	-	(128,700,000)	-
Balance as at 31st March 2026	**42,152,700**	**22,331,331**	**25,335,926**
Depreciation and impairment losses			
Balance as at 01st April 2025	-	34,692,008	23,364,740
Depreciation	-	2,865,636	1,065,746
Disposals	-	(24,035,917)	-
Balance as at 31st March 2026	**-**	**13,521,727**	**24,430,486**
Total carrying amount			
As at 31st March 2026	**42,152,700**	**8,809,604**	**905,440**
As at 31st March 2025	42,152,700	108,648,595	1,971,186

11.B Company

Description	Land Rs.	Buildings Rs.
At cost/valuation		
Balance as at 01st April 2025	42,152,700	128,700,000
Additions	-	7,690,728
Disposals	-	(128,700,000)
Balance as at 31st March 2026	**42,152,700**	**7,690,728**
Depreciation and impairment losses		
Balance as at 01st April 2025	-	21,450,000
Depreciation	-	2,585,917
Disposals	-	(24,035,917)
Balance as at 31st March 2026	**-**	**-**
Total carrying amount		
As at 31st March 2026	**42,152,700**	**7,690,728**
As at 31st March 2025	42,152,700	107,250,000

Furniture and Fittings Rs.	Office Equipment Rs.	Motor Vehicles Rs.	Tools and Equipment Rs.	Computer Equipment Rs.	Transmission Equipment Rs.	Group Total Rs.
6,618,102	30,785,219	5,052,000	1,907,777	9,941,627	78,738,799	**343,872,753**
-	-	-	339,670	205,000	-	**8,235,398**
(688,469)	(132,400)	-	(332,191)	-	-	**(129,853,060)**
5,929,633	**30,652,819**	**5,052,000**	**1,915,256**	**10,146,627**	**78,738,799**	**222,255,091**
6,512,378	16,419,339	5,052,000	1,799,564	9,729,196	78,372,266	**175,941,491**
7,949	5,061,601	-	76,662	110,855	311,751	9,500,200
(590,694)	(131,224)	-	(332,191)	-	-	(25,090,026)
5,929,633	**21,349,716**	**5,052,000**	**1,544,035**	**9,840,051**	**78,684,017**	**160,351,665**
-	**9,303,103**	**-**	**371,221**	**306,576**	**54,782**	**61,903,426**
105,724	14,365,880	-	108,213	212,431	366,533	**167,931,262**

Plant and Machinery Rs.	Furniture and Fittings Rs.	Office Equipment Rs.	Motor Vehicles Rs.	Tools and Equipment Rs.	Computer Equipment Rs.	Company Total Rs.
22,917,204	5,668,902	25,513,656	5,052,000	1,528,681	2,476,280	234,009,423
-	-	-	-	-	-	7,690,728
-	(688,469)	(132,400)	-	(332,191)	-	(129,853,060)
22,917,204	**4,980,433**	**25,381,256**	**5,052,000**	**1,196,490**	**2,476,280**	**111,847,091**
20,946,018	5,563,178	13,557,760	5,052,000	1,504,497	2,263,849	70,337,302
1,065,746	7,949	4,677,729	-	13,691	63,876	8,414,908
-	(590,694)	(131,224)	-	(332,191)	-	(25,090,026)
22,011,764	**4,980,433**	**18,104,265**	**5,052,000**	**1,185,997**	**2,327,725**	**53,662,184**
905,440	**-**	**7,276,991**	**-**	**10,493**	**148,555**	**58,184,907**
1,971,186	105,724	11,955,896	-	24,184	212,431	163,672,121

NOTES TO THE FINANCIAL STATEMENTS

11 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.C Capital Work-in-progress

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Balance as at 01st April 2025	7,690,728	7,690,728	7,690,728	7,690,728
Additions	-	-	-	-
Disposal/trasfers	(7,690,728)	-	(7,690,728)	-
Balance as at 31st March 2026	-	7,690,728	-	7,690,728

11.1 During the year, the Group acquired Property, Plant and Equipment amounting to Rs. 8,235,398. This includes Rs. 7,690,728 transferred from Capital Work-in-Progress (CWIP) to Buildings by company during the year.

11.2 The gross carrying value of property, plant and equipment of the Group that had been fully depreciated but remained in use as at 31 March 2026 amounted to Rs. 133,156,832 (2025: Rs. 122,979,858).

11.3 There were no capitalised borrowing costs relating to the acquisition of property, plant and equipment during the year (2025/26 - Nil).

11.4 There were no items of Property, Plant and Equipment pledged as securities for liabilities.

11.5 Land owned by the Company consists of the following as at the reporting date.

Location	Extent	Cost Rs.
Land - Pamunugama - I	0A 0R 11.00P	8,311,650
Land - Pamunugama - II	3A 0R 25.00P	33,841,050

11.6 The portfolio of Buildings owned by the Subsidiary Company carried at cost are as follows.

Company's Name	Location	No. of buildings	Extent	Cost Rs.
People's Media Network (Pvt) Ltd	Elkaduwa, Hunnasgiriya. (built on land owned by State Plantation Corporation)	1	640 sq.ft	2,957,228
	Gammaduwa, Karagahatenna. (built on land owned by Land Reform Commission)	1	640 sq.ft	8,382,929
	Gonamotuwa, Nayabedda (build on land owned by Agarapathana Plantation Limited)	1	660 sq.ft	2,797,190

Revaluation of the above buildings has not been carried out as the carrying values are consistent with the market values.

11 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

11.7 The Board of Directors has assessed the potential impairment loss of Property, Plant and Equipment as at 31st March 2026. Based on the assessment, no impairment provision is required to be made in the Financial Statements as at the reporting date in respect of Property, Plant and Equipment.

12. LEASEHOLD PROPERTY

	Company	
	2025/2026 Rs.	2024/2025 Rs.
Right-to-use of Land	37,003,233	37,003,233
	37,003,233	37,003,233

Leasehold Land includes leasehold rights to land owned by Urban evelopment Authority situated at 3rd Lane, New Nuge Road, Peliyagoda (Extent A4 - R1 - P20) which is on a 99 year lease.

Leasehold Property is amortised over their remaining period of leases as follows.

	Company	
	2025/2026 Rs.	2024/2025 Rs.
Cost		
Balance as at the beginning of the year	37,003,233	37,003,233
Balance as at the end of the year	37,003,233	37,003,233
Amortisation		
Balance as at the beginning of the year	12,614,738	12,194,247
Amortisation of the year	420,491	420,491
Balance as at the end of the year	13,035,229	12,614,738
Carrying amount as at the end of the year	23,968,004	24,388,495

12.1 Amounts recognised in profit or loss

Amortisation of right-of-use assets	420,491	420,491
Income from Subleasing	1,601,426	1,777,082

12.2 Amounts recognised in statement of cash flows

There is no cash outflow for the above lease since the Company entered into this lease Agreement in 1983 by paying the full amount at the inception.

There is no cash inflow for the above sub lease, since the lease rentals had been calculated and received in advance.

12.3 Measurement of Fair Values

The Company recognised Leasehold Property at cost and according to the last valuation done by Messrs. Haleem Ghouse SCV, LIV.B.Com, ATM, PHF, MPVA Corporate & Registered Valuer as at 31st March 2020, the fair value of the property is Rs. 1,740,215,723/-.

NOTES TO THE FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

		Group		Company	
	Note	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Goodwill on Acquisition	13.1	22,452,583	22,452,583	-	-
Software	13.2	-	-	-	-
		22,452,583	22,452,583	-	-

13.1 Goodwill

	Group 2025/2026 Rs.	Group 2024/2025 Rs.	Company 2025/2026 Rs.	Company 2024/2025 Rs.
As at the beginning of the year	22,452,583	22,452,583	-	-
Additions	-	-	-	-
As at the end of the year	22,452,583	22,452,583	-	-

Goodwill represents the difference between the purchase consideration and the fair value of Assets acquired as a result of the acquisition of shares in People's Media Network (Pvt) limited which was acquired on 17.09.2011.

The principal activity of the People's Media Network (Pvt) limited was to hire its infrastructure facilities including the hire of Radio and Television Frequencies issued by the Telecommunication Regulatory Authority of Sri Lanka.

Goodwill impairment is tested annually. The recoverable amount of Cash Generating Unit (CGU) was based on the higher of fair value less costs of disposal and value in use. Net assets of CGUs were considered as the fair value as the assets and liabilities reflect approximately the fair value of such assets and liabilities considering the valuation of property, plant and equipment and short-term maturity of the rest of the assets and liabilities. This fair value measurement is categorised as level 3 measurement. Significant unobservable input is the net assets of CGUs and has a positive correlated sensitivity with the fair value.

