

TORQUE OF THE TOWN

SATHOSA MOTORS PLC ANNUAL REPORT 2025/2026

Movement begins with force, but progress is sustained by reliability. In 2025/2026, Sathosa Motors PLC stands as the torque that powers Sri Lanka's economy, quietly driving industries, connecting communities, and enabling livelihoods across every corner of the island.

From the first mile of agricultural harvests to the final delivery at bustling ports, Isuzu vehicles remain a constant presence, trusted for their proven performance and enduring engineering heritage. In a market crowded with new entrants, SML continues to lead with experience that cannot be replicated and reliability that is consistently delivered.

This year reflects more than market leadership; It signals transformation. Through expanded after-sales network, advanced digital integration, marine and mobility solutions, and a growing commitment to sustainability and skills development, SML has strengthened the very ecosystem that supports the nation's transport sector.

Like the circular force that keeps momentum in motion, SML operates with precision, discipline, and continuity. Each vehicle is not merely a means of transport but a force that drives commerce forward.

As the Torque of the Town, Sathosa Motors PLC remains the essential energy behind a nation on the move, delivering strength, stability, and progress with every journey.

TORQUE
OF THE TOWN



Contents

16 Chairman's Message

"Our performance this year reflects not only the recovery of the market, but the resilience, discipline, and long-term strategic focus that have enabled Sathosa Motors PLC to emerge stronger and better positioned for sustainable growth."

19 Management Review

"Our performance this year reflects the strength of our strategy, the resilience of our business model, and the extraordinary commitment of our people to delivering long-term value."

Corporate Overview

About this Report	4
About SML	5
Access Motors Overview	8
Group Profile and Structure	11
Key Business Segments	12
Financial and Operational Highlights	13

Leadership Perspective

Chairman's Message	16
Management Review	19
Board of Directors	22
Senior Management	27

Strategic Foundation

Operating Environment	30
Materiality Assessment	32
Stakeholder Engagement	34
Our Business Model	36
Our Strategy	38

Management Discussion & Analysis

Financial Capital	44
Manufactured Capital	49
Intellectual Capital	52
Human Capital	58
Social & Relationship Capital	65

Sustainability and ESG Approach

ESG Approach	72
Environmental Impacts	73
Social Impacts	78
Governance Highlights	79
Future Targets and Commitments	80
SDG Matrix	81

Governance and Risk

Corporate Governance	84
Risk Management	104
Audit Committee Report	110
Remuneration Committee Report	112
Related Party Transactions Review Committee Report	113
Strategic Planning Committee Report	115
Nomination and Governance Committee Report	116
Annual Report of the Board of Directors on the Affairs of the Company	119
The Statement of Directors' Responsibility	125
Directors Statements on Risk Management and Internal Control	126

Financial Statements

Financial Calendar	128
Independent Auditor's Report	129
Statement of Profit or Loss and Other Comprehensive Income	132
Statement of Financial Position	133
Statement of Changes in Equity	134
Statement of Cash Flows	135
Notes to the Financial Statements	136

Supplementary Information

SML Branch Network / Locations	190
Decade at a Glance	191
Share Information	192
Notice of Annual General Meeting	195
Note	196
Form of Proxy	199
Corporate Information	IBC

VISION

To be the trusted leader in the Sri Lankan Automobile Industry by ensuring that we deliver only the best quality to our valued customers.

MISSION

To achieve excellence in customer satisfaction by exceeding their expectations with our highly motivated staff, best quality vehicles, and after-sales.

CORPORATE VALUES

- We value and believe in maintaining the highest standards of integrity, honesty, transparency, responsibility and ethical behaviour in all our dealings and transactions.
- We respect the dignity of people
- We are passionate about delivering the highest levels of service quality to all our internal and external stakeholders.
- We encourage and respect diversity among our team in order to create an inclusive organizational culture.
- We believe in leading by example.
- We firmly believe in taking all prudent and responsible measures to strengthen our Company's financial foundation.
- We believe in the importance of ensuring excellence in all our processes and systems as a means of maintaining a strong nice position in the Sri Lankan market: from expanding our dealership network, to introducing innovative product ranges to the market, to market development, to leveraging training as an opportunity to enhance expertise and productivity.
- We are committed at all times to strengthening the corporate image of Sathosa Motors by communicating and delivering on our core values.



About this Report

SCOPE AND BOUNDARY

This Annual Report presents a comprehensive review of the financial and non-financial performance of Sathosa Motors PLC for the financial year ended 31 March 2026. The report provides an overview of the Company's operating environment, strategy, governance, risks and opportunities, business performance, and value creation activities.

The report covers the Company's principal business segments, including ISUZU vehicle sales, vehicle fabrication, ISUZU spare parts sales, workshop repairs & maintenance and ISUZU marine engine sales. Financial information presented in this report relates to Sathosa Motors PLC and its subsidiary, Access Motors (Private) Limited, and is prepared on a consolidated basis unless otherwise stated. Non-financial information primarily relates to the operations of Sathosa Motors PLC and includes matters considered relevant to stakeholders and the Company's long-term value creation objectives.

Unless otherwise indicated, the information contained in this report relates to the period from 1 April 2025 to 31 March 2026.

REPORTING FRAMEWORKS

This report has been prepared with reference to the principles of Integrated thinking and value creation reflected in the Integrated Framework. The report also considers applicable sustainability, governance and corporate reporting requirements relevant to the Company and its stakeholders.

As sustainability reporting practices continue to evolve, the Company remains committed to progressively strengthening its sustainability-related governance, disclosures and reporting processes in support of future reporting requirements, including SLFRS S1 and SLFRS S2.

COMPLIANCE

This Annual Report has been prepared in compliance with the requirements of the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and other applicable regulatory requirements.

The consolidated financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKASs and SLFRSs) issued by the Institute of Chartered Accountants of Sri Lanka.

BOARD RESPONSIBILITY

The Board of Directors is responsible for the preparation and presentation of this Annual Report and believes that it provides a balanced and reasonable assessment of the Company's performance, position, strategy, risks and prospects.

The Board confirms that, to the best of its knowledge, the information contained in this report has been prepared with due care and has been approved for publication.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to the Company's future plans, objectives, expectations and prospects. These statements are based on information available to management at the date of reporting and involve known and unknown risks and uncertainties.

Actual results and outcomes may differ materially from those expressed or implied in such statements due to changes in economic, regulatory, market, environmental or other conditions beyond the Company's control. Readers are therefore advised to exercise appropriate judgement when interpreting forward-looking information.

CONTACT INFORMATION

Questions, comments or requests for additional information relating to this Annual Report may be directed through the investor relations contact details provided in this report.



Digital View

The Annual Report is available on our official website, www.sathosamotorsplc.com

About SML

Sathosa Motors PLC (SML) is a leading player in Sri Lanka's automotive industry and the authorized distributor of Isuzu vehicles and genuine spare parts in Sri Lanka. The Company has established a reputation for reliability, customer service excellence, and operational strength through decades of experience in the commercial vehicle sector.

SML's operations spans across the core segments below:



Over the decades, the Company has evolved alongside Sri Lanka's changing economic landscape. The liberalization of vehicle imports in 1978 marked a significant turning point, driving increased demand for Isuzu's durable and dependable commercial vehicles. Recognizing the opportunity for further expansion, the Ministry of Trade and Commerce transformed the C.W.E.'s New Vehicles & Machinery Department into a fully owned subsidiary, resulting in the incorporation of Sathosa Motors Limited on 1 January 1985 with an initial capital of LKR 15 million.

In line with the country's broader privatization reforms, SML was privatized on 26 August 1992, with Japan's leading trading company, ITOCHU Corporation, acquiring a 60% stake in the Company. The remaining 40% shareholding was allocated between employees (10%) and the public (30%). Subsequently, in February 2012, Access Engineering PLC, one of Sri Lanka's foremost infrastructure companies, acquired ITOCHU's shareholding and increased its stake to 84.42% through a mandatory offer.

Further strengthening its presence in the automotive sector, SML acquired a 50% stake in Access Motors (Private) Limited on 1 April 2013. The subsidiary serves as the sole authorized distributor for Jaguar and Land Rover vehicles in Sri Lanka, catering to the country's premium automotive segment.

OUR JOURNEY

Driving Progress. Delivering Trust.

Over the decades, the Company has evolved alongside Sri Lanka's changing economic landscape, driven by opportunity, vision, and partnerships.

01 02 03 04 05

1962

The beginning of a strong and lasting journey.

The Co-operative Wholesale Establishment (C.W.E.) obtained the Isuzu agency in Sri Lanka, marking the brand's entry into the country's commercial vehicle industry. This milestone laid the foundation for Isuzu's long-standing presence and growth in the Sri Lankan market.



A strong start.
A lasting legacy.

1985

Building a National Automotive Enterprise

The Ministry of Trade and Commerce transformed the C.W.E.'s New Vehicle and Machinery Department into a fully owned subsidiary, leading to the incorporation of Sathosa Motors Limited on 1 January 1985 with an initial capital of LKR 15 million.



From vision to enterprise.
Built to grow.

1992

Global Partnership, Local Growth

As part of Sri Lanka's economic reforms, Sathosa Motors Limited was privatized, with ITOCHU Corporation of Japan acquiring a controlling stake. This partnership strengthened the Company's international expertise and market positioning.



Stronger together.
Growing beyond boundaries.

2000–2005

Expanding Our Footprint

The Company expanded its dealership network and enhanced after-sales capabilities across Sri Lanka. ISUZU commercial vehicles became a preferred choice in logistics, construction, agriculture, and transportation sectors.



Wider reach.
Stronger support.
Greater impact.

2012

A New Era of Transformation

Access Engineering PLC acquired ITOCHU's shareholding and increased its stake to 84.42%, ushering in a new phase of strategic transformation, operational excellence, and long-term value creation.



Transforming today.
Creating value for tomorrow.

Sustainable Growth

Focused on consistent performance and long-term value creation.

Customer Centricity

Delivering reliable solutions and exceptional service every step of the way.

Strong Partnerships

Building trusted relationships for shared success.

Operational Excellence

Committed to efficiency, quality, innovation, and continuous improvement.

06 07 08 09 10

2013
Expanding into Premium Mobility

Sathosa Motors PLC acquired a 50% stake in Access Motors (Private) Limited, becoming the authorized distributor for Jaguar and Land Rover vehicles in Sri Lanka and expanding its presence in the premium automotive sector.



New horizons. Premium experiences.

2015–2018
Strengthening Customer Connectivity

Investments were made in workshop facilities, service infrastructure, technician training, and spare parts availability. Customer-centric service standards were further enhanced to improve lifetime customer value.



Customer focus. Service excellence. Long-term trust.

2020–2023
Navigating Through Uncertainty

Despite the unprecedented economic and global challenges brought about by COVID-19 and its following impact, the Company sustained business continuity through prudent risk management, operational agility, and disciplined financial stewardship.

Resilient in challenges. Focused on stability.

2025
Accelerating Recovery

Following the reopening of vehicle imports, Sathosa Motors regained business momentum across key segments, driving significant growth in revenue, profitability, and shareholder value.



Recovery propelled. Growth re-accelerated.

2026 & Beyond
Driving Sustainable Mobility

The Company remains focused on strengthening its ISUZU franchise through innovation, enhanced customer experience, ESG integration, and sustainable business practices that support long-term stakeholder value creation.



Future ready. Sustainable value for all.

Operational Excellence
Investing in people, technology, and processes to deliver superior customer experiences and sustainable growth.

Sustainable Future
Creating long-term value through responsible business practices, innovation, and environmental stewardship.

Our journey continues...
Committed to driving progress, empowering mobility, and creating a sustainable future for generations to come.




ACCESS MOTORS (PVT) LTD
Sole Agent – Jaguar Land Rover, Sri Lanka
In 2013, Sathosa Motors diversified its operations by acquiring a 50% stake in Access Motors (Private) Limited. This strategic expansion broadened the company's market reach and product portfolio, reinforcing its position as a comprehensive mobility solutions provider in Sri Lanka.
JAGUAR
LAND ROVER
ABOVE & BEYOND
Access MOTORS
SOLE AUTHORIZED DISTRIBUTOR
Jaguar and Land Rover vehicles in Sri Lanka.
JLR-CERTIFIED BODY SHOP
The only one in Sri Lanka.
INTEGRATED 3S OPERATIONS
Sales, Service and Spare Parts.
COMMITMENT TO EXCELLENCE
Genuine parts and premium customer experiences.
RANGE ROVER
BOUTIQUE RESIDENCY
ITC RATNADIPA
GENUINE PARTS
DELIVERING VALUE TO THE GROUP
Rs. 12.3 Bn
Revenue FY 2025/26
Rs. 876 Mn
Profit Before Tax FY 2025/26
50%
Sathosa Motors PLC acquired 50% stake in 2013
EXPANDING
our footprint through diversification and complementary services
+94 11 470 5000
www.accessmotors.lk
No. 101, Dutugemunu Street, Kohuwala, Sri Lanka.
ACCESS MOTORS
PRIVATE LIMITED
Access MOTORS

Access Motors (Private) Limited

Sole Authorised Distributor of Jaguar Land Rover in Sri Lanka

A PREMIUM AUTOMOTIVE FRANCHISE

Access Motors (Private) Limited, a subsidiary of Sathosa Motors PLC, is the sole authorised distributor of Jaguar and Land Rover vehicles in Sri Lanka. The Company occupies a distinctive position within the Group's automotive portfolio, serving the premium mobility segment through globally recognised brands, specialised technical expertise, and a customer-centric operating model.

The financial year 2025/2026 marked a period of improved operating conditions for Sri Lanka's automotive industry following the gradual easing of vehicle import restrictions and the recovery of broader economic activity. Against this backdrop, Access Motors delivered a strong performance, recording revenue of Rs. 12.3 billion and profit before tax of Rs. 876 million. The results reflect renewed market demand, disciplined execution, and the enduring strength of the Company's premium franchise.

While vehicle sales remain an important component of the business, Access Motors has developed a resilient and diversified operating model centred on long-term customer relationships. Through premium brand representation, after-sales support, genuine parts availability, specialised technical services, and customer experience initiatives, the Company continues to create value throughout the ownership lifecycle while strengthening recurring revenue streams and customer loyalty.

This integrated approach enables Access Motors to maintain a strong market position whilst supporting sustainable growth within Sri Lanka's premium automotive sector.

BUSINESS OVERVIEW

Access Motors benefits from the global strength, heritage, and reputation of the Jaguar Land Rover portfolio. Under JLR's House of Brands strategy, Range Rover, Defender, Discovery, and Jaguar operate as distinct marques, allowing the Company to serve diverse customer requirements while preserving the unique identity and equity of each brand.

This differentiated portfolio provides the flexibility to address varying customer preferences across luxury, performance, capability, and lifestyle mobility segments. Combined with specialised technical expertise and premium customer engagement, it enables Access Motors to strengthen its competitive position within Sri Lanka's premium automotive market.

The Company's position as the sole authorised distributor of Jaguar Land Rover vehicles in Sri Lanka provides a significant competitive advantage, enabling it to deliver a fully integrated customer proposition encompassing vehicle sales, technical support, genuine parts, servicing, and specialised repair solutions.



ELEVATING THE CUSTOMER EXPERIENCE

Customer experience remains central to the Company's value proposition. Recently Access Motors further enhanced its customer engagement platform through the introduction of the Range Rover Boutique Residency at ITC Ratnadipa, Colombo. The initiative strengthens brand visibility whilst creating an exclusive environment where customers can engage with the brand, explore bespoke vehicle configurations, and experience the premium craftsmanship associated with the Range Rover marque.

The Company's customer proposition is further reinforced through manufacturer-backed warranty programmes, trained technical personnel, and the availability of genuine Jaguar Land Rover parts through authorised channels. Together, these capabilities enhance customer confidence, strengthen brand loyalty, and support long-term value creation.



As customer expectations within the luxury vehicle segment continue to evolve, Access Motors remains focused on delivering personalised experiences that extend beyond traditional vehicle ownership. By combining premium products with tailored engagement and comprehensive support services, the Company continues to strengthen customer relationships and enhance brand affinity.

STRENGTHENING RECURRING VALUE THROUGH AFTER-SALES EXCELLENCE

Access Motors continues to place significant emphasis on after-sales operations as a key pillar of its long-term business model. Supported by an established service infrastructure, trained technical personnel, and access to genuine Jaguar Land Rover parts, the Company is well positioned to support customers throughout the ownership lifecycle.

The sizeable installed base of Jaguar and Land Rover vehicles operating in Sri Lanka creates a sustainable opportunity for servicing, repairs, maintenance programmes, and parts-related revenue. This recurring revenue stream strengthens business resilience while reducing dependence on vehicle sales cycles and broader market fluctuations.

The Company's authorised support ecosystem also plays an important role in customer retention. Through dedicated sales, service, body shop, and boutique touchpoints, Access Motors delivers a seamless ownership experience that reinforces customer confidence and supports long-term loyalty.

By maintaining high service standards and investing in technical capability, the Company continues to strengthen its reputation as the preferred destination for Jaguar Land Rover customers in Sri Lanka.

INFRASTRUCTURE AND TECHNICAL CAPABILITY

The Company's flagship facility in Boralesgamuwa operates as an integrated 3S centre encompassing sales, service, and spare parts operations within a single coordinated platform. This integrated operating model enhances operational efficiency while enabling the Company to deliver a seamless customer experience across multiple touchpoints.







Complementing this facility is the Body Shop by Access Motors, which provides specialised repair and restoration services aligned with Jaguar Land Rover global standards. These capabilities further strengthen the Company's technical depth whilst supporting a comprehensive and premium ownership experience.

Continuous investment in facilities, technical expertise, diagnostic technologies, and service capabilities enables Access Motors to maintain the high standards expected of globally recognised luxury automotive brands. These investments not only enhance operational effectiveness but also support the Company's ability to respond to evolving customer expectations and industry requirements.

Collectively, the Company's infrastructure, technical resources, and specialised capabilities provide a strong foundation for sustainable growth while reinforcing its leadership position within Sri Lanka's premium automotive segment.



OUTLOOK

The outlook for Sri Lanka's premium automotive sector continues to improve as economic conditions stabilise and market confidence gradually strengthens. The progressive normalisation of vehicle imports is expected to create new opportunities for growth across vehicle sales, after-sales services, and customer engagement activities.

Supported by a world-class brand portfolio, a differentiated customer proposition, specialised technical expertise, and a growing after-sales platform, Access Motors remains well positioned to capitalise on these opportunities.

Going forward, the Company will continue to focus on strengthening customer relationships, enhancing service excellence, expanding recurring revenue streams, and delivering exceptional ownership experiences across every stage of the customer journey.

By leveraging the strength of the Jaguar Land Rover brands while maintaining a disciplined and customer-centric approach to growth, Access Motors remains committed to creating sustainable value for customers, employees, shareholders, and the wider Sathosa Motors Group over the long term.


DRIVING
SRI LANKA
FORWARD.
Our Group structure reflects a clear strategy and strong synergies—from national infrastructure to commercial mobility and premium automotive solutions.
STRONG FOUNDATION
Built on decades of expertise and trust
STRATEGIC SYNERGIES
Creating value across complementary sectors
SUSTAINABLE GROWTH
Focused on long-term nationwide impact
TRUST & RELIABILITY
Delivering excellence with integrity
Access
ENGINEERING
Building Sri Lanka's Infrastructure
One of Sri Lanka's leading infrastructure development groups
Expertise in engineering, construction, plantations and property
Committed to nation building and long-term value creation
84.42%
OWNERSHIP
SML
SATHOSA MOTORS PLC
Driving Sri Lanka's Mobility
Authorized Distributor for
ISUZU
Leader in commercial vehicles in Sri Lanka for over four decades
Nationwide sales, service and spare parts network
Over 75 dealers supporting customers across the island
Delivering durability, reliability and superior after-sales service
50%
OWNERSHIP
Access
MOTORS
Premium Automotive Solutions Provider
Authorized Distributor for
JAGUAR
LAND ROVER
Bringing world-class luxury automotive brands to Sri Lanka
Exceptional customer experience and personalised service
State-of-the-art service facilities and highly trained technicians
Commitment to luxury, performance and excellence

Key Business Segments

BUSINESS ECOSYSTEM

SML's business ecosystem is supported by a strong network of global automotive principals, dealer and distributor partnerships, fleet customers, workshop and technical service operations, and genuine spare parts supply chains. This integrated ecosystem enables the Company to maintain operational continuity, strengthen customer relationships, and deliver long-term value to stakeholders through reliable products, responsive services, and a sustained market presence.

BUSINESS SEGMENTS

SML operates through a diversified business portfolio designed to support revenue resilience, customer retention, and sustainable growth.

Segment	Core Offering	Strategic Role
Vehicle Sales	Isuzu commercial vehicles	Growth driver
Vehicle Fabrication	Customised vehicle body fabrication	Diversification
Spare Parts Sales	Genuine Isuzu parts	Recurring revenue
Workshop Repairs and Services	Workshop and repairs & After-Sales Services	Customer retention
Marine Engine Sales	Marine mobility solutions	Diversification

VEHICLE SALES

SML imports and distributes Isuzu commercial and special-purpose vehicles in Sri Lanka. The segment remains a key strategic growth driver for the Company, supporting market presence, customer acquisition, and long-term business expansion. Vehicle sales experienced a significant recovery during FY 2025/2026 following the easing of vehicle import restrictions. Backed by the strength of the Isuzu brand and growing demand for reliable commercial mobility solutions, the segment continues to play a vital role in strengthening the Company's revenue base and competitive position within Sri Lanka's automotive industry.

Key product categories

- Double Cab/Pickup Trucks
- Light-duty commercial vehicles
- Heavy-duty commercial vehicles
- MU-X JEEP
- Specialized vehicles

SPARE PARTS SALES

Spare parts distribution remains one of the Company's strongest revenue contributors and supports operational resilience through recurring demand. Supported by an extensive dealer network, regional branch operations, and the availability of genuine spare parts, the segment plays a critical role in ensuring vehicle reliability and uninterrupted customer operations. The business also provides stable recurring revenue streams, strengthens customer loyalty, and enhances long-term after market value creation for the Company.

SEGMENTS SUPPORTED

- Regional branch operations
- Dealer network
- Genuine parts availability
- After market support services

VEHICLE FABRICATION

Sathosa Motors PLC provides customized Vehicle Fabrication solutions designed to meet the diverse needs of commercial transport operators. The segment enhances the Company's vehicle offerings by delivering durable, high-quality, and purpose-built body structures that improve operational efficiency and support customer-specific transportation requirements.

WORKSHOP REPAIRS AND SERVICES

The Company operates workshop and repair facilities that provide technical support, maintenance, and repair solutions for Isuzu vehicles. Workshop operations contribute steady recurring revenue while strengthening customer relationships through reliable and responsive service support. As an integral component of SML's customer value proposition, the segment enhances vehicle lifecycle performance, reinforces brand trust, and supports long-term customer retention through consistent after-sales engagement.

MARINE ENGINE SALES

Marine engine sales represent a specialized business segment within Sathosa Motors PLC's diversified portfolio. Through the distribution of marine engines for various marine applications, the Company expands its customer reach beyond the automotive sector and strengthens its presence in the broader mobility solutions market.

Financial and Operational Highlights

FINANCIAL PERFORMANCE DATA - GROUP

Metric LKR Mn	2022/23	2023/24	2024/25	2025/26
Revenue	1,931	2,173	2,973	24,722
Gross Profit	761	838	1,235	4,744
EBITDA	332	468	715	3,817
EBIT	135	299	574	3,585
Profit After Tax	(55)	119	307	2,378
Total Assets	3,584	3,871	4,838	12,844
Equity Attributable to Owners	1,639	1,727	1,993	3,912
Cash & Cash Equivalents	122	101	442	1,024
Loans and Borrowings	765	1,005	973	1,427

Metric	2022/23 Growth	2023/24 Growth	2024/25 Growth	2025/26 Growth
Revenue	(40%)	13%	37%	732%
Gross Profit	8%	10%	47%	284%
EBITDA	12%	41%	53%	434%
EBIT	26%	121%	92%	525%
Profit After Tax	2650%	(316%)	158%	675%
Total Assets	(12%)	8%	25%	165%
Equity Attributable to Owners	(2%)	5%	15%	96%
Cash & Cash Equivalents	(31%)	(17%)	338%	132%
Loans and Borrowings	(17%)	31%	(3%)	47%

Ratio / Investor Metric	2022/23	2023/24	2024/25	2025/26
EPS- LKR	(5.37)	14.11	49.37	343.79
DPS- LKR	0.00	0.00	5.00	25.00
Net Assets Per Share-LKR	271.69	286.83	330.32	648.44
ROE -%	(2.60)	5.33	12.27	50.37
ROCE-%	4.70	11.70	16.76	69.66
Gearing- No of Times	0.40	0.40	0.40	0.31
Current Ratio-No of Times	1.36	1.45	1.05	1.19
Quick Ratio-No of Times	0.52	0.72	0.62	0.33
Price Per Share LKR	130.00	200.00	437.75	1,049.75

REVENUE
24,722
YoY growth: 732%

EBITDA
3,817
YoY growth: 434%

EBIT
3,585
YoY growth: 525%

PAT
2,378
YoY growth: 675%

TOTAL ASSETS
12,844
YoY growth: 165%

EQUITY
3,912
YoY growth: 96%

FINANCIAL PERFORMANCE DATA - COMPANY

Metric LKR Mn	2022/23	2023/24	2024/25	2025/26
Revenue	817	982	1,818	12,374
Gross Profit	427	440	824	3,176
EBITDA	227	269	542	2,717
EBIT	150	202	476	2,638
Profit After Tax	(10)	52	289	1,771
Total Assets	2,772	2,958	2,888	6,736
Equity Attributable to Owners	1,640	1,693	1,951	3,569
Cash & Cash Equivalents	109	70	58	754
Loans and Borrowings	765	1,005	373	65

Metric	2022/23 Growth	2023/24 Growth	2024/25 Growth	2025/26 Growth
Revenue	(55%)	20%	85%	581%
Gross Profit	(2%)	3%	87%	285%
EBITDA	36%	19%	101%	401%
EBIT	55%	35%	136%	454%
Profit After Tax	(123%)	(620%)	456%	512%
Total Assets	(10%)	7%	(2%)	133%
Equity Attributable to Owners	(1%)	3%	15%	83%
Cash & Cash Equivalents	(12%)	(36%)	(17%)	1,200%
Loans and Borrowings	(17%)	31%	(63%)	(83%)

Ratio / Investor Metric	2022/23	2023/24	2024/25	2025/26
EPS- LKR	(1.63)	8.58	47.93	293.51
DPS- LKR	0.00	0.00	5.00	25.00
Net Assets Per Share-LKR	271.76	280.63	323.36	591.56
ROE -%	(0.60)	3.10	14.82	49.62
ROCE-%	0.00	0.00	22.60	71.60
Gearing- No of Times	0.50	0.60	0.20	0.03
Current Ratio-No of Times	0.80	0.90	1.17	1.49
Quick Ratio-No of Times	0.30	0.40	0.58	0.56
Price Per Share LKR	130.00	200.00	437.75	1,049.75

REVENUE
12,374
YoY growth: 581%

EBITDA
2,717
YoY growth: 401%

EBIT
2,638
YoY growth: 454%

PAT
1,771
YoY growth: 512%

TOTAL ASSETS
6,736
YoY growth: 133%

EQUITY
3,569
YoY growth: 83%

OPERATIONAL HIGHLIGHTS

Group

Revenue by Business Segment	2024/25 LKR Mn	2025/26 LKR Mn	Growth %
Vehicle sales & Vehicle Fabrications	670	22,203	3,214%
Spare Parts sales	1,749	2,034	16%
Workshop repairs & services	485	473	(2%)
Marine Engine sales	69	11	(84%)

Company

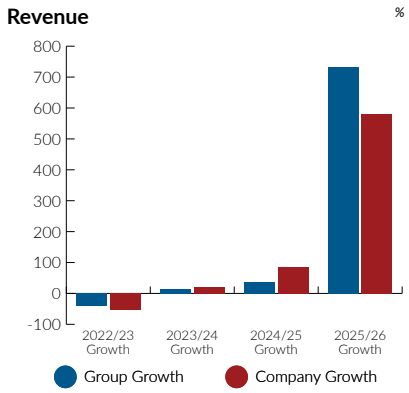
Revenue by Business Segment	2024/25 LKR Mn	2025/26 LKR Mn	Growth %
Vehicle sales & Vehicle Fabrications	670	11,132	1,561%
Spare Parts sales	774	928	20%
Workshop repairs & services	305	302	(1%)
Marine Engine sales	69	11	(84%)

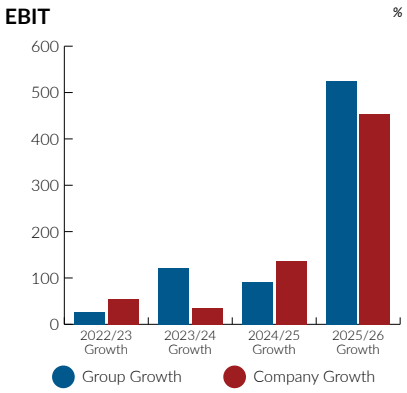
Group

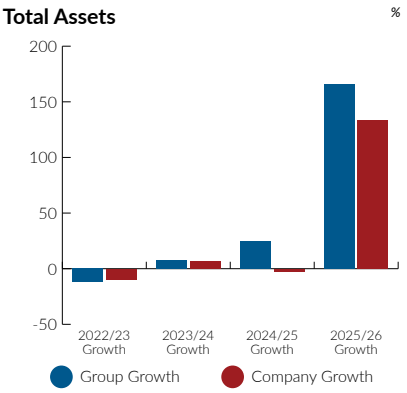
Segment Gross Profit	2024/25 LKR Mn	2025/26 LKR Mn	Growth %
Vehicle sales & Vehicle Fabrications	230	3,599	1,465%
Spare Parts sales	825	953	16%
Workshop repairs & services	165	184	12%
Marine Engine sales	15	0.20	(99%)

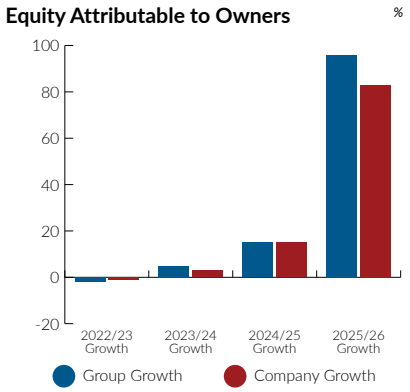
Company

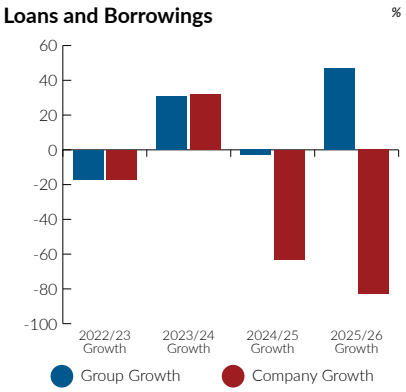
Segment Gross Profit	2024/25 LKR Mn	2025/26 LKR Mn	Growth %
Vehicle sales & Vehicle Fabrications	234	2,506	971%
Spare Parts sales	463	536	16%
Workshop repairs & services	111	133	20%
Marine Engine sales	15	0.20	(99%)











What sustains the nation's staple food systems?



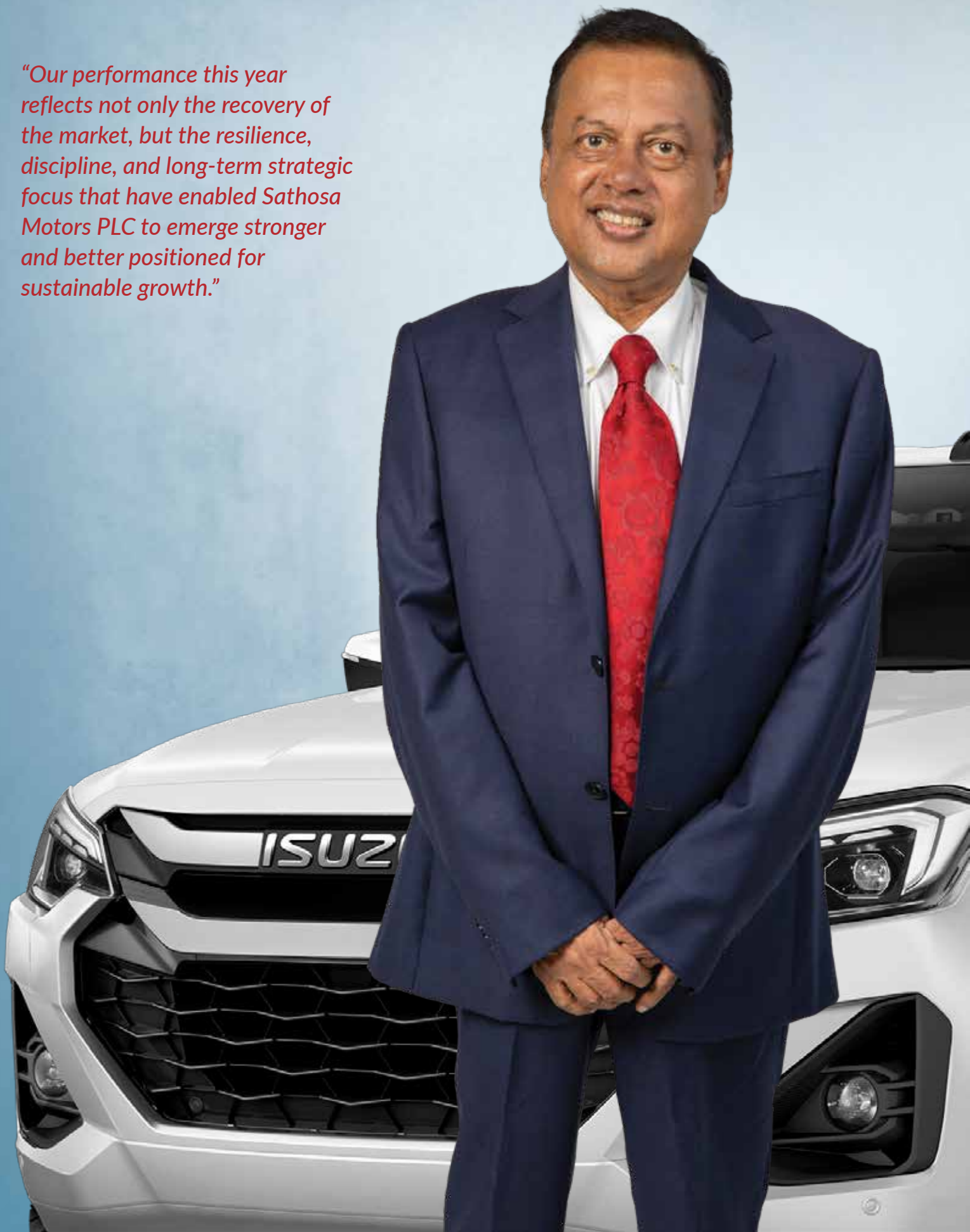
3–4 Million tons
of paddy transported

Annual paddy production of approximately 3–4 million tonnes supports national food security and millions of livelihoods, relying on consistent, island-wide movement across cultivation, collection, and distribution networks, where Isuzu stands as a trusted mobility enabler across agricultural supply chains.

Supporting harvests. Sustaining communities. Powering food security.

Chairman's Message

"Our performance this year reflects not only the recovery of the market, but the resilience, discipline, and long-term strategic focus that have enabled Sathosa Motors PLC to emerge stronger and better positioned for sustainable growth."



It gives me great pleasure to present the Annual Report of Sathosa Motors PLC for the financial year ended 31 March 2026.

The year under review marked a defining chapter in the Company's journey. Following several years of unprecedented challenges for Sri Lanka's automotive sector, the gradual liberalisation of vehicle imports and the continued recovery of the national economy created a significantly more favourable operating environment for business growth. Against this backdrop, Sathosa Motors PLC delivered an exceptional financial and operational performance, demonstrating the strength of its business model, the resilience of its people, and the enduring value of its long-standing partnership with Isuzu.

NAVIGATING A RECOVERING OPERATING ENVIRONMENT

The performance achieved during the year reflects not only the opportunities created by improving market conditions but also the strategic decisions taken during a period of considerable uncertainty. Throughout the prolonged vehicle import restrictions, the Company remained focused on preserving its market presence, strengthening customer relationships, and enhancing operational resilience. By strategically expanding our spare parts business, strengthening after-sales services, investing in technical capabilities, and maintaining close engagement with our dealer network, we successfully navigated one of the most challenging periods in the history of Sri Lanka's automotive industry.

As Sri Lanka's economy continued its recovery trajectory during 2025, supported by improving macroeconomic stability, lower interest rates, stronger financial sector activity, and the reopening of vehicle imports, we witnessed a resurgence in customer demand and broader commercial activity. The automotive sector experienced a significant revival following the removal of import restrictions, creating new opportunities for growth and investment across the industry.

PERFORMANCE

Against this backdrop, the Group recorded a remarkable improvement in performance. Group revenue increased significantly to LKR 24.7 billion and profit after tax reached LKR 2.3 billion, reflecting the recovery of vehicle sales and the continued contribution of our resilient after-sales and spare parts businesses. The Company also delivered a strong performance, generating revenue of LKR 12.3 billion and profit after tax of LKR 1.7 billion. Equally important, we strengthened our balance sheet, improved liquidity, and enhanced shareholder value, providing a solid platform for future growth.

STRATEGISING FOR SUSTAINABLE GROWTH

While financial performance remains important, the Board firmly believes that sustainable value creation is achieved through the effective stewardship of all forms of capital. During the year, we continued to strengthen our nationwide operational footprint, technical capabilities, human capital, digital systems, stakeholder relationships, and governance framework. Our investments in people, infrastructure, operational excellence, and customer service continue to enhance our ability to deliver long-term value to customers, employees, shareholders, and society.

Our strategic direction remains centred on expanding nationwide accessibility, strengthening recurring revenue streams, delivering superior after-sales excellence, enhancing customer value, and building a more agile and performance-oriented organisation. As customer expectations evolve and the industry becomes increasingly competitive, we remain committed to continuously improving operational responsiveness, service quality, and market reach while leveraging technology and data-driven decision-making to support future growth.

STRENGTHENING GOVERNANCE AND ACCOUNTABILITY

Good governance remains fundamental to our long-term success. The Board continues to uphold the highest standards of accountability, transparency, ethical conduct, and risk management. During the year, we further strengthened governance oversight across the organisation while maintaining a disciplined approach to strategic decision-making and stakeholder engagement.

We believe strong governance is not merely a compliance obligation but a critical enabler of sustainable business performance and stakeholder trust. Through effective governance structures, prudent risk management, and transparent reporting practices, we continue to safeguard stakeholder interests while supporting long-term value creation.

LOOKING AHEAD

As we look ahead, we remain optimistic about the opportunities emerging within Sri Lanka's evolving automotive landscape. The reopening of the market, improving economic conditions, increasing commercial activity, and continued infrastructure development create favourable conditions for future growth.

Sathosa Motors PLC is well-positioned to capitalise on these opportunities through its trusted Isuzu partnership, nationwide service network, technical expertise, strong brand reputation, and customer-centric business model. At the same time, we remain mindful of evolving market dynamics and committed to maintaining the agility, discipline, and innovation necessary to succeed in a rapidly changing environment.

APPRECIATION

On behalf of the Board of Directors, I extend my sincere appreciation to our customers, shareholders, business partners, financial institutions, regulators, and all other stakeholders for their continued trust and confidence throughout the year.

I would also like to express my heartfelt gratitude to our employees and management team whose dedication, professionalism, resilience, and unwavering commitment have been instrumental in delivering the strong performance achieved during the year. Their collective efforts have enabled the Company to successfully navigate a period of transformation while positioning Sathosa Motors PLC for the next phase of growth.

I am equally grateful to my fellow members of the Board of Directors for their guidance, wisdom, and stewardship in ensuring that the Company remains focused on sustainable value creation and sound governance. My sincere appreciation also extends to our principal partners, ISUZU Motors International Operations (Thailand) Co. LTD, ITOCHU Corporation, ISUZU Motors Asia Limited, ISUZU Motors Limited, for their continued trust, support, and longstanding partnership, which remain integral to our success.

I further thank our customers, dealers, and business partners for their loyalty and

confidence in Sathosa Motors PLC, particularly during the challenging years faced by the automotive industry. Their continued support has been a cornerstone of our resilience and recovery.

Finally, I extend my sincere gratitude to our shareholders for their continued confidence and belief in the Company's long-term vision and potential. We remain committed to rewarding that trust through responsible stewardship, sustainable growth, and the creation of enduring value for all stakeholders.

As we enter a new phase of growth, we remain committed to creating sustainable value for all stakeholders while contributing meaningfully to the advancement of Sri Lanka's mobility sector and the broader economy



Sumal Perera
Chairman

9 June 2026

"Our performance this year reflects the strength of our strategy, the resilience of our business model, and the extraordinary commitment of our people to delivering long-term value."



The financial year 2025/2026 was a landmark year for Sathosa Motors PLC. Following several years of unprecedented challenges for Sri Lanka's automotive industry, we entered a period characterised by renewed market activity, improving economic conditions, and the reopening of vehicle imports. Against this backdrop, our team demonstrated exceptional commitment, agility, and determination, enabling the Company to deliver one of the strongest performances in its history.

While the recovery of the market created opportunities, our success was not solely the result of improved external conditions. It was the outcome of strategic decisions made over several years to strengthen the fundamentals of the business, deepen customer relationships, enhance operational capabilities, and build a resilient business model capable of performing under both challenging and favourable market conditions.

DELIVERING STRONG FINANCIAL AND OPERATIONAL PERFORMANCE

The resumption of vehicle imports and the recovery in market demand enabled the Group and the Company to deliver exceptional financial results during the year. Group revenue increased to Rs. 24.7 billion from Rs. 3.0 billion in the previous year, while profit before tax rose to Rs. 3.4 billion from Rs. 448.0 million and profit after tax increased to Rs. 2.38 billion from Rs. 306.6 million. At Company level, revenue increased to Rs. 12.4 billion from Rs. 1.8 billion, while profit before tax grew to Rs. 2.55 billion from Rs. 419.3 million and profit after tax increased to Rs. 1.77 billion from Rs. 289.2 million. While vehicle sales regained strong momentum following the reopening of imports, our spare parts and after sales business continued to demonstrate its strategic importance, generating revenue of Rs.2.5 billion at Group level and Rs. 1.2billion at Company level, supported by enhanced after sales service & repair , a strong distribution network, and sustained customer demand. These businesses continued to provide stable and recurring revenue streams that strengthened earnings resilience and supported sustainable growth.

Market momentum during the year was reflected not only in our financial performance but also in the strengthening of our competitive position. Strengthening our position as the market leader, our market share in the Japanese Imported truck segment increased to over 50%, supported by renewed demand, strong product performance, and the trust customers continue to place in the Isuzu brand. We also expanded our customer base significantly, with over 60% of vehicle sales generated from new customers acquired during the year.



These achievements reflect our reputation for reliability, durability, and value, together with the strength of our nationwide sales and service network. By consistently delivering high-quality products, responsive after-sales support, and a superior ownership experience, we continued to strengthen customer confidence and reinforce our position as one of Sri Lanka's most trusted automotive brands.

These results reflect the strength of our diversified business model and the strategic investments made during a period of unprecedented market disruption. The foundations established during the import restriction years enabled us to capitalize on the market recovery with enhanced operational capabilities, stronger customer relationships, and a more resilient earnings profile. While the resurgence of vehicle sales contributed significantly to growth, the continued performance of our spare parts and after-sales businesses reinforced the value of maintaining multiple complementary revenue streams that support sustainable long-term value creation.

The year also witnessed improvements in operational execution across the business. Enhanced inventory planning, stronger supply chain management, improved customer responsiveness, and disciplined working capital management contributed to greater efficiency, improved profitability, and stronger returns for shareholders. These achievements position Sathosa Motors to sustain momentum and capitalize on future growth opportunities as the market continues to evolve.

EXECUTING OUR STRATEGIC PRIORITIES

Our strategy remains anchored in a simple but powerful philosophy of delivering the right product, at the right price, at the right place.

Throughout the year, we continued to focus on several key strategic priorities that support sustainable growth and strengthen our competitive position.

We further expanded our nationwide accessibility by strengthening our dealer ecosystem, improving regional market coverage, and enhancing customer access to vehicles, spare parts, and technical support. Our integrated network of branches, dealers, garages, and service providers continues to be a significant competitive advantage that allows us to remain close to customers across the country.

We also continued to strengthen our spare parts business and after-sales ecosystem, recognising that customer relationships extend well beyond the initial vehicle sale. Through improved inventory planning, enhanced parts availability, technical support, and workshop capabilities, we remain focused on minimizing vehicle downtime and maximising customer productivity.

Meanwhile, we invested in digital transformation initiatives, including the migration towards IFS Cloud, the enhancement of enterprise-wide digital integration, and the strengthening of KPI-driven performance management systems. These initiatives support greater operational visibility, faster decision-making, and improved organisational agility.

BUILDING A HIGH-PERFORMANCE CULTURE

One of the most significant developments during the year was the continued evolution of our organisational culture.

As part of our transformation journey, we adopted a more agile and performance-oriented management approach designed to accelerate execution and improve accountability across the organisation. Greater decision-making authority was delegated to heads of departments and second-level management teams, enabling faster responses to market opportunities, improved operational ownership, and more effective decision-making at the point closest to the customer.

This shift has helped create a stronger culture of accountability, innovation, and ownership across the business. By empowering teams to make decisions and take responsibility for outcomes, we have strengthened organisational responsiveness while fostering future leadership capabilities within the Company.

Our focus is not simply on managing performance but on building an organisation where talented individuals are empowered to contribute, innovate, and lead.

INVESTING IN PEOPLE AND TECHNICAL EXCELLENCE

Our people remain the driving force behind our success.

We continued to invest significantly in employee development, technical training, leadership capability enhancement, and knowledge-sharing initiatives throughout the year. Through partnerships with Isuzu Motors and the utilisation of global learning platforms, our employees gained access to world-class technical training and professional development opportunities.

The achievements recorded by our technical teams at the Isuzu I-1 Grand Prix competition and the recognition received through various local and international awards reflect the strength of our people, our culture of continuous learning, and our commitment to operational excellence.