Based on the impairment assessment carried out by the management at the reporting date, management assumed that no impairment is required as there is no significant change in the fair value of such acquired assets and liabilities, subsequent to the acquisition.

No condition has arisen that results in an impairment of goodwill that requires a provision.

13. INTANGIBLE ASSETS (CONTD.)

13.2 Software

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Software				
Cost				
Balance as at the beginning of the year	1,744,896	1,744,896	244,896	244,896
During the year additions	-	-	-	-
Balance as at the end of the year	1,744,896	1,744,896	244,896	244,896
Amortisation				
Balance as at the beginning of the year	1,744,896	1,744,896	244,896	244,896
Charge for the year	-	-	-	-
Balance as at the end of the year	1,744,896	1,744,896	244,896	244,896
Carrying amount as at the end of the year	-	-	-	-

Cost of fully amortised computer software of the Group and the Company amounts to Rs. 1,744,896/- and Rs. 244,896/- respectively.

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTY

	As at 01.04.2024 Restated Rs.	Additions Rs.
Deemed Cost / Valuation		
Land		
- Peliyagoda	662,000,000	-
- Kollupitiya	756,000,000	-
- Kollupitiya - No. 51 A	225,000,000	-
Warehouses - New Nuge Road , Peliyagoda		
- Warehouse No. I	45,000,000	-
- Warehouse No. II and III	203,000,000	11,922,954
- Warehouse No. IV	1,600,000	-
Warehouse - Kandy Road , Peliyagoda		
- Warehouse No. V	24,000,000	-
Office Building - Kollupitiya		
"Marine House Building" - Kollupitiya	371,000,000	-
Office Building - Kollupitiya - No. 51 A	60,000,000	-
	2,347,600,000	11,922,954

14.1 As at 31st March 2026, Investment Property of the Company amounts to Rs. 2,758,000,000 according to the above schedule.

14.2 During the year ended 31st March 2026, the Company changed its accounting policy for the subsequent measurement of investment property from the cost model to the fair value model in accordance with LKAS 40 – Investment Property. Accordingly, investment properties are now carried at fair value, with changes in fair value recognised in profit or loss for the period.

14.3 The Company's investment properties comprise Warehouses I, II, III, IV and V, which are situated on leasehold land held under a 99-year lease agreement with the Urban Development Authority (UDA).

14.4 Measurement of Fair Values

The fair values of the properties were determined by Mr. P.G.L.P. Ranaweera, an Independent Incorporated Valuer, Member of the Institute of Valuers of Sri Lanka (IVSL) and Attorney-at-Law, with appropriate professional qualifications and relevant expertise in property valuation.

Fair Value Change Rs.	As at 31.03.2025 Restated Rs.	As at 01.04.2025 Restated Rs.	Additions Rs.	Fair Value Change Rs.	As at 31.03.2026 Rs.
50,000,000	712,000,000	712,000,000	-	33,000,000	**745,000,000**
87,000,000	843,000,000	843,000,000	-	83,000,000	**926,000,000**
18,000,000	243,000,000	243,000,000	-	27,000,000	**270,000,000**
					-
					-
5,000,000	50,000,000	50,000,000	-	10,000,000	**60,000,000**
(922,954)	214,000,000	214,000,000	-	12,000,000	**226,000,000**
400,000	2,000,000	2,000,000	-	-	**2,000,000**
					-
					-
2,000,000	26,000,000	26,000,000	-	2,000,000	**28,000,000**
35,000,000	406,000,000	406,000,000	-	23,000,000	**429,000,000**
5,000,000	65,000,000	65,000,000	-	7,000,000	**72,000,000**
201,477,046	2,561,000,000	2,561,000,000	-	197,000,000	**2,758,000,000**

NOTES TO THE FINANCIAL STATEMENTS

14 INVESTMENT PROPERTY (CONTD.)

14.5 The details of Investment Property of the Company are as follows.

Property	Location	No of buildings	Extent	Cost Rs.	Carrying Value Rs.	Valuation Rs.	Date of Valuation
a) Land							
Land - Peliyagoda	No. 204, Kandy Road, Peliyagoda.	1	1A 0R 05.55P	413,298,300	413,298,300	745,000,000	31.03.2026
Land - Kollupitiya	No. 53, Dharmapala Mawatha, Kollupitiya.	1	0A 0R 15.00P	287,085,345	287,085,345	450,000,000	31.03.2026
Land - Kollupitiya	No. 53/1, Dharmapala Mawatha, Kollupitiya.	1	0A 0R 19.04P	359,099,000	359,099,000	476,000,000	31.03.2026
Land - Kollupitiya	No. 51 A, Dharmapala Mawatha, Kollupitiya.	1	0A 0R 09.00P	440,559,226	440,559,226	270,000,000	31.03.2026
b) Warehouses							
Warehouse No. I	81/11, 3rd Lane, New Nuge Road, Peliyagoda.	1	28,262 sq.ft	32,474,407	16,559,126	60,000,000	31.03.2026
Warehouse No. II & III	81/11, 3rd Lane, New Nuge Road, Peliyagoda.	1	54,000 sq.ft	85,072,414	33,749,983	226,000,000	31.03.2026
Warehouse No. IV	81/11, 3rd Lane, New Nuge Road, Peliyagoda.	1	1,960 sq.ft	2,039,362	1,631,489	2,000,000	31.03.2026
Warehouse No. V	No. 204, Kandy Road, Peliyagoda.	7	17,836 sq.ft	36,235,200	19,325,440	28,000,000	31.03.2026
c) Building							
Six Storied Building	No. 53, Dharmapala Mawatha, Kollupitiya.	1	27,274 sq.ft	422,153,655	364,107,528	429,000,000	31.03.2026
Four Storied Building	No. 51 A, Dharmapala Mawatha, Kollupitiya.	1	6,840 sq.ft	73,939,774	67,778,130	72,000,000	31.03.2026
				2,151,956,683	2,003,193,567	2,758,000,000	

Rental Income earned from Investment Property by the Company for 2025/2026 amounted to (Rs. 122,360,293/-. (For the year 2024/25 it was Rs. 118,599,713/-).

14.6 Fair Value Hierarchy

The fair value measurement for Investment properties has been categorised as level 03 of the fair value hierarchy based on the input to the valuation techniques used.

14.7 Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of Investment properties, as well as the significant unobservable inputs used.

Property/Location	Date of Valuation	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
a) Land				
Land - Peliyagoda No. 204, Kandy Road, Peliyagoda.	31.03.2026	Contractor's Test Method	Market price per perch depending on the location based on adjusted fair value taking into account other valuation considerations. Market price per perch Rs. 4,500,000/-	Market value per perch was higher / (lower)

14 INVESTMENT PROPERTY (CONTD.)
14.7 Valuation Technique and Significant Unobservable Inputs (Contd.)

Property/Location	Date of Valuation	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Land - Kollupitiya No. 53, Dharmapala Mawatha, Kollupitiya.	31.03.2026	Contractor's Test Method	Market price per perch using a range of prices for lands within 1.5km distance from land based on adjusted fair value taking into account other valuation considerations. Market price per perch Rs. 30,000,000/-	Market value per perch was higher / (lower)
Land - Kollupitiya No. 53/1, Dharmapala Mawatha, Kollupitiya.	31.03.2026	Contractor's Test Method	Market price per perch using a range of prices for lands within 1.5km distance from land based on adjusted fair value taking into account other valuation considerations. Market price per perch Rs. 25,000,000/-	Market value per perch was higher / (lower)
Land - Kollupitiya No. 51 A, Dharmapala Mawatha, Kollupitiya.	31.03.2026	Contractor's Test Method	Market price per perch using a range of prices for lands within area distance from land based on adjusted fair value taking into account other valuation considerations. Market price per perch Rs. 30,000,000/-	Market value per perch was higher / (lower)
b) Warehouses Warehouse No. I,II,III and IV 81/11, 3rd Lane, New Nuge Road, Peliyagoda.	31.03.2026	Contractor's Test Method	Rental Value per Sq. ft. Rental per Sq. ft. range between Rs. 1,500/- to Rs 6,000/-	Rental per Sq. ft. was higher / (lower)
Warehouses Warehouse No. V No. 204, Kandy Road, Peliyagoda.	31.03.2026	Contractor's Test Method	Rental Value per Sq. ft. Rental per Sq. ft. range between Rs. 4,000/- to Rs 4,500/-	Rental per Sq. ft. was higher / (lower)
C) Building Six Storied Building No. 53, Dharmapala Mawatha, Kollupitiya.	31.03.2026	Contractor's Test Method	Rental Value per Sq. ft. Rental per Sq. ft. Rs 18,500/-	Rental per Sq. ft. was higher / (lower)
Four Storied Building No. 51 A, Dharmapala Mawatha, Kollupitiya.	31.03.2026	Contractor's Test Method	Rental Value per Sq. ft. Rental per Sq. ft. Rs 15,000/-	Rental per Sq. ft. was higher / (lower)

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENTS IN SUBSIDIARY

	Holding %		No. of Shares		Cost	
	2025/2026	2024/2025	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Unquoted Investment						
People's Media Network (Pvt) Ltd.	51	51	4,930,709	4,930,709	49,307,090	49,307,090
Total Cost					49,307,090	49,307,090

Name of the Subsidiary	Principal Activity
People's Media Network (Pvt) Ltd.	Operates 2 Radio Frequencies and 2 Television Frequencies issued by the Telecommunication Regulatory Authority of Sri Lanka.