Beyond our own workforce, we continued to support the development of future automotive talent through structured trainee programmes, vocational partnerships, industrial training opportunities, and educational initiatives conducted across Sri Lanka. We firmly believe that investing in people is essential to both organisational success and the long-term development of the wider automotive industry.

AWARDS AND RECOGNITION

The year was also marked by several notable industry recognitions that reflect the progress we have made in strengthening management excellence, operational performance, people development, governance, and customer-centricity. Among these achievements were the Best Management Practices Award 2025 in the Automobile Sector, a Silver Award at the TAGS Annual Report Awards 2025, recognition at the Great HR Awards 2025, and industry acknowledgements received by both the Company and our leadership team. These accolades reinforce the strength of our organisational culture, the dedication of our employees, and our ongoing commitment to delivering sustainable value to all stakeholders.

Our commitment to technical excellence and superior after-sales service was further demonstrated through our performance at the 2025 Isuzu I-1 Grand Prix (I-1GP), a global competition that evaluates technical competency, diagnostic capability, repair quality,

and customer service standards across Isuzu's international dealer and distributor network. Competing against leading participants from around the world, Sathosa Motors achieved a significant improvement in its global ranking, advancing from 29th place in 2024 to 8th place in 2025. This achievement reflects the strength of our technical training programmes, the expertise and dedication of our service teams, and our unwavering focus on delivering world-class after-sales support and customer service excellence.

STRENGTHENING CUSTOMER RELATIONSHIPS

Customer trust has always been at the heart of our business.

Throughout the year, we continued to strengthen engagement with customers, dealers, garages, fleet operators, and regional partners. The successful hosting of the Sathosa Motors Dealer Convention during the year represented an important milestone in strengthening industry engagement and deepening relationships across our dealer network.

We also continued to promote customer education and responsible mobility through driver awareness programmes, safe driving initiatives, technical support services, and proactive customer engagement activities. These efforts reflect our belief that strong relationships are built through consistent support, reliability, and value creation.

SUSTAINABILITY AND RESPONSIBLE GROWTH

We recognise that sustainable business success requires a balanced approach that considers economic, social, environmental, and governance priorities.

During the year, we continued to strengthen our sustainability initiatives through investments in renewable energy, responsible waste management practices, environmental compliance, employee wellbeing, occupational health and safety, and community development programmes.

Our vocational education initiatives, industry partnerships, and technical skills development programmes continue to create positive social impact while supporting the future growth of Sri Lanka's automotive sector. Sustainability is increasingly embedded within our decision-making processes as we seek to create value that extends beyond financial performance.

LOOKING AHEAD

The outlook for the automotive industry remains encouraging as economic activity continues to recover and market confidence gradually strengthens. While external uncertainties remain, we believe Sathosa Motors PLC is exceptionally well-positioned to capitalise on emerging opportunities.

Our priorities for the future are clear. We will continue to strengthen our leadership in vehicle sales, spare parts, and after-sales services. We will expand our nationwide operational footprint, accelerate digital transformation, invest in people and technical capabilities, and enhance customer experience across every touchpoint.

Most importantly, we will continue building a resilient, agile, and customer-centric organisation capable of delivering sustainable growth and long-term value creation.

APPRECIATION

We extend our sincere gratitude to our customers, dealers, business partners, suppliers, and all our shareholders and other stakeholders whose trust, loyalty, and continued support have been fundamental to our success. Their confidence in Sathosa Motors PLC, particularly during a period of significant transformation and recovery within the automotive industry in the recent past, has been instrumental in enabling us to achieve the progress outlined in this review.

We also express our deepest appreciation to our principal partners, ISUZU Motors Limited Japan, ISUZU Motors International Operations (Thailand) Co. Ltd., ISUZU Motors Asia Limited, and ITOCHU Corporation, for their continued trust, support, technical expertise, and longstanding partnership. Their unwavering commitment has played a vital role in strengthening our capabilities and supporting our continued growth and success.

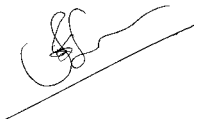
We thank the Chairman and Board of Directors for their guidance, wisdom, and strategic oversight, which have helped steer the Company through a transformative period while maintaining a clear focus on long-term value creation and sound governance.

Most importantly, we extend our heartfelt appreciation to every member of the Sathosa Motors team. Their professionalism, resilience, adaptability, and unwavering commitment to excellence have been the driving force behind our achievements. The success we celebrate today is a direct reflection of their hard work, dedication, and collective spirit, and we remain deeply grateful for their contribution to building a stronger and more resilient organisation.

Together, we have successfully navigated one of the most challenging periods in our industry's history. With a strong foundation now in place, we look to the future with confidence, ambition, and an unwavering commitment to delivering sustainable growth and lasting value for all our stakeholders.



Joseph Christopher Joshua
Executive Vice Chairman



Srimal Fernando
Managing Director

9 June 2026

Board of Directors



SUMAL PERERA
Chairman (Non-Executive)

JOSEPH CHRISTOPHER JOSHUA
Executive Vice Chairman

SRIMAL FERNANDO
Managing Director



DIRK JOSHUA
Executive Director



ROHANA FERNANDO
Non-Executive Director



DHARSHANA MUNASINGHE
Non-Executive Director



SEPALA DAHANAYAKE
Independent Non-Executive Director

CHAAMINDA KUMARASIRI
Independent Non-Executive Director

ASANKA WIMALARATNA
Independent Non-Executive Director

SUMAL PERERA
Chairman (Non-Executive)

Sumal Perera was appointed to the Board of Sathosa Motors PLC on 12 June 1998 and has maintained a long association with the Company since then. He is the Founder Chairman of the Access Group, which was established in 1989, and continues to lead all companies within the group over three and half decades of leadership experience, Mr. Sumal Perera has guided the Access Group towards steady growth and business diversification across several industries. Under his direction, the Group has grown into a well-recognized business organization in Sri Lanka. Mr. Sumal Perera is a Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK. His leadership, experience, and commitment have played an important role in strengthening the Group's reputation and long-term success. As Chairman, he continues to provide guidance on the governance and strategic direction of Sathosa Motors PLC.

JOSEPH CHRISTOPHER JOSHUA
Executive Vice Chairman

Christopher Joshua appointed as the Executive Vice Chairman of the company beginning October 1, 2024. He was appointed to the Board of Sathosa Motors PLC in April 2012 and assumed the role of Managing Director on April 1, 2019. It was under his leadership that SML achieved significant milestones in growth. As a founding director and shareholder of the Access Group of Companies, Mr. Joshua has been instrumental in guiding several of the group's most successful business ventures. He currently holds the position of Vice Chairman at Access Engineering PLC and serves as a director for various entities within the Access Group, including Access Realties (Pvt) Ltd, Access Realties 2 (Pvt) Ltd, Harbour Village (Pvt) Ltd, Lanka AAC (Private) Limited, WUS Logistics (Pvt) Ltd, Access Logistics (Pvt) Ltd, Access Logistics Park Ekala (Pvt) Ltd, ZPMC Lanka Company (Pvt) Ltd, ARL Elevate (Pvt) Ltd, Access International (Pvt) Ltd, Access Energy (Pvt) Ltd, Access Natural Water (Pvt) Ltd, and Eco Friendly Power Developers (Pvt) Ltd.

SRIMAL FERNANDO
Managing Director

Srimal Fernando was appointed to the Board of Sathosa Motors PLC in January 2024 and assumed the role of Managing Director in October 2024. He is a Chartered Civil Engineer with more than 25 years of experience in the engineering and infrastructure sectors. Mr. Srimal Fernando holds a bachelor's degree in civil engineering from the University of Peradeniya and is a Corporate Member of the Institution of Engineers, Sri Lanka. In addition to his role at Sathosa Motors PLC, he serves as a Director of Access Motors (Pvt) Ltd, WUS Logistics (Pvt) Ltd, Access Logistic Park (Pvt) Ltd, Access Logistic Park Ekala (Pvt) Ltd, and Access Eco Power (Pvt) Ltd. He also holds the position of Senior General Manager at Access Engineering PLC. Over the years, Mr. Fernando has been involved in several major infrastructure projects in the transport, telecommunications, water, and building development sectors. Under his leadership, Sathosa Motors PLC continues to reinforce its operational capabilities, strengthen its competitive position, and pursue sustainable growth opportunities in the market.

DIRK JOSHUA
Executive Director

Mr. Joshua was appointed to the Board of Sathosa Motors PLC with effect from 1 October 2024. Maurice Dirk Joshua joined Sathosa Motors PLC in July 2019 as General Manager Sales and Marketing, bringing over 14 years of experience in business development, sales, and marketing. Since joining the Company, he has played an important role in strengthening the Company's position in the Japanese truck market, building strong stakeholder relationships, expanding the Isuzu after-sales and spare parts business across different regions and product categories, and introducing Isuzu marine engines to the Company's product range. Before joining Sathosa Motors PLC, Mr. Joshua held middle management positions at Access Engineering PLC from January 2007 to July 2019, where he was involved in business development activities and establishing new business partnerships.

ROHANA FERNANDO
Non-Executive Director

Rohana Fernando has been appointed on the Board of Sathosa Motors PLC since September 2012 as a Non-Executive Director. He is a Chartered Civil Engineer and holds a BSc Degree in Civil Engineering from the University of Peradeniya. He is also a Corporate Member of the Institution of Engineers, Sri Lanka (IESL). Mr. Rohana Fernando has been associated with the Access Group since 1998 and currently serves as the Managing Director of Access Engineering PLC. In addition, he holds directorships in several companies within the Group, including Access International (Pvt) Ltd, Eco Friendly Power Developers (Pvt) Ltd, Access Realties (Pvt) Ltd, Access Realties 2 (Pvt) Ltd, Harbour Village (Pvt) Ltd, WUS Logistics (Pvt) Ltd, Access Logistics (Pvt) Ltd, Lanka AAC (Pvt) Ltd, ARL Elevate (Pvt) Ltd, Access Logistics Park Ekala (Pvt) Ltd, and Access Projects (Pvt) Ltd.

DHARSHANA MUNASINGHE
Non-Executive Director

Dharshana Munasinghe was appointed to the Board of Sathosa Motors PLC in April 2012. He has been associated with the Access Group since 1996 and has held several leadership positions within the Group over the years. He currently serves as Director Business Development at Access Engineering PLC. In addition, Mr. Munasinghe is a Board member of several affiliated companies, including Access International (Pvt) Ltd, Access Motors (Pvt) Ltd, Access Realties (Pvt) Ltd, Access Realties 2 (Pvt) Ltd, ZPMC Lanka Company (Pvt) Ltd, and ARL Elevate (Pvt) Ltd.

SEPALA DAHANAYAKE

Independent Non-Executive Director

Sepala Dahanayake was appointed to the Board of Sathosa Motors PLC in August 2018. He is an experienced legal professional with over 40 years of practice in both civil and criminal law. Mr. Dahanayake qualified as an Attorney-at-Law from the Sri Lanka Law College in 1981 and has built a well-respected legal career over the years. He also served as an Acting Magistrate for more than 22 years, contributing to the judicial sector with professionalism and integrity. In addition, he held the position of Vice President of the Bar Association of Mount Lavinia from 2001 to 2003. His extensive legal knowledge and judicial experience continue to provide valuable guidance and support to the Board.

CHAAMINDA KUMARASIRI

Independent Non-Executive Director

Chaaminda Kumarasiri, Independent Non-Executive Director, is an award-winning finance professional, senior chartered accountant, business advisor, and thought leader with extensive experience in corporate leadership, governance, entrepreneurship, and management consulting. He is the Founder and President of the Asia Pacific Institute of Money and Entrepreneurship Development, Founder of The Human Capital Partner, and Chairman and Principal Consultant of H C P Consulting (Pvt.) Ltd. A Fellow Member of CA Sri Lanka, ACCA (UK), CMA Sri Lanka, and AAT Sri Lanka, he holds a First-Class Honours B.Sc. in Accountancy from the University of Sri Jayewardenepura and an MBA in Finance from the University of Colombo. He has held senior leadership positions with several leading organizations, including Lanka Hospitals, Bank of Ceylon, HSBC, and Ernst & Young, and has empowered over 1.5 million individuals through training, coaching, and capacity-building initiatives. He serves on the governing boards of several academic and professional institutions and on the boards of multiple listed companies, and is widely recognized for his contributions to the accounting profession, SME development, leadership, entrepreneurship, and financial wellbeing.

ASANKA WIMALARATNA

Independent Non-Executive Director

Asanka Wimalaratna was appointed to the Board of Sathosa Motors PLC in January 2025. He holds a Bachelor of Science (Special) degree in Business Administration from the University of Sri Jayewardenepura, Sri Lanka, and an Executive MBA from the National University of Singapore. He is a Fellow of the Chartered Institute of Management Accountants (CIMA), UK, and an Associate of the Chartered Institute of Marketing (CIM), UK. With over two decades of leadership experience, Mr. Wimalaratna has held key executive roles across a broad spectrum of business disciplines. He currently serves as the Director and Chief Executive Officer of Brandix Apparel (Pvt) Ltd, a leading entity in Sri Lanka's apparel sector. In this capacity, he is responsible for overseeing the company's strategic vision, operational performance, and long-term value creation.

Senior Management



JOSEPH CHRISTOPHER JOSHUA
Executive Vice Chairman



SRIMAL FERNANDO
Managing Director



MAURICE DIRK JOSHUA
Executive Director



RAVILAL ALOKABANDARA
General Manager - Head of Spare Parts



NIMMI PRIMROSE
Head of HR & Administration



DUSHANTHA UDAYAPRIYA
General Manager - Head of Finance



NARADA KALUGALAGE
Head of IT



UPUL RANASINGHE
Manager - Technical Training



PANDUKA ANGAMMANA
Manager - Sales & Marketing



SHIVANTHI BOPEARACHCHI
Assistant Manager – Workshop (Colombo)



HESHAN THALPAWILA
Manager – Workshop (Peliyagoda)

What sustains the flow from ocean to market?



400,000 Metric tons
of fish transported

Over 400,000 metric tonnes of annual fish production underpin a sector contributing to both nutrition and exports, requiring time-critical and temperature-sensitive distribution across coastal and inland markets, where Isuzu maintains a strong presence in enabling fisheries logistics.

Preserving freshness. Supporting livelihoods. Powering coastal economies.

GLOBAL ECONOMY

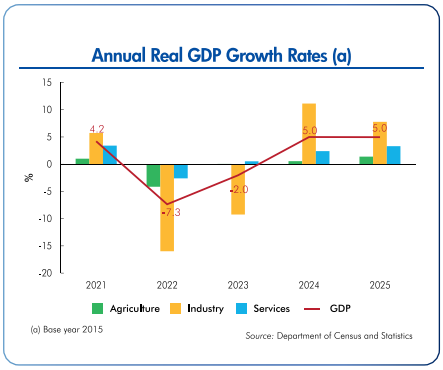
Global economic activity remained resilient during 2024 and 2025, supported by improving financial conditions, technology-led investment and policy stimulus across major economies. Nevertheless, the global outlook became increasingly challenged by rising geopolitical tensions, trade uncertainties and persistent inflationary pressures, which weighed on business confidence and growth momentum.

Against this backdrop, global growth is expected to moderate in the medium term, remaining below historical averages as economies continue to adjust to evolving geopolitical and structural pressures. Inflationary pressures are projected to gradually ease, although downside risks remain elevated, particularly for emerging and developing economies that remain vulnerable to external shocks, supply chain disruptions and volatility in global commodity and energy markets.

DOMESTIC ECONOMIC CONTEXT

Sri Lanka's economy recorded a gradual recovery during the 2021–2025 period, following the severe economic contraction experienced during the crisis years. According to the Department of Census and Statistics, real GDP growth improved to 5.0% in 2025, following growth of 5.0% in 2024 and a contraction of 2.0% in 2023. Earlier, the economy had contracted sharply in 2022 amid macroeconomic instability and external sector pressures. The recovery in 2024 and 2025 was supported by improving macroeconomic conditions, accommodative monetary policy, strengthened financial sector stability and the gradual revival of domestic economic activity.

Sectoral performance remained mixed during the review period. The industry sector demonstrated a notable rebound in 2024 and 2025 following contractions in previous years, supported by improved trade activity, easing import restrictions and increased commercial activity. Meanwhile, the services sector continued to contribute positively to overall economic growth, supported by financial services, trade and digital economic activity. Agriculture recorded more moderate growth trends amid weather-related disruptions and external cost pressures.



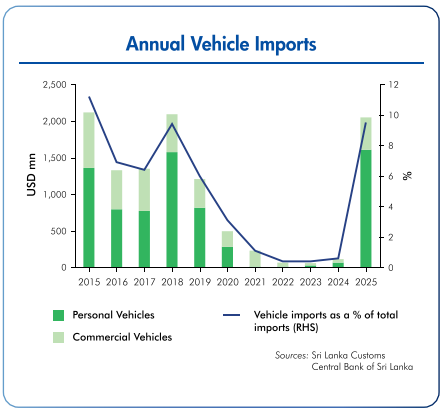
The restoration of macroeconomic stability, continued reforms under the IMF-supported programme and improving financial system resilience created conditions conducive to economic recovery, although downside risks from geopolitical tensions, global inflationary pressures and climate-related disruptions remained

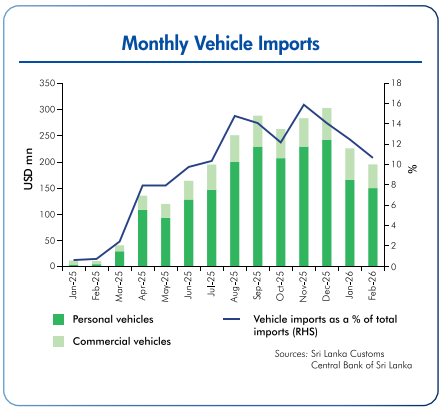
VEHICLE IMPORT LIBERALISATION AND AUTOMOTIVE SECTOR RECOVERY

The phased liberalisation of vehicle imports in 2025 marked a significant turning point for trade activity and financial sector recovery. With all remaining restrictions on personal vehicle imports removed by January 2025, import expenditure on motor vehicles rose sharply to USD 2.04 billion, reflecting strong pent-up demand accumulated during the restriction period, alongside improving economic conditions. A notable acceleration in vehicle imports was evident from April 2025 onwards, making 2025 the third-highest year for vehicle import expenditure on record.

This resurgence in automotive imports also stimulated broader economic and financial system activity. The Central Bank observed a significant expansion in off-balance sheet exposures within the banking sector, supported by increased trade-related transactions following the relaxation of import controls. Correspondingly, the finance company sector recorded robust growth in loans and advances during 2025, driven predominantly by vehicle financing and gold-backed lending. Reflecting the broader recovery in commercial activity and credit demand, loans and receivables in the banking sector grew by 21.4% year-on-year at end-2025, compared to 4.1% at end-2024.

The below graphs further illustrate this sharp recovery trajectory, highlighting the rapid rebound in vehicle imports and the renewed momentum in credit expansion linked to the automotive sector.





MONETARY POLICY, INTEREST RATES AND CREDIT EXPANSION

The domestic monetary environment remained accommodative during 2025, supporting financial sector expansion and private sector credit growth. The banking sector continued to expand its asset base, supported by the accommodative monetary policy stance and improving macroeconomic conditions.

The Central Bank indicated that monetary policy would remain data-driven and forward-looking under the Flexible Inflation Targeting framework, while yields on government securities were expected to remain broadly normalised amid improved fiscal performance and reduced risk premia.

Credit growth accelerated during the year as improving economic activity and reconstruction-related demand supported lending activity. The banking sector's loans and receivables increased to Rs. 13,933.2 billion in 2025 from Rs. 11,476.7 billion in 2024.

The banking sector's total assets expanded by 12.5% year-on-year to Rs. 24,922.1 billion by end 2025, while deposits increased by 10.9% to Rs. 19,927.4 billion.

The finance company sector also recorded strong expansion, driven by rapid growth in loans and advances portfolios.

INFLATION, FUEL PRICES AND COST DYNAMICS

Inflation remained relatively low during the period under review, although upward pressure on prices intensified due to global geopolitical developments and energy market volatility. The Central Bank projected inflation to accelerate toward the 5% target faster than previously anticipated, primarily driven by higher energy and transport costs linked to the Middle East conflict and related spillover effects.

Global energy market disruptions contributed to increased uncertainty surrounding domestic inflation dynamics. The escalation of geopolitical tensions in the Middle East resulted in rising oil prices, higher shipping and insurance costs and supply chain disruptions, creating upward pressure on imported inflation across economies.

The Central Bank further noted that Sri Lanka's reliance on Gulf-sourced energy exposed the economy to higher fuel import costs, with potential implications for inflation, transportation costs and broader economic activity.

Headline inflation was expected to remain broadly within the ±2 percentage point margin around the 5% target over the medium term, supported by appropriate policy measures.

EXTERNAL SECTOR AND EXCHANGE RATE DEVELOPMENTS

Sri Lanka's external sector strengthened during the period, supported by sustained current account surpluses, reserve accumulation and the continuation of the IMF Extended Fund Facility programme.

The Central Bank highlighted that the flexible exchange rate would continue to serve as a shock absorber amid global uncertainty and potential volatility in capital flows.

However, the outlook for the external sector remained vulnerable to geopolitical developments and trade disruptions. Higher freight charges, increased shipping insurance premiums and potential disruptions to trade routes posed downside risks to trade performance and investor sentiment.

The Central Bank also observed improved activity in the domestic interbank foreign exchange market during 2025, while liquidity conditions in the domestic money market remained at surplus levels due to substantial foreign exchange purchases by the Central Bank.

SECTORAL GROWTH DRIVERS AND COMMERCIAL ACTIVITY

Improving macroeconomic conditions and accommodative monetary policy supported increased commercial activity across several sectors during 2025. Credit growth was concentrated across consumption, construction, wholesale and retail trade, manufacturing and financial services, which collectively accounted for 64.5% of total loans within the banking sector.

The equity market recorded robust expansion during the year, supported primarily by domestic investors, while market capitalisation and price indices increased significantly.

Trade-related activities strengthened following the relaxation of import restrictions, while ongoing reconstruction activity following Cyclone Ditwah was expected to support economic activity and private sector credit demand.

Digital transformation within the financial system also continued, with the payment landscape steadily shifting towards digital payment methods and improved financial inclusion initiatives.

Materiality Assessment

OVERVIEW

Sathosa Motors PLC has adopted a structured approach in understanding and reporting its material matters. Its purpose is twofold: to identify matters that impact long-term value creation for stakeholders and to preserve value creation by addressing such matters.

The Company views material matters as aspects that have the potential to influence strategic planning, business stability, resource allocation, operational priorities and sustainability.

The assessment process included several aspects as demonstrated below.

MATERIAL MATTERS

The Following material matters have been identified as the most relevant to our business and have the potential to influence value creation. Its importance to stakeholders and impact on our business have been mapped in the subsequent matrix.

Priority Material Topics and Outcomes in 2025/2026

- **Financial Sustainability and Profitability**

  During the year, SML reported increased revenue and profit growth. This was the result of prudent cost controls and well-timed actions. SML remained focused on long-term financial stability through prudent liquidity levels and diligent financial management.

- **Corporate Governance and Regulatory Compliance**

  The Company bolstered its best practices in governance in line with the Listing Rules of the Colombo Stock Exchange (CSE), the Companies Act No. 07 of 2007 and relevant regulations. SML maintained its compliance with the requirements of these organisations diligently, upholding stakeholder trust and regulatory approval.

- **Risk Management and Internal Controls**

  During the year, SML enhanced risk management with consistent and continued vigilance of the Board and the Audit Committee, supported by internal controls and compliance systems, which were reviewed each quarter. As a result, the Company has safeguarded its assets and has improved its resilience against potential adversities and uncertainties in the macroeconomic environment.

- **Supply Chain and Import Operations**

  The Company emphasised operational efficiency by managing supply chain challenges and import operations. As the authorised importer and distributor of ISUZU vehicles in Sri Lanka, this became a top priority for the Company amidst the year's macroeconomic context, particularly in relation to geopolitical tensions and import controls.

- **Human Capital Management**

  SML continued to focus strongly on maintaining its commitment to a strong and comprehensive employee-value proposition, which strived to improve staff well-being, retention, skills development, and equal opportunity growth. Additionally, employee engagement initiatives were strengthened to support a motivated workforce.

- **Sustainability and Environmental Responsibility**

  The Company continued to factor environmental considerations and priorities into routine operations and long-term planning – reinforcing our commitment as a corporate citizen. SML focused on using resources responsibly, energy efficiency and environmental regulatory compliance.

- **Ethical Conduct and Anti Bribery**

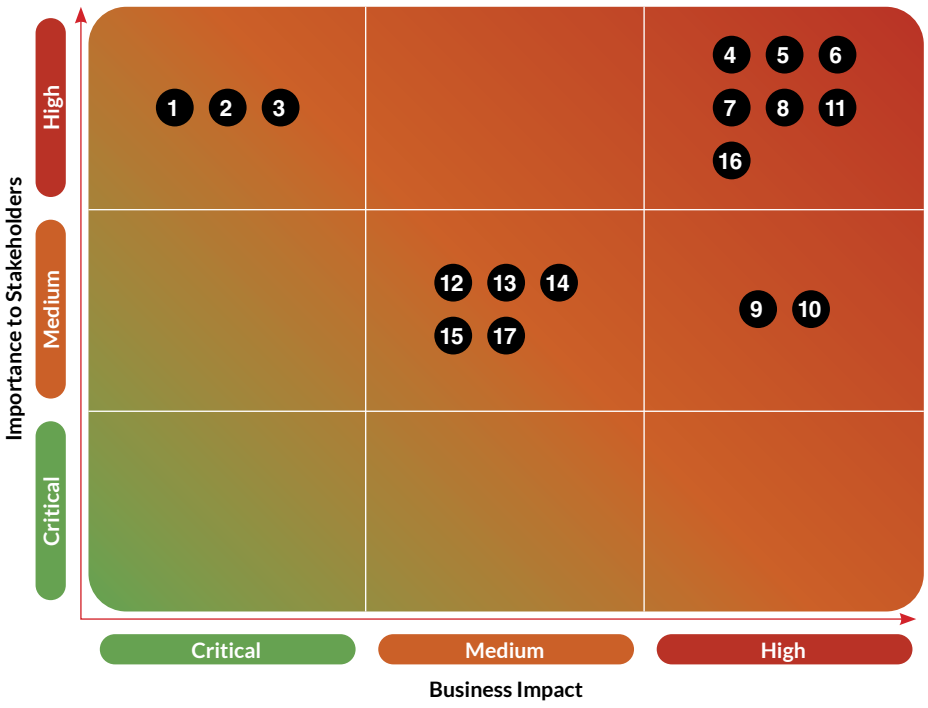
  The Company oversaw that corporate activities and staff maintained ethical behaviour in compliance with our policies on whistle blowing, best conduct and anti-bribery.

Material Matter (In-depth)	Prioritisation		Relevant Stakeholders					
	Importance to Stakeholders	Business Impact	Customers	Employees	Shareholders	Dealers & Business Partners	Regulators	Communities
1. Financial Performance & Profitability	●	●			×			
2. Corporate Governance & Compliance	●	●		×	×	×	×	×
3. Risk Management & Internal Controls	●	●			×		×	
4. Customer Satisfaction & Service Quality (includes product quality & reliability)	●	●	×		×	×		
5. After-sales Service Excellence	●	●	×	×	×	×		
6. Spare Parts Availability & Accessibility	●	●	×		×	×		
7. Supply Chain Stability & Import Management	●	●			×	×	×	
8. Regulatory & Tax Compliance	●	●			×		×	

Material Matter (In-depth)	Prioritisation		Relevant Stakeholders					
	Importance to Stakeholders	Business Impact	Customers	Employees	Shareholders	Dealers & Business Partners	Regulators	Communities
9. Employee Development & Retention	●	●		×				
10. Health, Safety & Workplace Wellbeing	●	●		×		×	×	
11. Ethical Business Conduct & Anti Corruption	●	●	×	×	×	×	×	×
12. Data Protection & Information Security	●	●			×	×	×	
13. Environmental Responsibility (incl. resource efficiency)	●	●			×		×	×
14. Waste & Effluent Management	●	●			×		×	×
15. Sustainable Business Practices	●	●			×		×	×
16. Business Continuity & Economic Resilience	●	●			×	×	×	
17. Innovation & Operational Efficiency (incl. digitalisation)	●	●	×	×	×	×	×	

Critical: ● *Medium:* ● *High:* ●

MATERIALITY MATRIX



FUTURE FOCUS AREAS – 2026/2027 (FROM SML DOCUMENT)

The Company intends to further strengthen its materiality and sustainability framework through:

- Enhanced ESG reporting practices
- Greater stakeholder engagement initiatives
- Digital transformation and operational automation
- Strengthened environmental sustainability initiatives
- Improved supply chain resilience
- Employee capability development
- Enhanced governance and compliance monitoring

Stakeholder Engagement

At Sathosa Motors PLC, stakeholder engagement is fundamental to creating sustainable value and maintaining long-term business resilience. As a leading provider of automotive and mobility solutions in Sri Lanka, the Company recognizes that its success depends on maintaining strong and mutually beneficial relationships with customers, employees, shareholders, business partners, regulators, educational institutions, and the wider communities in which it operates.

Our stakeholder engagement approach is guided by the principles of transparency, responsiveness, collaboration, and accountability. Through continuous dialogue and structured engagement mechanisms, we seek to understand stakeholder expectations, identify emerging opportunities and risks, and incorporate stakeholder perspectives into decision-making processes.

Regular stakeholder engagement enables the Company to strengthen customer satisfaction, improve operational effectiveness, enhance governance practices, support workforce development, and create long-term value for all stakeholders.



Stakeholder Group	Key Interests and Expectations	Engagement Methods	Frequency	Key Actions and Responses
Customers	Reliable vehicles, genuine spare parts availability, responsive after-sales support, competitive pricing, and minimized vehicle downtime	Customer visits, workshop interactions, service reviews, customer feedback channels, technical support programmes, and driving awareness programmes.	Continuous	Strengthened spare parts availability, enhanced workshop capabilities, improved after-sales responsiveness, and expanded customer engagement initiatives across regional markets
Dealers, Garages, and Fleet Operators	Product availability, commercial support, technical assistance, training opportunities, and sustainable business relationships.	Dealer conventions, dealer meetings, branch visits, technical training programmes, field visits, and ongoing operational communication.	Continuous	Strengthened dealer partnerships, improved inventory availability, enhanced technical support, and recognised high-performing dealers through incentive and recognition programmes.
Employees	Fair remuneration, career development opportunities, safe working conditions, employee well-being, recognition, and workplace engagement.	Performance appraisals, training programmes, employee engagement initiatives, welfare programmes, internal communications, and management interactions	Continuous	Increased investment in employee training, strengthened digital performance management systems, enhanced employee welfare initiatives, and continued capability development programmes
Industrial Trainees and Future Talent	Technical exposure, practical learning opportunities, career development, and industry experience.	Structured training programmes, internships, technical mentoring, vocational partnerships, and E-learning platforms.	Continuous	Expanded trainee development programmes, strengthened industry-academia collaboration, and increased technical training opportunities across operational functions.
Shareholders and Investors	Sustainable profitability, business growth, strong governance, transparency, effective risk management, and long-term value creation.	Annual General Meetings, annual reports, corporate disclosures, investor communications, and shareholder meetings.	Quarterly and Annually	Maintained transparent reporting practices, strengthened governance oversight, improved financial performance, and focused on long-term shareholder value creation

Stakeholder Group	Key Interests and Expectations	Engagement Methods	Frequency	Key Actions and Responses
Isuzu Motors and other Principals 	Brand stewardship, operational excellence, compliance with global standards, technical competency, and market growth.	Business reviews, service clinics, technical training programmes, operational audits, strategic discussions, and regular reporting	Continuous	Strengthened technical capabilities, improved service standards, participated in global technical programmes, and aligned operations with international best practices.
Suppliers and Service Providers 	Fair business practices, timely payments, long-term business relationships, and operational collaboration.	Supplier meetings, procurement interactions, contract reviews, operational discussions, and ongoing communications.	Continuous	Maintained collaborative supplier relationships, strengthened procurement processes, and supported efficient supply chain operations
Government and Regulatory Authorities 	Regulatory compliance, ethical business conduct, transparency, taxation compliance, and responsible corporate behaviour	Regulatory filings, statutory reporting, compliance reviews, industry consultations, and regulatory correspondence.	As required	Maintained compliance with applicable laws and regulations, strengthened governance practices, and upheld transparent reporting standards.
Educational and Vocational Institutions 	Industry collaboration, technical knowledge sharing, training opportunities, and support for vocational development	Training partnerships, industrial placements, technical workshops, guest lectures, and educational support programmes.	Periodically	Implemented toolbox distribution programmes, provided industrial training opportunities, and strengthened collaboration with educational institutions across Sri Lanka.
Communities and Society 	Responsible business practices, employment opportunities, environmental stewardship, and community development.	CSR programmes, community engagement initiatives, environmental awareness programmes, and stakeholder outreach activity	Periodically	Supported vocational education, youth skills development, environmental awareness initiatives, and community-focused development programmes

MATERIAL STAKEHOLDER PRIORITIES

The engagement process conducted during the year highlighted several stakeholder priorities that continue to shape the Company's strategic direction. Customers emphasised the importance of vehicle reliability, spare parts availability, and responsive after-sales support. Employees highlighted the need for career development opportunities, workplace well-being, and continuous learning. Shareholders remained focused on profitability, governance, and long-term value creation, while dealers and business partners emphasised operational responsiveness, product availability, and technical support.

These priorities remain closely aligned with the Company's strategic focus on nationwide accessibility, after-sales excellence, recurring revenue growth, digital transformation, people development, and sustainable business growth.

OUTLOOK

Sathosa Motors PLC will continue to strengthen stakeholder relationships through proactive engagement, transparent communication, and collaborative value creation initiatives. The Company remains committed to understanding evolving stakeholder expectations and incorporating stakeholder perspectives into strategic decision-making processes.

The Company fosters a trusted and mutually beneficial relationships across its stakeholder ecosystem, to strengthen business resilience, enhance customer value, support sustainable growth, and create long-term value for all stakeholders.

Our Business Model

CAPITAL INPUTS

FINANCIAL CAPITAL

Revenue generated from vehicle sales, after-sales services, and spare parts, with the prudent financial management and reinvestment of earnings.

- **Shareholders' Funds LKR 3.6 Bn**
- **Borrowings LKR 65 Mn**

MANUFACTURED CAPITAL

Physical assets and infrastructure utilized to support operational activities and value creation.

- **Total PPE LKR 688 Mn**
- **Buildings LKR 363 Mn**
- **Machinery and Tools LKR 46 Mn**

HUMAN CAPITAL

A dedicated team of whose skills, experience, and commitment support the day-to-day operations, customer service, and continued growth of SML.

- **No. of Employees 161**
- **Recruitment for the year 65**

INTELLECTUAL CAPITAL

Expertise of our people, brand reputation, systems and procedures in place that ensure the long-term sustainability

SOCIAL AND RELATIONSHIP CAPITAL

Trusted relationships with customers, suppliers, dealers, and stakeholders that enable collaboration, value creation, and sustainable growth.

- **Responsible ESG practices**
- **Great Relationship with our stakeholders**

NATURAL CAPITAL

Natural resources that are contributing to our business activity

- **EURO 4 Vehicle Standards**
- **Water Recycling**
- **LED Lighting**
- **Waste Treatment Systems**

OUR VALUE CREATION PROCESS

Strategic Planning

Responsive to policy shifts guided by market analytic and stakeholder feedback.

Business Model

Hybrid model blending vehicle sales, high-margin spare parts and workshop services, and marine engines.

Sustainability & Integration

ESG priorities embedded through SLFRS S1/S2 preparation, resource efficiency, and employee development.

Risk Management

Enterprise-wide monitoring using the Three Lines of Defence and Board committee oversight.

Governance & Oversight

Ethical conduct, audit committees, and alignment with Access Engineering PLC's corporate governance framework.



OUTPUTS

FINANCIAL CAPITAL

- Net Profit LKR 1.8 Bn
- EPS LKR 294
- NAV per share LKR 592
- Interest expense LKR 108 Mn

MANUFACTURED CAPITAL

- PPE/Turnover ratio: Times 20.83
- Capital expenditure: LKR 256 Mn
- Depreciation and Amortization: LKR 79 Mn

HUMAN CAPITAL

- Retention Ratio 25.78%
- Training hours 4196
- Male: Female staff ratio 133:28

INTELLECTUAL CAPITAL

- A trusted brand with over 60 years of proven reliability, built on consistent performance and customer confidence.
- Industry award for best management practices & Silver Award in the Motor Companies Sector at the 60th Anniversary TAGS Awards

SOCIAL AND RELATIONSHIP CAPITAL

- Over Rs. 7 million spend on CSR
- Total New Trainee Recruitment 123

NATURAL CAPITAL

- Waste water treatment facility
- Solar panel Peliyagoda
- Energy-efficient LED lighting

PERFORMANCE OUTCOMES

CUSTOMERS

Quality vehicle options, after-sales support, and spare parts availability.

- Reliable mobility solutions
- Reduced vehicle downtime
- Improved operational efficiency
- Nationwide service support

EMPLOYEES

Career development, job stability, welfare programs, and inclusive policies.

- Employment opportunities
- Technical skill development
- Career progression

SHAREHOLDERS

Strong profits (net profit up nearly 6x), dividend potential, and capital efficiency.

- Revenue growth
- Stronger equity base
- Long-term value creation

REGULATORS

Compliance with CSE, fiscal regulations, and emerging sustainability standards.

SUPPLIERS AND DEALERS

Stable demand pipeline, business continuity, and collaborative growth opportunities.

- Sustainable business opportunities
- Technical and commercial support

COMMUNITY

Transport reliability, technical training access, and localized services.

- Vocational education support
- Youth skills development
- Responsible business practices

Our Strategy

Sathosa Motors PLC's strategy is anchored in a simple yet powerful philosophy of delivering the right product, at the right price, at the right place. This philosophy guides how we create value for customers, strengthen our market position, and ensure long-term business resilience in a rapidly evolving automotive landscape.

Over the past several years, the Company successfully navigated one of the most challenging periods in Sri Lanka's automotive industry by strategically repositioning the business around high-margin, recurring revenue streams including Isuzu Genuine Parts, after-sales services and marine engine solutions. This strategic shift enabled the Company to preserve operational continuity, strengthen customer relationships, and sustain profitability despite prolonged import restrictions.

With the gradual reopening of vehicle imports and improving macroeconomic conditions, Sathosa Motors PLC is now entering a renewed growth phase focused on scaling its core vehicle business while further deepening its nationwide after-sales ecosystem.

During this period, the Company also introduced a more flexible and performance-oriented management approach designed to improve operational agility, accelerate decision-making, and strengthen accountability across the organization. Greater decision-making authority was delegated to heads of departments and second-level management teams, enabling faster operational responses, improved execution, and stronger ownership of business performance across key functions.

Our strategy is designed around five interconnected strategic priorities that collectively strengthen our ability to create sustainable value across all capitals.

STRATEGIC PRIORITIES

KEY STRATEGIC PILLARS OF SATHOSA MOTORS PLC'S STRATEGY

Expanding Market Reach Through Nationwide Accessibility	Strengthening Resilient Revenue Streams	Strengthening Customer Value Through Product Availability and Affordability	Delivering Superior After-Sales Excellence	Building Regionalised and Data-Driven Commercial Strategies	Driving Sustainable Growth Through Partnerships, People and Operational Excellence	Driving a Performance-Oriented and Empowered Culture

EXPANDING MARKET REACH THROUGH NATIONWIDE ACCESSIBILITY

Our Strategic Focus

We continue to strengthen our island-wide presence to ensure customers across Sri Lanka have convenient access to vehicles, spare parts, technical expertise, and after-sales support.

Key focal points of market expansion

- Expanding branch and dealer networks
- Enhancing spare parts availability across all regions
- Strengthening relationships with garages, fleet owners, and dealers
- Increasing regional responsiveness through localized business strategies

STRENGTHENING RESILIENT REVENUE STREAMS

Our Strategic Focus

During the period of restricted vehicle imports, we strategically intensified our focus on the spare parts business to maintain operational resilience and business continuity amidst challenging market conditions. Through targeted pricing strategies, market-responsive sales initiatives, and enhanced product accessibility, the Company was able to strengthen recurring revenue streams, improve customer retention, and reinforce its market presence despite industry-wide disruptions.

Key focal points of revenue resilience

- Strengthening the spare parts business as a core revenue driver
- Introducing market-responsive pricing strategies
- Enhancing sales and customer engagement initiatives
- Improving accessibility and availability of spare parts
- Strengthening recurring revenue streams and customer retention
- Maintaining market competitiveness during import restrictions

STRENGTHENING CUSTOMER VALUE THROUGH PRODUCT AVAILABILITY AND AFFORDABILITY

Our Strategic Focus

Customer-centricity remains central to our strategy. We continuously enhance our product portfolio to ensure customers receive reliable, high-quality mobility solutions supported by strong availability and affordability.

Key focal points of customer value enhancement

- Expanding availability of Isuzu Genuine Parts
- Introducing alternative value-based product categories
- Improving supply chain responsiveness
- Enhancing inventory management and distribution efficiency

DELIVERING SUPERIOR AFTER-SALES EXCELLENCE

Our Strategic Focus

Our after-sales philosophy is built around a singular operational objective: minimizing vehicle downtime. We recognize that commercial vehicles are critical economic assets for our customers.

Key focal points of after-sales service excellence

- Faster service turnaround times
- Increased technical support capability
- Stronger workshop operations
- Improved spare parts accessibility
- Proactive maintenance engagement

BUILDING REGIONALISED AND DATA-DRIVEN COMMERCIAL STRATEGIES

Our Strategic Focus

Recognizing that customer requirements vary significantly across regions and industries, Sathosa Motors PLC has adopted a region-specific commercial strategy.

The country has been strategically segmented into operational regions, enabling the Company to tailor sales approaches, customer engagement models, and product offerings according to regional economic activities and mobility requirements.

Key focal points of localization

- Better understand customer behaviour
- Improve market responsiveness
- Optimize dealer performance
- Strengthen regional customer relationships
- Enhance market penetration

DRIVING SUSTAINABLE GROWTH THROUGH PARTNERSHIPS, PEOPLE AND OPERATIONAL EXCELLENCE

Our Strategic Focus

Our long-term sustainability depends on strong partnerships, skilled people, disciplined governance, and continuous operational improvement.

Key focal points of sustainable growth

- Strengthening strategic partnerships with Isuzu Motors and stakeholders
- Enhancing employee capabilities through technical and leadership development
- Investing in digitalization and ERP-driven operational efficiencies
- Embedding ESG considerations into business decision-making
- Strengthening governance and risk management frameworks

DRIVING A PERFORMANCE-ORIENTED AND EMPOWERED CULTURE

Our Strategic Focus

We continued to strengthen a performance-driven and agile management culture by empowering teams, enhancing accountability, and encouraging operational innovation across the organization.

Key focal points of organizational performance enhancement

- Introducing performance-based targets and incentive structures
- Empowering managers through decentralized decision-making
- Strengthening accountability and operational ownership
- Encouraging innovation and adaptive problem-solving
- Improving commercial responsiveness and execution efficiency
- Creating flexibility to explore new business opportunities and operational approaches

STRATEGIC OUTLOOK

As Sri Lanka's automotive industry gradually regains momentum, Sathosa Motors PLC is strategically positioned to capitalize on emerging opportunities through its resilient business model, strong brand legacy, nationwide service network, and longstanding partnership with ISUZU. Going forward, the Company will continue to expand its operational footprint across the country, strengthen its leadership in vehicle sales and after-sales services, and enhance customer experience through greater digital integration and operational efficiency. Meanwhile, Sathosa Motors PLC remains committed to embedding ESG principles into its long-term value creation strategy while developing future-ready mobility and service solutions that respond to evolving customer and market needs. By combining operational resilience with customer-centric innovation, the Company is well-positioned to create sustainable value for all stakeholders while contributing meaningfully to the advancement of Sri Lanka's mobility sector.

ELEGANCE MEETS DOMINANCE

The ISUZU MU-X blends refined style with commanding strength, confident, sophisticated, unmistakably bold.



Bi-LED headlamps with integrated DRL



Aerodynamic design reduces drag and noise.



18 inch alloy wheels

ISUZU MU-X

What keeps supply chains moving across the nation?



A logistics sector valued at approximately USD 7–8 billion depends on continuous freight movement across ports, warehouses, and inland corridors, where Isuzu maintains a strong presence in supporting national distribution and transport networks.

Enabling movement. Strengthening connectivity. Powering commerce.

Financial Capital



Financial Capital represents the pool of funds available to Sathosa Motors PLC and the Group to support operational continuity, business growth, strategic investments and long-term stakeholder value creation. The Group's financial capital framework is designed to ensure financial resilience, efficient capital deployment, disciplined liquidity management and sustainable profitability.

	GROUP	COMPANY
REVENUE	24,722 YoY growth: 732%	12,374 YoY growth: 581%
PAT	2,378 YoY growth: 675%	1,771 YoY growth: 512%
EBIT	3,585 YoY growth: 525%	2,638 YoY growth: 454%
TOTAL ASSETS	12,844 YoY growth: 165%	6,736 YoY growth: 133%
BORROWINGS	1,427 YoY growth: 47%	65 YoY growth: (83%)

During FY2025/2026, the Group demonstrated substantial financial recovery following the gradual easing of import restrictions and the improvement of overall market conditions. The strong recovery in vehicle import activities, supported by disciplined financial management and operational efficiency initiatives, enabled the Group to deliver substantial growth in revenue and profitability.

STRATEGIC FINANCIAL PRIORITIES

- Enhancing liquidity and working capital efficiency
- Optimising inventory financing and stock turnover
- Strengthening treasury and foreign exchange risk management
- Maintaining prudent debt and funding structures
- Supporting operational growth through disciplined capital allocation
- Delivering sustainable long-term shareholder value

VALUE CREATION FLOW



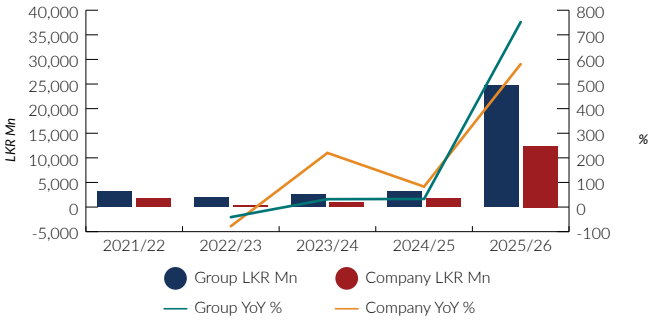
FINANCIAL PERFORMANCE

The financial year marked a robust milestone in the Group's performance trajectory.