Investments in subsidiary is recorded at cost less impairment in the Financial Statements of the Company. The net assets of subsidiary is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated and the impairment loss is recognised to the extent of its net assets loss.

16. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		As at 2025/2026 Rs.	As at 2024/2025 Rs.	As at 2025/2026 Rs.	As at 2024/2025 Rs.
Trade Debtors	16.1	24,041,757	22,887,232	12,173,872	17,019,753
Other Receivables	16.2	35,730,487	61,608,685	29,803,827	47,802,554
Deposits, Advance and Prepayments		7,968,693	10,038,643	3,593,872	5,380,990
Income Tax Recoverable		4,926,405	5,865,311	2,015,734	2,954,640
Other Tax Recoverable - Value Added Tax		5,518,314	5,518,314	140,106	140,106
		78,185,656	105,918,185	47,727,411	73,298,043

16.1 Trade Debtors

Related Parties	139,585	4,288,512	139,585	4,288,512
Others	46,865,658	36,840,592	26,757,181	22,871,986
	47,005,243	41,129,104	26,896,766	27,160,498
Less: Provision for Impairment of Trade and Other Receivables	(22,963,486)	(18,241,872)	(14,722,894)	(10,140,745)
	24,041,757	22,887,232	12,173,872	17,019,753

16.1.1 Provision for Impairment of Trade Receivable

Movements in the provision for impairment of Trade Receivable are as follows.

Balance as at the beginning of the year	18,241,872	17,107,116	10,140,745	9,005,990
Provision of Impairment	4,721,614	1,134,756	4,582,149	1,134,755
Balance as at the end of the year	22,963,486	18,241,872	14,722,894	10,140,745

16.1.2 As at 31st March, the age analysis of trade receivable is set out below.

Description	Total	Neither Past due nor Impaired	Past due but not Impaired			
			Less than 0-30 Days	31-60 Days	>61-90 Days	> 90 Days
Group						
2026	23,957,996	15,295,142	-	2,023,220	947,999	5,691,635
2025	22,887,232	14,097,611	2,414,775	1,912,997	868,735	3,593,114
Company						
2026	12,090,111	3,452,121	-	2,023,220	923,135	5,691,635
2025	17,019,753	8,778,032	2,285,475	1,654,397	868,735	3,433,114

16. TRADE AND OTHER RECEIVABLES (CONTD.)

16.2 Other Receivables

		Group		Company	
	Note	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Fixed Deposit Interest		3,617,806	7,572,083	3,617,806	534,487
Debentures Interest		25,895,342	25,895,342	25,895,342	25,895,342
Nation Building Tax		-	15,987	-	15,987
Related Party Transfer to Other Receivables	16.2.1	-	5,299,844	-	5,299,844
Loans to Employees	16.2.2	1,983,306	18,333,221	290,679	16,056,894
Receivable from Mr. M.W.A.D.J. Vijitha Wijesuriya		1,690,794	1,690,794	-	-
Receivable from Parahitha Organisation		2,543,239	2,801,414	-	-
Receivable From East West Engineering Services (Pvt) Ltd.		6,322,831	6,322,831	-	-
Receivable from East West Trading Company (Pvt) Ltd.		4,239,032	4,239,032	-	-
Less: Provision for Impairment of Other Receivables		(10,561,863)	(10,561,863)	-	-
		35,730,487	61,608,685	29,803,827	47,802,554

16.2.1 Related Party Transfer to Other Receivables

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Amount due from related parties				
Wijesuriya Holdings (Pvt) Ltd	4,363,890	-	4,363,890	-
Crescat Investments (Pvt) Ltd	242,510	-	242,510	-
EW Enterprises (Pvt) Limited	1,797,756	-	1,797,756	-
	6,404,156	-	6,404,156	-
Amount due from directors				
Mr. M. N. Wijesuriya	250,950	-	250,950	-
Ms. Anika Wijesuriya	1,843,397	-	1,843,397	-
Mr. M.W.A.D.J. Vijitha Wijesuriya	-	5,299,844	-	5,299,844
	2,094,347	5,299,844	2,094,347	5,299,844
Less: Provision for Related Party Transfer to Other Receivables	(8,498,503)	-	(8,498,503)	-
	-	5,299,844	-	5,299,844

16.2.2 Loans to Employees

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Balance as at the beginning of the year	18,333,221	18,613,861	16,056,894	16,011,034
Loans granted during the year	599,700	1,075,000	392,500	680,000
Less: Repayments	(1,956,360)	(1,355,640)	(1,165,460)	(634,140)
Less: Provision for Impairment of Loan to Employees	(14,993,255)	-	(14,993,255)	-
Balance as at the end of the year	1,983,306	18,333,221	290,679	16,056,894

Staff Loans due at the date of the statement of financial position represents loans given to staff on fixed repayment terms and are unsecured. Fair value of loans given to staff equals their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

17. OTHER FINANCIAL ASSETS

17.1 Financial Assets at Amortised Cost

	Group		Company	
	As at 2025/2026 Rs.	As at 2024/2025 Rs.	As at 2025/2026 Rs.	As at 2024/2025 Rs.
Investments in Fixed Deposits				
Hatton National Bank PLC	24,954,989	23,468,615	24,954,989	23,468,615
National Development Bank PLC	28,587,283	114,077,717	28,587,283	26,752,166
National Development Bank PLC - F/D No. 112511460363	225,000,000	-	225,000,000	-
Union Bank of Colombo PLC'- F/D No. 0026001000079554	225,000,000	-	225,000,000	-
Investments in Treasury Bill				
National Development Bank PLC	-	20,971,878	-	-
Investments in Repurchase Agreements				
Sampath Bank PLC	17,707,000	23,295,000	-	-
Investments in Debentures				
Merchant Bank of Sri Lanka & Finance PLC	90,000,000	90,000,000	90,000,000	90,000,000
	611,249,272	271,813,210	593,542,272	140,220,781

18. CASH AND CASH EQUIVALENTS

Call Deposit	19,718,528	96,670,940	19,718,528	96,670,940
Savings Accounts	4,675,129	4,338,175	2,831,062	2,645,379
Cash at Bank	2,370,833	1,564,522	1,798,369	1,120,385
Cash in Hand	87,572	255,000	80,000	225,000
	26,852,062	102,828,636	24,427,959	100,661,704

19. STATED CAPITAL

	2025/2026		2024/2025	
	No. of Shares	Value of Shares	No. of Shares	Value of Shares
Fully paid ordinary shares				
As at the beginning of the year	138,240,000	1,212,000,000	138,240,000	1,212,000,000
As at end of the year	138,240,000	1,212,000,000	138,240,000	1,212,000,000

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at a meeting of the Company.

20. RESERVES

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Revaluation Reserve on Property, Plant and Equipment				
As at the beginning of the year	77,184,832	77,184,832	77,184,832	77,184,832
Transfer to Retained Earnings upon Realisation	(77,184,832)	-	(77,184,832)	-
As at the end of the year	-	77,184,832	-	77,184,832

The Revaluation reserve relates to the revaluation surplus of condominium apartments. Since the respective revalued assets were disposed, the relevant revaluation surplus was transferred to retained earnings during the year.

21. EMPLOYEE BENEFITS

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Balance as at the beginning of the year	11,367,619	6,847,409	9,864,425	5,692,027
Add:				
Current service cost	292,291	553,155	167,594	426,902
Interest cost	268,896	747,549	108,054	660,895
Re-measurement arising from changes in the assumptions or due to (over)/under provision in the previous years	(1,124,375)	3,357,506	(919,377)	3,084,601
Less:	10,804,431	11,505,619	9,220,696	9,864,425
Payment during the year	(941,000)	(138,000)	(941,000)	-
Balance as at the end of the year	9,863,431	11,367,619	8,279,696	9,864,425

21.1 Expense recognised in the Statement of Profit or Loss and Other Comprehensive Income

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Current service cost	292,291	553,155	167,594	426,902
Interest cost	268,896	747,549	108,054	660,895
Expense recognised in Statement of Profit or Loss	561,187	1,300,704	275,648	1,087,797
Re-measurement recognised in Other Comprehensive Income	(1,124,375)	3,357,506	(919,377)	3,084,601
Total provision for the year	(563,188)	4,658,210	(643,729)	4,172,398

21.2 Present Value of the Defined Benefit Obligations

The Company and People's Media Network (Pvt) Limited has adopted the "Projected Unit Credit Method" to determine the present value of the retirement benefit obligation as recommended by LKAS 19 - "Employee Benefits".

The principal assumptions made in arriving at the retirement benefit obligation are as follows.

	2025/2026			
	Retirement Age	Expected Future Salary Increment	Discount Rate	Employee Turnover Factor
East West Properties PLC	60 Years	5%	10.7%	57%
People's Media Network (Pvt) Ltd	55 Years	5%	10.7%	5%

NOTES TO THE FINANCIAL STATEMENTS

21. EMPLOYEE BENEFITS (CONTD.)

21.2 Present Value of the Defined Benefit Obligations (Contd.)

	2024/2025			
	Retirement Age	Expected Future Salary Increment	Discount Rate	Employee Turnover Factor
East West Properties PLC	60 Years	5%	7.5%	5%
People's Media Network (Pvt) Ltd	60 Years	5%	7.5%	5%

21.3 Sensitivity Analysis

Values appearing as defined benefit obligation in the Financial Statements is sensitive to the changes in financial and non-financial assumptions used. A sensitivity analysis was carried out as follows:

	Group		Company	
	+ 1%	- 1%	+ 1%	- 1%
A percentage point change in the discount rate				
Effect on the present value of defined benefit obligation	(72,612)	79,219	(17,572)	18,011
A percentage point change in the salary escalation rate				
Effect on the present value of defined benefit obligation	328,399	122,741	18,819	(18,690)

21.4 Maturity profile of the defined benefit obligation

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Within the next 12 months	2,569,321	8,238,386	1,404,750	7,355,250
Between 1 and 2 years	200,001	640,908	200,001	640,988
Beyond 5 years	7,094,107	2,488,325	6,674,945	1,868,187

22. DEFERRED TAX LIABILITY

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Balance as at the beginning of the year	130,882,876	107,249,519	130,882,876	107,249,519
Impact of change in tax rate				
- Recognised in Statement of Profit or Loss	22,739,581	24,558,737	22,739,581	24,558,737
- Recognised in Other Comprehensive Income	275,813	(925,380)	275,813	(925,380)
Balance as at the end of the year	153,898,270	130,882,876	153,898,270	130,882,876

22.1 Composition of Deferred Tax Liability

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Property, plant and equipment	867,254	537,704	867,254	537,704
Investment property	155,239,112	134,229,880	155,239,112	134,229,880
Employee benefit liability	(2,208,096)	(3,884,708)	(2,208,096)	(3,884,708)
	153,898,270	130,882,876	153,898,270	130,882,876

Deferred tax has been computed by using the future tax rate of 30% applicable to the Company.

23. RENT RECEIVED IN ADVANCE

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Balance as at the beginning of the year	3,803,385	5,580,467	3,803,385	5,580,467
Less:				
Amount recognised as income during the year	(1,601,426)	(1,777,082)	(1,601,426)	(1,777,082)
Balance as at the end of the year	2,201,959	3,803,385	2,201,959	3,803,385
Amount falling due within one year	1,601,426	1,601,426	1,601,426	1,601,426
Amount falling due after one year	600,534	2,201,959	600,534	2,201,959

The Company has subleased a portion of the leasehold land to UltraTech Cement Lanka (Pvt) Ltd for a period of thirty years, commencing on 8th September 1997. The lease rentals were determined in advance and are recognised as income over the lease term in accordance with the terms and conditions of the Lease Agreement.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Retention and Other Payables	1,246,134	793,749	-	358,112
Accrued Expenses	10,914,981	5,537,072	6,090,815	2,827,904
Deposits and Advance Received	19,252,288	21,993,171	18,659,821	21,400,704
Unclaimed Dividend	-	5,063,424	-	5,063,424
Other Tax Payable - VAT	2,810,672	1,795,689	2,810,672	1,795,689
	34,224,075	35,183,105	27,561,308	31,445,833

25. INCOME TAX LIABILITY

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
As at the beginning of the year	13,551,976	13,507,729	10,006,298	9,127,163
Taxation for the year	32,530,158	27,623,941	27,302,118	19,814,441
	46,082,134	41,131,670	37,308,416	28,941,604
Less:				
Income tax paid	(25,155,884)	(18,594,377)	(17,740,206)	(10,613,811)
WHT paid	(13,585,460)	(8,985,317)	(12,752,666)	(8,321,495)
Capital Gain Tax payment	(537,601)	-	(537,601)	-
	6,803,189	13,551,976	6,277,943	10,006,298

NOTES TO THE FINANCIAL STATEMENTS

26. RELATED PARTY TRANSACTIONS

26.1 Amounts due from Related Parties

Amounts due from Related Parties	Group 2025/2026 Rs.	Group 2024/2025 Rs.	Company 2025/2026 Rs.	Company 2024/2025 Rs.
Subsidiaries				
People's Media Network (Pvt) Ltd	-	-	25,862	-
Affiliates	-			
Wijesuriya Holdings (Pvt) Ltd	-	4,363,890	-	4,363,890
EW Commercial Property Development (Pvt) Ltd	-	10,747,389	-	10,747,389
Negombo Lagoon Properties (Pvt) Ltd	-	110,094,016	-	110,094,016
Crescat Investments (Pvt) Ltd	-	242,510	-	242,510
EW Enterprises (Pvt) Limited	-	554,673	-	554,673
Agnes Wijesuriya Charity Fund	-	36,945	-	36,945
A W Childrens and Elders Home	-	1,404,000	-	1,404,000
Key Management Personnel				
Mr. M.W.A.D.J. Nahil Wijesuriya	-	71,834	-	71,834
Miss.Anika Wijesuriya	-	1,843,397	-	1,843,397
	-	129,358,654	25,862	129,358,654

26.2 Related Party Disclosures

26.2.1 Parent and Ultimate Controlling Party

There is no identifiable parent or ultimate parent company.

26.2.2 Identity of the Related Parties

The Group carried out transactions in the ordinary course of the business with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", and the details are reported below.

During the year, the Company reclassified a balance amounting to Rs. 8,498,503/- from related party receivable to other receivables, which was previously classified and disclosed as a related party balance in the prior financial year. Following changes in the Company's shareholding structure and management composition, Management reassessed the nature of the relationship and determined that the counterparty no longer meets the definition of a related party in accordance with LKAS 24 Related Party Disclosures.

a) Transactions with Related Parties

The Group had following transactions with related entities during the year under review.

	Transaction with Group 2025/2026 Rs.	Transaction with Group 2024/2025 Rs.	Transaction with Company 2025/2026 Rs.	Transaction with Company 2024/2025 Rs.
i) Subsidiaries				
Rental Income/(Expense)	-	-	497,231	606,580
Electricity Reimbursement/(Expense)	-	-	595,889	861,159
Water Reimbursement/(Expense)	-	-	93,595	87,769
Amounts Due from/Due to Related Parties	-	-	25,863	-

Trade Debtor/(Creditor) Balance	-	-	-	63,474

26. RELATED PARTY TRANSACTIONS (CONTD.)

26.2.2 Identity of the Related Parties (Contd.)

a) Transactions with Related Parties (Contd.)

	Transaction with Group		Transaction with Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
ii) Affiliates				
Recovery/(Settlement) of Expenses/ Outstanding Balances	-	18,920,000	-	18,920,000
Fund Transfers	-	33,420,000	-	33,420,000
Interest received/(paid) at the rate of 6%	-	6,348,526	-	6,348,526
Interest Bearing Receivable/(Payable)	-	110,094,016	-	110,094,016
Trade Debtor Balance	-	4,288,512	-	4,288,512

b) Terms and Conditions of Transactions with Related Parties

Transactions with related parties are carried out in the ordinary course of the business at commercial rates. Outstanding related party balances as at the year end are unsecured.

c) Non-recurrent Related Party Transactions

There were no Non-recurrent Related Party Transactions which in aggregate value exceeded 10% of the equity or 5% of the total assets whichever is lower of the Group's audited Financial Statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities Exchange Commission Directive issued under Section 13(c) of the Securities Exchange Commission Act.

d) Recurrent Related Party Transactions

There were no Recurrent Related Party Transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per the audited Financial Statements, which required additional disclosures in the Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities Exchange Commission Directive issued under Section 13 (c) of the Securities Exchange Commission Act.