Revenue

Group revenue increased substantially to LKR 24.7 billion, compared with LKR 3 billion in the previous year, driven primarily by the recovery in vehicle sales, improved market activity, and continued demand for after-sales services and spare parts.

Revenue Trend



Segment Performance and Growth Drivers

The vehicle sales segment remained the primary contributor to revenue and profitability, while spare parts and workshop operations continued to provide stable recurring earnings streams that support business sustainability across economic cycles. The diversified revenue model enables the Group to balance cyclical fluctuations in vehicle sales while maintaining consistent customer engagement through after-sales services.

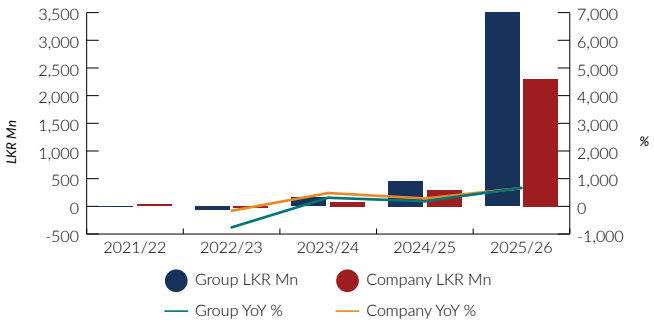
Vehicle sales & Vehicle Fabrication, Marine Engine sales was the primary growth during FY2025/2026, recording exceptional growth of 2,906% at Group level and 1,043% at Company level following the resumption of vehicle imports. Spare Parts Sales continued to deliver stable growth, while Workshop Repairs & Services remained resilient.

Segment	Group Growth %	Company Growth %
Vehicle sales & Vehicle Fabrication, Marine Engine sales	2,906	1,043
Spare Parts sales	16	20
Workshop repairs & services	(2)	(1)

Profit Before Tax

Profit Before Tax increased significantly during FY2025/2026, with the Group recording LKR 3.4 billion and the Company reporting LKR 2.5 billion. The increase in profitability was driven by higher vehicle sales volumes, improved utilisation of fixed operating capacity and disciplined cost management practices. The improvement reflects the Group's ability to convert revenue growth into sustainable earnings.

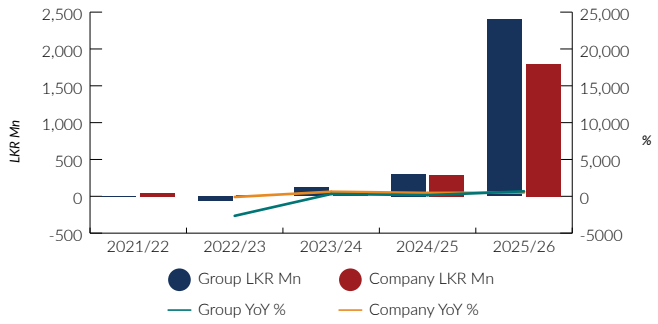
Profit Before Tax



Profit after tax

The Group delivered a strong financial performance during the year, recording a profit after tax of LKR 2.38 billion, while the Company reported a profit after tax of LKR 1.77 billion. These results reflect the successful execution of strategic growth initiatives, enhanced operational efficiencies, prudent financial management, and the benefits arising from improved operating leverage.

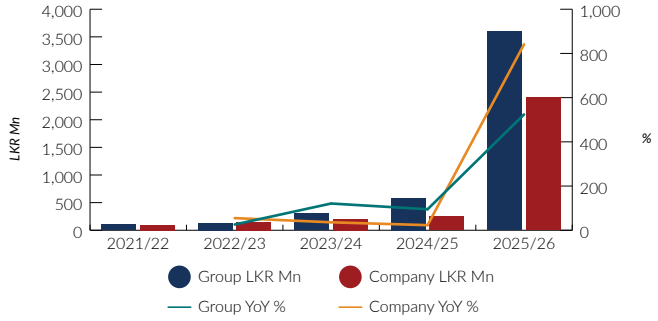
Profit After Tax



EBIT

The Group's EBIT increased from LKR 574 million in FY2024/25 to LKR 3.6 billion in FY2025/2026, representing a growth of 525%. Similarly, the Company's EBIT increased from LKR 476 million to LKR 2.6 billion, reflecting a growth of 454%. EBIT growth outpaced revenue growth, reflecting improved operational leverage and enhanced cost efficiency across the business.

EBIT Trend



Profitability and Operational Efficiency

Profitability margins remained strong during FY2025/2026 despite the substantial expansion in business volumes following the resumption of vehicle imports. The Group recorded a Gross Profit Margin of 19.2%, an EBIT Margin of 14.5%, and a Profit After Tax Margin of 9.6%, reflecting the impact of a changing sales mix and increased vehicle-related revenue contributions.

Sathosa Motors PLC continued to outperform the Group on a standalone basis, reporting a Gross Profit Margin of 25.7%, EBIT Margin of 21.3%, and PAT Margin of 14.3%. The Company's higher margins reflect the strong performance of its core operations, disciplined cost management, and efficient utilisation of resources.

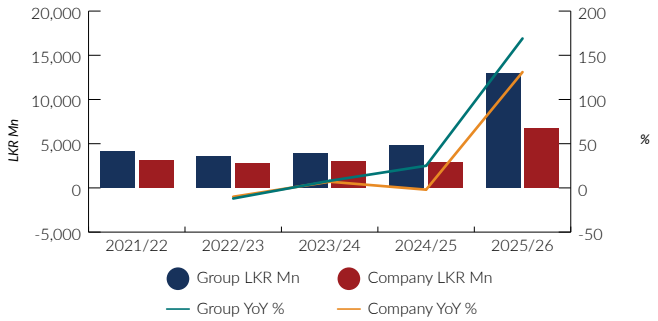
While margins moderated compared to the previous year due to the substantial increase in vehicle sales volumes and the corresponding impact on product mix, absolute profitability improved significantly. The Company generated a Profit After Tax of Rs.1.77 billion compared to Rs.289 million in the previous year, demonstrating its ability to translate revenue growth into enhanced earnings and shareholder value.

The profitability performance underscores the success of the Company's growth strategy and its ability to capitalise on emerging opportunities in Sri Lanka's automotive sector while maintaining operational efficiency and financial discipline.

Total Assets

The Group's total assets increased from LKR 4.8 billion in FY2024/25 to LKR 12.9 billion in FY2025/2026, representing a growth of 165%. Similarly, the Company's total assets increased from LKR 2.9 billion to LKR 6.7 billion, reflecting a growth of 133%. The substantial increase in the asset base reflects the expansion of business operations and strengthening of the Company's financial position during the year.

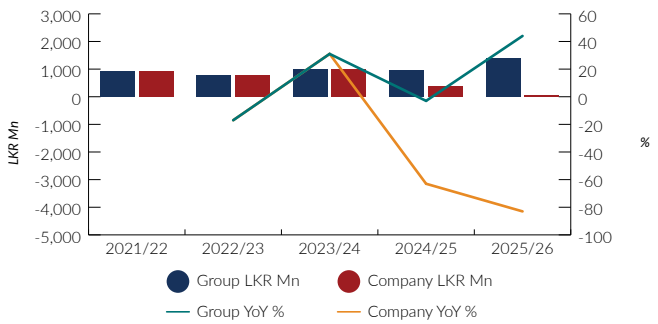
Total Assets Trend



Debt Maturity / Borrowings

Group borrowings increased to Rs.1.4 billion as the Group utilised trade finance facilities and import financing to support higher inventory levels following the resumption of vehicle imports. Meanwhile, Company borrowings reduced to Rs.65 million, reflecting stronger internal cash generation and prudent debt management.

Debt Maturity / Borrowings



Strengthening the Capital Base

The Group strengthened its capital position during the year through robust profitability and earnings retention. Total equity increased to LKR 4.72 billion, representing a substantial improvement over the previous year. Retained earnings increased reflecting the strong earnings generated during the year and the Group's ability to reinvest profits to support future growth initiatives.

Managing Working Capital for Growth

Effective working capital management remained a key focus area during FY2025/2026. Inventory increased to LKR 6.56 billion to support anticipated vehicle demand following the reopening of imports. Trade receivables were maintained at manageable levels through disciplined collection practices, while supplier credit arrangements and trade finance facilities supported liquidity preservation. These initiatives enabled the Group to maintain operational continuity while supporting strong business expansion.

	Group	Company
Inventory (LKR Mn)	6,560	2,847
Trade Receivables (LKR Mn)	1,095	726
Trade Payables (LKR Mn)	3,372	1,255
Cash & Cash Equivalents (LKR Mn)	1,024	754
Net Working Capital (LKR Mn)	5,307	3,072
Current Ratio (Times)	1.19	1.49
Quick Ratio (Times)	0.33	0.56

Maintaining Liquidity and Financial Flexibility

The Group continued to maintain a strong liquidity position throughout the year. Cash and cash equivalents increased, providing enhanced financial flexibility and supporting operational requirements. Strong operating cash generation enabled the Group to fund working capital requirements, invest in infrastructure expansion, service debt obligations and distribute shareholder dividends while maintaining healthy liquidity levels.

The Group's banking relationships and access to multiple financing facilities further strengthen liquidity management capabilities and support ongoing business growth requirements.

Investing for Future Growth

The Group continued to allocate capital towards long-term value creation through investments in property, plant and equipment, workshop facilities, operational infrastructure and service capabilities. Capital expenditure during the year reflects management's commitment to strengthening operational capacity and supporting future business expansion.

These investments enhance the Group's ability to improve customer service delivery, strengthen operational efficiency, support future revenue growth and maintain competitiveness within Sri Lanka's automotive sector.

Creating Sustainable Shareholder Value

Sathosa Motors PLC delivered substantial shareholder value during FY 2025/2026, supported by improved operational performance and enhanced profitability across its core business segments.

The Company reported a substantial increase in earnings, resulting in Earnings Per Share (EPS) increasing to LKR 293.51 from LKR 47.93 in the previous year. Net Assets Per Share also strengthened to LKR 648.44, reflecting the growth in shareholders' equity and the Company's enhanced financial position.

The Company's profitability improvements translated into higher returns for investors, with Return on Equity (ROE) increasing to 50%, demonstrating efficient utilization of capital and strong earnings generation capabilities.

The market responded positively to the Company's improved financial performance, resulting in a exceptional appreciation in the share price during the year. The share price increased from LKR 437.75 to LKR 1,049.75, reflecting growing investor confidence in the Company's prospects and strategic direction.

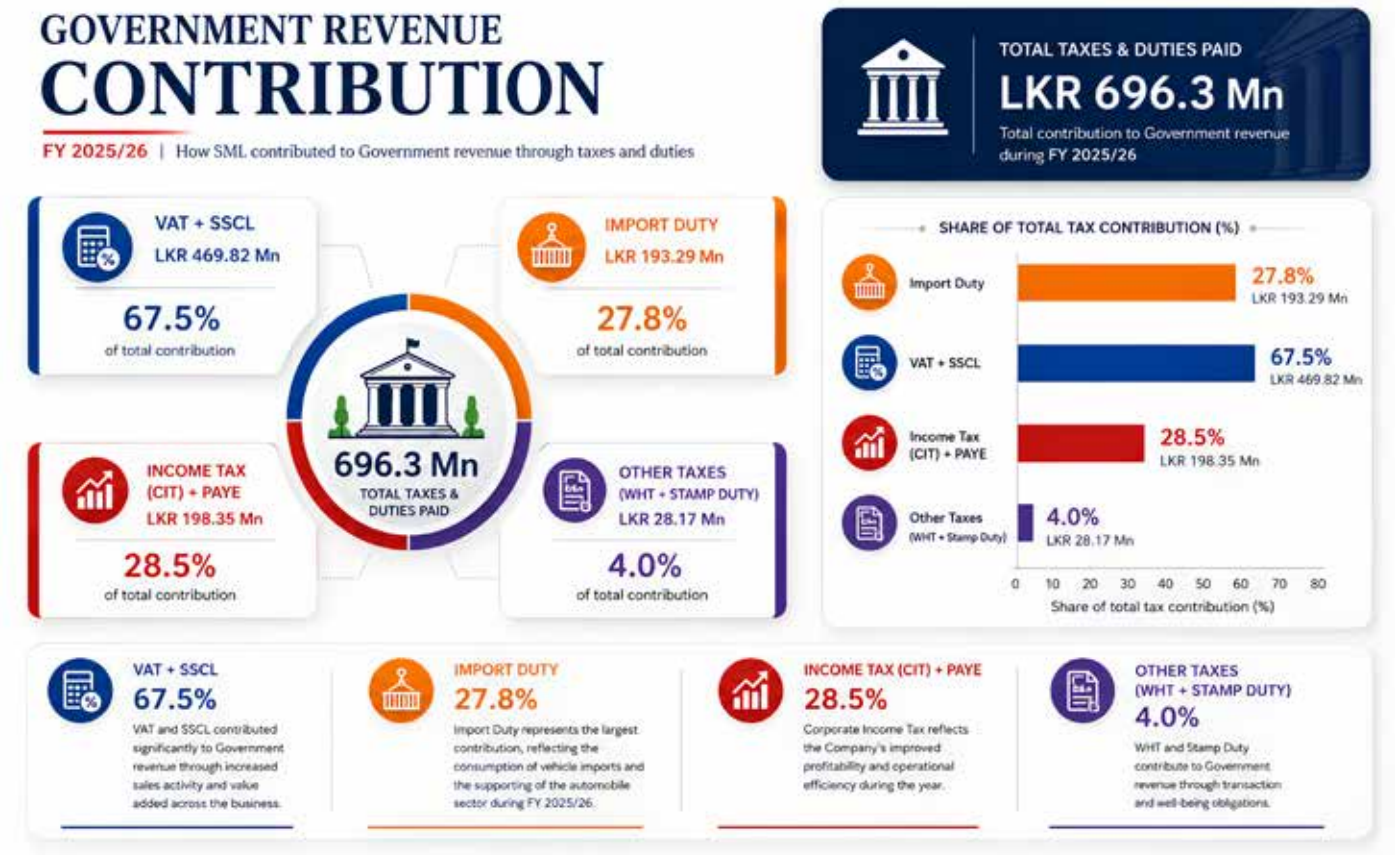
Key Shareholder Value Indicators

Indicator	2024	2025	2026
Total Shareholder Return (TSR) %	53.9	121.4	145.6
Share Price Appreciation %	53.9	118.9	139.9
Dividend Yield %	-	1.1	2.4
EPS - LKR	8.58	47.93	293.51
Net Assets Per Share - LKR	280.63	323.36	591.56
ROE - %	3.10	14.8	49.62
Market Capitalisation - LKR	188	411	947

TAX CONTRIBUTION AND GOVERNANCE

Sathosa Motors PLC remains committed to full compliance with applicable tax laws and responsible tax management. Taxation forms an integral part of the Group's financial stewardship framework and contributes towards national economic development.

During FY2025/2026, the Company contributed LKR 696 Million to Government revenue through VAT, Import Duties, Corporate Income Tax, PAYE and other statutory levies, representing a strong economic contribution arising from the recovery in business activity.



FINANCIAL RISK MANAGEMENT

- Foreign exchange risk arising from imported vehicles and spare parts
- Interest rate risk from bank facilities and import financing
- Liquidity risk linked to duty, shipment and inventory funding cycles
- Credit risk from customer and dealer receivables
- Inventory risk from model changes, ageing and market demand fluctuations

WAY FORWARD

- Strengthen treasury and foreign exchange risk management
- Expand Isuzu commercial vehicle market penetration
- Increase recurring revenue from spare parts and workshops
- Improve return on capital employed and shareholder returns
- Support sustainable long-term value creation

Manufactured Capital



Sathosa Motors PLC continues to strengthen its manufactured capital base through the expansion of its operational infrastructure, distribution capabilities, workshop facilities, and customer service network. The Company's manufactured capital framework supports its ability to deliver reliable mobility solutions, strengthen after-sales responsiveness, improve customer accessibility, and enhance operational efficiency across Sri Lanka.

As a leading player in Sri Lanka's automotive sector, the Company recognises that a strong operational footprint and service infrastructure are essential for sustaining customer confidence, supporting business continuity, and enabling long-term growth. Accordingly, Sathosa Motors PLC continues to invest in strengthening its nationwide presence, workshop operations, dealer network, and integrated service ecosystem to better serve customers across the country.

STRENGTHENING NATIONWIDE OPERATIONAL REACH

During the year, Sathosa Motors PLC further expanded and strengthened its operational footprint across Sri Lanka through its branch-led distribution and service network. The Company currently maintains operational coverage across all 24 districts through an extensive ecosystem of branches, dealers, garages, and service support networks.



The Company's operational model is designed to improve accessibility, reduce service response times, and ensure customers have convenient access to vehicles, spare parts, technical assistance, and after-sales support irrespective of geographic location.

A key strength of the Company's manufactured capital is its integrated nationwide dealer ecosystem, which expanded to more than 140 dealers during the year. The dealer network plays a critical role in supporting customer connectivity, product accessibility, market responsiveness, and after-sales coordination across regional markets.

The Company also continued to strengthen its branch-led operational coordination model by connecting regional garages, dealers, and fleet operators into a more integrated service support ecosystem. This approach has enhanced operational responsiveness while improving customer convenience and service accessibility across the country.

BRANCH EXPANSION AND REGIONAL ACCESSIBILITY

Sathosa Motors PLC continues to evaluate opportunities to strengthen its regional presence and operational accessibility in line with evolving customer requirements and market demand.

Future expansion initiatives are expected to further strengthen customer reach, improve regional service responsiveness, and enhance operational agility across undeserved locations.

As part of these expansion plans, the Company is currently progressing with plans to establish a new branch operation in North Province, further strengthening its presence in the Northern region. This expansion is expected to improve customer accessibility, strengthen regional service capabilities, and support long-term business growth in strategically important regions.

The Company's ongoing branch expansion strategy reflects its commitment towards building a stronger nationwide operational network capable of delivering consistent service quality and customer support across Sri Lanka.



WORKSHOP AND SERVICE INFRASTRUCTURE

Workshop and after-sales infrastructure remain critical components of the Company's manufactured capital base. Sathosa Motors PLC continues to strengthen its workshop operations and service capabilities to support efficient vehicle maintenance, diagnostics, repairs, and technical support services.

The Company's workshop infrastructure is designed to support high operational standards, minimise customer downtime, and enhance vehicle reliability through timely and effective service delivery. Supported by skilled technical teams and advanced diagnostic systems, the workshop network plays an important role in strengthening customer satisfaction and operational continuity.

Moreover, the Company continues to improve workshop productivity, operational coordination, and technical responsiveness through continuous process enhancements, technical capability development, and service quality improvements across its after-sales operations.

INTEGRATED DEALER AND FLEET SUPPORT NETWORK

Sathosa Motors PLC continues to strengthen collaboration between branches, dealers, garages, and fleet operators to create an integrated operational ecosystem that supports customer convenience and service reliability.

Through its coordinated operational network, the Company is able to improve spare parts accessibility, strengthen after-sales responsiveness, and support faster service coordination across regional markets. This integrated approach enables the Company to respond more effectively to customer requirements while supporting operational continuity for commercial vehicle operators and fleet customers.

The Company's operational network also supports closer engagement with regional garages and service providers, strengthening technical coordination, operational communication, and customer support across the wider automotive ecosystem.







Supporting Operational Efficiency and Service Reliability

The Company continues to strengthen operational efficiency across its manufactured capital base through coordinated infrastructure management, regional operational planning, and service process improvements.

Operational facilities, branch coordination mechanisms, workshop systems, and dealer integration initiatives collectively support the Company's ability to deliver reliable customer support services while maintaining service consistency across locations.

By continuously improving infrastructure accessibility, operational responsiveness, and service coordination, Sathosa Motors PLC remains focused on enhancing customer experience while strengthening long-term operational resilience and business sustainability.

OUTLOOK

With a strong operational foundation already established across the country, Sathosa Motors PLC remains focused on further enhancing its physical infrastructure and service delivery capabilities to support the next phase of growth. The Company will continue to strengthen its branch and workshop network, improve operational connectivity across regional markets, and enhance customer accessibility through a more integrated and responsive service ecosystem. By continuously upgrading its operational footprint and support infrastructure, Sathosa Motors PLC aims to deliver greater reliability, improved service efficiency, and stronger customer convenience while reinforcing its long-term presence across Sri Lanka's automotive sector.

Intellectual Capital



Our intellectual capital represents the collective knowledge, technical expertise, operational systems, digital capabilities, and continuous improvement culture that support long-term business sustainability and customer value creation. As a leading player in Sri Lanka's automotive sector, the Company continues to strengthen its intellectual capital base through technical capability enhancement, process innovation, digital transformation, operational knowledge sharing, and customer-focused service excellence.

Our intellectual capital framework is built around five interconnected pillars:

- Technical and after-sales expertise
- Product and inventory knowledge systems
- Digital transformation and process optimisation
- Continuous learning and capability enhancement
- Innovation, quality and operational excellence

These capabilities collectively support operational agility, service reliability, customer responsiveness, and sustainable competitive advantage across the organisation.

TECHNICAL AND AFTER SALES EXPERTISE

Technical knowledge and after-sales expertise remain among the Company's most valuable organisational capabilities. Sathosa Motors PLC continues to strengthen its technical competencies through structured skill development, global technical exposure, workshop capability enhancement, and continuous operational learning initiatives.

A core operational philosophy of the Company is to minimise vehicle downtime by ensuring reliable technical support, efficient diagnostics, service coordination, and strong after-sales responsiveness across its operations. This approach has strengthened customer confidence while supporting operational continuity and long-term customer relationships.

The Company regularly participates in Isuzu Motors Service Clinics conducted every three months, during which representatives from Isuzu Motors assess workshop operations, technical practices, and service standards while recommending global best practices and operational improvements. These clinics also facilitate knowledge-sharing sessions focused on technological upgrades, innovation initiatives, and continuous improvement practices.



Isuzu I-1 Grand Prix (I-1GP)

In addition to strengthening internal technical capabilities, Sathosa Motors PLC actively participates in the Isuzu I-1 Grand Prix (I-1GP), a global technical and service excellence competition organised by Isuzu Motors for its worldwide dealer and distributor network. The programme is designed to identify and recognise the best-performing after-sales and technical service professionals across the global Isuzu network while promoting continuous improvement, technical excellence, and service quality enhancement.

The competition brings together selected technicians, service advisors, and dealership teams from different countries who qualify through national-level examinations and internal selection processes. Participants are evaluated on a range of real-world automotive service

competencies including vehicle diagnostics, troubleshooting, repair procedures, technical knowledge, problem-solving capability, repair accuracy, and customer service excellence. The programme includes both theoretical assessments and hands-on practical evaluations conducted under strict time and quality standards.

Selected technicians are also provided advanced training opportunities in Japan, enabling them to gain exposure to global automotive service standards, advanced diagnostic systems, emerging technologies, and international best practices in after-sales operations. Knowledge and expertise gained through these programmes are subsequently transferred internally through structured skill-sharing initiatives, strengthening technical competencies across the wider workforce and supporting continuous capability enhancement within the organisation.

Representing Sathosa Motors PLC at the 2025 I-1GP Competition were Mr. Heshan Thalpawila and Mr. Hasitha Karunarathne, who successfully qualified through the Company's internal technical selection process. The team was guided and supervised by Mr. Upul Ranasinghe, Technical Training Manager of Sathosa Motors PLC.

The Company's performance at the competition reflects the continuous strengthening of its technical capabilities, operational discipline, and service excellence standards. Sathosa Motors PLC improved its global ranking significantly from 29th position in 2024 to an impressive 8th position in 2025 among international participants. This achievement demonstrates the Company's strong commitment towards continuous learning, technical competency development, and operational excellence across its after-sales operations.

Beyond the competitive dimension, the I-1GP programme serves as a valuable global benchmarking platform that enables organisations to strengthen service standards, enhance technical knowledge, exchange operational best practices, and promote continuous improvement across the international Isuzu network. The initiative further reinforces Sathosa Motors PLC's commitment to maintaining globally aligned after-sales standards while continuously strengthening technical expertise and customer service quality.













After-sales Service Excellence

Sathosa Motors PLC continues to strengthen its after-sales expertise and operational capabilities through a strong focus on technical excellence, customer responsiveness, and continuous improvement. The Company's after-sales philosophy is centred on maximising vehicle uptime, minimising customer downtime, and delivering reliable technical support aligned with global Isuzu service standards.

During the year, the Company was recognised with the Uptime Support Award under the Isuzu After sales Awards programme conducted within the global Isuzu Motors dealer network.

The award recognises dealerships and service teams that demonstrate outstanding performance in after-sales operations, customer support services, and operational efficiency.

The Isuzu After-sales Awards programme evaluates dealerships across several critical performance areas including:

- Service quality and operational efficiency
- Technical competency of service personnel
- Customer satisfaction
- Parts availability and support

- Vehicle uptime and reduced downtime
- Workshop productivity and operational standards

The programme serves as a platform to promote continuous improvement across Isuzu's global after-sales network while reinforcing standardised service excellence, operational reliability, and customer care practices.

Receiving the Uptime Support Award reflects the strength of Sathosa Motors PLC's technical capabilities, responsive maintenance support systems, workshop efficiency, and commitment to delivering reliable after-sales service excellence. The recognition further demonstrates the Company's continued focus on operational reliability, technical expertise, and customer-centric service excellence across its after-sales ecosystem.





PRODUCT AND INVENTORY KNOWLEDGE SYSTEMS

The Company continues to strengthen its operational knowledge systems to support inventory optimisation, product availability, and customer responsiveness across its spare parts and after-sales operations.

Sathosa Motors PLC currently maintains the capability to supply more than 95% of spare parts requirements for vehicles sold by the Company, reflecting strong operational coordination, technical cataloguing knowledge, and inventory management capability.

The Company also strengthened its multi-tier product strategy during the year through the continued expansion of:

- Isuzu Genuine Parts
- Isuzu Select Parts
- Best Value Parts (BVP)

This product portfolio strategy enables the Company to improve product accessibility and affordability while maintaining quality, reliability, and customer trust.

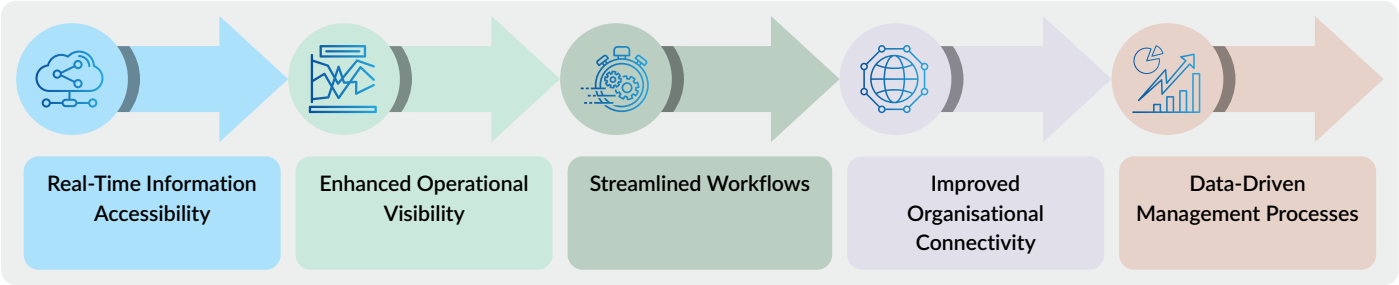
Through accumulated product knowledge, technical expertise, and customer demand understanding, the Company continues to enhance inventory planning, operational responsiveness, and service reliability across its after-sales ecosystem.

DIGITAL TRANSFORMATION AND PROCESS OPTIMISATION

Digital transformation remains an important enabler of operational efficiency, organisational agility, and data-driven decision-making at Sathosa Motors PLC.

During the year, the Company initiated the transition from IFS 9 to IFS Cloud in collaboration with Info Consulting, marking a significant milestone in strengthening enterprise-wide digital integration and process modernisation.

The implementation of IFS Cloud facilitates the below:



The Company also became one of the first entities within Sri Lanka's automobile industry to integrate a KPI-based performance management system with its ERP platform, further strengthening operational monitoring and workforce management capabilities.

Additionally, Sathosa Motors PLC continued to strengthen document and information management processes through the implementation of a Digital Management System (DMS), enabling centralised document storage, improved accessibility, enhanced record control, and reduced dependency on physical documentation.

The Company also utilises the Isuzu Global Diagnostic Service System (G-IDSS), an advanced digital diagnostic platform developed by Isuzu Motors Limited, Japan. The system provides technicians with access to advanced diagnostic tools, service manuals, wiring diagrams, troubleshooting guidance, error codes, and module programming systems, enabling service delivery aligned with global Isuzu standards.

Training on the G-IDSS platform is mandatory for technicians, ensuring continuous technical competency enhancement and operational consistency across after-sales operations.

CONTINUOUS LEARNING AND CAPABILITY ENHANCEMENT

The Company continues to cultivate a culture of continuous learning and knowledge sharing across all operational and technical functions.

The Isuzu E-learning System introduced by Isuzu Motors has been implemented to support structured employee development through technical and professional learning programmes ranging from basic to advanced levels.

The platform enables employees to continuously enhance technical knowledge, operational competencies, and professional skills through standardised digital learning modules maintained by Isuzu Motors. Employees are also required to complete assigned learning modules as part of their development requirements, with successful completion linked to eligibility for certain incentives and benefits.

These initiatives strengthen organisational learning capability while supporting knowledge consistency, operational quality, and technical standardisation across the Company's after-sales and service functions.

INNOVATION, RECOGNITION AND OPERATIONAL EXCELLENCE

Sathosa Motors PLC continues to strengthen its culture of innovation, continuous improvement, and operational excellence through structured performance enhancement initiatives and industry benchmarking.

During the year, the Company received several industry recognitions that reflect its commitment towards management excellence, operational efficiency, customer service quality, technical capability, and transparent business practices.

Best Management Practices Award 2025 – Automobile Sector

During the year, Sathosa Motors PLC was recognized with the Best Management Practices Award 2025 – Automobile Sector presented by the Institute of Chartered Professional Managers of Sri Lanka. This recognition reflects the Company's continued commitment towards management excellence, operational efficiency, leadership effectiveness, innovation, and sustainable business growth.

The award recognises organisations that demonstrate outstanding performance across key management areas including strategic planning, people management, partnerships and resources, process excellence, and organisational performance. Receiving this recognition further reinforces the Company's position as a leading organisation within Sri Lanka's automobile industry while reflecting the dedication and professionalism of its employees and management team.









Leadership Excellence Recognition

Mr. Ravilal Alokabandara, General Manager – Head of Spare Parts Division at Sathosa Motors PLC, was recognised as the Winner under the Corporate Management Level category at the CPM Management Leadership Excellence Awards 2025 in the Automobile Sector.

In addition, he was also awarded the Best Industry Case Study Award under the special awards category in recognition of his industry insight and professional contribution. These recognitions reflect the Company's strong leadership culture, strategic capabilities, and commitment towards operational excellence and continuous improvement.





Great HR Awards 2025 – CIPM Recognition

Sathosa Motors PLC received a Commendation Certificate at the Great HR Awards 2025 organised by the Chartered Institute of Personnel Management (CIPM) in recognition of the Company's contribution towards Human Resource Management excellence.

The recognition reflects the Company's commitment towards effective people management practices, employee development, workplace professionalism, and organisational culture enhancement. It further highlights the Company's continued focus on building a supportive, performance-driven, and people-centric work environment.





TAGS Awards 2025 – Silver Award

During the year, Sathosa Motors PLC was awarded the Silver Award in the Motor Companies Sector at the TAGS Awards 2025 organised by the Institute of Chartered Accountants of Sri Lanka.

The TAGS Awards recognise organisations that demonstrate excellence in transparency, accountability, governance, sustainability reporting, and stakeholder communication. This recognition reflects the Company's commitment towards ethical business practices, strong governance standards, transparent reporting, and responsible corporate disclosure practices.





Automobile Industry Council Recognition

Sathosa Motors PLC also received recognition from the Automobile Industry Council during the year, further reflecting the Company's growing industry presence, operational achievements, and contribution towards the advancement of Sri Lanka's automobile sector.

The recognition highlights the Company's continued commitment towards service excellence, operational reliability, customer responsiveness, and industry leadership.



OUTLOOK

As Sathosa Motors PLC continues to strengthen its operational capabilities and market position, the Company remains committed to enhancing its intellectual capital through continuous learning, digital transformation, technical capability development, innovation, and process optimisation.

Going forward, the Company will continue to invest in advanced technologies, technical training, operational knowledge systems, and data-driven management capabilities while fostering a culture of continuous improvement and customer-focused innovation that supports sustainable long-term value creation.




HUMAN CAPITAL
HIGHLIGHTS
Our people are our greatest strength and the driving force behind our sustainable growth and success.
2 Mn
TRAINING INVESTMENT
161
EMPLOYEES
70
INDUSTRIAL TRAINEES

Our people remain central to the Company's ability to deliver operational excellence, customer satisfaction, and long-term business sustainability. As a service-oriented organisation operating within a technically demanding industry, we recognise that building a capable, engaged, and future-ready workforce is essential to maintaining our competitive advantage and supporting sustainable growth.

Accordingly, the Company continues to invest in employee development, workplace well-being, capability enhancement, and performance-driven culture building while fostering an inclusive and collaborative work environment across all operational locations. During the year, our human capital priorities focused on strengthening employee engagement, supporting continuous learning, enhancing operational capabilities, and improving people management systems through digitalisation and structured performance management practices.

WORKFORCE PROFILE

The Company continued to strengthen its workforce composition during the year in line with operational growth and business expansion requirements. The workforce profile reflects a balanced mix of young talent, experienced technical personnel, and managerial expertise across key business functions.

Employees between the ages of 20–35 represented a significant proportion of the workforce, supporting workforce continuity and long-term succession development. Meanwhile, experienced employees across technical and operational functions continued to contribute significantly towards maintaining service quality and operational efficiency.

Sathosa Motors PLC maintains its operational presence across multiple provinces in Sri Lanka, supporting nationwide customer reach and service accessibility through its branch and workshop network.

The Company also continued to strengthen workforce support functions and technical operations during the year, particularly across vehicle sales, spare parts, after-sales services, and trainee development categories.

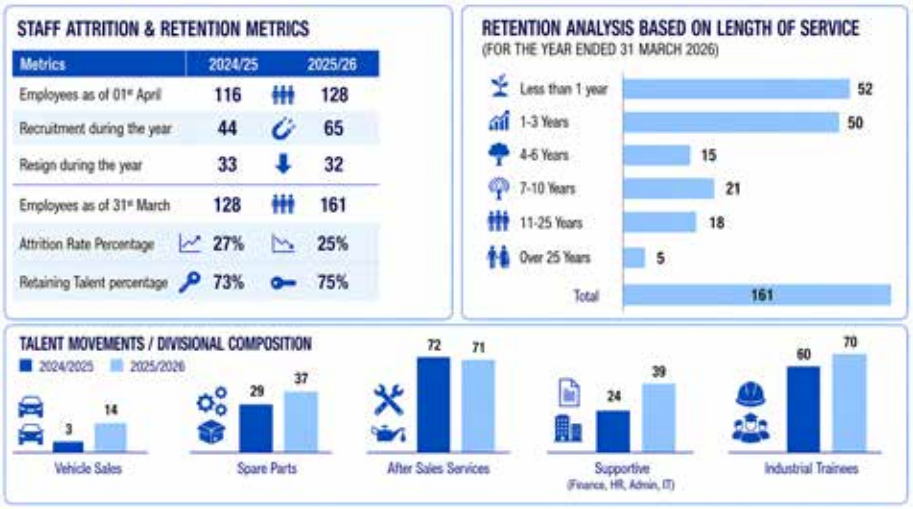
Demographic Comparison by Age and Gender

Age Group	Male	Female	Male (%)	Female (%)	Total (%)
20 - 30	61	14	38%	9%	47%
31 - 40	26	7	16%	4%	20%
41 - 50	27	3	17%	2%	19%
51 - 55	13	2	8%	1%	9%
Above 55	6	2	4%	1%	5%
Total	133	28	83%	17%	100%

TALENT ATTRACTION AND RETENTION

Sathosa Motors PLC continued to strengthen its talent acquisition efforts during the year to support operational expansion and long-term business sustainability. Recruitment initiatives focused on technical, operational, administrative, and trainee categories to ensure the availability of skilled and future-ready talent across the organisation. The Company recorded significant workforce growth during the year under review in line with operational growth experienced parallel to the country's economic recovery and easing of vehicle import restrictions.

Meanwhile, the Company continued to improve employee retention levels through enhanced engagement initiatives, career development opportunities, and structured people management systems. The employee attrition rate improved steadily over the past several years.



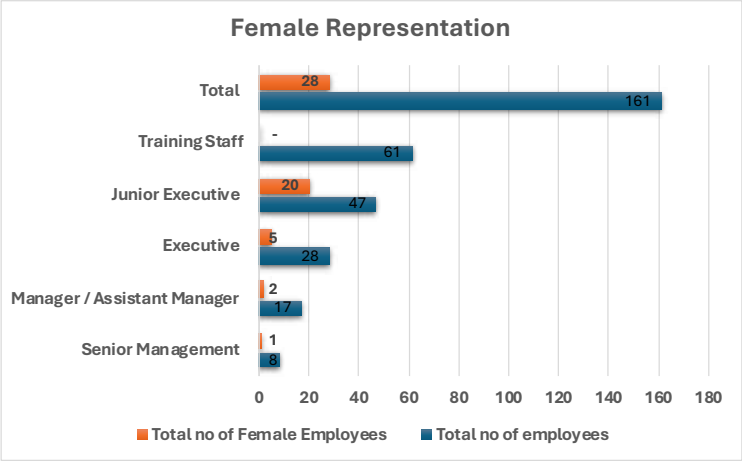
DIVERSITY, EQUITY AND INCLUSION

Sathosa Motors PLC is committed to fostering a workplace culture built on fairness, inclusivity, mutual respect, and equal opportunity. The Company continues to promote gender inclusivity across operational and management functions while creating opportunities for employees to grow and contribute irrespective of gender or background.

Female representation continued across several employment categories during the year, particularly within executive and junior executive levels. The Company also maintained female representation within senior management and corporate management functions, reflecting its ongoing commitment towards inclusive leadership and workforce diversity.

The Human Resources and Administration function continued to play an important role in strengthening employee engagement, people development, and organisational culture initiatives throughout the year.

In addition, female employees actively participated in training and development programmes during the year, supporting equitable capability enhancement and career progression opportunities across the organisation.



LEARNING AND CAPABILITY DEVELOPMENT



Continuous learning and capability enhancement remain integral to Sathosa Motors PLC's long-term people development philosophy. The Company recognises that employee competencies and technical expertise are critical to maintaining operational excellence, customer satisfaction, and service reliability across all business segments.

During FY 2025/2026, the Company significantly expanded its training and development initiatives through structured technical, operational, leadership, and professional development programmes conducted both locally and internationally.

The Company recorded a total of 4,196 training hours during the year, representing a substantial increase compared to previous years. Average training hours per employee increased to 18 hours during FY 2025/2026, reflecting the Company's strengthened commitment towards employee development and continuous learning. Total investment in training and development amounted to approximately LKR 2.18 Mn during the year.

Training initiatives were conducted across all employee categories including managerial, executive, technical, and trainee levels to ensure equitable access to learning and development opportunities. The Company also continued to support employees pursuing higher education and professional qualifications through financial assistance and study support facilities.

During FY 2025/2026, the Company maintained a technical workforce comprising 32 automobile technicians qualified under the Sri Lanka Qualifications Framework (SLQF), in line with national competency standards. As part of its ongoing commitment to employee development and technical excellence, the Company sponsored eight technicians who had not previously attained National Vocational Qualification (NVQ) Level 4 certification to complete the qualification during the year.

Consequently, by the end of the financial year, all 32 automobile technicians had achieved NVQ Level 4 or higher in addition to their respective SLQF-recognised qualifications. This achievement reflects the Company's continued focus on strengthening workforce capabilities, enhancing service quality, and maintaining alignment with nationally recognised industry standards.

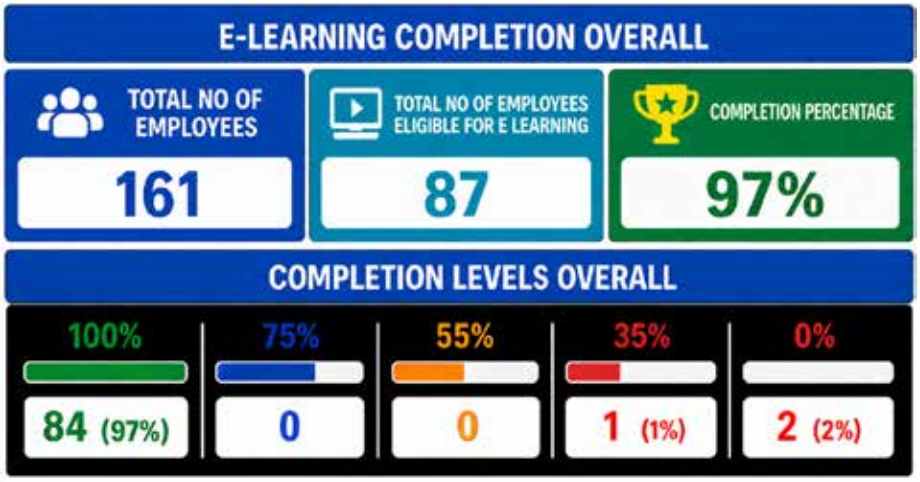
Technical training programmes accounted for a significant proportion of the overall training portfolio, reflecting the technical nature of the automotive industry and the Company's continued focus on enhancing operational and workshop competencies.

PERFORMANCE MANAGEMENT AND REWARD SYSTEMS

Sathosa Motors PLC continued to strengthen its performance management framework to align employee performance with organisational strategy and long-term business objectives. The Company utilises a structured KPI monitoring system that enables transparent performance tracking through clearly defined departmental and individual goals.

Regular performance reviews and feedback mechanisms support employee development, accountability, and continuous improvement while reinforcing a performance-driven culture across the organisation.

During FY 2025/2026, the Company transitioned from a manual appraisal process to a fully online performance appraisal system, achieving 100% completion of employee appraisals during the year.



The Company also maintains a structured and transparent remuneration framework supported by a dedicated Remuneration and Compensation Committee. Compensation and rewards are determined on a non-discriminatory basis, with no variation based on gender. The Company further supports employee financial well-being through low-interest loan schemes, recognition programmes, and scholarship schemes for employees' children.

REMUNERATION AND EMPLOYEE BENEFITS

Sathosa Motors PLC maintains a structured and performance-oriented remuneration framework designed to attract, retain, and motivate talent across all levels of the organisation. The Company's compensation philosophy is cantered on fairness, transparency, market competitiveness, and performance recognition while ensuring alignment with employee responsibilities, capabilities, and contributions towards organisational success.

Employee remuneration comprises both fixed and performance-linked components, enabling the Company to reward operational excellence, encourage accountability, and support a high-performance work culture. Compensation decisions are made through a structured process overseen by the Remuneration and Compensation Committee, ensuring consistency, internal equity, and non-discriminatory practices across the organisation.

The Company's remuneration structure includes basic salaries, professional allowances, skill and special allowances, performance incentives, target-based incentives, and travel-related allowances designed to support employees across operational and technical functions. These benefits are complemented by employee welfare initiatives including low-interest loan facilities, medical and life insurance coverage, scholarship schemes for employees' children, and performance recognition programmes.

In addition, the HR and Management teams periodically review compensation structures against prevailing market benchmarks to maintain external competitiveness and ensure the continued effectiveness of the Company's employee value proposition.

EMPLOYEE WELL-BEING AND ENGAGEMENT

The Company continued to prioritise employee well-being through initiatives that support both physical and mental wellness, recognising that employee engagement and well-being are fundamental to organisational performance and workforce sustainability.

As part of its physical well-being initiatives, Sathosa Motors PLC introduced employee engagement activities such as the Pekoe Trail programme, designed to reduce stress, encourage teamwork, strengthen interpersonal relationships, and promote work-life balance.

The Company also supported employee mental well-being through awareness and stress management programmes while providing employees with 100% free medical and life insurance coverage.

Employee engagement initiatives implemented during the year included recognition programmes, employee appreciation initiatives, religious observances, welfare activities, and team-building programmes conducted across divisions and branch locations.

2025/2026 EVENTS	
April 2025	✹ Sinhala and Tamil New Year Festival ✹ Rugby Jersey Launch of St. Anthony's Collage, Kandy
May 2025	✹ Pirith Chanting at Colombo Head Office Premises
June 2025	✹ Vesak Dansal at Colombo Head Office Premises
July 2025	✹ After Sales Team Get Together at Colombo Head Office
August 2025	✹ Pirith Chanting at peliyagoda workshop
September 2025	✹ Staff Get Together of After sales Division Peliyagoda
October 2025	✹ Economic & Safe Driving Training Programe
November 2025	✹ Annual Trip to Club Palm Bay Marawila ✹ Colombo Motor Show at BMICH Premises
December 2025	✹ E- Wasate Program
January 2026	✹ New Year Celebration / Welfare Program
February 2026	✹ ELITE Circle Dealer Convention at Monarch Imperial
March 2026	✹ Malaysia Tour for Best Employee ✹ Dry ration distribution ✹ CSR Program – Toolbox distribution



















SUCCESSION PLANNING

As part of its commitment to building a sustainable leadership pipeline and ensuring organizational continuity, Sathosa Motors PLC continued to strengthen its succession planning framework through the development of high-potential talent. As of 31 March 2026, the Company maintained a pool of 11 Management Trainees representing diverse academic disciplines, including Management, Marketing, Finance, Human Resources, Engineering, and International Business.