26.2.3 Transaction with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosures", Key Management Personnel (KMP) are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, Key Management Personnel includes the members of the Board of Directors (including Executive and Non-Executive Directors) of the Company and its subsidiary companies.

Outstanding balances as at the year end relating to Key Management Personnel (KMP) are as follows.

a) Amount due from/(to) Key Management Personal

	2025/2026 Rs.	2024/2025 Rs.
Mr. M N Wijesuriya	-	(71,834)

b) Key Management Personnel Compensation

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.

NOTES TO THE FINANCIAL STATEMENTS

Short-term employment benefits	-	2,460,000	-	2,460,000

26. RELATED PARTY TRANSACTIONS (CONTD.)

26.2 Related Party Disclosures (Contd.)

26.2.3 Transaction with Key Management Personnel (KMP)

c) Transactions with Close Family Members

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Mr. M.W.A.D.J. Vijitha Wijesuriya	-	6,990,638	-	5,299,844

As disclosed in Notes (a), (b), and (c) above, following the changes in the Company's management and ownership structure, there were no related party transactions entered into with the new management during the current financial year. However, the Company has disclosed the outstanding related party balances arising from prior periods in accordance with the disclosure requirements.

d) The Directors of the Company are also Directors of the following Companies

	Mr. K. M. T. Hashan	Mr. Gaurav Mehta	Mr. K. D. G. Gunaratne	Mr. C. M. U. Weerawardena
East West Properties PLC	√	√	√	√
Affiliates				
DHT Cement (Pvt) Ltd	√	√	-	√
Powertech Products (Pvt) Ltd	√	√	-	-
CA Crushing (Pvt) Ltd	√	√	-	-
Sri Green Holdings (Pvt) Ltd	-	√	-	-
Lanka Hotels & Residences (Pvt) Ltd	-	-	√	-
Hayleys PLC	-	-	√	-
Vallibel Power Erantha PLC	-	-	√	-
Dipped Products PLC	-	-	√	-
Horana Plantations PLC	-	-	√	-
Swisstek Ceylon PLC	-	-	√	√
Hiru Rice Products (Pvt) Ltd	-	-	√	-
SLIIT International (Curtin University Colombo)	-	-	√	-
College of Fashion & Design (Pvt) Ltd	-	-	√	-
Uni Dil Packaging Limited	-	-	-	√
Uni Dil Packaging Solutions Limited	-	-	-	√
Fortress Resorts PLC	-	-	-	√
Swisstek Aluminum Limited	-	-	-	√
Kalamazoo Systems PLC	-	-	-	√
Pan Asia Bank Corporation PLC	-	-	-	√
Laugfs Holdings Limited	-	-	-	√
Tangalle Bay Limited	-	-	-	√

There were no other related party transactions other than those disclosed in Note 26 to the Financial Statements.

27. CAPITAL AND FINANCIAL COMMITMENTS

There were no material capital or financial commitments as at the reporting date.

28. CONTINGENT LIABILITIES
There were no material contingent liabilities outstanding as at 31st March 2026.

29. EVENTS AFTER THE REPORTING DATE
Subsequent to the Reporting date no circumstances have arisen which would require adjustments to, or disclosure in, the Financial Statements.

30. COMPARATIVE INFORMATION
Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability.

31. RESTATEMENT OF COMPARATIVE INFORMATION
The Company changed its accounting policy for investment properties from the cost model to the fair value model in accordance with LKAS 40.

Comparative financial information has been restated retrospectively in line with LKAS 8.
As a result, accumulated depreciation has been eliminated and investment properties are now measured at fair value.

	Company		
	As disclosed as at 31st March 2025 Rs.	As restated as at 31st March 2025 Rs.	Differences Rs.
Statement of Comprehensive income			
Fair Value Gain on Investment Property	-	201,477,046	201,477,046
Depreciation	34,741,803	10,893,705	(23,848,098)
Statement of Financial Position			
Investment Properties	2,026,884,420	2,561,000,000	534,115,580
Retained Earnings	1,355,165,820	1,774,409,968	419,244,148

32. CHANGE IN OWNERSHIP AND MANAGEMENT STRUCTURE
On 08th July 2025, K.A.D.D. Perera acquired 106,991,848 shares of East West Properties PLC, representing approximately 77.40% of the issued voting shares, at Rs. 30.20 per share. The shares were purchased from four parties: 50,000,000 shares from the Agnes Wijesuriya – Children's and Elders' Home (36.17%), 29,793,601 shares from M.W.A.D.A.A.V. Wijesuriya (21.55%), 26,066,637 shares from M.W.A.D.J.V. Wijesuriya (18.86%), and 1,131,610 shares from M.N. Wijesuriya (0.82%). As these transactions involved directors and exceeded 10% of voting shares, disclosure is made under Sections 7.8 and 8 of the CSE Listing Rules. The Board was informed on the same day.

NOTES TO THE FINANCIAL STATEMENTS

33. DIRECTORS' RESPONSIBILITY

The Board of Directors acknowledges the responsibility for the preparation and presentation of these Financial Statements.

34. NON-CONTROLLING INTEREST IN SUBSIDIARIES

The following table summarises the information relating to the subsidiary that has a material NCI, before any intra-group eliminations.

As at 31st March	2025/2026 People's Media Network (Pvt) Ltd. Rs.	2024/2025 People's Media Network (Pvt) Ltd. Rs.
NCI Percentage (%)	49%	49%
Non-Current Assets	4,007,630	4,466,116
Current Assets	51,755,107	168,445,270
Non-Current Liabilities	(1,583,734)	(1,503,194)
Current Liabilities	(7,213,874)	(7,346,422)
Net Assets	46,965,129	164,061,770
Carrying Amount of NCI	23,012,915	80,390,269
Revenue	38,295,690	37,523,549
Results from Operating Activities	18,283,859	21,185,940
Profit before Tax	23,197,062	31,977,586
Profit/(Loss) after tax	18,092,158	24,272,163
Other Comprehensive Income/(Expenses)	163,999	(218,324)
Total Comprehensive Income	18,256,157	24,053,839
Profit/(Loss) Allocated to NCI	8,865,158	11,893,360
Other Comprehensive Income/(Expense) Allocated to NCI	80,360	(106,979)
Dividend paid to NCI	(66,322,871)	-
Cash Flows from/(used in) Operating Activities	17,474,842	23,657,936
Cash Flows from/(used in) Investing Activities	118,135,126	(46,481,277)
Cash Flows from/(used in) Financing Activities	(135,352,798)	-
Net Increase/(Decrease) in Cash and Cash Equivalents	257,170	(22,823,340)

The above information is based on amounts before inter-company eliminations.

35. BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

35.1 Acquisitions of Subsidiaries

There are no acquisitions of subsidiaries for the year ended 31st March 2026.

35.2 Disposal of Subsidiaries

There are no disposal of subsidiaries for the year ended 31st March 2026.

36. FINANCIAL RISK MANAGEMENT

Overview

The Group has the exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents the qualitative and quantitative information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks and the Group's management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

Risk Management Framework

The Board of Directors have the overall responsibility for the establishment and oversight of the risk management framework, including policies and procedures. The Group's system of internal controls covers all policies and procedures and facilitates the timely identification and effective management of significant areas of strategic and operational risks that may arise.

36.1 Credit Risk

Credit Risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is exposed to credit risk from its operating activities and from its financing activities.

36.1.1 Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

	Group		Company	
	2025/2026 Rs.	2024/2025 Rs.	2025/2026 Rs.	2024/2025 Rs.
Trade and Other Receivables	70,216,963	95,879,542	44,133,539	67,917,053
Amounts due from Related Parties	-	129,358,654	25,862	129,358,654
Investments in Fixed Deposits	503,542,272	137,546,332	503,542,272	50,220,781
Investments in Repurchase Agreements	17,707,000	23,295,000	-	-
Investments in Debentures	90,000,000	90,000,000	90,000,000	90,000,000
Cash and Cash Equivalents	26,852,062	102,828,636	24,427,959	100,661,706
	708,318,297	578,908,164	662,129,632	438,158,194

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (CONTD.)

36.1 Credit Risk (Contd.)

36.1.1 Exposure to Credit Risk (Contd.)

The ageing of Trade Debtors, Other Receivables, Loans to Employees, Other Tax Recoverable and Amounts due from Related Parties at the reporting date were:

	2025/2026		2024/2025	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
GROUP				
Past due 0-365 days	57,705,726	(6,193,929)	78,017,253	(1,134,757)
More than one year	69,528,344	(50,823,178)	162,615,614	(27,668,979)
	127,234,070	(57,017,107)	240,632,868	(28,803,736)
COMPANY				
Past due 0-365 days	45,411,780	(6,054,465)	67,361,046	(1,134,757)
More than one year	36,962,274	(32,160,188)	140,055,406	(9,005,988)
	82,374,054	(38,214,652)	207,416,452	(10,140,745)

36.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities.

	Group			Company		
As at 31st March 2026	Carrying Amount Rs.	1-12 Months Rs.	More than one year Rs.	Carrying Amount Rs.	1-12 Months Rs.	More than one year Rs.
Advances Received	5,906,410	-	5,906,410	5,763,885	-	5,763,885
Other payables and accrued expenses	14,971,785	10,528,657	4,443,128	8,901,487	5,987,273	2,914,214
	20,878,195	10,528,657	10,349,538	14,665,372	5,987,273	8,678,099
As at 31st March 2025						
Trade and Other Payables	730,272	-	730,272	358,112	-	358,112
Advances Received	10,063,192	7,072,899	2,990,293	9,920,667	6,930,374	2,990,293
Unclaimed Dividend	5,063,424	-	5,063,424	5,063,424	-	5,063,424
Other payables and accrued expenses	7,396,237	5,600,547	1,795,690	2,827,905	2,827,905	-
	23,253,125	12,673,446	10,579,679	18,170,108	9,758,279	8,411,829

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

36. FINANCIAL RISK MANAGEMENT (CONTD.)

36.3 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 prices comprise four types of risks: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

36.3.1 Interest Rate Risk

Interest Rate Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group's exposure to the risk of changes in the market interest rate relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group's objective is to maintain an efficient operational interest cost structure to minimise the adverse effects of fluctuating interest rates.

As at the reporting date, the Group's interest-bearing financial instruments were as follows:

	Carrying amount			
	Group		Company	
	2025/2026	2024/2025	2025/2026	2024/2025
Fixed Rate Instruments	Rs.	Rs.	Rs.	Rs.
Financial Assets				
Investments in Fixed Deposits	503,542,272	137,546,332	503,542,272	50,220,781
Investments in Treasury Bills	-	20,971,878	-	-
Investments in Repurchase Agreements	17,707,000	23,295,000	-	-
Investments in Debentures	90,000,000	90,000,000	90,000,000	90,000,000
Amounts due from Related Parties	-	129,358,654	-	129,358,654
	611,249,272	401,171,864	593,542,272	269,579,435
Variable Rate Instruments				
Financial Assets				
Call Deposit	19,718,528	96,670,940	19,718,528	96,670,940
Savings Accounts	4,675,129	4,338,175	2,831,062	2,645,379
	24,393,657	101,009,115	22,549,590	99,316,319

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT (CONTD.)

36.3 Market Risk (Contd.)

36.3.1 Interest Rate Risk (Contd.)

Sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax:

	Effect on Profit before Tax	
	2025/2026 Rs.	2024/2025 Rs.
Group		
Variable rate instruments (10% decrease)	(2,439,366)	(10,100,911)
Variable rate instruments (10% increase)	2,439,366	10,100,911
Company		
Variable rate instruments (10% decrease)	(2,254,959)	(9,931,632)
Variable rate instruments (10% increase)	2,254,959	9,931,632

36.3.2 Currency Risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in a currency other than the functional currency which is Sri Lankan Rupees.

36.3.2.1 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's Investing activities.

36.3.2.1.1 Sensitivity Analysis

A strengthening or weakening of Sri Lankan Rupee, as indicated below, against the USD as at 31st March 2026 would have increased/(decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Increase / (Decrease) in Exchange rate USD	Effect on Profit before Tax	
	2025/2026 Rs.	2024/2025 Rs.
Group		
LKR appreciated against USD by '+ 10%	216,530	365,538
LKR depreciated against USD by '- 10%	(216,530)	(365,538)

36.3.3 Commodity Risk

The Group was not exposed to Commodity Risk as at the reporting period.

36.3.4 Equity Price Risk

The Group is exposed to equity price risk because of investments in quoted shares held by the Group classified as equity instruments at FVTPL. The value of these investments is subjected to the performance of the investee company and the factors that affects the status of the stock market. Management of the Group reviews and approves all equity investment decisions. As at the reporting date, the Group does not have any exposure to equity price risk.

36. FINANCIAL RISK MANAGEMENT (CONTD.)

36.4 Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

36.5 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain shareholder, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends paid out to ordinary shareholders.

As at the reporting date, the Group and the Company had no debt liabilities or interest-bearing borrowings outstanding.

There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

SUPPLEMENTARY INFORMATION

CONTENTS

SHAREHOLDER INFORMATION

Stated Capital	31.03.2026	31.03.2025
Issued and Fully paid Capital (Rs.)	1,212,000,000	1,212,000,000
No of Shares	138,240,000	138,240,000
Class of Shares	**Ordinary Shares**	
No of Ordinary Shareholders	3,561	2,318

For the year ended 31st March	2026			2025		
	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
1 - 1,000	2,313	647,385	0.33	1,419	464,155	0.33
1,001 - 10,000	901	3,189,696	1.83	679	2,520,963	1.83
10,001 - 100,000	290	8,727,274	4.18	182	5,782,529	4.18
100,001 - 1,000,000	53	12,987,221	7.67	32	10,606,792	7.67
Over 1,000,000 Shares	4	112,688,424	85.99	6	118,865,561	85.99
Total	3,561	138,240,000	100.00	2,318	138,240,000	100.00

CATEGORIES OF SHAREHOLDERS

For the year ended 31st March	2026			2025		
	No of Share Holders	No of Shares	%	No of Share Holders	No of Shares	%
Individual	3,420	129,541,221	93.71	2,219	81,349,786	58.85
Institutional	141	8,698,779	6.29	99	56,890,214	41.15
	3,561	138,240,000	100.00	**2,318**	**138,240,000**	**100.00**
Resident	3,545	137,933,139	99.78	2,300	125,135,420	90.52
Non-Resident	16	306,861	0.22	18	13,104,580	9.48
	3,561	138,240,000	100.00	**2,318**	**138,240,000**	**100.00**
Public	3,559	31,228,262	22.59	2,310	31,228,352	22.59
Non-Public	2	107,011,738	77.41	8	107,011,648	77.41
	3,561	138,240,000	100.00	**2,318**	**138,240,000**	**100.00**
Float Adjusted Market Capitalization (Rs.)		1,873,695,720			409,091,411	

MARKET VALUE

For the year ended 31st March	2026	2025
Highest Market Price per Share (Rs.)	80.00	16.00
Lowest Market Price per Share (Rs.)	52.60	11.20
Last traded Market Price per Share as at 31st March (Rs.)	60.00	13.10

INFORMATION TO SHAREHOLDERS AND INVESTORS

Directors Shareholding

For the year ended 31st March	2026	2025
Mr. K.M. Tanuja Hashan	-	-
Mr. Gaurav Mehta	-	-
Mr. Rohan Jayasinghe	10,000	10,000
Mr.J.S.M.D.M.A. Bandara	-	-
Mr.K.D.Gamini Gunaratne	-	-
Mr.C.M. Umagiliya Weerawardena	-	-

TOP TWENTY SHAREHOLDERS

	For the year ended 31st March	2026		2025	
	Name	Shareholding	%	Shareholding	%
1	Mr. K.A.D.D. Perera	107,001,738.00	77.4	-	-
2	Mr. G. Anuragavan	2,802,952.00	2.03	-	-
3	Mr. L.D.N. Nayana	1,856,970.00	1.34	-	-
4	Hatton National Bank PLC/Sendanayake Arachchige Suranga Prasath Perera	1,026,764.00	0.74	-	-
5	Mr. A.G.C.J. Gamage	790,671.00	0.57	-	-
6	MRS. S. Balendra	599,700.00	0.43		
7	PMF Finance PLC/K.A.D.I. Kulasinghe	555,008.00	0.4	-	-
8	Bansei Securities Capital (Pvt) Ltd/ J.P.N.P.K. Jayasekara	547,145.00	0.4	-	-
9	Mr. M.R. Ziard	435,695.00	0.32	-	-
10	Nation Lanka Capital Ltd/I W P Kalpa Sanjaya Kumara Karunanayake	370,059.00	0.27	-	-
11	Merchant Bank of Sri Lanka & Finance PLC L.W. Dammika	361,000.00	0.26	-	-
12	Miss. S.D. Lokuge	351,600.00	0.25	-	-
13	DR. D.A. Somaratne	340,117.00	0.25	-	-
14	Mr. D.P. Navaratnam	326,000.00	0.24	732,600.00	0.53
15	MR. S.A.S.P. Perera	325,000.00	0.24	-	-
16	SPH Capital Holdings (PVT.) LTD	320,871.00	0.23	-	-
17	Nova Equity (Pvt) Ltd	315,205.00	0.23	-	-
18	Protége Capital Access Ltd/N S N Pinto Senanayaka	304,390.00	0.22	-	-
19	Mr. A.V.R. De Silva Jayatilleke	300,000.00	0.22	-	-
20	PMF Finance PLC/K.L.G. Udayananda	298,858.00	0.22	-	-
		119,229,743.00	**86.26**	**732,600.00**	**0.53**