The Management Trainee Program serves as a key component of the Company's long-term human capital strategy, supporting the identification, development, and retention of future leaders. Trainees follow a structured development pathway designed to strengthen their technical competencies, business acumen, and leadership capabilities. During the initial six months, participants receive comprehensive cross-functional exposure across key operational and support functions, enabling them to develop a holistic understanding of the business. Upon completion of this foundational training period, trainees are assigned to relevant departments based on their competencies, performance, career aspirations, and organizational requirements.

The progress of Management Trainees is monitored through regular performance reviews and structured evaluations, ensuring continuous development and alignment with business needs. This systematic approach enables the Company to cultivate a future-ready talent pipeline capable of assuming critical and leadership roles as opportunities arise.

During the year under review, the effectiveness of the program was demonstrated through the promotion of one Management Trainee to a higher-level position in recognition of exceptional performance and demonstrated potential. In addition, several other trainees have been identified for future advancement, subject to the completion of internal evaluation and approval processes.

These developments reflect the success of the Company's talent development initiatives and reinforce its commitment to maintaining a strong succession pipeline that supports long-term strategic growth, organizational resilience, and leadership continuity.

OCCUPATIONAL HEALTH AND SAFETY

Maintaining a safe and healthy working environment remains a priority for Sathosa Motors PLC, particularly within workshop and operational environments where technical and industrial activities are carried out.

The Company continued to strengthen workplace safety awareness through emergency preparedness programmes including first aid and fire safety training conducted during the year.

During FY 2025/2026, the Company recorded a total of 580,800 safety hours across operations while reporting one work-related injury during the year.

The Company remains committed to continuously improving occupational health and safety standards, strengthening employee awareness, and promoting a culture of workplace safety across all operational locations.

HUMAN CAPITAL STRATEGY FOR SUSTAINED GROWTH



As Sathosa Motors PLC advances its growth ambitions and adapts to an evolving business landscape, the Company will continue to strengthen its people strategy to build a future-ready, agile, and high-performing workforce. The strategy will focus on enhancing employee capabilities, nurturing leadership talent, promoting collaboration and innovation, and fostering a culture of well-being, inclusivity, and accountability. By aligning human capital initiatives with business priorities and emerging industry trends, the Company aims to create a resilient workforce capable of driving operational excellence, delivering superior customer experiences, and supporting long-term sustainable value creation. The HR strategy for 2026/27 will be anchored on four key strategic priorities:

These priorities support the development of cross-functional and multi-skilled teams capable of adapting to evolving business and customer requirements while supporting long-term organisational resilience.

OUTLOOK

As Sathosa Motors PLC continues to expand its operational footprint and strengthen its market presence, the Company remains committed to developing a future-ready workforce capable of supporting sustainable growth, operational excellence, and customer-centric innovation.

Going forward, the Company will continue to prioritise employee capability development, digital transformation of HR systems, workforce diversity, employee well-being, and leadership development while fostering a high-performance culture that supports long-term value creation for all stakeholders.



At Sathosa Motors PLC, strong stakeholder relationships remain fundamental to sustainable business growth and long-term value creation. The Company continues to strengthen its relationships with customers, dealers, educational institutions, industry partners, communities, and society at large through initiatives that promote collaboration, knowledge sharing, customer engagement, vocational development, and responsible business practices.

As a customer-focused organisation operating within Sri Lanka's automotive sector, Sathosa Motors PLC recognises the importance of maintaining trusted relationships across its value chain while contributing positively towards community development and industry advancement. Accordingly, the Company continues to invest in initiatives that strengthen customer connectivity, support technical education, enhance vocational opportunities, and promote responsible and sustainable practices across its operations

STRENGTHENING DEALER AND CUSTOMER RELATIONSHIPS



The Company continued to strengthen its dealer and customer engagement initiatives during the year through targeted relationship-building programmes, dealer recognition initiatives, and localised customer engagement strategies.

To improve customer visibility and strengthen brand presence at the point of purchase, Sathosa Motors PLC implemented several point-of-sale marketing and dealer engagement initiatives across its distribution network. These included garage branding activities, dealer advertising campaigns, branded promotional materials, wobbler's, danglers, document holders, posters, stickers, and other merchandising materials aimed at enhancing customer awareness and strengthening product visibility within the market.





These initiatives contributed significantly towards strengthening dealer relationships, improving customer engagement, and enhancing market visibility across regional dealer and garage networks. The Company also noted strong growth in spare parts performance during the year, supported by these customer-focused engagement strategies.

A significant milestone during the year was the successful conduct of the Sathosa Motors Dealer Convention after a lapse of five years. The event recognised and appreciated the highest-performing dealers within the Sathosa

Motors dealer ecosystem while strengthening long-term dealer relationships and channel partnerships. The Company recognised top-performing spare parts dealers through awards, recognition programmes, and incentive-based appreciation initiatives.

These initiatives reflect the Company's commitment towards building long-term partnerships, strengthening channel collaboration, and creating mutually beneficial relationships across its wider dealer ecosystem.

EMPOWERING FUTURE AUTOMOTIVE TALENT

Sathosa Motors PLC continued to strengthen its contribution towards vocational education and youth empowerment through impactful community development initiatives focused on technical education and skills development.

Under its annual Corporate Social Responsibility (CSR) programme, the Company implemented the Toolbox Distribution Programme, a nationwide initiative aimed at enhancing vocational training facilities and supporting practical automobile engineering education across Sri Lanka.

On 27th March 2026, Sathosa Motors PLC distributed fully equipped automobile toolboxes to 25 educational and vocational institutions comprising:



The programme was implemented across all nine provinces and 21 districts, ensuring broad national reach and impact. The initiative was carried out in collaboration with the Ministry of Education, Ministry of Higher Education, Department of Technical Education and Training (DTET), Vocational Training Authority (VTA), and National Apprentice and Industrial Training Authority (NAITA), strengthening its effectiveness and alignment with national education and skills development priorities.







Each toolbox, valued at approximately LKR 280,000, contained 420 high-quality tools required for practical automobile engineering training. The total investment in the initiative amounted to approximately LKR 7 million.



The initiative was designed to strengthen technical education facilities and improve access to practical automobile engineering tools while supporting vocational training institutions across the country. Through these efforts, the programme sought to enhance industry readiness among youth and foster stronger collaboration between the education sector and the automotive industry, contributing to the development of a skilled workforce aligned with evolving industry requirements.

Through this programme, Sathosa Motors PLC aims to create meaningful vocational opportunities for youth while supporting the long-term development of a skilled and industry-ready workforce for Sri Lanka's automotive sector.

BUILDING INDUSTRY PARTNERSHIPS AND SKILLS DEVELOPMENT

Sathosa Motors PLC continues to strengthen partnerships with vocational and technical education institutions to support industry skill development and bridge the gap between academic learning and industry requirements.





The Company works closely with key government and educational stakeholders, including the Ministry of Education, Ministry of Higher Education, Department of Technical Education and Training (DTET), Vocational Training Authority (VTA), and National Apprentice and Industrial Training Authority (NAITA), to support technical education, vocational training, and workforce development initiatives. These collaborations enable the Company to contribute towards enhancing industry-relevant competencies, expanding practical learning opportunities, and supporting the development of future automotive talent across Sri Lanka.

Under the "Skill Drive to Excellence" programme, the Company provides structured technical training opportunities for students pursuing automobile engineering and related fields. The programme engages students from institutions including:



- National Apprentice and Industrial Training Authority (NAITA)
- Vocational Training Authority (VTA)
- DTET (Department of Technical Education & Training)
- CGTTI (Ceylon German Technical Tanning Institute)
- Sri Lanka – Korea National Vocational Training Institute (K-Tech)
- Automobile Engineering Training Institutes (AETI)

Training durations are aligned with institutional requirements and range from six months to two years.

During FY 2025/2026, the programme provided training opportunities for 123 trainees, reflecting a 35.2% increase compared to the previous financial year.

The programme provides trainees with practical exposure to real-world automotive operations through hands-on learning opportunities involving modern tools, workshop technologies, diagnostic systems, and operational practices. Complementing this practical exposure, trainees are also enrolled in structured E-learning programmes that strengthen theoretical understanding and technical competency development.



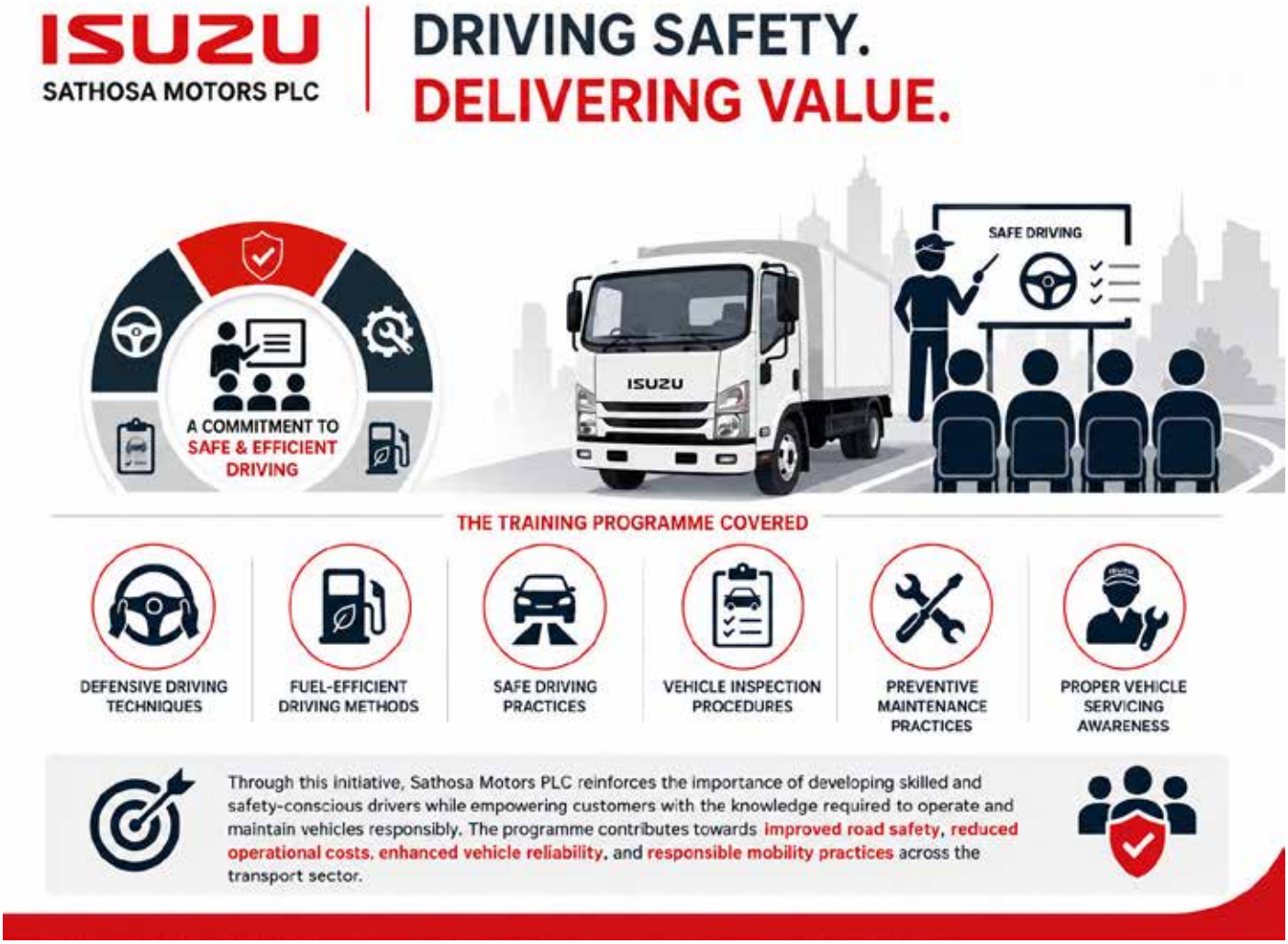
In addition, trainees are provided opportunities to participate in international competitions organised by Isuzu Motors Limited, including the Isuzu I-1 Grand Prix (I-1GP), enabling exposure to global service standards, innovation practices, and international technical benchmarking platforms.

The Company also conducts structured knowledge-sharing sessions in collaboration with vocational and technical institutions where experienced engineers, technical training managers, and subject matter experts share industry knowledge, diagnostic techniques, workshop practices, and emerging automotive technologies with students and trainees.

Through these initiatives, Sathosa Motors PLC continues to strengthen industry-academia collaboration while contributing towards the development of a skilled, competent, and future-ready automotive workforce.

CUSTOMER AWARENESS AND RESPONSIBLE MOBILITY

During the year, the Company conducted the Economical & Safe Driving Training Programme for customers and drivers of key clients across several regions in the country. The programme focused on enhancing road safety awareness, driving efficiency, and vehicle maintenance knowledge among participants.



OUTLOOK

Sathosa Motors PLC will continue to strengthen its market presence and stakeholder ecosystem. The Company remains committed to building meaningful and sustainable relationships across all stakeholder groups.

In the near future, the Company will continue to strengthen dealer partnerships, support vocational education, enhance customer engagement, expand community development initiatives, and promote responsible and sustainable business practices while contributing positively towards the long-term development of Sri Lanka's automotive industry and wider society.



What powers industries, homes, and national infrastructure?



A sector undergoing transformation towards renewable energy and infrastructure expansion requires continuous movement of equipment, materials, and operational support across the island, where Isuzu plays a strong enabling role across energy and infrastructure operations.

Enabling access. Supporting infrastructure. Powering national resilience.

Sathosa Motors PLC remains committed to integrating Environmental, Social, and Governance (ESG) principles into its operations and corporate culture. Guided by its ESG Sustainability Policy, the Company continues to align its business practices with sustainability objectives while promoting responsible corporate citizenship.

The Company's sustainability framework is built upon three key pillars which are environmental stewardship, social responsibility, and sound governance practices. Through these pillars, Sathosa Motors PLC aims to minimise environmental impacts, create positive social value, and uphold ethical business conduct.

The Company's ESG policy outlines its commitment towards the following:

- Compliance with environmental regulations and standards
- Responsible resource and waste management
- Energy efficiency and emissions reduction
- Employee welfare and workplace safety
- Human rights and ethical labour practices
- Community engagement and responsible supply chain practices
- Strong governance oversight and anti-corruption practices

The Board of Directors oversees ESG-related practices to ensure accountability, transparency, and alignment with corporate governance standards.

Meanwhile, in line with evolving sustainability reporting requirements and global best practices, Sathosa Motors PLC continues to enhance its ESG-related governance, risk management, and disclosure practices to strengthen readiness for sustainability-related financial reporting standards, including SLFRS S1 and SLFRS S2. The Company remains focused on progressively improving the identification, assessment, and management of material sustainability-related risks and opportunities, including climate-related considerations relevant to its operations and stakeholders.



Environmental Impacts

Sathosa Motors PLC continues to strengthen its environmental sustainability agenda through responsible operational practices, resource conservation initiatives, and environmentally conscious infrastructure improvements. Recognising the importance of minimising its environmental footprint, the Company remains focused on enhancing resource efficiency, promoting sustainable energy solutions, improving waste management practices, and maintaining compliance with internationally recognised environmental standards.

ENVIRONMENTAL IMPACT AND SUSTAINABILITY REPORT

OUR APPROACH TO ENVIRONMENTAL STEWARDSHIP

At Sathosa Motors PLC, we recognize that our leadership in the Sri Lankan automotive sector comes with a profound responsibility toward the environment. In alignment with our Board-approved ESG Sustainability Policy, we strive to decouple our operational growth from our environmental footprint. Our strategy focuses on reducing emissions, optimizing energy and water consumption, and ensuring the strictly regulated disposal of hazardous industrial waste across our showrooms and workshop networks.

MANAGEMENT APPROACH AND BOUNDARY

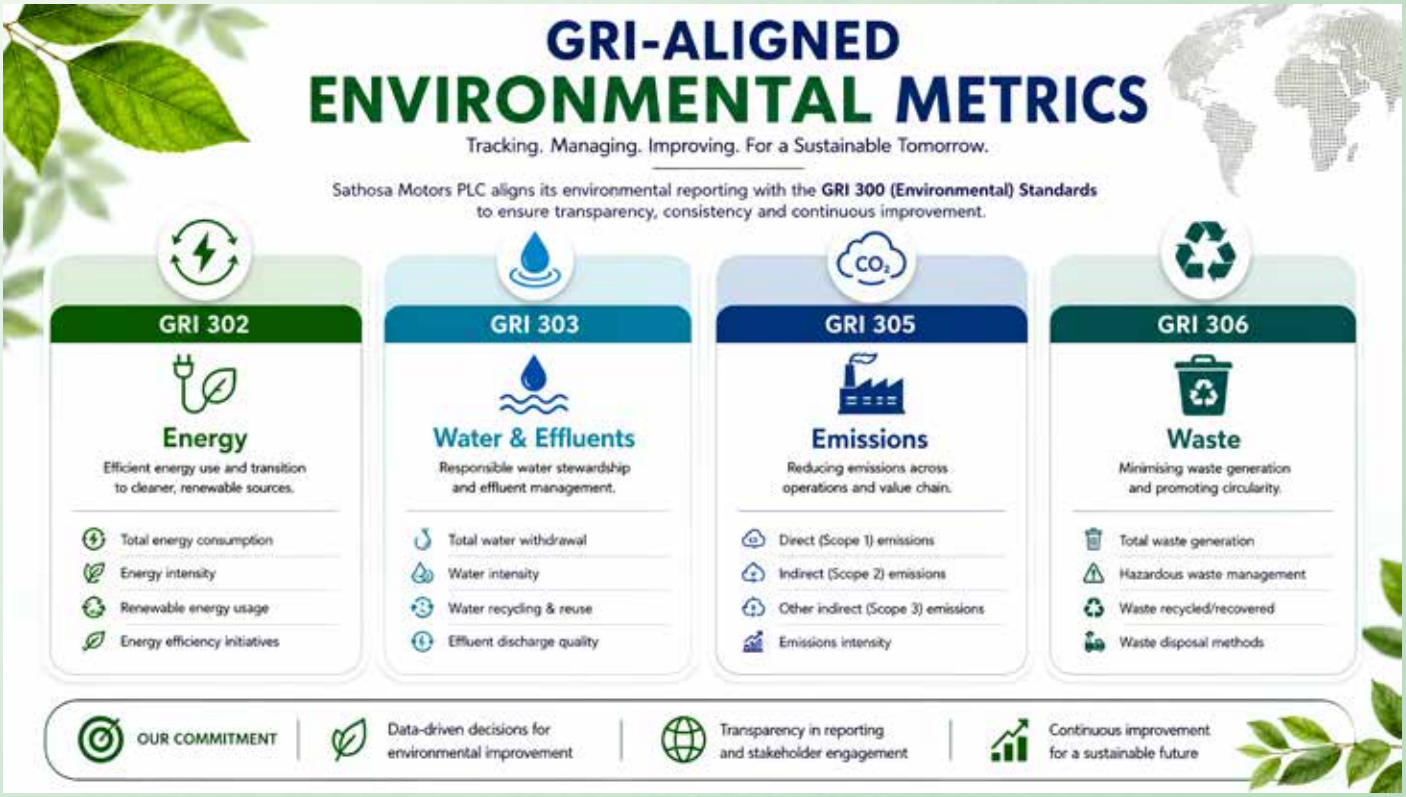
Sathosa Motors PLC's environmental management approach covers its main workshops and, where relevant, activities connected to its island-wide spare parts dealer network. The Company is progressively strengthening its environmental data tracking, monitoring and reporting processes to improve the accuracy, consistency and coverage of information disclosed in future reporting periods.

As part of its sustainability journey, the Company has considered the guidance of the GRI 300 Environmental Standards series in identifying key environmental focus areas, including energy, water and effluents, emissions, and waste. While formal data collection systems are being further developed, the Company continues to enhance internal processes for tracking environmental metrics and improving transparency over time.

The environmental topics currently guiding the Company's reporting development include:

- Energy management
- Water and effluent management
- Emissions monitoring
- Waste management and circularity

Sathosa Motors PLC remains committed to further developing its environmental data management systems and expanding performance monitoring capabilities to support more comprehensive sustainability reporting in future years.



KEY ENVIRONMENTAL FOCUS AREA: WASTE MANAGEMENT AND EFFLUENT CONTROL

Workshop operations, including vehicle servicing, maintenance and repair activities, generate a range of waste streams and wastewater that require appropriate management. Accordingly, waste management and effluent control remain important areas of environmental focus for the Company.

Waste and Effluent Management

The Company has implemented processes to support the responsible management of wastewater and operational waste generated through workshop activities.

Effluent Treatment: Wastewater generated from vehicle washing and workshop operations is treated through wastewater treatment facilities prior to discharge, supporting compliance with applicable environmental requirements.

Hazardous Waste Management: Waste streams such as used lubricants, waste oil, batteries and other workshop-related hazardous materials are collected and handled through established disposal and recycling arrangements with authorised service providers, where applicable.

Waste Segregation and Recycling: The Company promotes the segregation of waste generated through its operations, including packaging materials such as cardboard, wood and plastics, to facilitate recycling and responsible disposal practices.

Waste Management and Circularity

As part of its broader sustainability initiatives, Sathosa Motors PLC continues to promote responsible waste management practices and environmental awareness among employees and stakeholders.

During the year, the Company partnered with Ceylon Waste Management (Pvt) Ltd (CWM) to conduct an E-Waste Collection Programme at its Vauxhall Street premises in Colombo. The programme facilitated the collection and responsible recycling of obsolete electronic equipment, including computers and printers, contributing to environmental awareness and supporting responsible e-waste management practices.



The initiative also enhanced awareness among employees, individuals, and external stakeholders regarding the importance of responsible electronic waste disposal and environmental stewardship.

ENERGY EFFICIENCY AND CLIMATE CONSIDERATIONS

Energy Management and Efficiency

The Company continues to implement initiatives aimed at improving energy efficiency across its operations. During the year, energy-efficient LED lighting systems were installed at the Peliyagoda facility to support more efficient energy use and operational effectiveness.

Sathosa Motors PLC has also invested in renewable energy solutions through the installation of solar panels at the Peliyagoda Workshop. This initiative forms part of the Company's broader efforts to enhance resource efficiency and increase the use of renewable energy within its operations.

Key Environmental Focus Area: Energy Efficiency and Climate Considerations

Recognising the importance of energy management and climate-related considerations, the Company continues to explore opportunities to improve operational efficiency and strengthen its approach to environmental performance.

Key initiatives undertaken or under evaluation include:

- Renewable Energy: Exploring opportunities to expand the use of rooftop solar photovoltaic (PV) systems across operational facilities to support renewable energy adoption.
- Energy Efficiency Measures: Implementing energy-efficient technologies, including LED lighting, and evaluating additional opportunities to improve the efficiency of building operations and equipment.
- Logistics and Distribution Efficiency: Reviewing opportunities to enhance the efficiency of spare parts distribution and logistics operations as part of ongoing efforts to optimise operational performance.





WATER AND EFFLUENT MANAGEMENT

Recognising the importance of responsible water management, Sathosa Motors PLC has implemented measures to support the treatment and management of wastewater generated through workshop operations.

The Company operates a wastewater treatment facility at its Peliyagoda Workshop to manage wastewater arising from operational activities. This facility supports the Company's efforts to promote responsible water use and environmental management in accordance with applicable regulatory requirements.

Key Environmental Focus Area: Water and Effluent Management

The Company recognises the importance of water conservation and responsible wastewater management and continues to explore opportunities to improve water-use efficiency across its operations.

Key initiatives undertaken or being evaluated include:

- Water Conservation Measures: Identifying opportunities to optimise water consumption within workshop and facility operations.
- Rainwater Utilisation: Exploring and implementing, where feasible, the use of rainwater for selected non-potable operational activities.
- Water Recycling and Efficiency: Evaluating and maintaining water-efficient systems and practices to support the responsible use of water resources within workshop operations.

Sathosa Motors PLC remains committed to strengthening its water management practices and enhancing the monitoring of water-related environmental performance over time.





PRODUCT RESPONSIBILITY AND DRIVING THE FUTURE

As the exclusive franchise holder for Isuzu Motors Japan in Sri Lanka, Sathosa Motors PLC supports the introduction and distribution of vehicle and engine technologies developed by its principal.

The Company continues to offer Isuzu commercial vehicles equipped with technologies designed to support operational efficiency and meet applicable product specifications and regulatory requirements in their respective markets.

Key product categories include:

- Commercial Vehicles: Isuzu commercial vehicles incorporating advancements in engine and fuel system technologies developed by the manufacturer.
- Marine Engines: Isuzu marine engines serving the fisheries, transportation and marine sectors, supporting a range of commercial applications across Sri Lanka.

Through its partnership with Isuzu Motors Japan, Sathosa Motors PLC remains committed to providing customers with products that align with evolving industry requirements and technological developments.



ENVIRONMENTAL GOVERNANCE AND COMPLIANCE

Sathosa Motors PLC continues to strengthen its environmental and operational management practices through alignment with internationally recognised standards and certifications. The Company is currently pursuing ISO 14001 certification for its Environmental Management System, reflecting its commitment to environmentally responsible operations and continual improvement.

The Company has successfully obtained ISO 9001 certification for its Quality Management System and is currently pursuing ISO 45001 certification for its Occupational Health and Safety Management System. These initiatives reflect the Company's commitment to operational excellence, sustainability and employee wellbeing.

The Company is currently progressing through the ISO 45001 certification process with Bureau Veritas (BV), with certification subject to the successful completion of the assessment process.



ENVIRONMENTAL STEWARDSHIP

Through its sustainability initiatives, Sathosa Motors PLC continues to reinforce its commitment towards environmental stewardship, pollution prevention, resource conservation, and sustainable operational practices. The Company remains focused on integrating environmental considerations into its business activities while supporting broader sustainability objectives.

Social Impacts

Sathosa Motors PLC remains committed to creating a positive social impact by prioritising employee welfare, workplace safety, community engagement, and ethical labour practices.

The Company's ESG Sustainability Policy emphasises the importance of the following:

- Providing a safe, inclusive, and fair working environment
- Supporting employee wellbeing and professional development
- Upholding human rights and rejecting discrimination, forced labour, and child labour.
- Engaging with local communities and supporting community development initiatives
- Promoting responsible supply chain practices

The Company is in the process of obtaining ISO 45001 certification as part of its continued efforts to enhance occupational health and safety standards and promote employee wellbeing.

In addition, the E-Waste Collection Programme conducted in collaboration with Ceylon Waste Management contributed to raising environmental awareness among employees and external stakeholders while promoting responsible community participation in sustainable waste disposal practices.

Refer to the Social and Relationship capital and the Human Capital chapter for more information on the Company's efforts towards creating progressive value via its contribution to society.

Governance Highlights

Sathosa Motors PLC's governance practices support the Company's commitment to ethical conduct, transparency, accountability, and responsible business operations.

The Board of Directors oversees ESG practices and governance standards across the organisation to ensure sustainable and ethical business conduct.

ANTI-CORRUPTION AND ETHICS

The Company maintains a zero-tolerance approach towards corruption and unethical practices, guided by its Anti-Bribery and Corruption Policy.

RESPONSIBLE GOVERNANCE PRACTICES

The Company's ESG Sustainability Policy reinforces strong governance principles centred on ethical business conduct, accountability, transparency, and responsible corporate behaviour. The policy further emphasises responsible supply chain management and adherence to applicable laws and regulations, ensuring that business operations are conducted with integrity and in alignment with established governance standards.

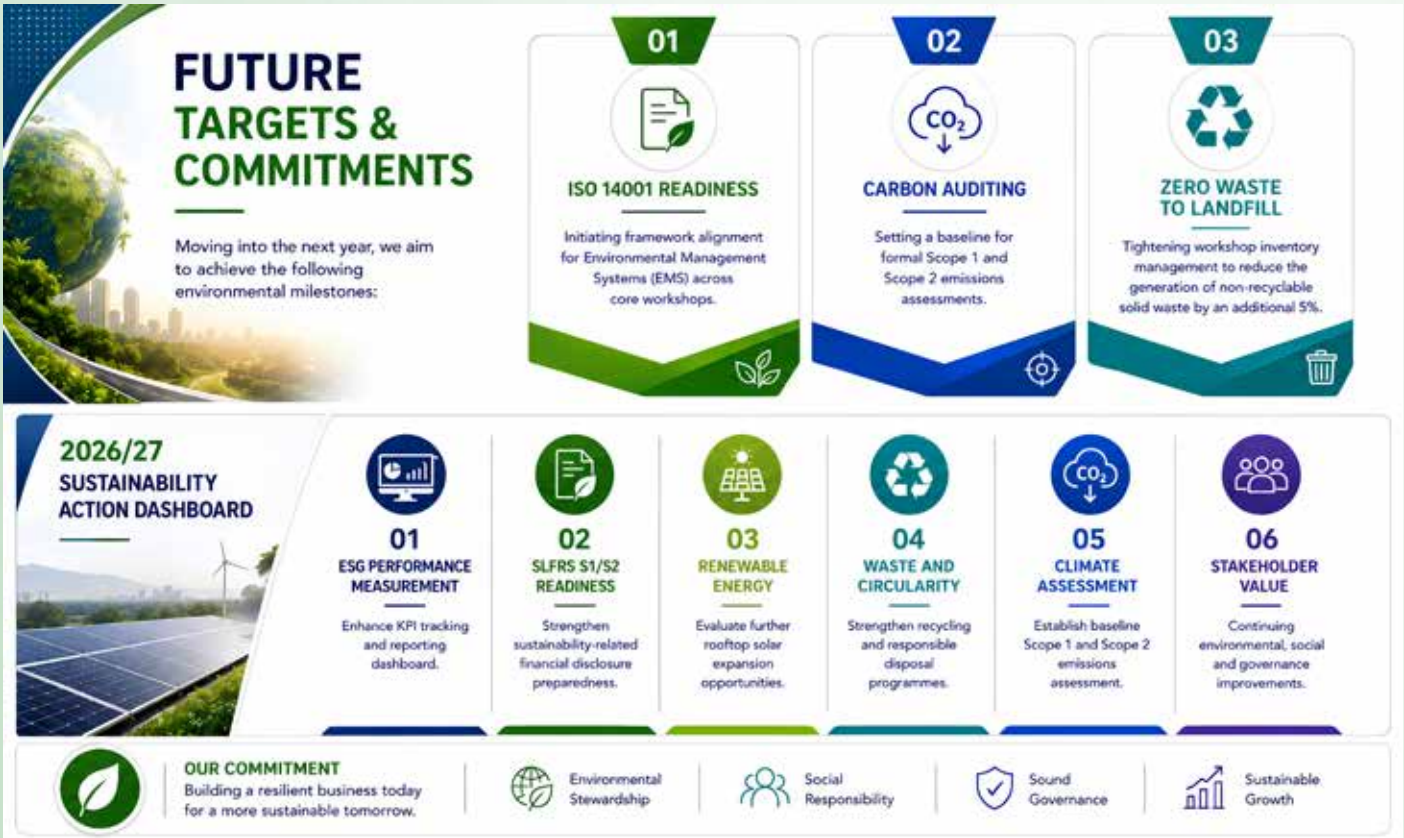


Future Targets and Commitments

Moving into the next year, Sathosa Motors PLC aims to achieve the following environmental milestones:

1. ISO 14001 Readiness: Initiating framework alignment for Environmental Management Systems (EMS) across core workshops.
2. Carbon Auditing: Setting a baseline for formal Scope 1 and Scope 2 emissions assessments.
3. Zero Waste to Landfill: Tightening workshop inventory management to reduce the generation of non-recyclable solid waste by an additional 5%.

2026/27 Sustainability action dashboard	
ESG performance measurement	Enhance KPI tracking and reporting dashboard
SLFRS S1/S2 readiness	Strengthen sustainability-related financial disclosure preparedness
Renewable energy	Evaluate further rooftop solar expansion opportunities
Waste and circularity	Strengthen recycling and responsible disposal programmes
Climate assessment	Establish baseline Scope 1 and Scope 2 emissions assessment
Stakeholder value	Continuing environmental, social and governance improvements



ESG & SDG CONTRIBUTION DASHBOARD

DRIVING SUSTAINABLE MOBILITY. CREATING LASTING VALUE.

OUR PURPOSE
Empowering mobility and empowering communities for a better tomorrow.

OUR FOCUS
Sustainable solutions, responsible operations and long-term value creation.

OUR IMPACT
Contributing to the SDGs through our six capitals approach.

OUR PARTNERS
Working together with stakeholders for a sustainable future.

OUR FOUR CAPITALS APPROACH

NATURAL CAPITAL

Protecting the environment through responsible resource use and climate action for a greener future.

- Wastewater treatment sanitation practices across operation
- Energy efficiency through LED lighting and solar energy installations.
- Supporting reliable transport solutions and responsible environmental practices.
- Waste management and responsible e-waste management programmes.
- Energy efficiency initiatives & action to reduce operational emissions.
- Minimising risks of water pollution through proper wastewater treatment and responsible disposal.
- Responsible management and disposal of hazardous waste (batteries, lubricants, etc.).

HUMAN CAPITAL

Investing in our people, ensuring their well-being and creating inclusive opportunities.

- Creating employment opportunities and supporting employee financial well-being.
- Employee welfare initiatives (dry ration distributions & assistance programmes).
- Workplace health, safety & occupational health practices.
- Technical & vocational education, training, learning & development with Isuzu Motors Japan.
- Equal opportunity, women leadership & inclusion in the automotive industry.
- Decent work, vocational training & economic growth in the automotive sector.
- Fair & equal access to employment, training & career development for all.

SOCIAL & RELATIONSHIP CAPITAL

Building strong relationships with communities, partners and customers for shared progress.

- Engaging with local communities through CSR and development programmes.
- Building long-term relationships with customers through quality products and services.
- Collaborating with suppliers and business partners for sustainable value creation.
- Supporting road safety awareness and responsible driving initiatives.
- Promoting innovation and sustainable solutions in mobility.
- Customer satisfaction and feedback-driven continuous improvement.

INTELLECTUAL CAPITAL

Driving innovation and techeical excellence through knowledge, technology and continuous improvement.

- Investing in research, innovation and advanced mobility solutions.
- Developing skilled workforce through continuous learning and knowledge sharing.
- Leveraging technology for operational efficiency and quality improvement.
- Digital transformation and data-driven decision making.
- Protecting intellectual property and fostering innovation culture.
- Sharing knowledge and best practices across the organisation.

SML
SUSTAINABLE MOBILITY. LASTING VALUE.

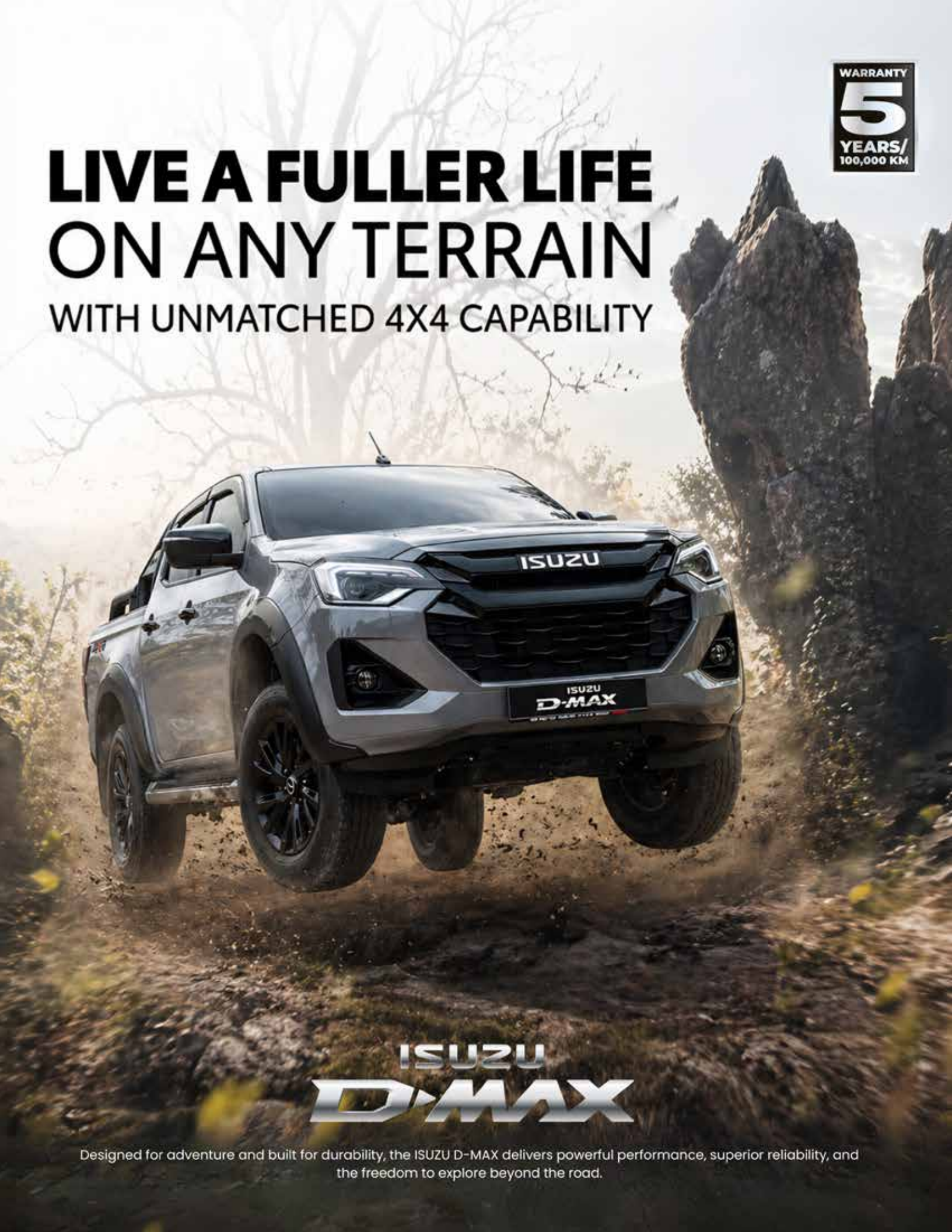
OUR CONTRIBUTION TO ALL 17 SUSTAINABLE DEVELOPMENT GOALS

OUR PARTNERSHIPS FOR THE GOALS (SDG 17)

GOVERNMENT AGENCIES | VOCATIONAL INSTITUTIONS | INDUSTRY PARTNERS | COMMUNITY ORGANISATIONS

Collaborating for sustainable industry growth and a better tomorrow.




WARRANTY
5
YEARS/
100,000 KM
LIVE A FULLER LIFE
ON ANY TERRAIN
WITH UNMATCHED 4X4 CAPABILITY
ISUZU
ISUZU
D-MAX
ISUZU
D-MAX
Designed for adventure and built for durability, the ISUZU D-MAX delivers powerful performance, superior reliability, and the freedom to explore beyond the road.

What keeps a nation's most affordable protein moving?



300 Million
eggs and poultry transported

Over 300 million eggs and significant poultry output depend on uninterrupted, time-sensitive logistics from farms to markets, where Sathosa Motors PLC holds a strong position in supporting transport across poultry supply chains.

Enabling freshness. Sustaining supply. Powering everyday nutrition.

Sathosa Motors PLC firmly believes that strong corporate governance is fundamental to achieving sustainable growth, fostering stakeholder trust, and creating long-term value. Guided by the principles of accountability, transparency, integrity, and ethical business conduct, the Company continues to embed robust governance practices across all levels of its operations. Our governance framework is designed not only to ensure regulatory compliance, but also to strengthen strategic decision-making, enhance performance oversight, and reinforce responsible corporate leadership. Through this disciplined approach, Sathosa Motors PLC remains committed to building enduring relationships with shareholders, employees, regulators, customers, and all other stakeholders while advancing its vision of becoming the trusted leader in the Sri Lankan automobile industry.

During the reporting period, Sathosa Motors PLC fully complied with the applicable Corporate Governance requirements stipulated under Sections 7.6 and 9 of the Listing Rules of the Colombo Stock Exchange. With the implementation of the revised Listing Rules effective from 1st October 2023, the Board has proactively initiated the necessary measures to ensure timely and complete compliance with the enhanced regulatory framework. Our governance philosophy continues to serve as the foundation for effective risk management, executive accountability, and sustainable business practices, enabling the Company to uphold the highest standards of corporate excellence and consistently deliver value to all stakeholders.

GOVERNANCE PHILOSOPHY OF SATHOSA MOTORS PLC

Sathosa Motors PLC follows a corporate governance philosophy based on accountability, transparency, integrity, and stakeholder protection. The company views governance as a strategic tool for sustainable business growth while balancing the interests of shareholders, employees, customers, regulators, and society.

Its governance approach focuses on ethical business practices, responsible leadership, regulatory compliance, risk management, and long-term value creation. Beyond legal compliance, Sathosa Motors increasingly emphasizes ESG integration, operational sustainability, stronger internal controls, effective board leadership, and improved governance transparency to meet modern corporate expectations.

GOVERNANCE FRAMEWORK

Sathosa Motors PLC's Corporate Governance Framework guides the Board and its Sub-Committees in ensuring effective leadership, accountability, and sustainable value creation. The Company adheres to internal governance standards while complying with the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance 2023, the Companies Act No. 07 of 2007, SEC regulations, and other applicable laws. The governance model promotes transparency, ethical conduct, prudent resource management, and clear responsibilities across the organization, while supporting long-term stakeholder confidence through consistent and transparent stakeholder engagement.

The Regulatory and Voluntary standard code framework comprises the following;

External Framework	Internal Framework
Regulatory Framework • Companies Act no.7 of 2007 • Continued Listing Requirements of the CSE • Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 • Inland Revenue Act No.10 of 2006 and Amendments • Inland Revenue Act No.24 of 2017 and Amendments • Customs Ordinance No.17 of 1869 • Foreign Exchange Act No. 12 of 2017 **Voluntary Standards Codes Framework** • Code of Best Practice on corporate Governance issued by CA Sri Lanka (2023) • SLFRS S1 and S2 Sustainability Disclosure Standards	**Policies & Framework** • Article of Association • Terms and Reference of Board Committees • Risk Management Framework • Policies and Procedures **Organisational Culture** • Corporate Values • Employee Handbook

GOVERNANCE STRUCTURE

The corporate governance structure of an organization provides the framework through which the company is directed, controlled, and managed to achieve its strategic objectives while ensuring accountability, transparency, and ethical business practices.

At the apex of the structure are the Shareholders, who are the ultimate owners of the company and exercise their authority through the appointment of the Board of Directors. Supporting the governance process are the External Auditors, who independently examine the company's financial statements and reporting practices to ensure accuracy, compliance, and transparency. The Secretary to the Board facilitates effective communication, regulatory compliance, and proper administration of board activities.

The Board of Directors serves as the central governing body responsible for setting strategic direction, monitoring organizational performance, ensuring regulatory compliance, and protecting stakeholder interests. To enhance efficiency and strengthen oversight, the Board operates through several specialized sub-committees, each focusing on key governance areas. These include the Nomination and Governance Committee, Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, and Strategic Planning Committee.

The Audit Committee works closely with the Internal Auditors to maintain strong internal controls, risk management systems, and financial integrity. The Nomination and Governance Committee ensures effective board composition and promotes sound governance practices, while the Remuneration Committee oversees fair and performance-based compensation policies. The Related Party Transactions Review Committee monitors transactions involving related parties to ensure transparency and fairness, and the Strategic Planning Committee supports long-term organizational growth and sustainability.

Beneath the Board and its committees lies the Corporate Management and Executive Committees, which are responsible for implementing policies, strategies, and operational decisions approved by the Board. The Executive Management team manages the day-to-day operations of the organization and ensures the achievement of corporate objectives in alignment with the company's vision, mission, and governance principles.



THE BOARD OF DIRECTORS

The Board of Directors is the highest governing authority of the Company, entrusted with ensuring its long-term sustainability and value creation. It provides leadership by defining the Company's strategic direction and promoting a strong governance culture based on accountability, risk awareness, transparency, and constructive engagement. The Board ensures that accurate and timely information is available across the organization to support effective decision-making.

The Board's primary functions include:

- Providing strategic and entrepreneurial leadership
- Overseeing risk management and control systems
- Ensuring transparency in appointments and succession
- Aligning executive remuneration with shareholder interests
- Evaluating governance effectiveness and board conduct
- Facilitating shareholder dialogue and disclosures

BOARD COMPOSITION AND BALANCE

As of 31st March 2026, the Board comprised nine (9) Directors, consisting of three Executive Directors, three Non-Executive Directors, and three Independent Non-Executive Directors. This balanced composition promotes diversity in experience, tenure, and governance perspectives, thereby strengthening the effectiveness of Board deliberations and decision-making.

The Board includes members with extensive expertise across key functional areas, including automobile, marketing and sales, finance and accounting, and the Engineering, Entrepreneurship, Legal Profession. Detailed profiles and qualifications of the Directors are provided in the Directors' Profiles section of this Annual Report. The governance framework and policies governing the Board's operations are set out in the Board Charter, which defines the roles, responsibilities, and procedures of the Board and its Committees.

BOARD OF THE DIRECTORS

EXECUTIVE DIRECTORS

- J C Joshua (Vice Chairman)
- I S N Fernando (Managing Director)
- M D Joshua

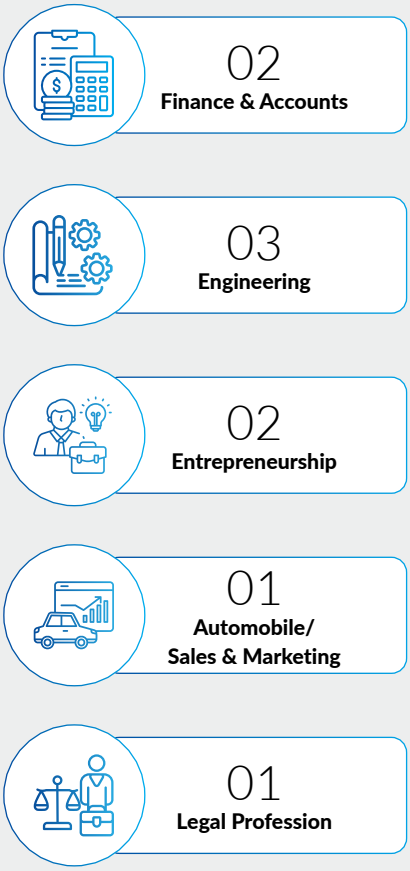
NON – EXECUTIVE DIRECTORS

- S J S Perera (Chairman)
- S D Munasinghe
- D A R Fernando

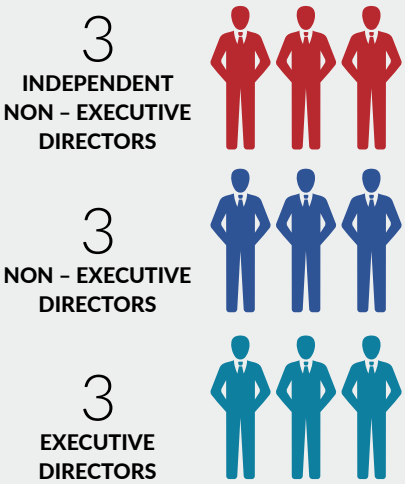
INDEPENDENT NON – EXECUTIVE DIRECTORS

- W A M Wimalarathna
- T C D Kumarasiri
- R S Dahanayake

BOARD OF DIRECTORS INDUSTRY EXPERIENCE



BOARD BALANCE AND ITS INDEPENDENCE



TENURE ON THE BOARD



DIRECTOR COMPLIANCE

In compliance with the corporate governance requirements set out under the Listing Rules of the Colombo Stock Exchange, all Directors of Sathosa Motors PLC have submitted their annual declarations affirming adherence to the prescribed "Fit and Proper" criteria. These declarations confirm that each Director possesses the requisite integrity, professional competence, industry expertise, experience, and financial soundness necessary to effectively discharge their fiduciary duties and act in the best interests of the Company and its stakeholders.