GROUP PERFORMANCE - FIVE YEAR SUMMARY

	2026	2025 (Restated)	2024 (Restated)	2023	2022
Statement of Profit or Loss					
Revenue					
Rental	121,863,062	117,993,133	98,176,589	81,961,468	46,035,614
Infrastructure	38,295,690	37,523,549	36,399,190	36,857,682	35,500,402
Trading	-	-	1,541,770	-	704,520
Total Revenue	160,158,752	155,516,682	136,117,549	118,819,150	82,240,536
Direct Costs	(2,952,265)	(2,212,032)	(4,042,636)	(3,155,849)	(3,596,227)
Gross Profit	157,206,487	153,304,650	132,074,913	115,663,301	78,644,309
Other Income	10,563,445	8,582,399	11,927,902	4,954,019	5,370,952
Fair Value Gain on Investment Property	197,000,000	201,477,046	-	-	-
Administrative Expenses	(79,315,815)	(110,038,091)	(112,820,553)	(89,702,371)	(71,924,222)
Other Expenses	(34,713,334)	(1,134,757)	(1,248,523)	(718,013)	(12,568,368)
Result from Operating Activities	250,740,783	252,191,247	29,933,739	30,196,936	(477,329)
Net Finance Income	56,548,505	53,913,157	84,103,236	97,274,640	152,897,437
Profit before Tax	307,289,288	306,104,404	114,036,975	127,471,576	152,420,107
Income Tax Expenses	(55,146,602)	(52,078,601)	(20,769,879)	(26,732,532)	(16,189,371)
Profit for the year	252,142,686	254,025,803	93,267,096	100,739,044	136,230,736
Total Other Comprehensive Income/(Expenses)	807,563	(2,377,545)	466,721	226,024	1,637,035
Profit attributable to:					
Equity Holder of the Parent	243,277,528	242,132,443	80,549,174	87,366,085	132,459,603
Non-Controlling Interest	8,865,158	11,893,360	12,717,922	13,372,959	3,771,133
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, Plant & Equipment	61,903,426	175,621,990	186,614,251	195,221,652	178,682,562
Leasehold Property	23,968,004	24,388,495	24,808,986	25,229,477	25,649,968
Investment Property	2,758,000,000	2,561,000,000	2,347,600,000	1,546,826,977	1,209,012,060
Intangible Assets	22,452,583	22,452,583	22,452,583	22,452,583	22,452,583
Deferred Tax Asset	289,113	206,976	48,318		
Total non-current assets	2,866,613,126	2,783,670,044	2,581,524,138	1,789,730,689	1,435,797,173
Current Assets					
Inventories	1,165,760	2,002,296	2,103,504	2,204,713	2,204,713
Trade and Other Receivables	78,185,656	105,918,185	117,771,108	99,616,602	64,253,211
Amount due from Related Parties	-	129,358,654	105,224,775	67,957,490	62,851,419
Other Financial Assets	611,249,272	271,813,210	210,989,249	678,403,197	1,044,294,834
Cash and Cash Equivalents	26,852,062	102,828,636	102,883,257	84,127,391	16,228,945
Total current assets	717,452,750	611,920,981	538,971,893	932,309,393	1,189,833,122
Total Assets	3,584,065,876	3,395,591,025	3,120,496,031	2,722,040,082	2,625,630,295

	2026	2025 (Restated)	2024 (Restated)	2023	2022
Equity & Liabilities					
Stated Capital	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000
Revaluation Reserve	-	77,184,832	77,184,832	77,184,832	77,184,832
Revenue Reserve	2,142,062,037	1,831,226,964	1,591,365,087	1,295,930,948	1,208,364,215
Equity attributable to Equity Holders	3,354,062,037	3,120,411,796	2,880,549,919	2,585,115,780	2,497,549,047
Non-Controlling Interest	23,012,915	80,390,268	68,603,887	55,857,553	42,459,217
Total Equity	3,377,074,952	3,200,802,064	2,949,153,806	2,640,973,333	2,540,008,264
Non-Current Liabilities					
Employee Benefits	9,863,431	11,367,619	6,847,411	6,698,129	6,396,111
Deferred Tax Liability	153,898,270	130,882,876	107,249,519	17,963,028	6,286,518
Rent Received in Advance	600,534	2,201,959	3,979,042	5,634,710	7,181,893
Total non-current liabilities	164,362,235	144,452,454	118,075,972	30,295,868	19,864,521
Current Liabilities					
Trade and Other Payables	34,224,075	35,183,105	38,157,098	35,076,652	48,924,335
Rent Received in Advances	1,601,426	1,601,426	1,601,426	1,547,183	1,547,183
Income Tax Liability	6,803,189	13,551,976	13,507,729	13,432,070	13,236,977
Bank Overdraft	-	-	-	714,977	2,049,014
Total current liabilities	42,628,690	50,336,507	53,266,253	50,770,882	65,757,509
Total Equity & Liabilities	3,584,065,876	3,395,591,025	3,120,496,031	2,722,040,082	2,625,630,295
Earnings per Share	1.76	1.75	0.58	0.63	0.96
Net Asset Value per Share	24.26	22.57	20.84	18.70	18.07

COMPANY PERFORMANCE - FIVE YEAR SUMMARY

	2026	2025 (Restated)	2024 (Restated)	2023	2022
Statement of Profit or Loss					
Revenue	122,360,293	118,599,713	98,758,678	82,475,548	46,549,694
Other Income	68,250,946	8,157,218	12,501,208	12,357,469	12,185,391
Fair Value Gain on Investment Property	197,000,000	201,477,046			
	387,611,239	328,233,977	111,259,886	94,833,017	58,735,085
Administrative Expenses	(61,905,008)	(96,093,916)	(99,044,975)	(76,407,968)	(56,731,504)
Other Expenses	(34,573,870)	(1,134,757)	(308,046)	(718,013)	(1,468,544)
	(96,478,878)	(97,228,673)	(99,353,021)	(77,125,981)	(58,200,048)
Result From Operating Activities	291,132,361	231,005,304	11,906,865	17,707,036	535,037
Net Finance Income	51,635,303	43,121,511	68,584,849	84,463,980	149,805,875
Profit before Tax	342,767,664	274,126,815	80,491,714	102,171,016	150,340,912
Income Tax Expense	(50,041,699)	(44,373,178)	(13,179,559)	(18,862,305)	(11,944,947)
Profit for the year	292,725,965	229,753,637	67,312,155	83,308,711	138,395,965
Total Other Comprehensive Income/(Expenses)	643,564	(2,159,221)	408,734	174,237	1,407,944
Total Comprehensive Income for the year	293,369,529	227,594,416	67,720,889	83,482,948	139,803,909
Statement of Financial Position					
Assets					
Non-Current Assets					
Property, Plant & Equipment	58,184,907	171,362,849	181,666,366	190,922,180	171,691,298
Leasehold Property	23,968,004	24,388,495	24,808,986	25,229,477	25,649,968
Investment Property	2,758,000,000	2,561,000,000	2,347,600,000	1,546,826,977	1,209,012,060
Investment in Subsidiaries	49,307,090	49,307,090	49,307,090	49,307,090	39,445,672
Total non-current assets	2,889,460,001	2,806,058,434	2,603,382,442	1,812,285,724	1,445,798,999
Current Assets					
Trade and Other Receivables	47,727,411	73,298,043	74,235,288	64,113,501	41,542,504
Amount due from Related Parties	25,862	129,358,654	105,224,775	67,957,490	62,851,419
Other Financial Assets	593,542,272	140,220,781	136,270,120	596,014,447	987,361,834
Cash and Cash Equivalents	24,427,959	100,661,704	77,892,984	82,315,434	12,588,162
Total current assets	665,723,504	443,539,182	393,623,167	810,400,872	1,104,343,919
Total Assets	3,555,183,505	3,249,597,616	2,997,005,609	2,622,686,596	2,550,142,917
Equity and Liabilities					
Equity					
Stated Capital	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000	1,212,000,000
Revaluation Reserve	-	77,184,832	77,184,832	77,184,832	77,184,832
Revenue Reserve	2,144,964,329	1,774,409,968	1,546,815,552	1,264,648,006	1,181,165,058
Total Equity	3,356,964,329	3,063,594,800	2,836,000,384	2,553,832,838	2,470,349,891

	2026	2025 (Restated)	2024 (Restated)	2023	2022
Non Current Liabilities					
Employee Benefits	8,279,696	9,864,425	5,692,027	5,659,007	5,471,818
Deferred Tax Liability	153,898,270	130,882,876	107,249,519	17,885,261	5,844,373
Rent Received in Advance	600,534	2,201,959	3,979,042	5,634,710	7,181,893
Total non-current liabilities	162,778,500	142,949,260	116,920,588	29,178,978	18,498,083
Current Liabilities					
Trade and Other Payables	27,561,308	31,445,833	33,356,048	32,583,079	46,394,746
Rent Received in Advance	1,601,426	1,601,426	1,601,426	1,547,183	1,547,183
Income Tax Liability	6,277,943	10,006,298	9,127,163	5,544,518	11,304,000
Bank Overdraft					2,049,014
Total current liabilities	35,440,676	43,053,557	44,084,637	39,674,780	61,294,943
Total Equity & Liabilities	3,555,183,505	3,249,597,616	2,997,005,609	2,622,686,596	2,550,142,917
Earnings per Share	2.12	1.66	0.49	0.60	1.00
Net Asset Value per Share	24.28	22.16	20.52	18.47	17.87

NOTICE OF MEETING

EAST WEST PROPERTIES PLC
Company No. PQ 221

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTY FIFTH ANNUAL GENERAL MEETING OF EAST WEST PROPERTIES PLC WILL BE HELD ON 25TH SEPTEMBER 2026 AT 2.00 P.M. VIA ZOOM, VIRTUALLY EMANATING FROM EAST WEST PROPERTIES PLC, NO. 253, RAJA MAWATHA, EKALA, JA-ELA

AGENDA

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the company and the Audited Financial Statements for the year ended 31st March 2026 together with the Report of the Auditors thereon.

2. To re-elect Mr. Jayajothisinghe Senanayaka Mudiyanselage Dananjaya Moggali Abeyrathne Bandara as a Director who retires by rotation in terms of Article No. 86 of the Articles of Association of the Company.

3. To re–elect Mr. Chethiya Minendra Umagiliya Weerawardena as a Director who retires by rotation in terms of Article No. 86 of the Articles of Association of the Company

4. To re-appoint the retiring Auditors M/s BDO Partners, Chartered Accountants as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and authorize the Directors to determine their remuneration.

5. To authorize the Directors to determine contributions to charities and other donations for the year 2026/2027 and until the next Annual General Meeting.

BY ORDER OF THE BOARD OF
EAST WEST PROPERTIES PLC

S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES

31st August 2026

Note:
a) Any member/s is/are entitled to attend and vote is/are entitled to appoint a proxy in his stead.
b) A form of Proxy accompanies this notice. A proxy need not be a shareholder.
c) Instruments appointing proxies must be lodged with the Company not less than 48 Hours before the meeting.

NOTES

NOTES

FORM OF PROXY

I/We,...

of ....

.... being a member/members of East West Properties PLC hereby appoint

Mr./Mrs./Ms.. (NIC No...) of

....whom failing,

Mr. D. R. Jayasinghe	whom failing
Mr. J.S.M.D.M.A.Bandara	whom failing
Mr. K.M.T. Hashan	whom failing
Mr. Gaurav Mehta	whom failing
Mr. C.M.U. Weerawardena	whom failing
Mr. K. D. G. Gunaratne	

as my /our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 25th September 2026 At 2.00 P.M. Via Zoom, Virtually Emanating from East West Properties Plc, No. 253, Raja Mawatha, Ekala, Ja-Ela and at any adjournment thereof.

		FOR	AGAINST
1	To receive and consider the Annual Report of the Board of Directors on the affairs of the company and the Audited Financial Statements for the year ended 31st March 2026 together with the Report of the Auditors thereon.		
2	To re-elect Mr. Jayajothisinghe Senanayaka Mudiyanselage Dananjaya Moggali Abeyrathne Bandara as a Director who retires by rotation in terms of Article No. 86 of the Articles of Association of the Company.		
3	To re-elect Mr. Chethiya Minendra Umagiliya Weerawardena as a Director who retires by rotation in terms of Article No. 86 of the Company's Articles of Association.		
4	To re-appoint the retiring Auditors M/s BDO Partners, Chartered Accountants as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and authorize the Directors to determine their remuneration.		
5	To authorize the Directors to determine contributions to charities and other donations for the year 2026/2027 until the next Annual General Meeting.		

Signed this .... day of September Two Thousand and Twenty Six.

....

NIC No./Passport No. Signature

Note:
(a) Please delete the inappropriate words.
(b) Instructions are noted on the overleaf.

Please provide the following details:

Full Name of the Shareholder	:	....
CDS A/C No/ NIC No/Company Reg No.	:	....
E – Mail address	:	....
Folio No/ No of Shares held	:	....
Full Name of the Proxy holder	:	....
Proxy holder's ID No (if not a Director)	:	....

FORM OF PROXY

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY:

1. Please complete the Form of Proxy after filling in legibly your full name, NIC Number and address and by signing in the space provided.

2. To be valid, this Form of Proxy must be deposited at the Registered Office of the Company, East West Properties PLC, No. 253, Raja Mawatha, Ekala, Ja-Ela (by way of scanning and emailing to hashini@eastwest.lk,WhatsApp to +94 715714309 not less than 48 hours before the time appointed for holding the meeting.)

3. Please indicate clearly how your proxy is to vote on the resolution. If no indication is given, the proxy in his discretion may vote as he thinks fit.

4. If the shareholder is a Company or body corporate, a form of Corporate Representation executed under its Common Seal in Accordance with its Articles of Association or Constitution should be submitted.

5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the company along with the Form of Proxy.

6. Any Shareholder / Proxy attending the Annual General Meeting is kindly requested to bring with him/her the National Identity Card or any other form of valid identification.

CORPORATE INFORMATION

NAME OF THE COMPANY :
East West Properties PLC

COMPANY REG. NUMBER :
PQ 221

LEGAL FORM :
A Quoted Public Company with limited liability incorporated in Sri Lanka on 18th March 1981 and registered under the Companies Act No.07 of 2007.

The ordinary shares of the Company are listed on the Colombo Stock Exchange.

BOARD OF DIRECTORS :
Mr. K.M. Tanuja Hashan *(Chairman/ Non-Executive Director)*
Mr. Gaurav Mehta *(Executive Director/ Managing Director)*
Mr. Rohan Jayasinghe *(Senior Independent Non-Executive Director)*
Mr.J.S.M.D.M.A. Bandara *(Independent Non-Executive Director)*
Mr. C.M.U. Weerawardena *(Independent Non-Executive Director)*
Mr. K.D. Gamini Gunaratne *(Independent Non - Executive Director)*

AUDIT COMMITTEE :
Mr.J.S.M.D.M.A. Bandara - *Chairman*
Mr. Rohan Jayasinghe – *Member*
Mr. K.D. Gamini Gunaratne - *Member*

REMUNERATION COMMITTEE :
Mr. Rohan Jayasinghe - *Chairman*
Mr.J.S.M.D.M.A. Bandara - *Member*
Mr. K.D. Gamini Gunaratne - *Member*

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE :
Mr. Rohan Jayasinghe - *Chairman*
Mr.J.S.M.D.M.A. Bandara - *Member*
Mr. K.D. Gamini Gunaratne - *Member*

NOMINATION AND GOVERNANCE COMMITTEE :
Mr. Rohan Jayasinghe - *Chairman*
Mr.J.S.M.D.M.A. Bandara - *Member*
Mr. K.D. Gamini Gunaratne - *Member*

COMPANY SECRETARIES :
SSP Corporate Services (Pvt) Ltd
101, Inner Flower Road,
Colombo 03.

AUDITORS :
BDO Partners - Chartered Accountants
Charter House
65/2, Sir Chittampalam A Gardiner
Mawatha, Colombo – 02

BANKERS :
Hatton National Bank PLC
Bank of Ceylon
National Development Bank PLC
Sampath Bank PLC
Peoples Bank
Union Bank of Colombo

REGISTERED OFFICE :
No.253, Raja Mawatha, Ekala, Ja-Ela
(11380)

TELEPHONE :
+94 11 2 246 361

FAX :
+ 94 11 2 246 364

WEB :
www.eastwest.lk

WAREHOUSE OFFICE :
81/11,3rd Lane, New Nuge Road,
Peliyagoda

TELEPHONE :
+94 11 4 845 438

FAX :
+94 11 2 912 068

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