The Board continues to maintain an appropriate balance of executive leadership, industry knowledge, and independent oversight, thereby strengthening the overall governance framework of the Company. The presence of Independent Non-Executive Directors (INEDs) significantly enhances the Board's ability to exercise objective judgment and uphold the principles of accountability, transparency, and ethical conduct. Through their independent perspectives and professional expertise, INEDs provide constructive scrutiny of management decisions, contribute to strategic deliberations, and support effective risk oversight and corporate stewardship.

Furthermore, the Independent Non-Executive Directors remain free from any business, financial, or other relationships that could materially impair their independence or objectivity. This independence enables them to perform their responsibilities with impartiality and integrity, ensuring that the interests of shareholders and other stakeholders are safeguarded while promoting sustainable value creation and long-term corporate resilience.

BOARD MEETINGS AND ATTENDANCE

During the financial year, the Board of Directors convened four scheduled meetings to deliberate on strategic, financial, and operational matters critical to the Company's performance and long-term sustainability. In addition to these scheduled meetings, ad hoc meetings are convened as and when required to address urgent matters and provide timely oversight and guidance on emerging developments.

The table below presents the attendance of each Director at the scheduled Board meetings, demonstrating the Board's commitment to strong corporate governance, accountability, and active participation in the decision-making process.

Attendance details relating to Sub-Committee meetings are disclosed separately within the respective Committee Reports.

Name of Director		16.05.2025	07.08.2025	11.11.2025	11.02.2026
S J S Perera	3/4	✓	×	✓	✓
J C Joshua	4/4	✓	✓	✓	✓
I S N Fernando	4/4	✓	✓	✓	✓
M D Joshua	4/4	✓	✓	✓	✓
S D Munasinghe	4/4	✓	✓	✓	✓
D A R Fernando	4/4	✓	✓	✓	✓
T C D Kumarasiri	4/4	✓	✓	✓	✓
W A M Wimalaratna	4/4	✓	✓	✓	✓
R S Dahanayake	4/4	✓	✓	✓	✓

✓ - *Attended* × - *Absent* *N/A* - *Not Applicable*

BOARD COMMITTEES

To support the effective discharge of its responsibilities, the Board of Directors has established five Board Sub-Committees, each entrusted with a clearly defined mandate to provide focused oversight on key governance and operational matters. These are,

- Audit Committee
- Remuneration Committee
- Nomination and Governance Committee
- Related Party Transactions Review Committee
- Strategic Planning Committee.

The Board delegates specific responsibilities to these Sub-Committees to facilitate detailed review and informed decision-making within their respective areas of expertise. Each Committee operates under formally approved Terms of Reference, which are reviewed annually by the Board to ensure continued relevance and alignment with regulatory requirements and corporate objectives.

The respective Committee Chairpersons are responsible for ensuring the effective functioning of the Committees and for reporting significant matters, deliberations, and recommendations to the Board on a regular basis. Minutes of Committee meetings are circulated to the Board and tabled for discussion at Board meetings, thereby ensuring transparency, accountability, and effective coordination across the governance framework. Please refer to pages 110 to 118 for further information on the activities of the Sub-Committees during the year.

The composition of the Board Sub-Committees as of the year-end are as follows;

Committee	Purpose / Key Responsibilities	Name Of the Director
Audit Committee Refer pages 110 to 111	Oversee financial reporting, internal controls, audit processes, risk management, compliance, and financial statement integrity.	T C D Kumarasiri – Chairman W A M Wimalaratna R S Dahanayake
Remuneration Committee Refer page 112	Formulates remuneration policies for Executive Directors and Key Management Personnel and aligns remuneration with performance and strategy.	W A M Wimalaratna – Chairman T C D Kumarasiri D A R Fernando
Nomination and Governance Committee Refer pages 116 to 118	Oversee Board composition, appointments, succession planning, governance practices, and compliance with governance standards.	T C D Kumarasiri – Chairman W A M Wimalaratna R S Dahanayake
Related Party Transactions Review Committee Refer pages 113 to 114	Reviews and approves related party transactions to ensure arm's-length dealings and regulatory compliance.	T C D Kumarasiri – Chairman W A M Wimalaratna R S Dahanayake
Strategic Planning Committee Refer page 115	Oversee long-term strategy, growth initiatives, investments, acquisitions, partnerships, and strategic projects.	J C Joshua – Chairman I S N Fernando M D Joshua

COMPLIANCE DISCLOSURES

The Company has demonstrated substantial compliance with Section 9 of the Colombo Stock Exchange Listing Rules, the Companies Act No. 07 of 2007, and the 2023 Code of Best Practice on Corporate Governance issued by CA Sri Lanka. Compliance relating to ESG reporting will be achieved within the prescribed regulatory timeframe.

Compliance with section 09 of the listing rule

The Company confirms compliance with Section 09 of the Listing Rules of the Colombo Stock Exchange, which sets out the corporate governance requirements applicable to listed entities. The Board has ensured adherence to all applicable provisions through established governance policies, Board-approved frameworks, and effective oversight mechanisms.

The compliance status in respect of key requirements is summarized below:

Rule	Summary of requirement	Compliance Status
9.2	Policies to be maintained by listed companies	Complied
9.3	Board Committees	Complied
9.4	Ensure proper conduct of General Meetings and effective communication with shareholders	Complied
9.5	Policy on matters relating to the Board of Directors	Complied
9.6.1	Chairperson and CEO	Complied
9.7	Fitness and propriety of Director and CEOs	Complied
9.8	Board composition	Complied
9.9	Alternate Directors	N/ A
9.10	Disclosures relating to directors	Complied
9.11	Nominations and Governance Committee	Complied
9.12	Composition and policy framework	Complied
9.13	Audit governance requirements	Complied
9.14	Related Party Transactions governance compliance	Complied
9.17	Additional Disclosures	Complied

Accordingly, the Company affirms full compliance with the corporate governance provisions set out under Section 09 of the Listing Rules, demonstrating its commitment to transparency, accountability, and adherence to best governance practices.

The company compliance with the 2023 corporate governance code

The Company is committed to maintaining high standards of corporate governance in line with the 2023 Corporate Governance Code. Through effective Board leadership, Committee oversight, robust internal controls, risk management processes, and comprehensive governance policies, the Company promotes transparency, accountability, ethical conduct, regulatory compliance, and sustainable value creation. The governance framework also supports responsible shareholder engagement, sound financial reporting, audit oversight, related party transaction management, and the integration of environmental, social, governance (ESG), information technology, and cyber security considerations into the Company's operations and decision-making processes.

The compliance status in respect of key requirements is summarized below:

Principle	Key Focus	Status
A.1 Board Structure & Role	Composition, balance, meetings, responsibilities	Complied
A.2 Chairman & CEO/MD Structure	MD performs CEO role; clear Chair–MD separation	Complied
A.3 Chairman Role	Agenda control, governance leadership	Complied
A.4 Financial Acumen	Board skills & expertise disclosure	Complied
A.5 Board Balance & Independence	Independent NEDs, independence declarations	Complied
A.6 Supply of Information	Timely board papers & reports	Complied
A.7 Board Appointments	Fit & proper test, nomination committee	Complied
A.8 Re-election	AGM-based reappointment process	Complied
A.9 Board Performance Appraisal	Annual evaluations & self-assessment	Complied
A.10 Disclosure	Shareholder communication of board changes	Complied
Exceptions (A5.6 ,5.7)	Alternate Directors, Chairman as CEO	N/A
B.1 Remuneration Process	Remuneration Committee oversight	Complied
B.2 Level and Make Up of Remuneration	Market-based, performance-linked ED pay	Complied
B.3 Disclosure of remuneration	KMP compensation disclosure	Complied
Exceptions (B2.6 ,2.8, B2.9)	Share options, pensions, termination pay	N/A
C.1 AGM Governance	Transparent voting, structured meetings	Complied
C.2 Communication with Shareholders	Regular disclosures & investor contact	Complied
C.3 Major and Material Transaction	RPT oversight via committee	Complied
D.1 Financial Reporting	Compliance with SLFRS/LKAS	Complied
D.2 Risk Management & Internal Control	Internal audit + risk framework	Complied
D.3 Audit Committee	Independent audit governance	Complied
D.4 RPT Review	Fair pricing & monitoring	Complied
D.5 Code of Business Conduct and Ethics	Ethical conduct, code of ethics, conflict management and compliance culture	Complied
D.6 Disclosure	Governance reporting and disclosure requirements	Complied
E.1 Voting & Engagement	AGM participation & dialogue	Complied
E.2 Governance Evaluation	Investor awareness encouraged	Complied
F.1 Information Access	Transparent reporting	Complied
F.2 Shareholder Participation	Voting rights encouraged	Complied
G.1–G.5 Cyber Governance	Risk controls, audits, CISO function	Complied
H.1 ESG Reporting	Integrated ESG reporting framework	Complied

ANNUAL REPORT DISCLOSURES MANDATED BY THE COMPANIES ACT NO. 7 OF 2007

The Board of Directors confirms that the Annual Report has been prepared in compliance with the disclosure requirements of the Companies Act No. 7 of 2007 of Sri Lanka and is satisfied that the Company has complied with all applicable statutory disclosure requirements during the financial year under review. The Company remains committed to maintaining high standards of transparency, accountability, and corporate reporting through the timely and accurate disclosure of relevant information to its stakeholders.

The compliance status in respect of key requirements is summarized below:

Section 168	Requirement	Status
(1)(a)	Nature of business & changes during year	Complied
(1)(b)	Signed financial statements (Group & Company)	Complied
(1)(c)	Auditor's report on financial statements	Complied
(1)(d)	Changes in accounting policies	Complied
(1)(e)	Interests register entries	Complied
(1)(f)	Directors' remuneration & benefits	Complied
(1)(g)	Donations made during the year	Complied
(1)(h)	Directors in office & resignations	Complied
(1)(i)	Auditor fees (audit & other services)	Complied
(1)(j)	Auditor relationships/interests' disclosure	Complied
(1)(k)	Board signing of financial statements (2 directors)	Complied

DIRECTORSHIP

The directorship status of each Director together with an analysis of their other directorships / key positions appear below: This illustrates that the other directorships in listed companies held by Directors are within the limit prescribed by the Board in terms of the Policy on Matters relating to the Board of Directors, namely maximum of. Five (05) directorships in listed companies.

No	Name of the Director	Total Directorships	Number of Board Seats held in Listed Companies including Sathosa Motors PLC		Number of Board Seats held in Unlisted Companies	
			Executive Capacity	Non-Executive Capacity	Executive Capacity	Non-Executive Capacity
1.	S J S Perera	40		2	38	
2.	J C Joshua	19	2		17	
3.	D A R Fernando	14	1	1	12	
4.	S D Munasinghe	9		1	8	
5.	I S N Fernando	4	1		3	
6.	R S Dahanayake	1		1		
7.	M D Joshua	1	1			
8.	T C D Kumarasiri	6	1	2		3
9.	W A M Wimalaratna	2		1	1	

ANNEXURE 1

Status of compliance with Section 9 of the Listing Rules issued by the Colombo Stock Exchange on Corporate Governance

CSE Rule Reference	Corporate Governance Principle	Compliance States	Comments
9.1.3	Extent of compliance with Corporate Governance Rules	✓	The Board confirms that the Company has complied with the applicable requirements of Section 9 of the CSE Listing Rules during the financial year under review and has disclosed the extent of such compliance in the Annual Report.
9.2.1	Availability of policies	✓	Policies have been duly established, maintained, and published on our official website in accordance with the requirements for Listed Entities. a) Policy on Matters Relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including Trading in the Entity's Listed Securities f) Policy on Risk Management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance (ESG) Sustainability Policy on Control and Management of Company Assets and Shareholder Investments i) Policy on Corporate Disclosures j) Policy on Whistle blowing k) Policy on Anti-Bribery and Corruption
9.2.3	Disclosure of policies and changes thereto	✓	The Company has disclosed the list of policies maintained in accordance with Rule 9.2.1. No material changes were made to these policies during the financial year under review.
9.3.1	Establishment of the Mandatory Board Committees	✓	The four mandatory Board committees are established by the board and maintained effectively.
9.3.2	Board composition, responsibilities and disclosures	✓	The Company complies with the composition, responsibilities, and disclosure requirements of the specified Board Committees, in accordance with the applicable Listing Rules.
9.3.3	Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees	✓	The Chairperson of the Board of Directors does not serve as the Chairperson of any of the Board Committees.
9.4.1	Recording of the resolutions passed at the AGM	✓	The Company Secretary is responsible for maintaining comprehensive records of all resolutions passed at the Annual General Meeting, including details such as proxy appointments, voting counts in favours and against each resolution, and the number of shares for which voting was abstained.
9.4.2	Communication and relation with shareholders and investors	✓	The Company maintains a policy on shareholder and investor relations. The Company Secretary acts as the designated contact person for shareholder communications. Material shareholder concerns and feedback are communicated to the Board through the Chairperson and Company Secretary, ensuring that Directors are kept informed of significant shareholder matters.

CSE Rule Reference	Corporate Governance Principle	Compliance States	Comments
9.5.1	Availability of policy on governing matters relating to the Board of Directors	✓	The Company maintains a formal Board Policy and Board Charter covering Board composition, Chairperson and CEO responsibilities, Board diversity, Board meeting procedures, Director attendance requirements, Board and CEO performance evaluations, trading in Company securities, Director awareness of regulatory obligations, and participation in meetings through audio-visual means.
9.5.2	Disclosures in the Annual Report	✓	Disclosures are made with regards to the availability of policy on governing matters relating to the Board of Directors.
9.6.1	Chairperson and CEO	✓	The Chairperson is a Non-Executive Director, and a different person holds the role of CEO.
9.6.2	Market announcement of non-compliances	***N/A***	N/A
9.6.3	Market announcements of non-compliances	***N/A***	N/A
9.6.4	Rationale for such appointment	***N/A***	N/A
9.7.1, 9.7.2	Appointment of fit and proper persons	✓	Fit and proper assessment carried out covered the required criteria. Considered the fit and proper criteria for the new Director appointments.
9.7.3	Fit and proper assessment criteria; a) Honesty, integrity & reputation b) Competence & capability c) Financial soundness	✓	All Directors meet the fit and proper criteria.
9.7.4	Annual declarations from Directors and CEO	✓	Annual declarations obtained from all Directors confirming fit and proper assessment criteria have been met.
9.7.5	Disclosures in the Annual Report	✓	Disclosures are made in the Annual Report of the Board of Directors.
9.8.1	The Board of Directors of the Company, at a minimum, consist of Five (5) Directors	✓	The Board of Directors of the Company consist of Nine Directors as of the year end.
9.8.2	Minimum number of Independent Directors (Min:2 or 1/3 of total number, whichever is higher)	✓	The Board has 3 Independent Directors as of the year end and meets required criteria.
9.8.3 9.8.5	Criteria for determining independence and annual assessment of Independent Directors	✓	Annual declarations of independence were obtained from all Independent Directors and reviewed by the Board. The Board formally assessed and determined that each Independent Director satisfies the independence criteria set out in Rule 9.8.3. The names of Directors determined to be independent are disclosed in the Annual Report.
9.9	Alternate Directors	***N/A***	No alternate directors appointed.
9.10.1	Policy on the maximum number of directorships	✓	As per the Terms of Reference of the Board Nominations and Governance Committee, the maximum number of directorships Board members are permitted to hold is Five, Refer Pages no. 116 to 118.
9.10.2	Appointment of new Director	✓	Complied with all new appointments.
9.10.3	Changes to the composition of the Board Committees	✓	Announcements were made as required by the rules.
9.10.4	Disclosures in the Annual Report	✓	The Annual Report discloses Directors' profiles, expertise, directorships, Board attendance and Board Committee memberships. The Company confirms that no material business relationships exist between Directors or their close family members that could impair independent judgement. Committee attendance details and, where applicable, the terms of reference and powers of the Senior Independent Director are disclosed in the Annual Report.

CSE Rule Reference	Corporate Governance Principle	Compliance States	Comments
9.11.1	Availability of Nominations and Governance Committee	✓	The Company has a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11.1.
9.11.2	Appointment and re-election of Directors	✓	Directors are re-elected with the sanction of the shareholders at the Annual General Meeting of the Company. Recommendations regarding the re-election of Directors are given by the Company Secretary and the same is reviewed by the Board.
9.11.3	Terms of Reference	✓	Refer report of the Board Nominations and Governance Committee.
9.11.4	1) Composition - Minimum of three Directors, out of which a minimum of two members shall be Independent Directors 2) Composition - An Independent Director shall be appointed as the Chairperson of the Committee (3) The Chairperson and the members of the Committee shall be identified in the Annual Report	✓	All members are Independent Directors. Refer the Composition of the Nominations and Governance Committee report.
9.11.5	The functions of the Committee	✓	Refer to the report of the Board Nominations and Governance Committee.
9.11.6	Disclosures in the Annual Report	✓	The Nominations and Governance Committee Report includes details of Committee composition, appointment dates, Board diversity, Director nominations and re-elections, Board and CEO performance evaluations, Director induction and training programs, processes for informing Independent Directors of significant matters, compliance with independence criteria, and confirmation of compliance with Section 9 of the CSE Listing Rules.
9.12.2	Availability of Remuneration Committee	✓	Referring to the Remuneration Committee Report.
9.12.3 / 9.12.4	Remuneration Policy - Executive Directors/ Non- Executive Directors		
9.12.5	Terms of Reference		
9.12.6	(1) Composition - Minimum of three Directors out of which minimum of two members shall be Independent Directors (2) Composition - Independent Director shall be appointed as the Chairperson of the Committee	✓	All members are Independent Directors.
9.12.7	The functions of the Remuneration Committee	✓	Referring to the Remuneration Committee Report.
9.12.8	Disclosures in the Remuneration Committee Report	✓	The Remuneration Committee Report discloses the names of Committee members, the Company's remuneration policy and the aggregate remuneration of Executive and Non-Executive Directors for the financial year.
9.13.1	Audit functions	✓	The audit functions are carried out by Board Audit Committee.
9.13.2	Terms of Reference	✓	The Board Audit Committee has written terms of reference clearly defining its scope, authority, and duties. Refer report of the Board Audit Committee on Pages no 110 to 111.

CSE Rule Reference	Corporate Governance Principle	Compliance States	Comments
9.12.3	(1) Composition - A Minimum of three Directors, out of which a minimum of two or a majority of the members, whichever is higher, shall be Independent	✓	All the Committee members are independent.
	(2) Composition - The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors		
	(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market	✓	Audit Committee meets on a quarterly basis prior to publishing the Financial Statements.
	(5) Independent Director shall be appointed as the Chairperson of the Committee	✓	Independent Director acts as the Chairperson of the Committee.
	(6) The CEO and the CFO shall attend the Audit Committee meetings by invitation	✓	CEO and Executive Director-Finance attend meetings by invitation.
	(7) The Chairperson of the Audit Committee shall be a member of a recognized professional accounting body	✓	Chairperson of the Audit Committee is a member of recognized professional accounting body.
9.13.4	The functions of the Audit Committee	✓	Referring to the report of the Board of Audit Committee.
9.13.5	Disclosures in the Audit Committee Report	✓	The Audit Committee Report includes CEO and CFO assurance statements, the Committee's opinion on financial reporting compliance, internal audit arrangements, auditor independence confirmations, the Audit Committee's assessment of auditor independence, the period of auditor engagement and details of non-audit services, where applicable.
9.14.1	Availability of Related Part Transactions Review Committee	✓	Related Party Transactions Review Committee of the Company conforms to the requirements of Section 9.14.
9.14.2	Composition - A minimum of three Directors, out of which two members shall be Independent Directors. Committee may also include Executive Directors. An Independent Director shall be appointed as the Chairperson of the Committee	✓	All 3 members are Independent Directors.
9.14.3	Functions of the Related Party Transactions Review Committee	✓	Refer to the report of the Related Party Transactions Review Committee.

CSE Rule Reference	Corporate Governance Principle	Compliance States	Comments
9.14.4	(1) The Committee shall meet at least once a calendar quarter	✓	Committee meets every quarter and for attendance refers to the committee report.
	(2) The Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed related party transactions	✓	Refer to the report of the Related Party Transactions Review Committee.
	(3) Approval of related party transactions by Board of Directors	✓	No such requirement arisen,
	(4) Approving transactions with conflict of interest	✓	Refrain from decision-making.
9.14.5	Review of related party transactions by the Related Party Transactions Review Committee	✓	All related party transactions are reviewed by the Committee.
9.14.6	Shareholder approval	✓	There were no RPTs during the year which required Shareholder approval as set out in Section 9.14.6.
9.14.7	Immediate disclosure	✓	There were no RPTs during the year which required immediate market announcement as set out in Section 9.14.7.
9.14.8	(1) Related party disclosures Non-recurrent RPT exceeding 10% of the equity or 5% of the total assets, whichever is lower (in the specified format)	✓	Refer Note 25 to the Financial Statements on "Related Party Disclosures".
	(2) Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format)	✓	Refer Note 25 to the Financial Statements on "Related Party Disclosures".
	(3) Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that Committee reviewed RPTs and communicated comments/ observations to the Board	✓	Refer to the report of the Related Party Transactions Review Committee.
	(4) Affirmative declaration by the Board of Directors on compliance with related party transactions rules or negative statement to that effect.	✓	Refer to the Annual Report of the Board of Directors.
9.14.9	Acquisition and disposal of assets from/to related parties	✓	During the year, there was no acquisition/disposal of substantial assets from/to related parties.
9.14.10	Exempted related party transactions	✓	The provisions of the sections are considered when evaluating the related party transactions by the Committee.

CSE Rule Reference	Corporate Governance Principle	Compliance States	Comments
9.17	(i) Declaration of all material interests in contracts (ii) Review of internal controls and compliance management by the Board (iii) Compliance with the applicable laws, rules and regulations (iv) Material non-compliances with laws and regulations	✓	Refer to the Annual Report of the Board of Directors.

ANNEXURE 2

Compliance with the 2023 Corporate Governance Code (CA Sri Lanka)

Principle	Comment	Compliance States
A. Directors		
A.1 The Board		
A.1	Refer Board of directors in the corporate governance section	✓
A.1.1	Ensure a balanced representation of Executive Directors (EDs) and Non-Executive Directors (NEDs) on the Board, addressing overall Board composition, the distinct roles of the Chairperson and CEO, Board balance, and the processes for evaluating the performance of the Board and the CEO	✓
A.1.2	Explanation for the consolidation of the Chairperson and CEO roles, the defined responsibilities of the Senior Independent Director (SID), and the safeguards established to uphold the SID's independence and effectiveness when these two roles are combined	✓
A.1.3	Require diversity in Board composition for Board effectiveness.	✓
A.1.4	The justification for the limit and the maximum allowable number of Directors.	✓
A.1.5	Frequency of Board meetings.	✓
A.1.6	Implement processes to ensure Directors are regularly updated on Listing Rules and the Company's compliance or non-compliance status	✓
A.1.7	Minimum required number and percentage of meetings a director must attend	✓
A.1.8	Requirements governing the trading of securities of the Company and its listed subsidiaries, along with related disclosure duties	✓
A.1.9	Maximum permissible number of directorships held by Directors across listed companies	✓
A.1.10	Authorize attendance at Board and Committee meetings through audiovisual methods, with participation considered valid for quorum purposes	✓
A.1.11	Confirmation of adherence to policy within the annual report, accompanied by justifications for non-compliance and proposed remedial actions	✓
A.2 Chairman and Chief Executive Officer (CEO)		
A.2	Company is not having a CEO position. The duties and responsibilities of the CEO are performed by the MD. There is a clear division of responsibilities of the positions of Chairman and Managing Director (MD) to ensure a balance of power and authority in strategic and operational policy decisions. As such, Chairman is responsible for the leading and effective conduct of the business to the Board and MD is responsible for managing the business in accordance with policy directions formulated by the Board. Decision making at the highest level happens by adopting the rule of simple majority. Decision-making of the highest level happened by adopting the roles of simple majority. No one individual is vested with unfettered powers of decision-making.	✓
A.2.1	Need for a Senior Independent Director (SID) when the roles of Chairperson and CEO are combined in one person.	✓
A,2.2	Public disclosure regarding the Chairperson serving as an Executive Director and/or the merging of the Chairperson and CEO roles, along with the reasoning behind the decision	✓

Principle	Comment	Compliance States
A.3 Chairman's Role		
A.3	Refer Chairman's profile	✓
A.3.1	The Chairman is responsible for making sure that the agenda, minutes of prior meetings; Board papers and supplementary information are circulated among the members in advance, giving sufficient time for preparation. Agenda for each Board Meeting is finalized by the Chairman in consultation with the Company Secretary and where necessary, feedback from the other Members is taken.	✓
A.4 Financial Acumen		
A.4	A brief profile of each member of the Board of directors is given on Board of directors' report	✓
A.5 Board Balance		
A.5	Refer composition of the board under corporate governance Report	✓
A.5.1	Refer composition of the board under corporate governance Report	✓
A.5.2	Refer composition of the board under corporate governance Report	✓
A.5.3	Three Non-Executive Directors on the Board are not involved in day-to-day affairs of the Company, and they do not have any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment. Additionally, each independent Non-Executive Director submits a written declaration of his independence to the Board on an Annual basis. This written annual submission is also considered as part of their annual performance evaluation. Based on the written declaration submitted by the independent NED's for the financial year 2025/2026, they were considered as continuing to be independent.	✓
A.5.4	The Board must ensure that Independent Directors (IDs) submit yearly declarations confirming their independence or lack thereof. The Board is also required to assess and confirm the independence status of each ID annually, identifying those considered independent. A public announcement must be made if an Independent Director's independence is found to be compromised.	✓
A.5.5	Based on the declarations submitted to the Board and other information available the following Non-Executive Directors of the Board were decided to be independent as at the end of the financial year. R S Dahanayake T C D Karunasiri W A M Wimalarathna	✓
A.5.6	This is not applicable as there are no Alternate Directors in the Company	***N/A***
A.5.7	This is not applicable for the Company as the Chairman of the Company is not the CEO.	***N/A***
A.5.8	Please refer to comments sent under A.5.7	✓
A.5.9	The Chairman holds meetings with the NEDs' without the presence of Executive Directors as and when necessary.	✓
A.5.10	During the year, there were no matters concerning the Company that the Board was unable to resolve unanimously. However, in the event such matter arises, the Company Secretary records same in sufficient detail in the Board minutes. These minutes are circulated among Board members prior to the next meeting.	✓
A.6 Supply of Information		
A.6	The Board was provided with timely information by way of Management Reports, Proposals and Board Papers during the year. The information was made available by the Company Secretary along with the agenda at least seven days prior to the meeting to provide sufficient time for preparation. In the event, information provided was not sufficient, supplementary information was provided at the request of Board Members.	✓
A.6.1	Members of the Board (mainly executives) are provided with Management Reports and performance reports in a monthly basis, both in a quantitative and qualitative manner. In addition to this, the entire Board is provided with Board Papers and other relevant information by Corporate Management.	✓
A.6.2	As a norm, all Board Papers are circulated to the Board Members 10 working days beforehand for them to study the material and prepare themselves for the meeting and within two weeks of the meeting the decisions taken and the discussion points are minute and circulated for their review / comments and finalization.	✓

Principle	Comment	Compliance States
A.7 Appointments to the Board		
A.7	All Board appointments are based on the capacity of the individual concerned to pass the "fit and proper" test, which in turn is based on the qualifications, experience and the value that can be added by the individual to the Board as well as to the Company. Existing Directors are vested with the autonomy to critically evaluate the potential candidate in the above test and a final decision Is taken by the Board collectively.	✓
A.7.1	The Company has a Nominations and Governance Committee.	✓
A.7.2	The Board is satisfied with its composition and the level of qualifications, knowledge and experience it possesses to meet strategic demands facing the Company.	✓
A.7.3	New Directors were appointed during the year. However, all new appointments are promptly communicated to the CSE together with brief resume containing the members' expertise, other directorships held and independence for public dissemination.	✓
A.8 Re-Election		
A.8.	Directors are re-elected with the sanction of the shareholders at the Annual General Meeting of the Company. The Articles of Association of the Company require one third of the non-Directors (other than nominee Directors of the Major Shareholder) to appear for re-election at each Annual General Meeting. Recommendations regarding the re-election of Directors are given by the Company Secretary and the same is reviewed by the Board.	✓
A.8.1	In terms of the Articles of Association of the Company, one third of the Non-Executive Directors are required to retire by rotation every year. The re-election of Non-Executive Director has been sanctioned by the shareholders at the AGM of the Company	✓
A.8.2	In the event a new Director is appointed to the Board, he/she will offer himself/herself for election by the shareholders at the first opportunity.	✓
A.8.3	Before the formal resignation the directors explain their reasons for the resignation decision and the same is being minutes under the Board meeting minutes. Also, when Directors send their resignation letters, they explain the decision factors in the resignation letter for the documentary purposes.	✓
A.9 Appraisal of Board Performance		
A.9	Performance of the Board is evaluated from time to time at least once a year to ensure that responsibilities are satisfactorily discharged. Appraisal of Board performance is usually coordinated by the Company Secretary and overseen by the Chairman.	✓
A.9.1	Performance of the Board for the financial year 2025/2026 was assessed at the first Board Meeting conducted for the financial year 2026/27. The evaluation was done against the targets and goals set at beginning of the financial year 2025/2026 covering areas such as, strategic direction of the company, regulatory and legal compliance, corporate governance, risk management, financial performance, systems management and internal audit function among others. The Board was satisfied with its performance in the year 2025/2026.	✓
A.9.2	Members of the Board and Board Committees carried out self-assessments of their performance for the FY 2025/2026 against targets set at the beginning of the year. Minutes of the results of these assessments were recorded by the Company Secretary and areas for improvement in the FY 2026/27 were identified. Over the years, both individual and collective performance appraisal of the Board has facilitated continuous development and improvement.	✓
A.9.3	When a member's name is up for re-election the rest of the Board members discuss the value, addition brought by that member to the Board and the contribution made thereof. Based on the discussion points the decision is made to re-elect. The discussion points are being minutes under the Board meeting minutes.	✓
A.9.4	The performance of the Board has been appraised though a formalized process of individual appraisal by enabling each member to appraise on an anonymous basis.	✓
A.10 Disclosure of Information in Respect of Directors		
A.10	Shareholders are informed as and when necessary, about changes to the Board, interest in the shares of the Company and other relevant details through disclosures and financial results released to the CSE for public dissemination.	✓
B. Director's Remuneration		
B.1 Remuneration Procedure		
B.1	Remuneration payable to the Executive Directors of the Company is recommended by the Remuneration Committee. Remuneration payable to the Non-Executive Directors of the Company is recommended by the Board as a whole. No Director is involved in deciding his own remuneration.	✓

Principle	Comment	Compliance States
B.1.1	The Remuneration Committee is responsible for recommending the remuneration payable to Executive Directors. The Committee makes recommendations to the Board, which is responsible for the final determination.	✓
B.1.2	The Remuneration Committee appointed by the Board consisted of three Non-Executive Directors out of which two were independent. Not comprise of Executive Directors. An Independent Director shall be appointed as the chairperson of the Remuneration Committee.	✓
B.1.3	For Details refer to the Remuneration Committee Report.	✓
B.1.4	Remuneration payable to the Non-Executive Directors is decided by the Board as a whole. The Non-Executive Directors are paid a monthly fee for being a Member of the Board and its Subcommittees. Since the Non-Executive Directors are not involved in the day-to-day affairs of the Company, they are not entitled to any performance incentives	✓
B.1.5	The Remuneration Committee consulted the Chairman and the Managing Director in providing recommendations regarding the remuneration of other Executive Directors. The Chairman and the Managing Director are not remunerated by the Company. The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	✓
B.2 Level and Make Up of Remuneration		
B.2	The remuneration package of both Executive and Non-Executive Directors is based on a variety of factors including their contribution to the Company, market rates of remuneration and their expectations. The Board knows the level of remuneration should be sufficient to attract and retain Directors of high calibre to direct the Company. Portion of the remuneration of the Executive Directors is linked to their performance which is evaluated against targets set and agreed at the beginning of the period.	✓
B.2.1	The Remuneration Committee considers the value addition of Executive Directors and their contribution to the achievement of short and long-term objectives in structuring their remuneration packages to ensure that nothing is paid more than necessary	✓
B.2.2	As the remuneration of the key personnel are being decided and approved by the Board based on the evaluation and recommendation made by the Remuneration committee in parity with the current market rates and packages provided, the executive Director's remuneration also followed by the same process, also providing specific targets in the ED's TOR which directs the ED in achieving the organizational performance goals in overall	✓
B.2.3	The Committee conducts an analysis of other companies in the industry in deciding the levels of remuneration of the Company. If the need arises the Company carries out an annual salary survey in determining the level of remuneration of key positions and their increment.	✓
B.2.4	Companies within the Group operate in different market sectors where the remuneration and employments conditions are substantially different to those of the company.	✓
B.2.5	The extent of contribution and value addition towards achieving the set targets and objectives of a particular year is the key determinant in deciding the performance-related element of the remuneration of the Executive Directors.	✓
B.2.6	Not applicable as there are no Executive Share options in the Company.	***N/A***
B.2.7	Provisions of Schedule E of the Code were followed in designing schemes of performance-related remuneration.	✓
B.2.8	There are no compensation commitments (including pension contributions) in Directors contracts of service.	***N/A***
B.2.9	Not applicable as the Company's objective is to avoid early termination.	***N/A***
B.2.10	The remuneration of Non-Executive Directors reflects the degree of responsibility and the level of time extended by them in contributing and adding value to the Company's decision-making. The NEDs' do not have any share options in the Company.	✓
B.3 Disclosure of Remuneration		
B.3	Compensation paid to Key Management Personnel is given in Note 25 of this Report. Refer to the Remuneration committee Report.	✓
B.3.1	Names of the members of the Remuneration Committee and the compensation paid to Key Management Personnel are given Note 25 of this Report respectively.	✓

Principle	Comment	Compliance States
C. Relation With Shareholders		
C.1 Constructive Use of the Annual General Meeting (AGM) and conduct of General Meetings		
C.1	The Company considers the AGM as the primary tool of communication with shareholders. The Notice of Meeting inviting all shareholders is given on page 195 of this Report. All shareholders are free to ask any queries from the Board about matters relating to the Company at the AGM. The Board encourages an open dialogue with shareholders at the AGM. Usual proposals adopted at the AGM include the Annual Report and the Accounts, reappointment of Directors and Auditors and any other matter that require shareholder approval as per the provisions of the Articles Association of the Company.	✓
C.1.1	All related papers and the Notice of Meeting are sent to the shareholders 15 days before the AGM through the Company Secretary.	✓
C.1.2	To receive and consider the Annual Report and Accounts is the first resolution adopted at every AGM. Further, the Company proposes separate resolutions on each substantially separate issue. Hence shareholders are given the opportunity to vote separately on each substantial issue.	✓
C.1.3	The secretariat and admin teams have strict follow-up from the day of the notice of the meeting along with the Annual report which is sent to the shareholders. They track the appointed proxies at the time of the registration of the AGM, and the Secretary team do note the cast votes in favor of the passed resolutions accordingly.	✓
C.1.4	Before the AGM date, the company Board and the respective sub committees meet and organize how the AGM should process and run through the possible questions that the management may face. Accordingly, all the committee heads are prepared in an instance where a related question is posted to answer them.	✓
C.1.5	The Notice of Meeting and related documents is circulated to the shareholders 15 working days prior To the AGM. Summary of the procedures governing voting at the AGM is provided in the proxy form, which is circulated to shareholders together with the notice of meeting 15 working days prior to the AGM.	✓
C.2 Communication with Shareholders		
C.2	The AGM, Annual Report and other General Meetings (as and when required) are the primary means of communication with shareholders. Additionally, the Company makes disclosures on material and price sensitive matters from time to time to the CSE for dissemination among the public.	✓
C.2.1	Refer comment given under C.2.	✓
C.2.2	The Company's policy on information dissemination is based on the prime need of creating a fair market for the Company's securities among all market participants. Hence the Company focuses on accurate, timely, relevant and open information dissemination and communication so as to avoid any market malpractice or doubt.	✓
C.2.3	The Company has disclosed the contact information in all their publications and always encourages our shareholders to connect with us. Apart from that on our website we have allocated a separate page indicating Investor information such as the market price per share.	✓
C.2.4	The point of contact is given in the corporate information in this Report.	✓
C.2.5	The shareholders are free to correspond with the Board either directly or through the Company Secretary as they wish. The Directors can also be met by the shareholders on appointment. The Company Secretary keeps a record of all valid correspondence from the shareholders and directs them to the appropriate Board member who in return would respond as necessary.	✓
C.2.6	Both the Company Secretary as well as members of the Board act as contact points in relation to shareholder matters.	✓
C.2.7	Responses for shareholder queries directly sent to individual members of the Board are sent by the respective members. Queries directed to the Company Secretary are responded by the Directors via the Company Secretary.	✓
C.3 Major and Material Transactions		
C.3	Refer the Related Party Transactions Review Committee Report on Note 25 of Notes to the Financial Statements.	✓
C.3.1	Refer the Related Party Transactions Review Committee Report on Note 25 of Notes to the Financial Statements.	✓
C.3.2	Refer the Related Party Transactions Review Committee Report on Note 25 of Notes to the Financial Statements.	✓

Principle	Comment	Compliance States
D. Accountability and Audit		
D.1 Financial Reporting		
D.1	The Annual Report of the Board of Directors on the Affairs of the Company making the relevant declarations is given in this Report.	✓
D.1.1	Refer Financial Report	
D.1.2	Audited Financial Statements giving a true and Fairview of the operations of the Company, Interim Financial Statements and other price sensitive disclosures are made by the Company periodically and as and when required in accordance with the applicable rules and regulations. In these aspects the Company complied with the requirements of the Companies Act No. 07 of 2007, Registrar of Companies, Department of Inland Revenue and Sri Lanka Accounting Standards and reporting requirements of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka.	✓
D.1.3	The Financial statement itself has the respective declarations stating that all standards and legal requirements are met with and the GM - Finance signs the financial statements below that declaration. Apart from that an annual declaration is also signed by the GM- Finance confirming the same.	✓
D.1.4	The Annual Report of the Board of Directors on the Affairs of the Company making the relevant declarations, is given in this Report	✓
D.1.5	'Directors responsibility for Financial Reporting', 'Statement of Auditors' and the 'Directors Statement on Internal Control' are given on this report respectively	✓
D.1.6	'Management Discussion and Analysis' is given on this Report	✓
D.1.7	Not applicable as there was no serious loss of capital during the year	*N/A*
D.1.8	The Company has set in place an effective and comprehensive system of internal control for identifying, recording and disclosing related party transactions. This system ratified by the Board ensures that there is no conflict of interest when transacting with related parties and that there will be no bias favourable treatment. All related party transactions as defined in Sri Lanka Accounting Standards – LKAS 24 'Related Party Transactions' are disclosed in Note 25 to the Financial Statements.	✓
D.2 Risk Management and Internal Control		
D.2	The Company operates with a sound system of internal control within an integrated risk management framework that is formulated and ratified by the Board. This system ensures that Shareholders interests and Company assets are safeguarded. The Board Audit Committee is responsible to the Board for ensuring the effective operation of the system of internal controls to achieve objectives of the Company.	✓
D.2.1	The Board is responsible for formulating and implementing appropriate systems of internal control for the Group and in turn assessing its effectiveness. The Group's internal audit division assists the Board of Directors and the Audit Committee in carrying out the above task. Any internal control system has its inherent limitations. The Board is aware of the inherent limitations and has taken appropriate steps to minimize same. The Directors' responsibility for maintaining a sound system of internal control is given in the Board of Directors' Statement on Internal Control.	✓
D.2.2	The confirmation of the Risk assessment conducted, and the Principle risks faced by the Company are disclosed in the Risk Management Review Report.	✓
D.2.3	The company internal audit function has been carried out by holding company internal audit team and overseen by the Board Audit Committee.	
D.2.4	Operation and review of internal controls is done by the Internal Audit function as a continuous and on-going process including internal control over financial reporting. These reports are forwarded to the Audit Committee for review to ensure that the system of internal control and the risk management process are effective. The Board is responsible for making disclosures on internal controls. In 2025/2026 the Board reviewed the effectiveness of the system of internal control in place within the Company and directed to upgrade same as required	✓
D.2.5	Refer to the Directors Statement on Internal Controls'.	✓
D.3 Audit Committee		
D.3	Accounting policies and financial reporting principles of the Company are formulated so as to ensure compliance with all applicable standards, rules and other regulations. At times the guidance of the External Auditors is also sought in this process.	✓

Principle	Comment	Compliance States
D.3.1	The Audit Committee comprises three Independent Non-Executive Directors and one Non-Executive Director of the Board. The Chairman of the Committee is an Independent Non-Executive Director	✓
D.3.2	SML has developed a Charter for the Audit Committee clearly defining the objective/ Duties of the Committee, each member's duties and responsibilities and administrative arrangements etc.	✓
D.3.3	The Audit Committee (AC) shall convene as frequently as necessary, with a minimum requirement to meet quarterly, specifically before recommending the release of financial statements.	✓
D.4 Related Party Transaction Review Committee		
D.4	As a group norm when transacting with Related parties of the group the responsible parties stress the price at which the transaction takes place to make sure that neither the buyer nor the seller will gain extra ordinary gain through the same.	✓
D.4.1	Company has considered the guidelines provided in the LKAS 24 in defining the Related parties, in developing the charter for the Related Party Transaction committee.	✓
D.4.2	In compliance with the requirements of the voluntary code of Corporate Governance, the Related Party Transaction Review Committee comprises three Non-Executive Directors who are also independent. Also, the Executive Director will attend the meetings upon invitation by the committee.	✓
D.4.3	Company has developed a Charter for the Related Party Transaction Review Committee clearly defining the objective/ Duties of the Committee, each member's duties and responsibilities and administrative arrangements etc.	✓
D.5 Code of Business Conduct and Ethics		
D.5	Refer Report. – Corporate governance – Board of Directors.	✓
D.5.1	Sathosa Motors PLC has a Code of Ethics which includes the code of conduct and is circulated to Directors and all employees. The Board ensures that the Directors and the employees strictly adhere to the Code of Ethics of the Company in their duties so as not to adversely affect the brand of access in any manner. The violation of the code of ethics is an offence which is subject to disciplinary action.	✓
D.5.2	The price sensitive transactions relating to Investments are monitored through the Audit Committee. Significant matters are informed to the board of further action	✓
`D.5.3	Referring to the report of the Related Party Transaction Review Committee	✓
D.5.4	Refer Report – Corporate governance – Board of Directors.	✓
D.6 Corporate Governance Disclosures		
D.6	This Report on the Company's compliance with the CA Sri Lanka/SEC 'Code of Corporate Governance' meets this requirement	✓
D.6.1	Same as D.5	✓
E. Institutional Investors		
E.1 Shareholder Voting		
E.1	Board encourages the active participation of Institutional Shareholders at the AGM. In addition, Executive Directors meet institutional shareholders upon their request to discuss the Company's past performance and future strategies.	✓
E.1.1	The most structured and continuous dialogue the Company has with the shareholders is AGM. The Chairman is available to meet shareholders at the end of each AGM and can be met on appointment on other occasions. The Chairman then communicates the views and concerns of shareholders to the Board as a whole.	✓
E.2 Evaluation of Governance Disclosure		
E.2	Institutional investors are encouraged to give due weight to all relevant factors drawn to their attention in evaluating Companies' governance arrangements.	✓
F. Investing/Divesting Decisions		
F.1	The Company encourages individual shareholders to carry out adequate analysis or seek independent advice in investing or divesting decisions. The Company facilitates this process by providing information necessary for the same on a timely and unbiased basis. This Integrated Report prepared by the Company gives sufficient information to shareholders to carry out their own analysis of the Company and its operations.	✓

Principle	Comment	Compliance States
F.2	The Company encourages individual shareholders to participate in General Meetings and exercise their voting rights.	✓
G. Internet of things and cyber security		
G.1	Refer Risk Management in this Annual Report (Information & Technology Risk)	✓
G.2	The functions of the CISO are carried out by the Manager IT reported to Executive Director	✓
G.3	Relevant risks are discussed at internal audit reports and reported the same to Audit committee. High risk matters referred to by the Board for further actions	✓
G.4	Address issues at IRM annual Audit done by an independent third party and reported issues through Management Letter	✓
G.5	Company adheres to the required level of Cyber security by analysing the gravity of the requirement. IT department takes necessary precautionary measures to mitigate related risks.	✓
H. Environment, Society and Governance (ESG)		
H.1	Refer the Annual Report - Human, Intellectual, Manufacturing, Natural, Social and Relationship Capital	✓
H.1.2	Refer the Annual Report Human, Intellectual, Manufacturing, Natural, Social and Relationship Capital	✓
H.1.3	Refer the Annual Report Human, Intellectual, Manufacturing, Natural, Social and Relationship Capital	✓
H.1.4	Refer Pages the Annual Report Corporate Governance for this requirement	✓
H.1.5	SML understands its role and responsibility in ESG reporting and ensures that the company adheres to the ESG reporting requirements.	✓

ANNEXURE 3

Annual Report Disclosures mandated by the Companies Act No.7 of 2007

Section	Requirement	Compliance	Reference (Within the Report)
Section 168 – Contents of Annual Report			
(1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	✓	Notes to the Financial Statements
1) (b)	Financial Statements Signed of the Group and the Company for the accounting period completed	✓	Financial Statements
(1) (c)	Auditor's Report on the Financial Statements and any group Financial Statements	✓	Independent Auditors' Report
(1) (d)	Change in accounting policies made during the accounting period	✓	Notes to the Financial Statements
(1) (e)	Particulars of entries in the interests register made during the accounting period	✓	Annual Report of the Board of Directors
(1) (f)	Remuneration and other benefits of Directors during the accounting period	✓	Notes to the Financial Statements
(1) (g)	Total amount of donations made by the Company during the accounting period	✓	Annual Report of the Board of Directors
(1) (h)	Names of the person holding office as Directors of the Company at the end of the accounting period and the names of any person who ceased to hold office as Directors of the Company during the accounting period	✓	Board of Directors
(1) (i)	Amounts payable by the Company to the person or firm holding office as Auditor of the Company as audit fees and as a separate item, fees payable by the Company for other services provided by that person or firm	✓	Notes to the Financial Statements
(1) (i)	Particulars of any relationship (other than that of the Auditor) which the Auditor has or any interests which the Auditor has in, the Company or any of its subsidiaries	✓	Annual Report of the Board of Directors
(1) (k)	Be signed on behalf of the Board by two Directors of the Company	✓	Financial Statements

1.0 RISK LANDSCAPE

The risk landscape of Sathosa Motors PLC in 2025 was shaped by global uncertainty and evolving domestic economic conditions. Geopolitical tensions, political instability, technological disruption, artificial intelligence integration, climate-related events, and natural disasters continued to influence operating conditions and market stability.

In Sri Lanka, the economy showed signs of recovery following structural and policy reforms, supported by lower inflation, exchange rate stability, easing interest rates, and improved foreign reserves. The relaxation of vehicle imports restrictions and the reopening of the automobile market created new growth opportunities for the Group. Nevertheless, the operating environment remained highly dynamic, shaped by changes in Government regulations, taxation, customs duties, foreign exchange controls, and intensifying competition within the automobile industry. These factors continued to influence vehicle pricing, customer affordability, market demand, and overall profitability.

The Group also remained exposed to operational and financial risks arising from its reliance on imported vehicles and spare parts. Foreign exchange volatility, liquidity and credit exposure, supply chain disruption, shipment delays, and evolving import and registration requirements placed pressure on operational efficiency and cash flow management. In addition, rapid technological advancement and growing cybersecurity threats heightened risks to business continuity and data protection.

Against this backdrop, Sathosa Motors PLC demonstrated resilience through prudent financial management, strong banking relationships, scenario-based planning, and proactive mitigation measures. By maintaining operational flexibility and further strengthening its risk management framework, the Group remains well positioned to respond to emerging risks while capitalising on opportunities in Sri Lanka's recovering automobile market.

2.0 ENTERPRISE RISK MANAGEMENT

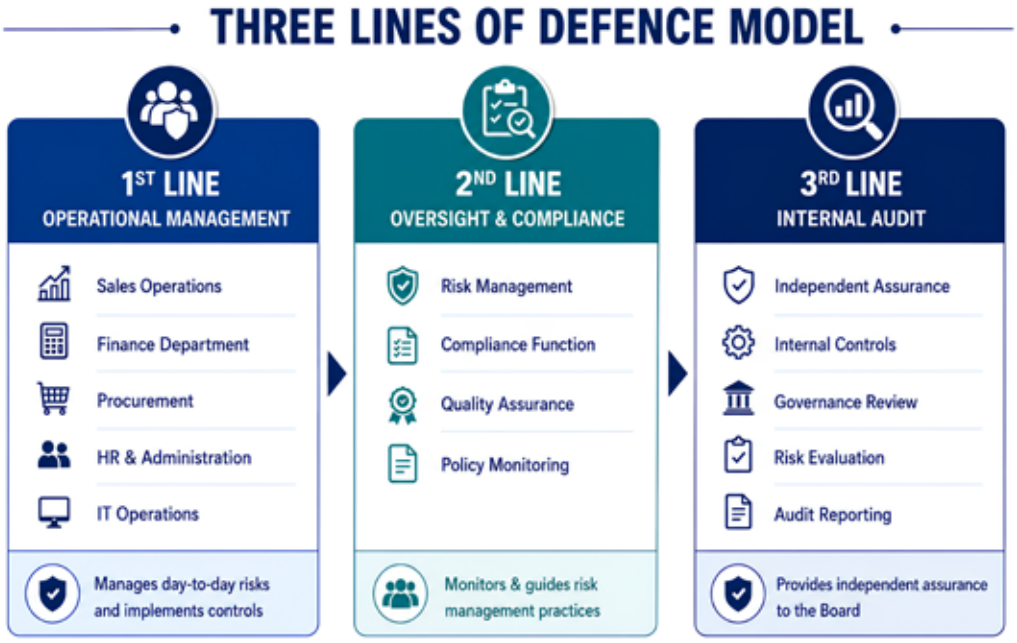
SML's risk management framework continues to evolve in response to changing business conditions and the expanding scope of its operations. The Group remains committed to strengthening governance, risk management, and internal control through a proactive and integrated enterprise risk management approach.

The Internal Audit function operates in close alignment with the Board of Directors and its subcommittees, reinforcing oversight, accountability, and the effectiveness of the internal control environment. In recognition of the increasing complexity of the operating landscape, the Group adopts a disciplined, agile, and responsive approach to risk management to support strategic decision-making, safeguard stakeholder interests, and sustain long-term value creation.

The Board of Directors has overall responsibility for overseeing the Group's risk management framework and ensuring that material risks are identified, assessed, monitored, and managed effectively. In discharging this responsibility, the Board is supported by the Audit Committee, particularly in relation to financial reporting, internal controls, compliance, and operational risk oversight.

The Group's governance structure enables its business sectors to operate with appropriate autonomy while remaining aligned with overall corporate objectives through established governance mechanisms. These structures support policy consistency, the sharing of best practices, strategic direction, sound risk management, and the effective allocation of resources across the organisation.

Sathosa Motors PLC also applies the Three Lines of Defence model to promote clear accountability and effective segregation of duties, as shown in the diagram below.



3.0 RISK OVERSIGHT STRUCTURE

The table below details the distribution of risk management responsibility within the entity.

GOVERNANCE LEVEL	OVERSIGHT RESPONSIBILITY (SUMMARY)	KEY OBJECTIVE / ASSURANCE ROLE	LEVEL IN STRUCTURE
BOARD OF DIRECTORS	• Ultimate responsibility for risk management policy • Defines risk appetite and oversight • Assign implementation responsibility and resources • Reviews and approves major risk management initiatives • Ensures alignment with overall corporate strategy	Provides strategic direction and overall oversight.	1 BOARD
BOARD COMMITTEES	Provides specialized oversight through Board Committees: • **Nomination & Governance Committee** – Ensures robust governance framework and the right balance of skills, independence and diversity. • **Strategic Planning Committee** – Oversees strategic plans, identifies long-term risks and opportunities, monitors emerging risks and provides guidance on mitigation. • **Audit Committee** – Oversees internal control and risk management systems, reviews audit findings and monitors financial and regulatory compliance. • **Related Party Transactions Review Committee** – Monitors related party exposures and conflict-of-interest policy; ensures compliance with CSE Listing Rules and best practices. • **Remuneration Committee** – Oversees executive remuneration and incentive scheme aligned with long-term objectives and risk.	Supports Board decision-making and monitors through specialized oversight.	2 COMMITTEES
CORPORATE MANAGEMENT TEAM	• Implements strategy and manages day-to-day risk • Reviewing performance of divisions / subsidiaries • Ensures compliance with internal control frameworks	Implements risk management practices.	3 MANAGEMENT
INTERNAL AUDIT DEPARTMENT	• Provides independent oversight of risk controls • Reports findings to Board and Audit Committee • Evaluates control system effectiveness	Provides independent assurance.	4 ASSURANCE
BUSINESS UNIT HEADS	• Manage operational risks at unit level • Supported by senior management • Reporting consolidated risks to Strategic Planning & Audit Committees	First line of defence in risk management.	5 BUSINESS UNITS

4.0 RISK MANAGEMENT PROCESS

The Group continues to refine its risk management approach through timely insight, structured analysis, and proactive mitigation. The Enterprise Risk Management Framework adopted by Sathosa Motors PLC comprises the following key stages:



1.3. RISK EVALUATION – RISK MATRIX & RESPONSE

RISK MATRIX

IMPACT	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
5 Extraordinary	H	E	E	E	E
4 Major	H	H	E	E	E
3 Moderate	L	M	H	H	E
2 Minor	L	L	M	H	H
1 Insignificant	L	L	M	M	H

LIKELIHOOD

L – Low | M – Medium | H – High | E – Extreme

RISK RESPONSE RATINGS

EXTREME
Immediate action required. Action at Senior Management and Board level.

HIGH
Priority action plan and additional controls needed. Action at Senior Management level.

MEDIUM
Additional actions and routine management required. Action at operational level.

LOW
Managed by routine procedures.

RISK EVALUATION SCALE

Likelihood		Impact	
1	Rare	1	Insignificant
2	Unlikely	2	Minor
3	Possible	3	Moderate
4	Likely	4	Major
5	Almost Certain	5	Extraordinary

EXAMPLES OF RISK EVALUATION

Risk Scenario	Likelihood	Impact	Final Rating	Response & Escalation
Import restrictions	5	5	E	Board level – Avoid / Change
Technical skill shortage	3	5	E	Board level – Replace
Currency volatility	4	5	E	Board level – Share
Market competition	4	3	H	Senior Management – Take
Supply chain delays	4	3	H	Senior Management – Change
Product recalls	1	4	H	Senior Management – Share
Workshop downtime	2	3	M	Operational level – Retain / Change
Routine process failures	2	2	L	Routine procedures – Retain

1.4. RISK MONITORING – KEY MECHANISMS

1. AUDIT COMMITTEE MEETINGS (Quarterly)
Independent oversight of risk management and internal controls. Audit findings and significant exposures reported to the Audit Committee for timely action.

2. MONTHLY MANAGEMENT MEETINGS (Monthly)
Review KPIs & KRIs on cash flow, inventory, workshop efficiency, working capital, compliance changes and each holding.

3. ANNUAL KEY STAFF FORUM (Annually)
High-level review of risk landscape, risk tolerance trends and update risk framework for the new year.

4. REGULAR AUDITS (Continuous)
Internal, finance & ISO audits across branches, warehouses and workshops to ensure compliance and service standard adherence.



RISK MONITORING RESPONSIBILITY MATRIX

Monitoring Channel	Frequency	Responsibility	Target Focus Areas
Audit Committee	Quarterly	Non-Executive Directors / Head of Internal Audit	Statutory audits, external reporting, risk and treasury compliance
Monthly Management	Monthly	Managing Director / Executive Directors / Heads of Departments	Cash flow, inventory, workshop efficiency, human capital retention
Annual Key Staff Forum	Annually	Senior Management / Strategy Team	Risk framework updates, emerging trends, long-term business continuity
Regular Audits	Continuous	Internal Audit Team / Finance Team / ISO Audit Team	Branch verification, process testing, fraud prevention, policy enforcement

5.0 TOP RISKS OF 2025/2026

Risks	Mitigation Strategies	Risk Profile 2026/2025	Risk Profile 2025/2024
Credit Risk The possibility of a loss resulting from a buyer's failure to meet contractual obligations.	✹ Require full payment or an acceptable bank guarantee for high-value sales. ✹ Assess customer financial standing before granting credit. ✹ Offer discounts for early settlement.	●	●
Liquidity Risk Liquidity risk refers to the risk that the Company may be unable to convert assets into cash or obtain sufficient funding when required. This may arise if the Company is unable to realise assets or access adequate funding on a timely basis.	✹ Manage cash flow and working capital at an optimal level. ✹ Review outstanding balances at each reporting date. ✹ Prepare regular cash flow forecasts and solvency reviews.	●	●
Interest Rate Risk Interest rate risk arises from changes in borrowing costs and the value of interest-bearing instruments.	✹ Regularly monitor and renegotiate interest rates to optimise financial terms. ✹ Maintain an appropriate borrowing mix and balanced gearing. ✹ Manage working capital effectively and strengthen debt collection.	●	●
Currency Risk 1. Risk arises from exchange rate movements during settlement. 2. Exchange rate movements may affect the Company's financial performance and position.	✹ Adjust prices regularly for material exchange rate changes. ✹ Include price adjustment clauses in quotations. ✹ Use sight letters of credit and forward rates where appropriate.	●	●
Legal and Compliance Risk This risk is associated with changes in Government policies, laws, regulations, and statutes. Compliance risk relates to the Company's ability to comply with all laws, regulations, and statutes applicable to the country.	✹ The Company has systems and processes in place to ensure compliance with applicable laws and regulations. ✹ Conduct periodic assessments of compliance with statutory requirements. ✹ The Company monitors changes in the regulatory landscape and ensures preparedness to respond appropriately. ✹ Maintain appropriate policies and procedures to strengthen control over compliance. ✹ Ensure employees are aware of applicable laws and regulations and remain mindful of compliance requirements.	●	●
Operational Risk Operational risk is the risk of failing to execute strategy due to internal or external factors.	✹ Review and update controls, policies, and procedures regularly. ✹ Provide ongoing training to support capability and adaptability. ✹ Carry out internal and external audits to identify weaknesses and improvement areas.	●	●

Risks	Mitigation Strategies	Risk Profile	
		2026/2025	2025/2024
HR Risk Human resource risk is coming under the operational risk and relates to the potential loss of key skilled employees and challenges in recruiting personnel with the required capabilities.	✹ Develop high-potential employees for future leadership roles. ✹ Assess workforce capability gaps regularly. ✹ Use cross-training and job rotation to familiarise employees with various Company roles. ✹ Implement a performance-based incentive scheme. ✹ Incentive all employees, including non-sales staff, for any business they bring to the Company.	●	●
Competition Risk Increased competition may reduce market share and margins.	✹ Monitor market trends, competitors, and customer preferences. ✹ Strengthen market position through differentiated products and service. ✹ Maintain strong customer and partner relationships. ✹ Strengthen after-sales services, spare parts support, and customer programmes. ✹ Regularly review pricing strategies to ensure competitiveness while maintaining profitability and brand value.	●	●
Strategic Risk Strategic risk is the risk of failing to achieve business objectives due to changes in the external environment or poor decisions.	✹ Maintain a clear strategic plan covering objectives, emerging risks, and mitigation actions. ✹ Engage key stakeholders to support informed strategic decisions. ✹ Monitor government policy, import regulation, taxation, and fiscal changes closely. ✹ Engage proactively with industry bodies, regulators, and Government authorities. ✹ Develop contingency plans for import restrictions, regulatory change, and supply disruption. ✹ Diversify revenue through after-sales services, spare parts, maintenance, and related offerings. ✹ Review pricing, market positioning, and cost measures regularly.	●	●

Low: ● *Moderate:* ● *High:* ●

Audit Committee Report

The Audit Committee was constituted in compliance with the Colombo Stock Exchange Listing Rules, the Companies Act No. 07 of 2007, and the Code of Best Practice on Corporate Governance jointly issued by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka. The Committee supports the Board in overseeing financial reporting, internal controls, risk management, the internal and external audit functions, and compliance with applicable legal and regulatory requirements.

The Committee operates under a formally approved Charter that sets out its mandate, authority, duties, and reporting responsibilities. The Charter is reviewed periodically to ensure continued alignment with applicable regulatory requirements and evolving governance expectations.

COMPOSITION

During the financial year under review, the Audit Committee comprised the following Independent Non-Executive Directors:

Name of Director	Directorship Status	Membership Status
T C D Kumarasiri	Independent Non-Executive Director	Chairman
W A M Wimalaratna	Independent Non-Executive Director	Member
R S Dahanayake	Independent Non-Executive Director	Member

The Committee comprises solely Independent Non-Executive Directors, ensuring independence and objectivity in the discharge of its responsibilities. The Chairman's profile appears on Page 26 and highlights his significant financial and governance expertise.

COMMITTEE MEETINGS

The Audit Committee met six (06) times during the financial year 2025/2026. Its deliberations focused on financial reporting, internal controls, risk management, audit observations, regulatory compliance, and related governance matters.

The Managing Director, General Manager – Finance, Head of Internal Audit, and representatives of the External Auditors attended meetings by invitation, as required. The Company Secretaries served as Secretaries to the Committee.

The attendance of members at meetings held during the year was as follows:

Name of Director	No. of Meetings	16.05.2025	07.08.2025	11.11.2025	19.11.2025	11.02.2026	12.03.2026
T C D Kumarasiri	6/6	✓	✓	✓	✓	✓	✓
W A M Wimalaratna	6/6	✓	✓	✓	✓	✓	✓
R S Dahanayake	6/6	✓	✓	✓	✓	✓	✓

✓ - *Attended* × - *Absent* *N/A* - *Not Applicable*

ACTIVITIES DURING THE YEAR 2025/2026

Financial Reporting and Significant Judgments

The Committee reviewed the quarterly and annual Financial Statements before release to the Board to ensure compliance with Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act, and other applicable statutory and regulatory requirements.

Particular attention was given to:

- Appropriateness and consistency of accounting policies adopted.
- Significant accounting estimates and judgments made by Management.
- Adequacy and clarity of disclosures within the Financial Statements.
- Assessment of impairment indicators and going concern assumptions.
- Compliance with applicable accounting standards and statutory requirements.
- Matters raised by Internal and External Auditors.

Based on its review, together with the assurance provided by the Managing Director and the General Manager – Finance that the financial records had been properly maintained and that the Financial Statements presented a true and fair view of the Company's operations and financial position, the Committee was satisfied that the Financial Statements had been prepared in accordance with the applicable accounting standards and fairly presented the Company's financial position and performance.

External Audit

Messrs KPMG Sri Lanka, Chartered Accountants, served as the Company's External Auditors for years including the year under review. In line with regulatory requirements and established best practice, the audit partner is rotated periodically to preserve independence and objectivity. The most recent rotation took place during the financial year 2024/25.

The Committee received a declaration from the External Auditors confirming that they had no relationship or interest in the Company or its subsidiaries that could impair their independence. Based on this and its own assessment, the Committee was satisfied that the External Auditors remained independent and objective.

The Committee reviewed the audit plan presented by the External Auditors, including the audit scope, key audit matters, and significant observations arising there from.

The Committee also reviewed the nature and extent of non-audit services provided by the External Auditors to ensure that such engagements did not impair their independence. Details of the related fees are provided on page 146 of this report.

No letters of resignation were received from the External Auditors during the year, and the Committee found no grounds to consider Messrs KPMG Sri Lanka, Chartered Accountants, unsuitable for reappointment. Accordingly, the Committee recommended their reappointment for the financial year 2026/27, subject to shareholder approval at the Annual General Meeting.

Internal Audit

The Committee reviewed and approved the Internal Audit Plan for the financial year 2025/2026 and monitored progress during the year.

Internal Audit findings, recommendations, and Management responses were reviewed regularly to ensure that identified control deficiencies and process gaps were addressed in a timely manner.

The Committee also assessed the adequacy of resources, independence, and effectiveness of the Internal Audit function and was satisfied that it operated effectively during the year under review.

Risk Management and Internal Controls

The Committee continued to oversee the effectiveness of the Company's risk management framework and internal control systems.

Reports from Management, Internal Auditors, and External Auditors were reviewed to assess the adequacy and effectiveness of controls relating to financial reporting, operations, regulatory compliance, and information security.

The Committee also reviewed the principal business risks faced by the Company together with the mitigating measures implemented by Management. ESG-related risks and sustainability considerations formed part of the overall governance and risk management framework.

Based on the information reviewed, the Committee was satisfied that adequate internal control and risk management systems were in place throughout the financial year under review.

Ethics and Good Governance

The Committee continued to promote high standards of ethics, integrity, accountability, and transparency across the organisation.

The Committee monitored compliance with the Company's Code of Ethics and Professional Conduct, Whistle blowing Policy, and Anti-Bribery and Anti-Corruption Policy.

The Committee ensured that appropriate mechanisms were in place for employees and other stakeholders to report unethical conduct or suspected irregularities confidentially and without fear of retaliation.

No material breaches requiring disclosure were reported during the year under review.

CONCLUSION

The Audit Committee is satisfied that the Company maintained adequate and effective internal control systems, risk management processes, financial reporting arrangements, and governance practices throughout the financial year under review.

The Committee is of the view that the Company maintains proper accounting records, applies appropriate accounting policies consistently, and has adequate controls in place to safeguard the assets of the Company and support the reliability of the Financial Statements.

The Committee is also satisfied that the Company has adequate resources to continue in operation for the foreseeable future and that the going concern basis adopted in the preparation of the Financial Statements remains appropriate.



Chaaminda Kumarasiri
Chairman
Audit Committee

9 June 2026

Remuneration Committee Report

The Remuneration Committee was established in accordance with the Colombo Stock Exchange Listing Rules and the Code of Best Practices on Corporate Governance, jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

ROLE OF THE COMMITTEE

The Committee's principal role is to review and recommend remuneration policies for Executive Directors and Key Management Personnel. It also makes recommendations to the Board on matters relating to recruitment, remuneration, incentives, benefits, and performance evaluation.

TERMS OF REFERENCE

The Remuneration Committee operates under Terms of Reference approved by the Board.

Its principal responsibilities include the following:

- Reviewing and recommending the Company's Remuneration Policy for Directors and Senior Management.
- Reviewing the remuneration and compensation structure of the Chief Executive Officer, Executive Directors, and Key Management personal.
- Evaluating the performance of Executive Directors and Senior Management against agreed targets and objectives.
- Reviewing salary increments, bonuses, incentives, and other remuneration-related matters.
- Ensuring remuneration structures remain competitive and aligned with market and industry practices.
- Promoting transparency, accountability, and good corporate governance in remuneration-related decisions.

REMUNERATION POLICY

The Company's remuneration policy is designed to attract, motivate, reward, and retain individuals with the professional, managerial, and operational expertise required to support the Company's strategic objectives in a competitive business environment.

In determining the remuneration policy applicable to Executive Directors and Key Management Personnel, the Committee is guided by the following objectives:

- To ensure that remuneration levels are competitive and aligned with market conditions.
- To motivate Executive Directors and Key Management Personnel to achieve sustainable long-term performance.
- To maintain a balance between fixed remuneration and performance-based incentives.
- To attract and retain individuals of high calibre and competence.
- To ensure remuneration practices are consistent with prudent risk management and corporate governance principles.

COMPOSITION OF THE COMMITTEE

The composition of the Remuneration Committee during the financial year 2025/2026 was as follows.

Name of the Director	Directorship Status	Membership Status	Appointment Date
W A M Wimalaratna	Independent Non-Executive Director	Chairman	01 January 2025
T C D Kumarasiri	Independent Non-Executive Director	Member	01 January 2025
D A R Fernando	Non-Executive Director	Member	01 January 2025

COMMITTEE MEETINGS

During the financial year 2025/2026, the Committee held one meeting. Member attendance at that meeting is set out below.

Name of the Director	No. of Meetings	11.02.2026
W A M Wimalaratna	1/1	✓
T C D Kumarasiri	1/1	✓
D A R Fernando	1/1	✓

✓ - *Attended* × - *Absent* *N/A* - *Not Applicable*

The Managing Director attends Committee meetings by invitation, when required.

The Company Secretary serves as Secretary to the Committee.

COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL

The aggregate remuneration paid to Executive Directors, together with the fees paid to Non-Executive Directors for serving on the Board and its sub- committees, is disclosed as follows:

For the year ended 31 March	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Total compensation paid to Key Management Personnel	33,977,000	12,958,910	32,227,000	12,958,910

The Committee was satisfied that the remuneration policies and practices adopted by the Company during the year were fair, transparent, and aligned with the long-term interests of the Company and its stakeholders.



Asanka Wimalaratna
Chairman
Remuneration Committee

9 June 2026

Related Party Transactions Review Committee Report

The Related Party Transactions Review Committee was constituted in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka, and the best practice guidelines issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee assists the Board of Directors in its oversight of Related Party Transactions ("RPTs") by reviewing and monitoring such transactions to ensure that they are conducted in a transparent and ethical manner and in the best interests of the Company and its shareholders.

ROLE OF THE COMMITTEE

The Committee is responsible for the independent review, approval, and monitoring of Related Party Transactions in compliance with the applicable regulatory requirements. The principal functions of the Committee are set out below:

- Review all proposed Related Party Transactions other than those exempted under the applicable Rules and Regulations.
- Determine whether related party transactions require approval of the Board or shareholders.
- Ensure that no Director participates in the review or approval of any transaction in which such Director is considered a related party, except to provide relevant information when requested by the Committee.
- Establish guidelines and procedures for recurrent related party transactions and periodically review such transactions for appropriateness and compliance.
- Ensure that all related party transactions are conducted on arm's length basis and in the ordinary course of business where applicable.

KEY RESPONSIBILITIES OF THE COMMITTEE

The key responsibilities of the Committee include the following:

- Ensure compliance with the Colombo Stock Exchange Listing Rules relating to Related Party Transactions.
- Establish effective procedures to identify, review, and monitor all recurrent and non-recurrent related party transactions.
- All proposed Related Party Transactions and any material modifications thereto were reviewed by the Committee prior to execution in accordance with the CSE Listing Rules.
- Report to the Board on the status of related party transactions on a quarterly basis.
- Ensure timely disclosure of applicable related party transactions to shareholders and regulators.
- Ensure that the necessary disclosures relating to related party transactions are included in the Annual Report and Financial Statements.

COMPOSITION

The composition of the Committee during the financial year ended 31 March 2026 was as follows:

Name of Director	Directorship Status	Membership Status
T C D Kumarasiri	Independent Non-Executive Director	Chairman
W A M Wimalaratna	Independent Non-Executive Director	Member
R S Dahanayake	Independent Non-Executive Director	Member

The Committee comprised exclusively Independent Non-Executive Directors throughout the year, thereby ensuring the exercise of independent judgment in the review of Related Party Transactions.

MEETING ATTENDANCE

The Committee met four (04) times during the financial year 2025/2026. The attendance of members at these meetings is set out below:

Name of Director	No. of Meetings	16.05.2025	07.08.2025	11.11.2025	11.02.2026
T C D Kumarasiri	4/4	✓	✓	✓	✓
W A M Wimalaratna	4/4	✓	✓	✓	✓
R S Dahanayake	4/4	✓	✓	✓	✓

✓ - *Attended* × - *Absent* *N/A* - *Not Applicable*

POLICIES AND PROCEDURES

The Company has in place policies and procedures for the identification, review, approval, and monitoring of Related Party Transactions. In terms of the approved policy framework, all material Related Party Transactions are submitted to the Committee for review and approval prior to being entered into.

Recurring transactions undertaken in the ordinary course of business may be subject to standing pre-approval by the Committee, with such transactions being periodically reviewed and monitored. All Related Party Transactions are appropriately disclosed in the Financial Statements in compliance with LKAS 24 and the Listing Rules of the Colombo Stock Exchange.

PERFORMANCE REVIEW DURING THE YEAR

During the year under review, the Committee reviewed the recurrent and non-recurrent Related Party Transactions entered into by the Company and confirmed that such transactions had been carried out in compliance with the Company's policy framework and applicable regulatory requirements. The Committee also reported its observations and recommendations to the Board of Directors on a regular basis.

The Committee further reviewed the adequacy and effectiveness of the procedures established by the Company to identify, monitor, and report Related Party Transactions and was satisfied with the information and explanations provided by Management.

DISCLOSURES

Details of the Related Party Transactions entered into by the Company during the year under review are disclosed in Note 25.4 to the Financial Statements on page 171 of this Annual Report, in compliance with Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange and LKAS 24 – Related Party Disclosures.



Chaaminda Kumarasiri
Chairman
Related Party Transactions Review Committee

9 June 2026

Strategic Planning Committee Report

The Strategic Planning Committee continued to focus on supporting the Company's long-term strategic direction, sustainable growth, and overall business objectives during the financial year 2025/2026. The Committee regularly reviewed the progress of strategic initiatives and updated the Board on significant developments, opportunities, and challenges impacting the Company's operations and future growth plans.

ROLE OF THE COMMITTEE

The Committee assists the Board in overseeing the Company's vision, mission, strategic priorities, and long-term business direction while ensuring compliance with established corporate governance practices.

The Committee meets monthly to review strategic priorities, operational performance, market trends, investment opportunities, and other matters relevant to the Company's growth and sustainability. Heads of departments attend meetings by invitation, where required, to provide their insights.

The key responsibilities of the Committee include:

- Reviewing the Company's vision, mission, strategic initiatives, and long-term business plans and making recommendations to the Board.
- Identifying key strategic matters affecting the Company and evaluating appropriate strategic options and growth opportunities.
- Ensuring that Management maintains an effective and structured strategic planning process with clearly defined objectives and timelines.
- Reviewing new business opportunities, investments, products, and services to ensure alignment with the Company's strategic objectives.
- Providing guidance to the Board on industry trends, economic developments, market conditions, and emerging business risks and opportunities.
- Establishing and monitoring key performance indicators ("KPIs") to assess progress toward strategic objectives.
- Reviewing the strategic plans of subsidiary companies to ensure consistency with the Group's overall strategic direction.
- Monitoring the implementation and progress of strategic initiatives approved by the Board.

COMPOSITION

Name of the Director	Designation	Member Status
J C Joshua	Executive Vice Chairman	Chairman
I S N Fernando	Managing Director	Member
M D Joshua	Executive Director	Member



Joseph Christopher Joshua
Chairman
Strategic Planning Committee

9 June 2026

Nomination and Governance Committee Report

The Nomination and Governance Committee of the Company continued to function in accordance with Section 9 (Corporate Governance) of the Listing Rules of the Colombo Stock Exchange during the financial year 2025/2026. The Committee operates in compliance with Rule 9.11 of the Listing Rules and assists the Board in ensuring the adoption and maintenance of effective corporate governance practices within the Company.

COMPOSITION

The composition of the Nomination and Governance Committee during the financial year was as follows:

Names of the Directors	Directorship Status	Membership Status	Date of Appointment to the Committee
T C D Kumarasiri	Independent non-executive Director	Chairman	01 January 2025
W A M Wimalaratna	Independent non-executive Director	Member	01 January 2025
R S Dahanayake	Independent non-executive Director Member	Member	25 September 2024

The Committee comprised entirely of Independent Non-Executive Directors, thereby complying with the composition requirements stipulated under the CSE Listing Rules.

Terms of Reference

The Committee operates under formal Terms of Reference approved by the Board, which clearly sets out its authority, responsibilities, scope of work, and procedures for conduct of meetings.

KEY RESPONSIBILITIES

The principal responsibilities of the Committee include:

- Establishing a formal and transparent procedure for the nomination, selection, appointment and re-election of Directors;
- Evaluating the structure, size, composition and effectiveness of the Board and Board Committees;
- Assessing the independence of Non-Executive Directors in accordance with the applicable regulatory requirements;
- Recommending suitable candidates to the Board, ensuring that all proposed Directors satisfy the 'fit and proper' criteria;
- Developing succession plans for the Board of Directors and Key Management Personnel of the Company.
- Reviewing and recommending improvements to the Company's overall corporate governance framework.
- Monitoring compliance with the Listing Rules of the Colombo Stock Exchange, SEC regulations, and other applicable laws and governance requirements.
- Reviewing and recommending improvements to the Company's overall corporate governance framework.

Nomination Policy and Process

The Company has in place a formally documented policy and process governing the nomination, appointment and re-election of Directors.

The Committee ensures that:

- Candidates are evaluated against predefined criteria, including qualifications, skills, experience, independence and integrity;
- Recommendations are made after due consideration of the strategic needs of the Company;
- All nominations are subject to Board and, where required, shareholder approval.

Board Diversity

The Committee recognises that Board diversity is a key element in enhancing Board effectiveness. In this regard, the Board composition reflects an appropriate balance of:

- Professional expertise and industry experience;
- Skills and competencies;
- Independence and objectivity; and
- Tenure and exposure.

The Committee continues to review diversity parameters with a view to further strengthening Board composition.

ACTIVITIES DURING THE YEAR

The Committee carried out the following key activities:

1.Board Appointments & Resignations

There were no new appointments or resignations during the financial year.

2. Governance and Policy Review

The Committee reviewed:

- The Board Charter and Terms of Reference of Board Committees;
- Governance policies relating to independence, conflicts of interest, Board evaluation, and succession planning; to ensure continued alignment with regulatory developments and best practices.

3. Board Evaluation

A formal evaluation of the performance and effectiveness of:

- The Board;
- Board Committees; and
- Individual Directors

was carried out. The evaluation focused on governance processes, strategic oversight, and the discharge of fiduciary responsibilities. The Committee reviewed succession plans for the Board and Key Management Personnel to ensure leadership continuity.

DIRECTOR RE-ELECTIONS

In accordance with the Articles of Association of the Company, the following Director is due to retire by rotation this year and, being eligible, offers himself for re-election:

- Mr. Thalawaththalage Chaaminda Dencil Kumarasiri retires by rotation in terms of Articles 88 and 89 of the Articles of Association and being eligible offers himself for re-election.

The Committee, having considered the performance, contribution, experience, and independence of the above Director, recommended his re-election to the Board.

The Directors, if appoint during the year in terms of the Articles of Association of the Company shall hold office until the next Annual General Meeting and being eligible, offer themselves for re-appointment.

Members of the Committee refrained from participating in decisions relating to their own re-election or re-appointment.

MEETINGS

Meeting attendances are as follows.

Name of the Director	No. of Meetings	09.06.2026
T C D Kumarasiri	1/1	✓
W A M Wimalaratna	1/1	✓
R S Dahanayake	1/1	✓

✓ - *Attended* × - *Absent* *N/A* - *Not Applicable*

Board Independence

The Committee confirms that:

- All Independent Non-Executive Directors have submitted annual declarations of independence;
- The Board has determined that each Independent Director meets the independence criteria set out in the CSE Listing Rules.

Processes for Independent Directors

Independent Directors are kept informed of matters relating to the Company through:

- Regular Board and Committee meetings;
- Timely circulation of Board papers and management reports; and
- Open access to senior management where required.

Director Induction and Training

No new Directors were appointed during the year. Accordingly, no formal induction programmes were conducted. Continuous updates on Corporate Governance requirements, Listing Rules, and Applicable laws and regulations are provided to existing Directors as part of ongoing Board processes.

DISCLOSURE REQUIRED UNDER SECTION 9.11.6 (G) OF THE LISTING RULES OF THE CSE

Name of the Director	Re-election/ Reappointment Status	First Appointed Date as Director	Date of Last Re-election/ Reappointment	Directorships/Chairperson ships and Other Principal Commitments in Other Listed Entities	Close Family Relationship
T C D Kumarasiri	Proposed for Re-election	1-11-2024	1-4-2025	Non-Executive Director – Lanka Hospital PLC Non-Executive Director – Sanasa Development Bank PLC Non-Executive Director – Asia Asset Finance PLC	None

BOARD COMMITTEE MEMBERSHIPS

Name of the Director	Nomination & Governance Committee	Related Party Transactions Review Committee	Audit Committee	Remuneration Committee
T C D Kumarasiri	Chairman	Chairman	Chairman	Member
W A M Wimalaratna	Member	Member	Member	Chairman
R S Dahanayake	Member	Member	Member	***N/A***

N/A - ***Not Applicable***

The Committee remains committed to maintaining a robust governance framework and a Board with the right balance of the skills , independence and diversity. The company complies with the Corporate Governance Requirements outlined in the Listing Rules of the Colombo Stock Exchange with detailed information provided under the Corporate Governance Section of this report.



Chaaminda Kumarasiri
Chairman
Nomination and Governance Committee

9 June 2026

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Sathosa Motors PLC have pleasure in presenting their Annual Report on the Affairs of the Company together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiary for the year ended 31st March 2026, conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act, No.07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended best practices.

GENERAL

Sathosa Motors PLC is a public limited liability Company which was incorporated in Sri Lanka on 11th March 1982 under the Companies Ordinance No: 51 of 1938 and re registered under the Companies Act, No.07 of 2007 on 13th December 2007, and listed on the Colombo Stock Exchange in 1993. The registration number of the Company is PQ 105 and was listed on the Diri Savi Board of Colombo Stock Exchange on 8th November 1993.

PRINCIPAL ACTIVITIES OF THE COMPANY AND REVIEW OF PERFORMANCE DURING THE YEAR

The principal activity of the Company is importation and distribution of Isuzu new vehicles, Vehicle Fabrication, Marine engines, Spare parts and operating workshops for vehicle repairs.

The Subsidiary, Access Motors (Pvt) Ltd is in the business of importation and sale of Land Rover vehicles and Jaguar vehicles, the Subsidiary Company operates workshops and sale of Land Rover and Jaguar spare parts.

REVIEW OF THE PERFORMANCE

Review of the financial and operational performance of the Company and its subsidiary are described in the Management Review of business operation Pages Segment wise contribution to Group revenue and profits are provided in Note 05 of the Financial Statements.

FINANCIAL STATEMENTS

The complete Financial Statements of the Company and Consolidated Financial Statements of the Company and its subsidiary, duly signed by two Directors on behalf of the Board are given on pages 132 to 189.

INDEPENDENT AUDITORS' REPORT

The Report of the Independent Auditor on the Financial Statements of the Company and its subsidiary is given on Pages 129 to 131.

ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of Financial Statements are given in the notes on pages 136 to 189 and are consistent with those of the previous period.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of their state of affairs.

The Directors are of the view that the Statement of Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and Notes to Financial Statements appearing on pages 132 to 189. have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, Companies Act, No.07 of 2007, Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995 and the amendments thereto and the Listing Rules of the Colombo Stock Exchange.

The Statement of Directors' Responsibility for Financial Reporting is given on page 125.

FINANCIAL RESULTS AND APPROPRIATIONS

Revenue

Revenue generated by the company amounted to LKR 12,374 Mn (2025 - LKR 1,818 Mn) whilst group revenue amounted to LKR 24,722 Mn (2025 - LKR 2,973 Mn).

Profit and Appropriations

The profit after tax of the company was LKR 1,771 Mn (2025-LKR 289 Mn) whilst Group Profit attributable to owners of the company for the year was LKR 2,074 Mn. (2025 -LKR 298 MN).

DIVIDEND

Final Dividend of LKR 10/- per share was paid on 28th July 2025 to the shareholders for the financial year ended 31st March 2025.

An Interim Dividend of LKR 15/- per share was paid on 25th March 2026 to the shareholders for the financial year ending 31st March 2026.

Final Dividend of LKR 25/- per share to be paid on 26th June 2026 to the shareholders for the financial year ended 31st March 2026.

RESERVES

The reserves of the Company and Group as at 31 March 2026 amounted to LKR 3,453 Mn (2025 - LKR 1,835 Mn) and LKR 3,797 Mn (2025 - LKR 1,877 Mn) respectively.

The movement and composition during the year are given in the Statement of Changes in Equity on page 134.

MATERIAL FORESEEABLE RISK FACTORS

As part of the governance process, the Board on a continuous basis reviews and takes any measures and evaluates the internal controls and risks of the Company and takes any measures required to mitigate the Risk.

DONATIONS

The Company did not make any donations during the year under review.

PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Capital expenditure on property, plant and equipment amounted to LKR 256 Mn for the Company (2025: LKR 50 Mn) and LKR 904 Mn for the Group (2025: LKR 1,244 Mn). Further details and movements are disclosed in Note 12 on pages 151 to 155 of the financial statements.

Capital expenditure on intangible assets was nil for the Company during the year (2025: nil), while the subsidiary recorded LKR 0.41 Mn (2025: LKR 0.59 Mn). Related disclosures are set out in Note 14 on pages 156 to 157 of the financial statements.

LAND HOLDINGS

The extents and locations of the Group's leasehold land holdings are given under the 15.1 Notes to the Financial Statements in pages no 159 .Land and building located at No.86, Vauxhall Street, Colombo 2 is classified under the investment property in accordance of the standards and detailed can be found on note 13 in the financial statements in page no 155 to 156.

INVESTMENTS

Details of the Company's quoted and unquoted investments as at 31st March 2026 are given in Note 16 to the Financial Statements on pages 160 to 161.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2026 was LKR 115,924,290/- represented by 6,033,622 shares. There were no changes in the Stated Capital of the Company during the year.

DIRECTORS' REMUNERATION

The Company has adopted a Remuneration Policy and established a formal procedure for determination of remuneration of Directors including Executive Directors. No Director is involved in deciding his or her own remuneration.

The Directors' remuneration is disclosed under key management personnel compensation in Note 25.5 to the Financial Statements on pages 172 to 173.

CORPORATE SOCIAL RESPONSIBILITY

The company continued its Corporate Social responsibility initiatives with a range of programs, details of which are set out on pages 65 bto 70 of this report.

BOARD OF DIRECTORS

The names of the Directors who held office as at the end of the accounting period are given below, with their brief profiles appearing on pages 22 to 26.

Executive Directors

Mr J C Joshua (Vice Chairman)

Mr I S N Fernando (Managing Director)

Mr M D Joshua

Non-Executive Directors

Mr S J S Perera (Chairman)

Mr S D Munasinghe

Mr D A R Fernando

Independent Non-Executive Directors

Mr R S Dahanayake

Mr T C D Kumarasiri

Mr W A M Wimalaratna

There were no any changes in the Directorate of the Company during the year under review.

RECOMMENDATION FOR RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION

Mr T C D Kumarasiri retires by rotation in terms of Articles 88 and 89 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee is recommended by the Board for re-election.

Directors of the Subsidiary Company as at 31st March 2026 and the changes in the Directorate

THE DIRECTORS OF ACCESS MOTORS (PVT) LTD AS AT 31ST MARCH 2026 CONSISTED OF THE FOLLOWING:

Mr. S J S Perera (Chairman)

Mr T T B C Fernando

Mr S D Munasinghe

Mr S M P K Dissanayake

Mr T A A Fernando

Mr I S N Fernando - appointed on 01.06.2025

Mr P D Udayapriya - appointed on 01.06.2025

BOARD SUB COMMITTEES

Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Nominations and Governance Committee and Strategic Planning Committee function as Board Sub Committees, with Directors, who possess the requisite qualifications and experience. The composition of the said Committees is as follows:

AUDIT COMMITTEE

Mr T C D Kumarasiri - Chairman- Independent Non-Executive Director

Mr W A M Wimalaratna - Independent Non-Executive Director

Mr R S Dahanayake - Independent Non-Executive Director

The Report of the Audit Committee appears on pages 110 to 111.

REMUNERATION COMMITTEE

Mr W A M Wimalaratna - Chairman - Independent Non-Executive Director

Mr T C D Kumarasiri - Independent Non-Executive Director

Mr D A R Fernando - Non-Executive Director

The Report of the Remuneration Committee appears on page 112.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr T C D Kumarasiri - Chairman - Independent Non-Executive Director

Mr W A M Wimalaratna - Independent Non-Executive Director

Mr R S Dahanayake - Independent Non-Executive Director

The Report of the Related Party Transactions Review Committee appears on pages 113 to 114.

NOMINATIONS AND GOVERNANCE COMMITTEE

Mr T C D Kumarasiri - Chairman - Independent Non-Executive Director

Mr W A M Wimalaratna - Independent Non-Executive Director

Mr R S Dahanayake - Independent Non-Executive Director

The Report of the Nominations and Governance Committee appears on pages 116 to 118.

STRATEGIC PLANNING COMMITTEE

Mr J C Joshua - Chairman - Executive Director

Mr I S N Fernando - Executive Director

Mr M D Joshua - Executive Director

The Report of the Strategic Planning Committee appears on page 115.

DECLARATION - COMPLIANCE WITH THE LISTING RULES ON RELATED PARTY TRANSACTIONS

In terms of Rule 9.14.8(4) of the Listing Rules, the Directors declare that the Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions.

RELATED PARTY TRANSACTIONS/ DISCLOSURES DURING THE YEAR

Non-Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(1) of the Listing Rules

There were no non-recurrent related party transactions which aggregate value exceeded 10% of the equity or 5% of the total assets whichever is lower of the Group as per latest Audited Financial Statements as at 31st March 2025, which required additional disclosures in this Annual Report in terms of Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8(2) of the Listing Rules

There were no recurrent related party transactions which aggregate value exceeded 10% of the consolidated revenue of the Group as per latest Audited Financial Statements as at 31st March 2025, which required additional disclosures in this Annual Report in terms of Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

EMPLOYEE SHARE OWNERSHIP PLANS

The Group does not possess any employee share option scheme.

DIRECTORS INTERESTS IN CONTRACTS OR PROPOSED CONTRACTS AND INTEREST REGISTER

The Company maintains an Interests Register in terms of the Companies Act, No.07 of 2007, which is deemed to form part and parcel of this Annual Report and available for inspection upon request.

The Directors have no direct or indirect interest in any other contract or proposed contract with the Company, except for the transactions referred to in Note 25.4 on page 171.

DIRECTORS' SHAREHOLDING

The shareholding of the Directors in the Shares of the Company as at 31st March 2026 were Nill.

SHARE INFORMATION

There were 1,615 shareholders registered as at 31st March 2026 (1,248 shareholders as at 31st March 2025). The details of distribution are given on page 192 to 194 of this report.

PUBLIC SHAREHOLDING PERCENTAGE

Information on Public Shareholding in terms of the Listing Rules is given on page 192 under Share Information.

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings per share, net assets per share, thirty largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on pages 193 to 194 under Shareholders' Information.

CORPORATE GOVERNANCE

The Board of Directors confirms, that the Company is in compliant with Section 9 of the Listing Rules of the CSE. The Chairman, the Board of Directors and the Key Management Staff is dedicated towards upholding an effective Corporate Governance Framework in compliance with the Code of Business Conduct, Ethics of the Company and in implementing systems and structures required to ensuring best practices within the Company.

The Corporate Governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on Pages 84 to 103 explains the measures adopted by the Company during the year of review.

POLICIES IN TERMS OF RULE 9.2 OF THE LISTING RULES

In terms of Rule 9.2.1 of the Listing Rules, the Company established, adopted and published on the Company website (www.sathosamotorsplc.com) the following policies, ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance:

a. Policy on the matters relating to the Board of Directors

b. Policy on Board Committees

c. Policy on Corporate Governance, Nominations and Re-election

d. Policy on Remuneration

e. Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities

f. Policy on Risk Management and Internal controls

g. Policy on Relations with Shareholders and Investors

h. Policy on Environmental, Social and Governance Sustainability

i. Policy on Control and Management of Company Assets and Shareholder Investments

j. Policy on Corporate Disclosures

k. Policy on Whistle blowing

l. Policy on Anti-Bribery and Corruption

There were no changes to the above policies adopted by the Company during the year under review.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the Financial Year under review and as at the date of such declarations. These Declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board.

INDEPENDENCE OF DIRECTORS

The Board, based on the Declarations submitted by the Independent Directors declaring his/her independence against the criteria specified in Rule 9.8.3 of the Listing Rules and such other information available to the Board that could reasonably be constructed to have a bearing on the independence of such Directors, determined that the Three (3) Independent Directors namely Messrs R S Dahanayake, T C D Kumarasiri and W A M Wimalaratna are 'Independent' in terms of the Listing Rules.

POLICY ON RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has established a process for effective communication and relations with shareholders and investors. Accordingly, the shareholders have access to the Company as set out in inside of the back cover of this Report.

OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for the Board related matters of the Company decided that a Director of the Company shall not hold more than Five (05) directorships in Listed Companies.

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

The Company has in terms of the subject Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

Additional disclosures by/pertaining to Directors

(i) Material Interests in Contracts involving the Company

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

(ii) Material Business Relationships with each other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

(iii) Other Directorships held by the Directors

Other directorships held by Directors are disclosed on pages 172 to 173 in note no 25.5 in the Financial Statement.

(iv) Review of Internal Controls

The Directors have, through the Audit Committee, conducted a review of the Internal controls covering financial, operational and compliance control and risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

(v) Applicable Laws Rules and Regulations

The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

There were no material non-compliance with law or regulation or any fines, which are material, imposed by any Government or regulatory authority in any jurisdiction where the Company has operations.

BOARD MEETINGS

Four (4) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings is set out on page 87.

DELEGATION OF AUTHORITY

The Board has delegated the authority of the day to day management of the Company to the Managing Director who is responsible for delivering services according to the policies and the budgets approved by the Board.

DELEGATION TO BOARD MEMBERS

The Board has delegated certain functions and duties to Sub Committees that comprises of Board members. The functions and duties of each Sub Committee namely, the Audit Committee, the Remuneration Committee, the Related Party Transactions Review Committee, Nominations and Governance Committee and Strategic Planning Committee are detailed in the respective reports.

The Board is also encouraged to seek independent professional advice when necessary, at the Company's expense and also have access to the Company Secretary to obtain advice and services as and when necessary.

APPRAISAL OF BOARD PERFORMANCE

The Board is aware that appraising their own performance periodically would enhance the understanding of individual performance of the Board as a whole. The Board members ensure that Board responsibilities are satisfactorily discharged. Further details of the same are mentioned in The Nominations and Governance Committee Report.

INTERNAL CONTROLS

The Board through delegation to the Audit Committee ensures that the Company maintains a sound system of Internal Controls to safeguard investments and Company's assets. Therefore, the Audit Committee conducts a review of the effectiveness of the Company's system of internal controls.

MAJOR TRANSACTIONS

The Board of Directors is required to act in accordance with Section 185 of the Companies Act No. 07 of 2007 with regard to 'major transactions' as per the said Section 185. There were no major transactions entered into by the Company during the year.

SUSTAINABILITY

The Company pursues its business goals based on a model of stakeholders' governance. Finding of the continuous internal stakeholder engagements have enabled the Company to focus on material issues highlighted by other stakeholders such as employees, customers, suppliers and the community. These steps have been encapsulated in a Company-wide strategy focused on sustainable development which is continuously evolving based on the above-mentioned stakeholder engagements.

EMPLOYMENT POLICY

The Company's employment policy is totally non-discriminatory which respects individuals and provides career opportunities irrespective of the gender, race or religion.

At a Company level as at 31st March 2026 a total of 161 persons were in employment (128 persons as at 31st March 2025). There were no material issues pertaining to employees and industrial relations during the financial year.

Refer Human Capital on Pages 58 to 64 for more information.

SUPPLIER POLICY

The Company applies an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers and endeavors to pay for all items properly charged in accordance with these agreed terms. As at 31 March 2025 trade and other payables of the Company and Group amounted to LKR 2,328 Mn (2025 –LKR 454 Mn) and LKR 5,724 Mn (2025 – LKR 1,061 Mn) respectively.

The Company strives to integrate principles of sustainable practices in its value chain through extensive stakeholder consultations, the findings of which are integrated in to work plans.

ENVIRONMENTAL PROTECTION

The Company complies with appropriate environmental laws and regulations to fulfil the best practices applicable in the country of operation. After making adequate enquiries from the Management, the Directors are satisfied that the Company operates in a manner that minimizes the detrimental effects on the environment and provides products and services that have a beneficial effect on the customers and the communities within, which the Company operates.

RESEARCH AND DEVELOPMENT

The Company has an active approach to research and development and recognize the contribution that it can make to the Company's operations. Significant expenditure has taken place over the years and substantial effort will continue to be made to introduce new products and processes and develop existing products and processes to improve operational efficiency.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Company and the Group and all other known statutory dues as were due and payable by the Company and the Group as at the Statement of Financial Position date have been paid or, where relevant provided for.

CONTINGENT LIABILITIES

Except as disclosed in Note 26 (Page 174) to the Financial Statements, there were no material Contingent Liabilities as at the reporting date.

RISK MANAGEMENT

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company and the Group on a quarter basis. The Directors review this process through the Audit Committee, to identify the competence and success of internal controls.

Specific steps taken by the Company in managing the risks are detailed in the section on Enterprise Risk Management on Pages 104 - 109.

INDEPENDENT AUDITORS

Messrs KPMG, Chartered Accountants served as the Auditors of the Company during the year under review. The Auditors do not have any other relationship with the Company other than as Auditors of the Company who have also provided certain non-audit services.

A total amount of LKR 2,696,981/- is payable by the Company to the Auditors for the year under review. LKR 2,352,000/- as audit fees and LKR 344,981/- as non-audit fees respectively.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 09 June 2026 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

GROUP

Messrs KPMG, Chartered Accountants served as Auditors of the subsidiary company.

Details of payments to the said Auditors on account of audit fees and for permitted non audit services, are set out in Note 9 to the Financial Statements on pages 145 to 146.

INDEPENDENCE OF AUDITORS

Based on the declaration provided by Messrs KPMG, Chartered Accountants and to the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor), or interest in, the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issues by The Institute of Chartered Institute of Sri Lanka as at the reporting date.

TAX RELATED SERVICES

All tax related services are provided by Messrs Dasanayaka Associates Chartered Accountants.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of knowledge and belief of the Directors, the Company and its subsidiary have not engaged in any activity, which contravenes laws and regulations of the country.

EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Except for the matters disclosed in Note 27 (Page 174) to the Financial Statements, there were no material events as at the date of the Auditor's Report, which require adjustment to or disclosure in the Financial Statements.

GOING CONCERN

The Financial Statements are prepared on going concern principles. After making adequate enquires from the Management, the Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future.

ANNUAL REPORT

The Board of Directors approved the consolidated Financial Statements on 9th June 2026.

ANNUAL GENERAL MEETING

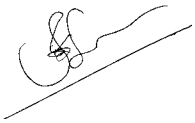
The Forty Second (42nd) Annual General Meeting will be held on 6th July 2026.

The Notice of the Annual General Meeting appears on Page 195.

ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

As required by the 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.

This Annual Report is signed for and on behalf of the Board of Directors by



Srimal Fernando
Managing Director



Joseph Christopher Joshua
Executive Vice Chairman



P W Corporate Secretarial (Pvt) Ltd
Secretaries

9 June 2026
Colombo

The Statement of Directors' Responsibility

Section D.1.5 of the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors include in the Annual Report a statement of responsibility for the preparation and presentation of the Financial Statements, together with a statement by the Auditors on their reporting responsibilities.

OVERVIEW

This statement sets out the responsibilities of the Board of Directors for the Financial Statements of the Company and the consolidated Financial Statements of the Group. The responsibilities of the External Auditors in relation to the Financial Statements are set out in the Independent Auditors' Report appearing on pages 129 to 131.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are required to ensure that proper accounting records are maintained with respect to all transactions of the Company and its Subsidiaries in accordance with the provisions of the Companies Act No. 07 of 2007.

In terms of Sections 150(1), 151, 152(1) and (2), and 153(1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements that give a true and fair view of the state of affairs of the Company and its Subsidiaries as at the end of each financial year, and of the financial performance for that year. These Financial Statements comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and the related Notes.

IN PREPARING THE FINANCIAL STATEMENTS, THE DIRECTORS ENSURE THAT:

- appropriate accounting policies are selected and applied consistently, and any material departures are disclosed and explained;
- the Financial Statements are prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), and reasonable and prudent judgments and estimates are made so that the substance of transactions is properly reflected;
- the Financial Statements provide the information required by, and otherwise comply with, the Companies Act and the Listing Rules of the Colombo Stock Exchange;
- the Company maintains sufficient accounting records with reasonable accuracy to disclose the financial position of the Company and the Group;
- the Financial Statements are prepared on a going concern basis, as the Directors are satisfied that adequate resources are available to support the continued operations of the Company and the Group.

INTERNAL CONTROL AND AUDITOR SUPPORT

The Directors further confirm that they have taken reasonable steps to safeguard the assets of the Company and the Group and have established appropriate systems of internal control to prevent and detect fraud and other irregularities.

The external auditors were provided with all information and explanations necessary for them to form an independent opinion on the Financial Statements.

COMPLIANCE REPORT

The Directors confirm that, to the best of their knowledge, all taxes, duties, levies and other statutory dues payable by the Company and its Subsidiaries, including amounts payable in respect of employees, had been paid or, where appropriate, provided for as at the reporting date, except as disclosed in Note 24 to the Financial Statements relating to commitments and contingencies.

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

By Order of the Board,



P W Corporate Secretarial (Pvt) Ltd
Secretaries

9 June 2026
Colombo

Directors Statements on Risk Management and Internal Control

INTRODUCTION

In terms of the Code of Best Practice on Corporate Governance, the Board of Directors is required to include in the Annual Report a statement on the Company's risk management and internal control systems.

BOARD'S RESPONSIBILITY

The Board of Directors has overall responsibility for the establishment and maintenance of an appropriate system of risk management and internal control of the Company. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve the Company's business objectives and can therefore provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and this process has been in place throughout the year under review. The process is reviewed regularly and, where necessary, enhanced to take account of changes in the business environment and the regulatory framework.

KEY INTERNAL CONTROL PROCESSES

The key processes established by the Board to provide effective risk management and internal control, and to ensure the reliability of financial reporting, include the following:

- The General Manager – Head of Finance, the Managing Director, the Executive Director and the Corporate Management Team support the Board in the execution of the approved business strategy and in monitoring the operations of the Company and the Group in line with the policies and procedures approved by the Board. These officers, together with the other Key Management Personnel, provide assurance to the Board on the adequacy and effectiveness of the Company's risk management and internal control systems.
- The Board Audit and Risk Committee reviews the adequacy and effectiveness of the Company's risk management and internal control systems and monitors the timely resolution of control weaknesses identified by Internal Audit, External Auditors and Management.
- The Internal Audit Department, headed by the Head of Internal Audit, carries out independent reviews on an ongoing basis covering the key functional areas of the Company to evaluate the adequacy and effectiveness of the internal control systems.

  These reviews are carried out in accordance with the Annual Audit Plan approved by the Board Audit Committee, and the findings there from are submitted to the Committee on a quarterly basis for review. In addition, special audits are undertaken whenever considered necessary and the findings of such audits are also reported to the Committee.
- The Board Audit Committee reviews internal control issues identified by the Internal Audit Department, regulatory authorities and Management, and evaluates the adequacy and effectiveness of the Company's internal control framework.

  The Committee also reviews the effectiveness of the internal audit function, with particular emphasis on the scope of internal audit coverage and the quality of audit work performed.
- Divisional Heads are responsible for reviewing the procedures and controls within their respective areas of responsibility in assessing the effectiveness of the overall internal control system of the Company and its subsidiaries, with ongoing oversight by the Internal Audit Division.
- The recommendations made by the External Auditors in their management letters in relation to the internal control system were reviewed during the year under review and, where appropriate, action was taken by Management to address the matters raised.

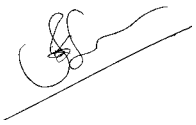
CONFIRMATION STATEMENT

Based on the above, the Board is satisfied that the system of risk management and internal control in place during the year under review is sound and adequate to meet the requirements of the Company. The Board further confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of the Financial Statements for external reporting purposes has been carried out in accordance with Sri Lanka Accounting Standards (SLFRS/LKASs), the requirements of the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

By Order of the Board



Chaaminda Kumarasiri
Chairman
Audit Committee



Srimal Fernando
Managing Director



Joseph Christopher Joshua
Executive Vice Chairman

9 June 2026

What builds the nation's infrastructure and growth?



An industry contributing approximately 6% to GDP depends on the uninterrupted movement of materials, machinery, and workforce across project sites nationwide, where Isuzu remains strongly positioned in supporting construction and development activities.

Enabling progress. Supporting infrastructure. Powering national development.

Financial Calendar

	2024/2025	2025/2026
Annual General Meeting Calendar		
42nd Annual General Meeting		6 JUL 2026
41st Annual General Meeting	27 AUG 2025	
42nd Annual General Meeting – Accounts Sing On		11 JUN 2026
41st Annual General Meeting – Accounts Sing On	22 JUL 2025	
Dividend Declaration		
Interim – Cash Dividend	23 OCT 2025	24 FEB 2026
Final – Cash	27 JUN 2025	29 MAY 2026

INTERIM FINANCIAL STATEMENTS CALENDER

Published on (2025-2026)

	2024/2025	2025/2026
Submission to the Colombo Stock Exchange (CSE)		
First quarter released on	7 AUG 2024	7 AUG 2025
Second quarter released on	12 NOV 2024	11 NOV 2025
Third quarter released on	11 FEB 2025	11 FEB 2026
Fourth quarter released on	28 MAY 2025	27 MAY 2026

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
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Internet www.kpmg.com/lk

To the Shareholders of Sathosa Motors PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sathosa Motors PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2026, and statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 132 to 189 of this Annual Report.

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

Basis for Opinion

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

Key Audit Matters

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

Valuation of Investment Properties
Refer the Note 13 to the financial statements

Risk Description	Our response
The Group's investment properties are stated at their fair value of LKR 1,014 million as at 31 March 2026. Management's assessment of fair value is based on valuations performed by a qualified independent property valuer in accordance with recognized industry standards. We identified fair valuation of Investment properties as a key audit matter due to the use of significant estimates such as per perch price and value per square foot involved in assessing the fair value of the investment property.	Our audit procedures included; • Assessing the objectivity, independence, competence, and professional qualifications of the external valuer engaged by management. • Engaging our own internal experts where applicable to assess the reasonability of the valuation technique, per square-feet value, assumptions and methods used in the valuation by comparing the same with evidence of current market values. • Assessing the adequacy of disclosures made in relation to fair value of investment property in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F. R. Ziyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

Recoverability of Trade Receivables

As described in Note 18 Trade Receivables

Risk Description	Our response
The Group and the Company have recognized trade receivable balances of LKR 1,095 million and LKR 726 million, respectively, as at 31 March 2026, after adjusting for impairment provisions amounting to LKR 48 million and LKR 27 million, respectively. As described in Note 18 to the financial statements, management's provisioning methodology is based on an expected credit loss model as required under SLFRS 9 'Financial Instruments'. The determination of provision for impairment using expected credit loss model is subject to number of key judgments and assumptions such as forward-looking probability of default (PD), loss given default (LGD), macroeconomic scenarios including their weighting and judgments over the use of data inputs required. Impairment of trade receivables remains one of the significant judgements made by management particularly in light of the prevailing volatile macro-economic environment in Sri Lanka. We identified impairment of trade receivables as a key audit matter for our audit, as it requires management to exercise subjective judgment in making assumptions and estimates for the assessment of allowance for impairment of trade receivables.	Our audit procedures included; • Evaluating the appropriateness of the impairment methodology adopted by the Group in accordance with SLFRS 9 and challenging the key assumptions and evaluating the reasonableness of the key judgments and methodology used by the management. • Assessing the appropriateness of impairment allowance by considering the estimation uncertainties by management pursuant to the current economic situation in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions used in the expected credit loss model. • Evaluating the completeness, accuracy, and relevance of data used in preparation of the impairment provision. • Comparing the economic factors used in the models to market information to assess whether they are aligned with the market and economic development. • Evaluating the adequacy of the disclosures in the financial statements in accordance with the relevant 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 our auditor's report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient 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 audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3272.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
11 June 2026

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st March,	Notes	Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
Revenue	6.	**24,721,797,530**	2,972,852,488	**12,373,536,654**	1,817,839,687
Cost of sales		**(19,977,505,228)**	(1,737,556,249)	**(9,197,626,449)**	(993,440,997)
Gross profit		**4,744,292,302**	1,235,296,239	**3,175,910,205**	824,398,690
Other Income	7.	**229,472,850**	131,264,125	**108,810,252**	44,351,305
Fair Value gain on Investment Property	13.1	**35,683,500**	53,000,000	**35,683,500**	53,000,000
Administrative Expenses		**(1,113,227,950)**	(724,815,648)	**(514,908,342)**	(372,217,139)
Selling & Distribution Expenses		**(310,855,306)**	(120,393,687)	**(167,891,836)**	(73,301,020)
Operating profit		**3,585,365,396**	574,351,029	**2,637,603,779**	476,231,836
Finance income	8.1	**31,132,327**	7,525,476	**17,346,811**	4,471,075
Finance costs	8.2	**(191,834,415)**	(133,902,923)	**(108,302,473)**	(61,379,315)
Net finance costs	8	**(160,702,088)**	(126,377,447)	**(90,955,662)**	(56,908,240)
Profit before tax	9.	**3,424,663,308**	447,973,582	**2,546,648,117**	419,323,596
Income tax expense	10.1	**(1,046,626,791)**	(141,338,820)	**(775,697,694)**	(130,144,666)
Profit for the year		**2,378,036,517**	306,634,762	**1,770,950,423**	289,178,930
Other Comprehensive Income:					
Items that will not be reclassified to Profit & Loss					
Acturial Loss on Re-measurement of Defined Benefit Obligation		**(8,805,270)**	(3,194,689)	**(2,698,077)**	(1,735,103)
Related Deferred Tax Impact on the Actuarial Loss		**2,641,581**	958,407	**809,423**	520,531
Total Other Comprehensive Expenses for the Year		**(6,163,689)**	(2,236,282)	**(1,888,654)**	(1,214,572)
Total Comprehensive income for the year		**2,371,872,828**	304,398,480	**1,769,061,769**	287,964,358
Profit attributable to:					
Owners of the Company		**2,074,295,443**	297,906,843	**1,770,950,423**	289,178,930
Non-controlling interests		**303,741,074**	8,727,919	**-**	-
		2,378,036,517	306,634,762	**1,770,950,423**	289,178,930
Total Comprehensive income attributable to:					
Owners of the Company		**2,070,269,272**	296,181,416	**1,769,061,769**	287,964,358
Non-controlling interests		**301,603,556**	8,217,064	**-**	-
		2,371,872,828	304,398,480	**1,769,061,769**	287,964,358
Earnings Per Share		**343.79**	49.37	**293.51**	47.93

The notes on pages 136 through 189 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March,	Notes	Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
Assets					
Property, plant and equipment	12	**2,661,801,643**	1,933,737,455	**687,968,421**	500,378,766
Investment Property	13	**1,013,683,500**	978,000,000	**1,013,683,500**	978,000,000
Intangible assets	14	**2,382,504**	2,984,893	**-**	-
Right -of- use assets	15.1	**32,253,380**	66,376,053	**26,165,578**	31,879,710
Investment in subsidiary	16	**-**	-	**464,940,064**	464,940,064
Non current assets		**3,710,121,027**	2,981,098,401	**2,192,757,563**	1,975,198,540
Inventories	17	**6,559,511,921**	763,891,973	**2,846,678,103**	460,829,880
Trade and other receivables	18	**1,458,083,383**	588,486,959	**925,180,972**	380,661,282
Amounts due from related parties	25.2	**78,745,761**	50,965,113	**16,901,073**	4,508,798
Current tax assets	10.4	**-**	10,120,821	**-**	8,202,326
Other financial assets	29.3	**164,993**	153,284	**-**	-
Cash and cash equivalents	19.1	**1,037,335,656**	441,653,531	**754,385,233**	58,291,118
Total Current assets		**9,133,841,714**	1,855,271,681	**4,543,145,381**	912,493,404
Total assets		**12,843,962,741**	4,836,370,082	**6,735,902,944**	2,887,691,944
Equity					
Stated capital	20	**115,924,290**	115,924,290	**115,924,290**	115,924,290
Retained earnings		**3,796,519,740**	1,877,091,018	**3,453,331,600**	1,835,110,381
Equity attributable to owners of the Company		**3,912,444,030**	1,993,015,308	**3,569,255,890**	1,951,034,671
Non-controlling interests		**808,524,257**	506,920,701	**-**	-
Total equity		**4,720,968,287**	2,499,936,009	**3,569,255,890**	1,951,034,671
Liabilities					
Interest bearing loans and borrowings	21	**273,112,909**	445,004,279	**12,499,496**	65,004,279
Deferred income	22	**4,168,395**	4,387,779	**4,168,395**	4,387,779
Employee benefits	23.1	**51,077,214**	33,090,463	**22,582,423**	16,033,532
Deferred tax Liabilities	10.5	**80,791,377**	61,781,372	**61,777,887**	51,647,021
Lease liabilities	15.2	**17,072,866**	26,402,828	**13,268,718**	18,946,361
Non current liabilities		**426,222,761**	570,666,721	**114,296,919**	156,018,972
Trade and other payables	24	**5,724,059,494**	1,061,370,886	**2,328,362,387**	454,164,278
Amounts due to related parties	25.3	**58,026,599**	126,056,069	**57,818,278**	965,837
Interest bearing loans and borrowings	21	**1,154,353,645**	527,504,804	**52,530,207**	307,504,804
Lease liabilities	15.2	**12,097,135**	46,442,353	**11,596,605**	13,610,142
Income Tax Payable	10.4	**728,808,442**	-	**595,807,769**	-
Unclaimed dividend		**6,234,889**	4,393,240	**6,234,889**	4,393,240
Bank overdraft	19.2	**13,191,489**	-	**-**	-
Total Current liabilities		**7,696,771,693**	1,765,767,352	**3,052,350,135**	780,638,301
Total liabilities		**8,122,994,454**	2,336,434,073	**3,166,647,054**	936,657,273
Total equity and liabilities		**12,843,962,741**	4,836,370,082	**6,735,902,944**	2,887,691,944
Net Assets Per Share	34	**648.44**	330.32	**591.56**	323.36

The notes on pages 136 through 189 form an integral part of these financial statements.

It is certified that the Financial statements have been prepared in compliance with the requirements of the Companies Act, No 07 of 2007.

Dushantha Udayapriya
General Manager Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Sathosa Motors PLC.

Srimal Fernando
Director/Managing Director

Joseph Christopher Joshua
Director/Executive Vice Chairman

9 June 2026
Colombo

Statement of Changes in Equity

For the Year Ended 31st March 2026,	*Attributable to the Owners of the Company*				
Group	**Stated Capital**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total Equity**
	LKR	LKR	LKR	LKR	LKR
Balance as at 01st April 2024	115,924,290	1,611,077,712	1,727,002,002	498,703,637	2,225,705,639
Profit for the year	-	297,906,843	297,906,843	8,727,919	306,634,762
Other comprehensive income for the year net of tax	-	(1,725,427)	(1,725,427)	(510,855)	(2,236,282)
Total comprehensive income for the year	-	296,181,416	296,181,416	8,217,064	304,398,480
Dividend Payment	-	(30,168,110)	(30,168,110)	-	(30,168,110)
Balance as at 31st March 2025	115,924,290	1,877,091,018	1,993,015,308	506,920,701	2,499,936,009
Balance as at 1st April 2025	**115,924,290**	**1,877,091,018**	**1,993,015,308**	**506,920,701**	**2,499,936,009**
Profit for the year	**-**	**2,074,295,443**	**2,074,295,443**	**303,741,074**	**2,378,036,517**
Other comprehensive income for the year net of tax	**-**	**(4,026,171)**	**(4,026,171)**	**(2,137,518)**	**(6,163,689)**
Total comprehensive income for the year	**-**	**2,070,269,272**	**2,070,269,272**	**301,603,556**	**2,371,872,828**
Dividend Payment	**-**	**(150,840,550)**	**(150,840,550)**	**-**	**(150,840,550)**
Balance as at 31st March 2026	**115,924,290**	**3,796,519,740**	**3,912,444,030**	**808,524,257**	**4,720,968,287**

Company	**Stated Capital**	**Retained Earnings**	**Total Equity**
	LKR	LKR	LKR
Balance as at 01st April 2024	115,924,290	1,577,314,133	1,693,238,423
Profit for the year	-	289,178,930	289,178,930
Other comprehensive income for the year net of tax	-	(1,214,572)	(1,214,572)
Total comprehensive income for the year	-	287,964,358	287,964,358
Dividend Payment	-	(30,168,110)	(30,168,110)
Balance as at 31st March 2025	115,924,290	1,835,110,381	1,951,034,671
Balance as at 1st April 2025	**115,924,290**	**1,835,110,381**	**1,951,034,671**
Profit for the year	**-**	**1,770,950,423**	**1,770,950,423**
Other comprehensive income for the year net of tax	**-**	**(1,888,654)**	**(1,888,654)**
Total comprehensive income for the year	**-**	**1,769,061,769**	**1,769,061,769**
Dividend Payment	**-**	**(150,840,550)**	**(150,840,550)**
Balance as at 31st March 2026	**115,924,290**	**3,453,331,600**	**3,569,255,890**

The notes on pages 136 through 189 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

For the Year Ended 31st March,	Notes	Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
Cash flows from operating activities					
Profit before tax		**3,424,663,308**	447,973,582	**2,546,648,117**	419,323,596
Adjustments for:					
Depreciation of property plant and equipment	12.1, 12.2	**175,811,091**	132,297,994	**68,399,042**	53,071,747
Amortization of intangible assets	14.1	**1,007,389**	974,266	**-**	-
Depreciation of right-of-use assets	15.1	**54,700,366**	39,854,049	**10,922,652**	12,611,193
Amortization of grants received	22	**(219,384)**	(219,372)	**(219,384)**	(219,372)
Provision for inventories	17.1	**14,255,804**	15,303,642	**12,790,401**	9,046,648
Provision for trade debtors	18.1	**5,128,091**	13,567,688	**4,229,564**	5,518,619
Profit on sale of property, plant and equipment	7	**(26,939,878)**	(5,546,044)	**(26,939,878)**	(86)
Gain on derecognition of ROU assets	7	**(5,073,667)**	(62,186,643)	**-**	(875,017)
Gain on valuation of Investment Property	13.1	**(35,683,500)**	(53,000,000)	**(35,683,500)**	(53,000,000)
Gain on remeasurement from Investment in Unit Trust	29.3	**(11,709)**	(2,045,082)	**-**	-
Provision for employee benefits	23.2	**11,127,514**	6,732,311	**4,066,014**	3,240,616
Net finance costs	8	**161,340,925**	126,377,447	**90,981,086**	56,908,240
Operating profit before working capital changes		**3,780,106,350**	660,083,838	**2,675,194,114**	505,626,184
Changes in:					
Inventories		**(5,809,875,752)**	178,588,535	**(2,398,638,624)**	63,253,467
Trade and other receivables		**(874,724,515)**	(42,687,250)	**(548,749,254)**	(40,470,762)
Amount due from related parties		**(27,780,648)**	94,625,056	**(12,392,275)**	7,603,517
Trade and other payables		**4,664,530,257**	749,442,848	**1,876,039,759**	296,585,088
Amount due to related parties		**(68,029,470)**	85,028,729	**56,852,441**	(40,083,069)
Cash generated from operating activities		**1,664,226,222**	1,725,081,756	**1,648,306,161**	792,514,425
Interest paid on Loan and Borrowings	8.2	**(182,621,149)**	(118,408,437)	**(104,716,782)**	(56,562,082)
Interest Paid on Lease Liabilities	15.2	**(13,272,716)**	(15,494,486)	**(3,585,691)**	(4,817,233)
Income tax/WHT paid		**(286,045,941)**	(36,526,591)	**(160,747,310)**	(23,542,478)
Gratuity paid	23.1	**(1,946,033)**	(6,185,179)	**(215,200)**	(2,016,630)
Net cash generated from operating activities		**1,180,340,383**	1,548,467,063	**1,379,041,178**	705,576,002
Cash Flows From Investment Activities					
Purchase of property, plant & equipment	12.1, 12.2	**(903,964,127)**	(1,244,302,711)	**(256,077,545)**	(50,152,158)
Purchase of Intangible Assets	14.1	**(405,000)**	(592,457)	**-**	-
Withdrawals on Financial Assets	29.3	**-**	119,000,000	**-**	-
Proceeds from sale of property, plant & equipment		**27,028,726**	9,618,680	**27,028,726**	564,087
Interest received	8.1	**31,132,327**	7,525,476	**17,346,811**	4,471,075
Net cash used in investing activities		**(846,208,074)**	(1,108,751,012)	**(211,702,008)**	(45,116,996)
Cash Flows From Financing Activities					
Proceed for borrowings	21.1, 21.2	**7,193,267,256**	3,940,000,000	**6,211,443,818**	3,240,000,000
Repayment of loans	21.1, 21.2	**(6,738,948,622)**	(3,972,504,804)	**(6,518,948,622)**	(3,872,504,804)
Repayment of lease liabilities	15.2	**(55,119,757)**	(36,848,167)	**(12,899,701)**	(9,424,294)
Dividend Payment		**(150,840,550)**	(30,168,110)	**(150,840,550)**	(30,168,110)
Net cash generated from/(used in) financing activities		**248,358,327**	(99,521,081)	**(471,245,055)**	(672,097,208)
Net increase/(decrease) in cash and cash equivalents		**582,490,636**	340,194,970	**696,094,115**	(11,638,203)
Cash and cash equivalents at the beginning of the year		**441,653,531**	101,458,561	**58,291,118**	69,929,319
Cash and cash equivalents at the end of the year	19	**1,024,144,167**	441,653,531	**754,385,233**	58,291,118
Analysis of cash and cash equivalents	19				
Cash and cash equivalents		**1,024,144,167**	441,653,531	**754,385,233**	58,291,118
		1,024,144,167	441,653,531	**754,385,233**	58,291,118

The notes on pages 136 through 189 form an integral part of these financial statements.

Figures in brackets indicate deductions.

1. CORPORATE INFORMATION

1.1. Reporting Entity

Sathosa Motors PLC is a public quoted company incorporated and domiciled in Sri Lanka, registered under the Companies Act No. 7 of 2007 and is listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is situated at No. 25, Vauxhall Street, Colombo 02.

The consolidated Financial Statements of Sathosa Motors PLC as at and for the year ended 31 March 2026 comprise the Company and its Subsidiary, Access Motors (Private) Limited. Sathosa Motors PLC holds 50% of Access Motors (Private) Limited.

The Financial Statements of the Company and its subsidiary have a common financial year which ends on 31st March and are prepared using uniform accounting policies.

1.2. Principal Activities and Nature of Operations

The principal activity of the Company is importing and distribution of Isuzu new vehicles, Marine engines, spare parts and operating workshops for vehicle repairs.

Access Motors (Private) Limited is in the business of importation and sale of Land Rover vehicles and Jaguar vehicles, the Subsidiary Company operates workshops and sale of Land Rover and Jaguar spare parts.

1.3. Parent Company

The ultimate Parent Company of Sathosa Motors PLC is Access Engineering PLC (AEL). AEL is primarily involved in the business of Construction activities and supply of construction – related services and materials.

2. BASIS OF PREPARATION

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

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL).

2.1. Statement of Presentation

The Financial Statements have been presented in Compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Group did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs and regulations governing the preparation and presentation of the Financial Statements.

2.2. Responsibilities of the Financial Statements

The Board of Directors is responsible for preparation and presentation of the Financial Statements of the Company and its subsidiary as per provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards (LKASs/SLFRSs).

The consolidated and separate Financial Statements were approved and authorised for issue by the Board of Directors on 9th June 2026.

2.3. Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items stated in the Statement of Financial Position.

- Investment property recognized based on the valuation (Note 13)
- Financial assets classified as fair value through profit or loss measured at fair Value (Note 29.3)
- Employee benefit liability recognized based on the actuarial valuation (Note 23)
- Lease liabilities measured at amortised cost using effective interest method (Note 15.2)

2.4. Functional and Presentation Currency

These Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group's functional and presentation currency.

2.5. Significant accounting judgments, estimates and assumptions

The preparation of financial statements of the Group and the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income, expenses and accompanying disclosures including contingent liabilities. Estimates and judgements which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting

date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management considered the following items, where significant judgments, estimates and assumptions have been used in preparing these Financial Statements.

- Revenue recognition [Note 06]
- Depreciation of Property, Plant and Equipment [Note 12]
- Investment property valuation [Note 13]
- Amortization of Intangible Assets [Note 14]
- Impairment of non-financial assets [Note 3.3]
- Fair value measurement of financial instruments [Note 30]
- Consolidation: Assessment of Control [Note 16]
- Provision for expected credit losses of trade receivables and contract assets; Key assumptions for provision matrix to calculate ECL. [Note 18]
- Income tax - Current tax and deferred tax [Note 10]
- Measurement of defined benefit obligation: key actuarial assumptions [Note 23]
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources [Note 26]

2.6. Going Concern

The Group and the Company has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the financial statements for the year ended 31 March 2026, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group and the Company and the appropriateness of the use of the going concern basis.

The management has formed judgment that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group and the Company.

Based on the publicly available information at the date these financial statements were authorised for issue, management considered a number of severe but plausible scenarios with respect to possible impact of the downside economic scenarios. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group and the Company's ability to continue as a going concern.

The Board of directors are satisfied that the Group and the Company has adequate resources to continue in operational existence for the foreseeable future. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern.

2.7. 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 1on 'Presentation of Financial Statements' and amendments thereto.

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

2.8. Changes in material accounting policies

Company does not have changes in material accounting policies in the current annual reporting period.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these Financial Statements and have been applied consistently by the Group, unless otherwise stated.

3.1. Basis of consolidation

The Group's financial statements comprise of the consolidation of financial statements of the company its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10)- Consolidated Financial Statements.

3.1.1. Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 3.1.2). In determining whether a particular set of activities and assets is a business,

the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre combination service.

3.1.2. Subsidiary

Subsidiaries are entities controlled by the Parent. 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 subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. In separate Financial Statements, investment in subsidiary is stated at cost.

3.1.3. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated Financial Statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Appropriate classification is made when the classification of subsidiary differs from classification of the parent.

3.1.4. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.2. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and no translation is made subsequently unless determined to realize at fair value. Foreign currency differences are generally recognised in profit or loss.

3.3. 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 indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset,unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

Impairment losses are recognized in the Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a

property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor 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 unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Based on the assessments made to the recoverable amounts of non-financial assets, including investments in subsidiaries, there were no indications that require an adjustment in the financial statements.

3.4. Statement of cash flows

The statement of cash flows has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard - LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalent comprise of cash in hand, cash at bank and short term investments that are readily convertible to known amount of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flow and interest paid is classified under the operating cash flows for the purpose of presentation of Statement of Cash Flows.

Bank overdrafts that are re payable on demand and forming an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flow.

3.5. 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 realised or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period:

Or

- 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
- It is held primarily for the purpose of trading
- It 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.

The terms of the Liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities including deferred tax liabilities as non-current.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

A summary of the requirements stipulated by the amendments and their possible impact on financial statements, when implemented, is presented in the table below:

4.1. Standards issued but not yet effective

There are no new accounting standards or amendments which are issued but not yet effective as at 31 March 2026 that are expected to have a material impact on the Group's Financial Statements other than below.

- Presentation and disclosure in financial statements (SLFRS 18)
- General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)
- Subsidiaries without Public Accountability Disclosures (SLFRS 19)

4.2. SLFRS 18- Presentation and disclosure in financial statements

SLFRS 18, replacing LKAS 1 Presentation of Financial Statements, will be effective for annual reporting periods beginning on or after 1 January 2027. The standard requires entities to classify income and expenses into five categories operating, investing, financing, discontinued operations, and income tax and present a newly defined operating profit subtotal, which

will also serve as the starting point for the statement of cash flows under the indirect method. Management-defined performance measures must be disclosed in a single note, and enhanced guidance is provided on grouping information within financial statements. Net profit remains unaffected.

4.3. SLFRS S 1 – Sustainability Disclosure Standard – General Requirements for Disclosure of Sustainability- related financial information

The objective of SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

An entity shall apply this standard in preparing and reporting sustainability related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards.

An entity may apply SLFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements (referred to as 'financial statements') are prepared in accordance with Sri Lanka Accounting Standards or other generally accepted accounting principles or practices (GAAP).

4.4. SLFRS Sustainability Disclosure Standard – Climate-related disclosures

The objective of SLFRS S2 Climate-related Disclosure is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

4.5. SLFRS 19 - Subsidiaries without Public Accountability Disclosures

SLFRS 19 introduces reduced disclosure requirements for eligible subsidiaries that do not have public accountability. The Standard allows such entities to apply the recognition and measurement requirements of Sri Lanka Accounting Standards while providing fewer disclosures in their financial statements. It is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The Group and the Company are currently evaluating the implications of adopting this Standard.

5. Operating segments

Accounting Policy

The Segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing Products or Services within a particular Economic Environment (Geographical Segment), which is subject to risks and returns that are different from those of the Segments. The Group's primary format for segmental reporting is based on Business Segments. The Business segments are determined based on the Group's management and internal reporting structure.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Vehicle sales & Vehicle Fabrication	Importation and distribution of brand new Isuzu, Range Rover and Jaguar vehicles as authorized agent in Sri Lanka & Fabrication, assembly and sale of lorry bodies and related customization services for New Isuzu vehicles
Marine Engine sales	Importation and distribution of brand new Isuzu Marine Engines.
Spare Parts sales	Importation and distribution of genuine Isuzu, Range Rover and Jaguar spare parts
Workshop repair & services	Carry out workshop repair services for Isuzu, Range Rover, Jaguar Vehicles and any selected other brands

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. The activities of the Group are located mainly in Sri Lanka. Consequently, the economic environment in which the Group operated is not subject to risks and rewards that are significantly different on a geographical basis. Hence disclosure by geographical region is not required.

5.1. Business Segment

Group	*Vehicle sales & Vehicle Fabrication*		*Spare Parts sales*		*Workshop Repair & Services*		*Marine Engine Sales*		*Total*	
For the year ended 31st March,	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Revenue										
External customers	22,203,638,875	670,366,506	2,033,943,661	1,749,063,307	472,962,495	484,707,076	11,252,499	68,715,599	24,721,797,530	2,972,852,488
Total revenue, net of tax	22,203,638,875	670,366,506	2,033,943,661	1,749,063,307	472,962,495	484,707,076	11,252,499	68,715,599	24,721,797,530	2,972,852,488
Segment Gross Profit	3,599,424,886	229,961,999	953,003,102	824,644,632	184,023,731	165,197,405	199,868	15,492,203	4,744,292,302	1,235,296,239
Operating profit									3,585,365,396	574,351,029
Finance income									31,132,327	7,525,476
Finance costs									(191,834,415)	(133,902,923)
Net Finance costs									(160,702,088)	(126,377,447)
Profit before tax									3,424,663,308	447,973,582
Income tax expense									(1,046,626,791)	(141,338,820)
Profit for the year									2,378,036,517	306,634,762
Capital expenditures									904,369,127	1,244,895,168
Depreciation and amortization									231,518,846	173,126,309

Company	Vehicle sales & Vehicle Fabrication		Spare Parts sales		Workshop Repair & Services		Marine Engine Sales		Total	
For the year ended 31st March,	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Revenue										
Segment revenue	11,132,383,644	670,366,506	927,755,379	773,909,217	302,145,132	304,848,365	11,252,499	68,715,599	12,373,536,654	1,817,839,687
Total revenue, net of tax	11,132,383,644	670,366,506	927,755,379	773,909,217	302,145,132	304,848,365	11,252,499	68,715,599	12,373,536,654	1,817,839,687
Segment Gross Profit	2,506,243,378	234,228,422	536,405,074	463,558,657	133,061,885	111,119,408	199,868	15,492,203	3,175,910,205	824,398,690
Operating profit									2,637,603,779	476,231,836
Finance income									17,346,811	4,471,075
Finance costs									(108,302,473)	(61,379,315)
Net Finance costs									(90,955,662)	(56,908,240)
Profit before tax									2,546,648,117	419,323,596
Income tax expense									(775,697,694)	(130,144,666)
Profit for the year									1,770,950,423	289,178,930
Capital expenditures									256,077,545	50,152,158
Depreciation and amortization									79,321,694	65,682,940

6. REVENUE

6.1. Revenue from Contracts with Customers

Accounting Policy

Revenue represents the amounts derived from importing and distribution of vehicles, Marine Engines, spare parts and provision of workshops repair & services and local charges which fall within the Group's ordinary activities net of trade discounts and turnover related taxes.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Timing of transferring the goods and services to the customer is determined based on judgments taking into the consideration of the nature of the goods and services that offers to the customers. Further, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

Five-step model with reference to SLFRS 15, Revenue from contracts with customers is applied before the revenue is recognized in books.

1. Identify the contract with customers
2. Identify the separate performance obligations
3. Determine the transaction price of the contract
4. Allocate the transaction price to each of the separate performance obligations, and;
5. Recognise the revenue as each performance obligation is satisfied.

Performance obligation is satisfied, an entity recognises as revenue the amount of the transaction price (which excludes estimates of variable considerations, if any) that is allocated to that performance obligation. Transaction prices are explicitly stated in the contract with customers and agreed upon.

6.2. Revenue Streams

The Group generates revenue primarily from Sale of brand new vehicles, marine engines, spare parts, Vehicle Fabrication and providing workshop repair & services.

For the year ended 31st March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Revenue from contracts with customers	**24,721,797,530**	2,972,852,488	**12,373,536,654**	1,817,839,687
	24,721,797,530	2,972,852,488	**12,373,536,654**	1,817,839,687

6.3. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary major products and service lines and timing of revenue recognition.

6.3.1. Major products/service lines

For the Year Ended 31st March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Vehicle sales & Vehicle Fabrication	**22,203,638,875**	670,366,506	**11,132,383,644**	670,366,506
Spare Parts sales	**2,033,943,661**	1,749,063,307	**927,755,379**	773,909,217
Workshop repairs & services	**472,962,495**	484,707,076	**302,145,132**	304,848,365
Marine Engine sales	**11,252,499**	68,715,599	**11,252,499**	68,715,599
Total Revenue	**24,721,797,530**	2,972,852,488	**12,373,536,654**	1,817,839,687
6.3.2 Timing of revenue recognition				
Products transferred at a point in time	**24,721,797,530**	2,972,852,488	**12,373,536,654**	1,817,839,687
	24,721,797,530	2,972,852,488	**12,373,536,654**	1,817,839,687

6.4. Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good 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 Product/ services	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition**
Sale of Vehicles and Vehicle Fabrication, Marine Engines and Spare Parts	Customers obtain control of when the goods are delivered to and have been accepted. Invoices are generated at that point in time. Invoices are usually payable in full in terms of cash or original Bank purchase order before delivery for Vehicles and Marine Engines. For Spare Parts done on cash or agreed credit terms.	Revenue is recognised when the goods are delivered and have been accepted by customers. Advances received are included in liabilities as advance received from customers.
Workshop Repair & Services	Company undertakes repairs and services on ISUZU and Range Rover/ Jaguar vehicles. Each job commences with/without receipt of advance payment from customer depending on the service to be carried out. However, the stage of completion is not significant for the Group and the Company. Sales are done on cash or agreed credit term.	Revenue from workshop services/ repairs are recognized at the time of relevant job is completed.

Type of Product/ services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
New Vehicle after services	Performance obligation is satisfied at a point in time when the serviced/ new vehicle is delivered to the customer and customer acceptance is obtained. Payment terms are generally immediate or within agreed credit terms as per dealer/customer agreement.	Revenue is recognized at the time of delivery of the vehicle after completion of service, when control of the vehicle passes to the customer and collectability is reasonably assured. During FY 2025–26, the Company recognized revenue amounting to LKR 80,519,740/-from deferred revenue included in contract liabilities.

7. OTHER INCOME

Accounting Policy

Income earned in other sources, which are not directly related to the ordinary course of business are recognised as other income.

Gain from disposal of property, plant and equipment

The gain on disposal of property, plant and equipment is determined as the difference between the carrying amount of the property, plant and equipment at the time of disposal and the proceeds from disposal net of expenses incurred on disposal.

Sundry income

Income generated from Regional Warranty Activation, Gray Market Warranty Activation, Warranty Margin, Merchandise Sales, and all other income derived from activities unrelated to the main focus of business classified as sundry Income.

Net Foreign exchange gain/ (loss)

Foreign currency differences arising on re-translation of foreign currency monetary items are recognised in the income statement on a net basis.

For the year ended 31st March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Sundry income	**61,613,429**	24,163,186	**15,262,958**	4,107,950
Rent Income	**17,595,000**	16,560,000	**17,595,000**	16,560,000
Solar Income	**24,656,152**	-	**24,656,152**	-
Gain from sale of property, plant and equipment	**26,939,878**	5,546,044	**26,939,878**	86
Agency commission	**23,092,908**	22,371,920	**23,092,908**	22,371,920
Gain on derecognition of right of use assets	**5,073,667**	62,186,643	**-**	875,017
Amortization of asset related grants	**219,384**	219,372	**219,384**	219,372
Vehicle Registration Income	**69,238,460**	-	**-**	-
Net Foreign exchange gain	**1,043,972**	216,960	**1,043,972**	216,960
	229,472,850	131,264,125	**108,810,252**	44,351,305

08. FINANCE INCOME / (COSTS)

Accounting Policy

The Group's finance income and finance costs include:

- Interest income- include interest earned from money market investments.
- Interest expenses - include interest payment on bank loans, bank overdraft and lease liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

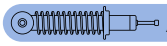
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

For the year ended 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
8.1. Finance Income				
Interest Income	**27,632,327**	7,525,476	**17,346,811**	4,471,075
Interest Earned from Late Payments	**3,500,000**	-	**-**	-
	31,132,327	7,525,476	**17,346,811**	4,471,075
8.2. Finance Costs				
Interest expense on bank loans	**(155,929,816)**	(108,643,627)	**(104,716,782)**	(56,562,082)
Interest expense bank overdraft	**(26,691,333)**	(9,764,810)	**-**	-
Interest expense lease liabilities	**(9,213,266)**	(15,494,486)	**(3,585,691)**	(4,817,233)
	(191,834,415)	(133,902,923)	**(108,302,473)**	(61,379,315)
Net finance costs	**(160,702,088)**	(126,377,447)	**(90,955,662)**	(56,908,240)

9. PROFIT BEFORE INCOME TAX EXPENSES



Accounting Policy

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 profit or loss in arriving at the profit for the year. Expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income.

For the purpose of presentation of Statement of Profit or Loss, the Directors are of the opinion that "function of expenses" method presents fairly the elements of the enterprises performance; hence such presentation method is adopted.

For the year ended 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Profit from operations is after charging all the expenses including the following.				
Directors' Emoluments and Fees (Note 25.6)	**33,977,000**	12,958,910	**32,227,000**	12,958,910
Auditors' remuneration - Statutory Audit	**4,576,253**	4,098,303	**2,352,000**	1,955,004
- Non Audit services	**314,163**	2,400,000	**314,163**	2,400,000
Legal Expenses	**3,352,709**	3,913,010	**3,352,709**	3,913,010
Depreciation of property plant and equipment (Note 12.1,12.2)	**175,811,091**	132,297,994	**68,399,042**	53,071,747
Amortization of intangible assets (Note 14.1)	**1,007,389**	974,266	**-**	-
Amortization of right-of-use assets (Note 15.1)	**54,700,366**	39,854,049	**10,922,652**	12,611,193
Professional fees, Consultancy fess & Secretarial fees	**21,120,351**	20,844,508	**6,635,662**	7,675,406
Provision for impairment of Trade receivables (Note 18.1)	**5,128,091**	13,567,688	**4,229,564**	5,518,619
Provision for inventories (Note 17.1)	**14,255,804**	15,303,642	**12,790,401**	9,046,648
Personnel Cost (Note 9.1)	**449,307,759**	320,262,076	**214,749,003**	138,910,540

9.1 Personnel Cost

Salaries, Wages and Other related costs	**408,018,987**	290,836,740	**196,397,719**	125,796,812
Provision for employee benefits (Note 23.2)	**11,127,514**	6,732,311	**4,066,014**	3,240,616
Defined contribution plan - EPF and ETF	**30,161,258**	22,693,025	**14,285,270**	9,873,112
	449,307,759	320,262,076	**214,749,003**	138,910,540

10. INCOME TAX

Accounting Policy

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted or announced by the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

10.1. Current tax

For the Year Ended 31st March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Amounts recognised in the statement of profit or loss				
Current income tax				
Current income tax expense (Note 10.2)	**1,024,975,205**	52,394,416	**764,757,405**	52,113,468
Deferred tax:				
Relating to Origination temporary differences (Note 10.7)	**21,651,586**	88,944,404	**10,940,289**	78,031,197
Income tax Provision reported in the statement of profit or loss	**1,046,626,791**	141,338,820	**775,697,694**	130,144,666
Amounts recognised in the consolidated statement of other comprehensive income				
Relating to origination of temporary differences (Note 10.7)	**(2,641,581)**	(958,407)	**(809,423)**	(520,531)
Deferred tax charged to other comprehensive income	**(2,641,581)**	(958,407)	**(809,423)**	(520,531)

10.2. Reconciliation of accounting profit to income tax expense

For the Year Ended 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Accounting profit before income tax expense	**3,424,663,308**	447,973,582	**2,546,648,117**	419,323,596
Aggregated disallowable items	**381,666,453**	318,250,353	**141,589,768**	94,472,626
Aggregated allowable items	**(371,843,038)**	(431,552,875)	**(174,035,870)**	(150,264,203)
Income from Investments	**45,263,142**	20,021,756	**34,989,335**	21,031,075
Total Net Taxable Income	**3,479,749,865**	354,692,816	**2,549,191,350**	384,563,094
Tax losses Carried forward during the year	**1,320,179**	29,870,278	**-**	-
Tax losses Claimed during the year	**(64,486,028)**	(210,851,533)	**-**	(210,851,533)
Total taxable income	**3,416,584,016**	173,711,561	**2,549,191,350**	173,711,561
Tax rate	**30%**	30%	**30%**	30%
Current tax expense for the year	**1,024,975,205**	52,113,468	**764,757,405**	52,113,468
Under provision in respect of previous years	**-**	280,948	**-**	-
Total Current Tax	**1,024,975,205**	52,394,416	**764,757,405**	52,113,468

10.3. Tax loss reconciliation

As At 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Tax Losses Brought forward	**29,870,278**	216,597,437	**-**	216,597,437
Under/(Over) adjustment	**37,274,680**	(5,745,904)	**-**	(5,745,904)
Tax losses arising during the year	**1,320,179**	29,870,278	**-**	-
Tax losses utilized	**(64,486,028)**	(210,851,533)	**-**	(210,851,533)
Tax Losses carried forward	**3,979,109**	29,870,278	**-**	-

10.4. Current Tax Liabilities / (Assets)

As At 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	**(10,120,822)**	(25,988,647)	**(8,202,326)**	(36,773,316)
Provision made during the year	**1,024,975,205**	52,113,468	**764,757,405**	52,113,468
Over provision in respect of previous years	**-**	280,948	**-**	-
Payments made during the year	**(282,451,918)**	(34,394,176)	**(157,280,498)**	(21,663,165)
WHT recoverable	**(3,594,023)**	(2,132,415)	**(3,466,812)**	(1,879,313)
Balance at the end of the year	**728,808,442**	(10,120,822)	**595,807,769**	(8,202,326)

10.5. Deferred Tax Liabilities/ (Assets)

As At 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	**61,781,372**	(26,204,625)	**51,647,021**	(25,863,646)
Origination/(Reversal) of temporary differences				
Recognised in profit or loss	**21,651,586**	88,944,404	**10,940,289**	78,031,197
Recognized in OCI	**(2,641,581)**	(958,407)	**(809,423)**	(520,531)
Balance at the end of the year	**80,791,377**	61,781,372	**61,777,887**	51,647,020

10.6. Reconciliation of Deferred tax assets and liabilities

As At 31st March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Deferred tax liability				
Temporary differences arising from Property, Plant & Equipment	**297,791,129**	228,571,927	**110,005,085**	102,594,845
Temporary differences arising from Gain on Revaluation of land - IP	**159,435,920**	125,595,920	**159,435,920**	125,595,920
Temporary differences arising from Gain on Revaluation of building - IP	**16,843,500**	15,000,000	**16,843,500**	15,000,000
Temporary difference arising from Right -of -use assets	**32,253,380**	66,376,052	**26,165,578**	31,879,710
Total temporary difference of deferred tax liability	**506,323,929**	435,543,899	**312,450,083**	275,070,475
Closing Deferred tax liability @ 30%	**151,897,179**	130,663,170	**93,735,025**	82,521,143
Deferred tax assets				
Temporary difference arising from retirement benefit obligations	**(51,077,215)**	(33,090,464)	**(22,582,423)**	(16,033,532)
Temporary difference arising from unutilized tax losses	**-**	(27,296,910)	**-**	-
Temporary difference arising from provision for inventories	**(90,829,860)**	(32,894,698)	**(32,413,535)**	(28,122,138)
Temporary difference arising from impairment of trade receivables	**(65,942,260)**	(63,478,739)	**(26,662,512)**	(26,201,567)
Temporary difference arising from lease liability	**(29,170,001)**	(72,845,181)	**(24,865,323)**	(32,556,503)
Total temporary difference of deferred tax assets	**(237,019,336)**	(229,605,992)	**(106,523,793)**	(102,913,740)
Closing Deferred tax asset @ 30%	**(71,105,801)**	(68,881,797)	**(31,957,138)**	(30,874,122)
Net temporary differences	**269,304,594**	205,937,907	**205,926,291**	172,156,735
Net deferred tax liability	**80,791,377**	61,781,372	**61,777,887**	51,647,020

10.7. Movement in Deferred tax assets and liabilities during the year

	Balance as at 01.04.2024	**Recognised in profit or loss**	**Recognised in OCI**	**Balance as at 31.03.2025**	**Recognised in profit or loss**	**Recognised in OCI**	**Balance as at 31.03.2026**
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Group							
Property plant and equipment	56,389,890	12,181,688	-	68,571,578	**20,765,761**	**-**	**89,337,339**
Gain on Revaluation of land - IP	21,778,776	15,900,000	-	37,678,776	**10,152,000**	**-**	**47,830,776**
Gain on Revaluation of building - IP	4,500,000	-	-	4,500,000	**553,050**	**-**	**5,053,050**
Right -of- use assets	55,113,276	(35,200,460)	-	19,912,816	**(10,236,802)**	**-**	**9,676,014**
Retirement benefit obligations	(8,804,593)	(164,139)	(958,407)	(9,927,139)	**(2,754,445)**	**(2,641,581)**	**(15,323,165)**
Carried forward tax loss	(64,979,231)	56,790,158	-	(8,189,073)	**8,189,073**	**-**	**-**
Provision for inventories	(6,923,825)	(2,944,584)	-	(9,868,409)	**(17,380,549)**	**-**	**(27,248,958)**
Provision for impairment of trade receivables	(8,470,676)	(10,572,946)	-	(19,043,622)	**(739,056)**	**-**	**(19,782,678)**
Lease liability	(74,808,242)	52,954,688		(21,853,554)	**13,102,554**		**(8,751,000)**
	(26,204,625)	88,944,404	(958,407)	61,781,372	**21,651,586**	**(2,641,581)**	**80,791,378**
Company							
Property plant and equipment	28,389,278	2,389,176	-	30,778,454	**2,223,072**	**-**	**33,001,526**
Gain on Revaluation of land - IP	21,778,776	15,900,000	-	37,678,776	**10,152,000**	**-**	**47,830,776**
Gain on Revaluation of building - IP	4,500,000	-	-	4,500,000	**553,050**	**-**	**5,053,050**
Right -of- use assets	12,342,917	(2,779,004)		9,563,913	**(1,714,240)**		**7,849,673**
Retirement benefit obligations	(3,922,333)	(367,196)	(520,531)	(4,810,060)	**(1,155,244)**	**(809,423)**	**(6,774,727)**
Carried forward tax loss	(64,979,231)	64,979,231	-	-	**-**	**-**	**-**
Provision for inventories	(5,722,647)	(2,713,995)	-	(8,436,641)	**(1,287,420)**	**-**	**(9,724,061)**
Provision for impairment of trade receivables	(6,398,016)	(1,462,454)	-	(7,860,470)	**(138,284)**	**-**	**(7,998,754)**
Lease liability	(11,852,390)	2,085,439		(9,766,951)	**2,307,354**		**(7,459,597)**
	(25,863,646)	78,031,197	(520,531)	51,647,021	**10,940,289**	**(809,423)**	**61,777,887**

10.8. Effective Tax Rate Reconciliation

For the year ended 31st March,	Group				Company			
	2026		2025		2026		2025	
	LKR	%	LKR	%	LKR	%	LKR	%
Accounting profit before income tax expense	3,424,663,308		447,973,582		2,546,648,117		419,323,596	
Aggregated disallowable items	381,666,453	11%	318,250,353	71%	141,589,768	6%	94,472,626	23%
Aggregated allowable items	(371,843,038)	(11%)	(431,552,875)	(96%)	(174,035,870)	(7%)	(150,264,203)	(36%)
Income from Investments	45,263,142	1%	20,021,756	4%	34,989,335	1%	21,031,075	5%
Total Net Taxable Income	3,479,749,865	102%	354,692,816	79%	2,549,191,350	100%	384,563,094	92%
Tax losses Carried forward during the year	1,320,179	0%	29,870,278	7%	-	0%	-	0%
Tax losses Claimed during the year	(64,486,028)	(2%)	(210,851,533)	(47%)	-	0%	(210,851,533)	(50%)
Total taxable income	3,416,584,016	100%	173,711,561	39%	2,549,191,350	100%	173,711,561	41%
Tax rate	30%	30%	30%	30%	30%	30%	30%	30%
Total current tax expense for the year	1,024,975,205	30%	52,113,468	12%	764,757,405	30%	52,113,468	12%
Property plant and equipment	20,765,761	1%	12,181,688	3%	2,223,072	0%	2,389,176	1%
Gain on Revaluation of land - IP	10,152,000	0%	15,900,000	4%	10,152,000	0%	15,900,000	4%
Gain on Revaluation of building - IP	553,050	0%	-	0%	553,050	0%	-	0%
Right -of- use assets	(10,236,802)	0%	(35,200,460)	(8%)	(1,714,240)	0%	(2,779,004)	(1%)
Retirement benefit obligations	(2,754,445)	0%	(164,139)	0%	(1,155,244)	0%	(367,196)	0%
Carried forward tax loss	8,189,073	0%	56,790,158	13%	-	0%	64,979,231	15%
Provision for inventories	(17,380,549)	(1%)	(2,944,584)	(1%)	(1,287,420)	0%	(2,713,995)	(1%)
Provision for impairment of trade receivables	(739,056)	0%	(10,572,946)	(2%)	(138,284)	0%	(1,462,454)	0%
Lease liability	13,102,554	0%	52,954,688	12%	2,307,354	0%	2,085,439	0%
Total Deferred tax expense for the year	21,651,586	1%	88,944,404	20%	10,940,289	0%	78,031,197	19%
Total Current Tax & Deferred tax Effective tax rate as a percentage of profit before Tax		31%		31%		30%		31%

10.9. Recoverability of temporary differences arising from tax losses

The Group recognized a Deferred Tax asset consequent to the changes in the Inland Revenue Act No. 24 of 2017. As per the said Act, which was effective from 1st April 2018, 100% of taxable income is allowed to be deducted against the tax losses incurred. According to the transitional provisions of the new act, the brought forward tax loss can be claimed against taxable income for a period of 6 years.

The Management carefully analysed the availability of the future taxable profits against which the unused tax losses can be utilized. In this assessment the Group estimated the profitability using the internal budgets and plans in a conservative manner. In this assessment, directors noted the composition of the carried forward tax loss as given in the Note 10.3 Current estimated duration of recoverability of deferred tax asset is within the tax claimable period.

10.10. Applicable rates of income tax

Income tax expense has been computed according to the provisions of the Inland Revenue Act No.24 of 2017 and its amendments thereto. Accordingly, the tax rate of 30% has been considered as at reporting date for the computation of current and deferred tax computation in these Financial Statements for the year ended 31 March 2026 and 31 March 2025.

11. EARNINGS PER SHARE

Accounting Policy

Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Sathosa Motors PLC by the weighted average number of ordinary shares in issue during the year.

Diluted Earnings per Share

Diluted Earnings per Share is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Group		Company	
For the year ended 31st March,	**2026**	2025	**2026**	2025
Amount used as the Numerator				
Profit attributable to ordinary shareholders (LKR)	**2,074,295,443**	297,906,843	**1,770,950,423**	289,178,930
Amount used as the Denominator				
Weighted average number of ordinary shares as at the end	**6,033,622**	6,033,622	**6,033,622**	6,033,622
Basic earnings per share (LKR)	**343.79**	49.37	**293.51**	47.93

There were no potentially dilutive ordinary shares in issue at any time during the year/previous year. Hence diluted earning per share is same as the basic earning per share.

12. PROPERTY PLANT AND EQUIPMENT

Accounting Policy

Recognition and measurement

Property, Plant and Equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purpose and are expected to be used during more than one period. The Group applies the requirements of LKAS 16 in accounting for property, plant and equipment.

Property, Plant and Equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured. Items of Property, Plant and Equipment including construction in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Purchased software that is integrated to the functionality of the related equipment is capitalized as part of equipment.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major component) of Property, Plant and Equipment.

Subsequent cost

The cost of replacing part 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 the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognized in Statement of Profit or Loss on the straight-line basis over the estimated useful lives of each part of item of Property, Plant and Equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is de-recognized. Depreciation is not charged on Freehold Land and Capital Work in Progress.

Estimated useful life of Property, Plant & Equipments are as follows,

Asset Category	Useful life (years)
Freehold Building	50
Leasehold Building	3-20
Plant Machinery and Tools	5-8
Motor Vehicles	5
Office Equipment	5
Furniture & Fittings	5
Solar Power	20

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

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. Gains are not classified as revenue.

12.1. Group

	Freehold								Leasehold	
	Land	Building	Solar Power Plant	Plant, Machinery and Tools	Motor Vehicles	Office Equipment	Furniture & Fittings	Capital work in progress	Building	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost										
Balance as at 01st April 2024	-	-	50,200,000	311,151,786	104,074,390	152,635,278	175,777,332	101,430,267	707,293,204	1,602,562,257
Additions during the year	524,865,100	476,623,097	-	13,331,352	36,510,000	27,038,482	17,024,664	146,196,645	2,713,371	1,244,302,711
Disposals during the year	-	-	-	(2,271,058)	-	(1,963,667)	(1,276,548)	-	-	(5,511,273)
CWIP Transfer to / (From)	-	-	-	-	-	-	-	(194,974,831)	194,974,831	-
Balance as at 31st March 2025	524,865,100	476,623,097	50,200,000	322,212,080	140,584,390	177,710,093	191,525,448	52,652,081	904,981,406	2,841,353,695
Additions during the year	536,640,000	4,579,478	16,791,335	50,287,512	178,621,420	46,332,605	11,767,274	57,433,747	1,510,756	903,964,127
Disposals during the year	-	-	-	(119,005)	(19,500,000)	(161,648)	(6,500)	-	-	(19,787,153)
CWIP Transfer to / (From)	-	-	43,049,125	-	-	-	-	(43,049,125)	-	-
Balance as at 31st March 2026	1,061,505,100	481,202,575	110,040,460	372,380,587	299,705,810	223,881,050	203,286,222	67,036,703	906,492,162	3,725,530,669
Accumulated Depreciation										
Balance as at 01st April 2024	-	-	540,968	170,594,555	90,573,108	117,350,669	137,862,783	-	259,834,800	776,756,883
Charge for the year	-	15,858,742	3,346,667	31,627,662	12,285,471	11,246,066	19,436,047	-	38,497,339	132,297,994
Disposals during the year	-	-	-	(287,024)	-	(845,770)	(305,843)	-	-	(1,438,637)
Opening Balance Adjustment	-	-	-	-	96,137	(96,137)	-	-	-	-
Balance as at 31st March 2025	-	15,858,742	3,887,635	201,935,193	102,954,716	127,654,828	156,992,987	-	298,332,139	907,616,240
Charge for the year	-	19,204,518	6,594,425	34,722,015	23,825,033	17,413,428	20,228,033	-	53,823,639	175,811,091
Disposals during the year	-	-	-	(43,844)	(19,500,000)	(147,961)	(6,500)	-	-	(19,698,305)
Balance as at 31st March 2026	-	35,063,260	10,482,060	236,613,364	107,279,749	144,920,295	177,214,520	-	352,155,778	1,063,729,026
Carrying value as at 31st March 2026	**1,061,505,100**	**446,139,315**	**99,558,400**	**135,767,223**	**192,426,061**	**78,960,755**	**26,071,702**	**67,036,703**	**554,336,384**	**2,661,801,643**
Carrying value as at 31st March 2025	524,865,100	460,764,355	46,312,365	120,276,887	37,629,674	50,055,265	34,532,461	52,652,081	606,649,267	1,933,737,455

12.2. Company

	Freehold						Leasehold	
	Solar Power Plant	Plant, Machinery and Tools	Motor Vehicles	Office Equipment	Furniture & Fittings	Capital work in progress	Building	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost								
Balance as at 01 April 2024	-	111,611,708	83,199,390	78,234,102	37,119,003	-	640,744,685	950,908,888
Additions during the year	-	2,505,931	-	4,027,194	242,792	43,049,125	327,116	50,152,158
Disposals during the year	-	(292,109)	-	(830,011)	-	-	-	(1,122,120)
Balance as at 31 March 2025	-	113,825,530	83,199,390	81,431,285	37,361,795	43,049,125	641,071,801	999,938,926
Additions during the year	16,791,335	15,158,580	178,621,420	19,131,025	2,162,695	23,341,580	870,910	256,077,545
Disposals during the year	-	(119,005)	(19,500,000)	(161,648)	(6,500)	-	-	(19,787,153)
CWIP Transfer to / (From)	43,049,125	-	-	-	-	(43,049,125)	-	-
Balance as at 31 March 2026	59,840,460	128,865,105	242,320,810	100,400,662	39,517,990	23,341,580	641,942,711	1,236,229,318
Accumulated Depreciation								
Balance as at 01 April 2024	-	58,592,004	78,254,905	63,539,343	30,097,521	-	216,562,759	447,046,532
Charge for the year	-	12,166,569	1,994,616	3,081,539	3,506,278	-	32,322,745	53,071,747
Disposals during the year	-	(86)	-	(558,033)	-	-	-	(558,119)
Opening Balance Adjustment	-	-	96,137	(96,137)	-	-	-	-
Balance as at 31 March 2025	-	70,758,487	80,345,658	65,966,712	33,603,799	-	248,885,504	499,560,160
Charge for the year	3,247,758	12,626,598	13,634,617	4,777,276	4,519,734	-	29,593,059	68,399,042
Disposals during the year	-	(43,844)	(19,500,000)	(147,961)	(6,500)	-	-	(19,698,305)
Balance as at 31 March 2026	3,247,758	83,341,241	74,480,275	70,596,027	38,117,033	-	278,478,563	548,260,897
Carrying value as at 31 March 2026	56,592,702	45,523,864	167,840,535	29,804,635	1,400,957	23,341,580	363,464,148	687,968,421
Carrying value as at 31 March 2025	-	43,067,043	2,853,732	15,464,573	3,757,996	43,049,125	392,186,297	500,378,766

(a) Addition in Property, Plant and Equipment - Group

During the year, the Group invested a total of Rs. 903,964,127/- in the acquisition of property, plant and equipment. These additions mainly relate to Land Purchase by Subsidiary Company and Motor Vehicle purchased by Company.

(b) Capital work-in-progress

Capital work-in-progress includes the construction of capital assets of building of the subsidiary company and the Company.

(c) Capitalized borrowing costs

There were no capitalized borrowing costs related to the acquisition of property, plant and equipment during the year 2026 (2025 – Nil).

(d) Fully depreciated property, plant & equipment still in use

The cost of fully depreciated property, plant and equipment of the Group and the Company which are still in use amounted to:

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Property, Plant and Equipment	**485,725,334**	338,072,099	**236,927,078**	204,888,868

(e) Property, plant and equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities of the Group as at the reporting date.

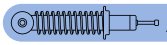
(f) Title restriction on property, plant and equipment

There were no restrictions existed on the title of the property, plant and equipment of the Group as at the reporting date.

(g) Temporarily idle Property, Plant and Equipment

There are no temporarily idle property, plant and equipment as at the reporting date.

13. INVESTMENT PROPERTY



Accounting Policy

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

Recognition and measurement

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties under construction is measured at cost with either its fair value becomes reliably measurable or construction is completed (which ever is earlier).

De-recognition

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

When Investment property that was previously classified as property, Plant and Equipment is sold, and related amount included in the revaluation reserve is transferred to retained earnings.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. 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 Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements and accounted using Group accounting policy for property, plant and equipment.

The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

13.1. Reconciliation of beginning and ending balances

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	**978,000,000**	925,000,000	**978,000,000**	925,000,000
Gain from Fair Value change	**35,683,500**	53,000,000	**35,683,500**	53,000,000
Balance at the end of the year	**1,013,683,500**	978,000,000	**1,013,683,500**	978,000,000
Rental income derived from investment property	**17,595,000**	16,560,000	**17,595,000**	16,560,000
Direct operating expenses generating rental income	**Nil**	Nil	**Nil**	Nil

13.2. Location, Extent and Valuation of Investment Property

Fair value of the Property was ascertained by independent valuation carried out by Mr K T D Tissera J P U M, FIV (Sri Lanka), F.R.I.C.S Eng ,Charted Valuation Surveyor UK, on an open market value for existing use basis as at 31 March 2026.

Open Market Value Method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as business.

Investment property is revalued using the open market value of existing use basis and it is falling in to level 3 of the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation of investment properties:

			Significant unobservable input					
Location	**Extent**	**Freehold Building square feet**	**Estimated price per perch**	**Estimated price per square feet**	**Number of buildings**	**Fair Value**	**Fair Value Gain**	**Correlation to Fair Value**
			LKR	LKR		LKR	LKR	
# 86, Vauxhall Street, Colombo 02	83.07 Perches	3743 Sq.ft.	12,000,000	4,500	1	1,013,683,500	35,683,500	Positive

14. INTANGIBLE ASSETS

Accounting Policy

Recognition and measurement

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

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

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses. The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Subsequent costs

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

Amortisation

Intangible assets with finite lives are amortised over the useful economic life of the asset and assessed for impairment. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the

expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

The estimated useful lives for current and comparative years are as follows

Computer software	5 Years
Enterprise Resource Planning (ERP)	5 Years

Derecognition

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

14.1. Reconciliation of beginning and ending balances

As at 31 March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Cost				
Balance at the beginning of the year	**48,964,820**	48,372,363	**36,431,143**	36,431,143
Additions during the year	**405,000**	592,457	**-**	-
Balance at the end of the year	**49,369,820**	48,964,820	**36,431,143**	36,431,143
Accumulated amortization				
Balance at the beginning of the year	**45,979,927**	45,005,661	**36,431,143**	36,431,143
Charge for the year	**1,007,389**	974,266	**-**	-
Balance at the end of the year	**46,987,316**	45,979,927	**36,431,143**	36,431,143
Carrying value	**2,382,504**	2,984,893	**-**	-

Intangible assets mainly consists of the IFS Enterprise Resource Planning system software and IFS user license acquired by the Company.

(a) Capitalized borrowing costs

There were no capitalized borrowing costs related to the acquisition of intangible assets during the year 2026 and 2025.

(b) Fully amortized but still in use

The cost of fully amortized intangible assets of the Group and the Company which are still in use amounted to:

As at 31 March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Fully amortized intangible assets	**45,555,042**	44,808,209	**36,431,143**	36,431,143

(c) Intangible assets pledged as security for liabilities

There were no items of intangible assets pledged as securities for liabilities of the Group as at the reporting date.

(d) Title restriction on intangible assets

There were no restrictions existed on the title of the intangible assets of the Group as at the reporting date.

(e) Temporarily idle Intangible Assets

There are no temporarily idle intangible assets as at the reporting date.

15. RIGHT OF USE ASSETS AND LEASES

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate (IBR). Generally, the Group uses its IBR as the discount rate.

The Group determines its IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments. including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate. If there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'Right-of-use asset' and lease liabilities in 'lease liability' in the statement of financial position.

Amounts recognised in the statement of financial position and income statement

Set out below are the carrying amounts of the Group's right of use assets and the movements for the period ended 31 March 2026.

15.1. Right of use assets

	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Cost				
Balance at the beginning of the year	**204,841,276**	379,658,764	**82,357,404**	82,800,714
Addition during the year	**24,460,492**	6,555,750	**5,208,520**	6,555,750
Derecognition of ROU assets	**(19,855,624)**	(181,373,238)	**-**	(6,999,060)
Prior year adjustment	**4,059,450**	-	**-**	-
Balance at the end of the year	**213,505,594**	204,841,276	**87,565,924**	82,357,404
Accumulated Amortization				
Balance at the beginning of the year	**138,465,223**	195,947,849	**50,477,694**	41,657,658
Amortisation during the year	**47,158,380**	39,854,049	**10,922,652**	12,611,193
Derecognition of ROU assets	**(11,913,375)**	(97,336,675)	**-**	(3,791,157)
Prior year adjustment	**7,541,986**	-	**-**	-
Balance at the end of the year	**181,252,214**	138,465,223	**61,400,346**	50,477,694
Carrying value	**32,253,380**	66,376,053	**26,165,578**	31,879,710

Subsidiary

The Subsidiary Company have derecognized the lease contract of Boralesgamuwa extension Land and Rathnapitiya Bodyshop -Parking lot on 31st March 2026. The gain of derecognition amounting Rs. 5,073,667/- has been included in other income for the period ended 31st March 2026.

Leasehold Land relate to the property persistently known and called " SATHOSA MOTORS WORKSHOP" is located at No: 25/11, New Nuge Road, Peliyagoda acquired by Sathosa Motors PLC on a 99 years lease commencing from 1987. The total gross area of the land is 343.93 perches. The estimated useful life of leasehold right as at 31 March 2026 is Sixty One (60) years (remaining lease period).

Details of the leasehold buildings are as follows.

Property located at	Extent (Sq Ft)	Commencing date of lease period	Total Lease period	Remaining lease period
No.78, Colombo Road, Dambokka, Kurunegala	7680	01st August 2017	10 years	1 years & 4 month
No.679, Galle Road, Walgama, Matara	5310	01st November 2016	10 years	7 months
No.1/1, Colombo Road, Weeragoda, Hidellana, Rathnapura	828	01st May 2022	06 years	2 years & 1 months
No.231 , Nalallawatta, Pitipana North, Negombo	1600	05st January 2021	10 years	4 years & 9 months
No.40, 42, 46,48 & 50 Panchikawatta Road, Colombo 10	640	1st October 2023	3 years	6 months
No.48 & 50 Panchikawatta Road, Colombo 10	300	05th December 2025	3 years	2 years
No.13, RH Gunawardhana Mawatha, Badulla	1250	17st January 2022	06 Years	1 Years 9 Months
No.264, Katugasthota Road, Kandy	1361	01st February 2025	03 Years	1 Years 10 Months
No. 738 Anuradhapura Road, Dambulla	1875	01st September 2021	06 Years	1 Years 5 Months

Details of the subsidiary's leasehold buildings are as follows

Property located at	Commencing date of lease period	Total Lease period	Remaining lease period
Raththanapitiya – Parking Land	15 December 2025	3 Years	2 Years & 7 Months

15.2. Lease liability

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	**72,845,181**	249,360,805	**32,556,503**	39,507,966
Addition during the year	**24,460,493**	6,555,750	**5,208,521**	6,555,750
Interest expense charged to income statement	**9,213,266**	15,494,486	**3,585,691**	4,817,233
Re-payment made during the year	**(68,392,473)**	(52,342,653)	**(16,485,392)**	(14,241,527)
Derecognition of ROU assets	**(13,015,916)**	(146,223,207)	**-**	(4,082,919)
Prior year adjustment	**4,059,450**	-	**-**	-
Balance at the end of the year	**29,170,001**	72,845,181	**24,865,323**	32,556,503
Current	**12,097,135**	46,442,353	**11,596,605**	13,610,142
Non current	**17,072,866**	26,402,828	**13,268,718**	18,946,361
Total lease liability	**29,170,001**	72,845,181	**24,865,323**	32,556,503
(a) Maturity analysis - contractual undiscounted cash flows				
Within the next 12 months	**19,694,064**	53,365,384	**18,894,064**	17,065,384
Between 1 and 2 years	**12,846,062**	22,612,412	**10,366,062**	14,626,412
Between 2 and 3 years	**4,785,632**	16,293,610	**3,025,632**	7,509,010
Between 3 and 4 years	**1,497,985**	1,413,401	**1,497,985**	1,413,401
Between 4 and 5 years	**1,191,680**	1,405,536	**1,191,680**	1,405,536
Beyond 5 years	**-**	1,171,280	**-**	1,171,280
Total undiscounted lease liabilities	**40,015,424**	96,261,623	**34,975,424**	43,191,023
(b) Amount recognized in profit or loss				
Amortization of right-of-use asset	**54,700,366**	39,854,049	**10,922,652**	12,611,193
Interest on lease liabilities	**9,213,266**	15,494,486	**3,585,691**	4,817,233
	63,913,632	55,348,535	**14,508,343**	17,428,426
(c) Amount recognized in the statement of cash flows				
Total cash outflow for lease	**(68,392,473)**	(52,342,653)	**(16,485,392)**	(14,241,527)
	(68,392,473)	(52,342,653)	**(16,485,392)**	(14,241,527)

16. INVESTMENTS IN SUBSIDIARIES

Accounting Policy

Investment in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries are immediately recognised in the income statement. Following initial recognition, Investment in subsidiaries are carried at cost less any accumulated impairment losses. The net assets of each subsidiary are 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.

As at 31 March,	Effective holding percentage	Company 2026 No. of shares	Company 2026 Cost LKR	Company 2025 No. of shares	Company 2025 Cost LKR
Access Motors (Private) Limited	50%	32,503,906	464,940,064	32,503,906	464,940,064
		32,503,906	464,940,064	32,503,906	464,940,064

17. INVENTORIES

Accounting Policy

Inventories are stated at the lower of cost and net realizable value, after making due allowance for obsolete and slow moving items. The cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, but excluding borrowing costs. Net realizable value is the estimated selling price in the normal course of business less estimated cost of realization and/or cost of conversion from their existing state to saleable condition.

Inventory movement, mainly with respect to spare parts is reviewed at the end of reporting period by an experienced staff member (head of the division) who has a fair knowledge / expertise to assess the recoverability of inventory and the items that are identified as irrecoverable are written off during the year. For this purpose the Company gets the support of the workshop manager who possesses a fair amount of technical expertise, which helps to identify the technical obsolescence of the inventory items.

The cost of each category of inventory is determined on the following basis:

New Vehicles & Vehicle Fabrication, Marine Engines , Work in Progress and Goods in Transit	At actual cost
Spare Parts and General Stores	At actual cost on FIFO method
Allowance for impairment	All inventory items are tested for impairment periodically

Work in progress

The on-going workshop repairs that are not fully completed as of the reporting date are classified as work in progress.

Goods in transit

The goods where the risk and rewards are passed to the entity based on the shipping terms but not yet received to the entity.

As at 31 March,	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
New Vehicles & Vehicle Fabrication	1,754,085,819	14,500,000	1,343,268,285	-
Spare Parts	651,023,114	629,760,841	322,416,627	390,138,247
Marine Engines	75,446,963	87,660,939	75,446,963	87,660,939
Work in Progress	67,599,697	50,881,122	5,747,027	3,139,112
General Stores	7,483,186	8,013,720	7,483,186	8,013,720
Goods in Transit	4,048,013,002	11,458,411	1,124,729,550	-
	6,603,651,781	802,275,033	2,879,091,638	488,952,018
Provision for Inventories (Note 17.1)	(44,139,860)	(38,383,060)	(32,413,535)	(28,122,138)
	6,559,511,921	763,891,973	2,846,678,103	460,829,880

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
17.1. Provision for inventories				
Balance at the beginning of the year	**38,383,060**	23,079,418	**28,122,138**	19,075,490
Provision made during the year	**14,255,804**	15,303,642	**12,790,401**	9,046,648
Reversal for the year	**(8,499,004)**	-	**(8,499,004)**	-
Balance at the end of the year	**44,139,860**	38,383,060	**32,413,535**	28,122,138

17.2. Inventories pledged as security for liabilities

There were no inventories pledged as security for liabilities of the Group as at the reporting date.

18. TRADE AND OTHER RECEIVABLES

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other financial nature receivables are recognised as other receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the Effective Interest Rate method (EIR) less any provision for impairment calculated using expected credit loss method (ECL).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Trade Receivables - New Vehicles & Vehicle Fabrication	**488,296,161**	6,913,333	**488,296,161**	6,913,333
- Spare Parts	**534,579,246**	222,996,400	**144,687,403**	124,006,511
- Work Shop	**119,739,226**	134,070,205	**119,739,226**	134,070,205
- Marine Engines	**-**	19,891,227	**-**	19,891,227
	1,142,614,633	383,871,165	**752,722,790**	284,881,276
Provision for impairment (Note 18.1)	**(47,635,769)**	(39,070,678)	**(26,662,512)**	(26,201,567)
	1,094,978,864	344,800,487	**726,060,278**	258,679,709
Deposits and prepayments	**44,351,987**	23,156,011	**34,747,100**	19,818,280
Advances given to suppliers	**222,418,142**	118,413,690	**140,666,767**	50,767,851
VAT receivable	**-**	23,897,510	**-**	23,897,510
Advances given to employees	**4,975,964**	9,275,752	**464,092**	3,666,160
Other receivables	**91,358,426**	68,943,509	**23,242,735**	23,831,772
	1,458,083,383	588,486,959	**925,180,972**	380,661,282

		Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
18.1	**Provision for impairment**				
	Balance at the beginning of the year	**39,070,678**	28,235,586	**26,201,567**	21,326,720
	Provision for the year	**5,128,091**	13,567,688	**4,229,564**	5,518,619
	Write-off of previously impaired debtors	**(10,662,953)**	(2,732,596)	**(3,768,619)**	(643,772)
	Balance at the end of the year	**47,635,769**	39,070,678	**26,662,512**	26,201,567

There is no enforcement activities relating to the write-off of debtors during the year.

19. CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered as an integral part of the Group's cash management.

As at 31 March,		Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
19.1.	**Favourable Balances**				
	Cash in hand	**3,400,045**	1,054,298	**2,691,082**	445,032
	Cash at Bank	**1,033,935,611**	440,599,233	**751,694,151**	57,846,086
		1,037,335,656	441,653,531	**754,385,233**	58,291,118
19.2.	**Unfavorable Balances**				
	Bank Overdraft	**(13,191,489)**	-	**-**	-
	Cash and cash equivalents for the purpose of statement of cash flow	**1,024,144,167**	441,653,531	**754,385,233**	58,291,118

20. STATED CAPITAL

	2026		2025	
	Number of Shares	Value of Shares LKR	Number of Shares	Value of Shares LKR
Issued and fully paid				
At the beginning of the Year	6,033,622	115,924,290	6,033,622	115,924,290
At the end of the Year	6,033,622	115,924,290	6,033,622	115,924,290

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the shareholders or one vote per share in case of a poll. All shares rank equally with regard to the Company's residual assets.

20.1. The Company has paid Rs.150,840,550/- dividends to the Company shareholders during the financial year ended 31st March 2026. (2025- Rs.30,168,110)

21. INTEREST BEARING LOANS AND BORROWINGS

Accounting Policy

Loans and borrowings are initially recognised at fair value net of directly attributable transaction costs. Subsequently they are measured at amortized cost.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Current interest bearing loans and borrowings				
Term loan (Note 21.1)	172,530,207	177,504,804	52,530,207	57,504,804
Import and short term loan (Note 21.2)	981,823,438	350,000,000	-	250,000,000
	1,154,353,645	527,504,804	52,530,207	307,504,804
Non-current interest bearing loans and borrowings				
Term loan (Note 21.1)	273,112,909	445,004,279	12,499,496	65,004,279
	273,112,909	445,004,279	12,499,496	65,004,279
Total loans and borrowings	1,427,466,554	972,509,083	65,029,703	372,509,083

21.1. Term loan

Balance at the beginning of the year	615,530,535	159,776,850	115,530,535	159,776,850
Obtained during the year	-	600,000,000	-	-
Differed Income	4,483,526	13,258,488	4,483,526	13,258,488
Repayment during the year	(177,504,804)	(157,504,804)	(57,504,804)	(57,504,804)
Accrued Interest	638,837	-	25,424	-
Balance at the end of the year	443,148,094	615,530,535	62,534,681	115,530,535

		Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
21.1.1.	**Deferred Income on Term loan**				
	Balance at the beginning of the year	**6,978,548**	20,237,037	**6,978,548**	20,237,037
	Unwinding of Deferred Interest Income on Interest Free Loan	**(4,483,526)**	(13,258,488)	**(4,483,526)**	(13,258,488)
	Balance at the end of the year	**2,495,022**	6,978,548	**2,495,022**	6,978,548
		445,643,116	622,509,083	**65,029,703**	122,509,083
	Payable within one year	**172,530,207**	177,504,804	**52,530,207**	57,504,804
	Payable after one year	**273,112,909**	445,004,279	**12,499,496**	65,004,279
		445,643,116	622,509,083	**65,029,703**	122,509,083
21.2	**Import and Short term loans**				
	Balance at the beginning of the year	**350,000,000**	825,000,000	**250,000,000**	825,000,000
	Obtained during the year	**7,193,267,256**	3,340,000,000	**6,211,443,818**	3,240,000,000
	Repayment during the year	**(6,561,443,818)**	(3,815,000,000)	**(6,461,443,818)**	(3,815,000,000)
	Balance at the end of the year	**981,823,438**	350,000,000	**-**	250,000,000
	Payable within one year	**981,823,438**	350,000,000	**-**	250,000,000
		981,823,438	350,000,000	**-**	250,000,000

Information about the Group's exposure to liquidity risks and interest rate is included in Note 31.2 and 31.3.1

21.3. Terms and repayment schedule

The terms and conditions of outstanding loans and facilities are as follows:

Company name	Lending institution	Nature of the facility	Interest rate	Repayment terms	Face value LKR	2026 LKR	2025 LKR
Company							
Sathosa Motors PLC	Bank of Ceylon	Revolving short term Loan	Market rate over AWPLR	03 Month	200,000,000	-	200,000,000
	Commercial Bank of PLC	Term Loan	9.00%	05 Years	100,000,000	15,025,407	34,999,987
		Term Loan	Interest free	05 Years	150,017,096	50,004,296	87,509,096
	Seylan Bank PLC	Revolving short term Loan	Market rate over AWPLR	03 Months	300,000,000	-	-
	Sampath Bank PLC	Revolving short term Loan	Market rate over AWPLR	03 Months	100,000,000	-	50,000,000
						65,029,703	372,509,083
Subsidiary							
Access Motors (Pvt) Ltd	Seylan Bank PLC	Mortgage Loan	01 Month AWPLR + 0.65% p.a. with a floor rate of 9% p.a. and Cap of 15.75% p.a. (repriced monthly)	05 Years	600,000,000	380,613,413	500,000,000
	Hatton National Bank	Import Loan Facility	Market rate over AWPLR	02 Months	1,000,000,000	981,823,438	-
	Hatton National Bank	Revolving short term Loan	Market rate over AWPLR	03 Months	100,000,000	-	100,000,000
						1,362,436,851	600,000,000

Corporate guarantee issued by Sathosa Motors PLC on behalf of Access Motors (Private) Limited is LKR 25 Mn and USD 2 Mn.

22. DEFERRED INCOME

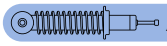
Accounting Policy

Grants received are recognized initially as deferred income at fair value when there is a reasonable assurance that they will be received and the Group will comply with the conditions associated with the Grant, and are then recognized in the Statement of Comprehensive income as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognized in the Statement of Comprehensive income as other income on a systematic basis in the periods in which the expenses are recognized.

As at 31 March,	*Group/Company*	
	2026 LKR	2025 LKR
Balance at the beginning of the year	4,387,779	4,607,151
Amortization during the year	(219,384)	(219,372)
Balance at the end of the year	4,168,395	4,387,779

The above represents the grants received for the construction of workshop at Peliyagoda and are amortized over a period of fifty (50) years (remaining period of amortisation is 19 years).

23. EMPLOYEE BENEFITS



Accounting Policy

Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Employee contribution plans-EPF and ETF

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes. Employer's contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

Employee defined benefit plans

The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuary using Project Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in Other Comprehensive Income.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

The Defined benefit plan liability has not been externally funded by the Company as well as subsidiary of the Group.

23.1. Reconciliation from the opening balances to the closing balances for the net employee defined benefit liability.

As at 31 March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	**33,090,463**	29,348,642	**16,033,532**	13,074,443
Current service cost	**7,873,702**	4,394,087	**2,542,829**	1,802,427
Interest cost	**3,253,812**	2,338,224	**1,523,185**	1,438,189
Actuarial (gain) / losses	**8,805,270**	3,194,689	**2,698,077**	1,735,103
	53,023,247	39,275,642	**22,797,623**	18,050,162
Payments made during the year	**(1,946,033)**	(6,185,179)	**(215,200)**	(2,016,630)
Balance at the end of the year	**51,077,214**	33,090,463	**22,582,423**	16,033,532

23.2. Expense recognised in statement of profit or loss and other comprehensive income

As at 31 March,	*Group*		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Current service cost	**7,873,702**	4,394,087	**2,542,829**	1,802,427
Interest cost	**3,253,812**	2,338,224	**1,523,185**	1,438,189
Expense recognised in Statement of profit or loss	**11,127,514**	6,732,311	**4,066,014**	3,240,616
Actuarial losses recognised in Other comprehensive income	**8,805,270**	3,194,689	**2,698,077**	1,735,103
Total provision for the year	**19,932,784**	9,927,000	**6,764,091**	4,975,719

Company

An actuarial valuation of the provision for defined benefit plan was carried out as at 31st March 2026 by Actuarial & Management Consultants (Private) Limited. The valuation method used by the actuaries to value the employee benefits obligation is the ''Projected Unit Credit (PUC) method'', the method recommended by the Sri Lanka Accounting Standard (LKAS 19) '' Employee Benefits''.

Subsidiary

The defined benefit obligation of the subsidiary has been calculated using the "Projected Unit Credit (PUC) method" in compliance with LKAS 19 "Employee Benefits".

23.3. Key assumptions and quantitative sensitivity analysis

The cost of the defined benefit plan are determined using actuarial valuations and it involves making various assumptions. These include the determination of the discount rate, future salary increases, staff turnover and retirement age (mortality in service). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The following were the principal actuarial assumptions at the reporting date

	Group		*Subsidiary*	
As at 31 March,	**2026**	2025	**2026**	2025
Discount Rate	**9.25%**	9.5%	**11.0%**	10%
Expected Annual Average Salary Increment Rate	**10%**	10%	**15%**	5.00%
Staff Turnover Factor	**20%**	28%	**15.96%**	27.37%
Retirement Age	**60 Years**	60 Years	**60 Years**	60 Years

Discount rate

A long-term treasury bond rate of 9.25% P.a. (2025 - 9.5%) was used to discount future liability taking into consideration the remaining working life of employees.

Expected annual average salary increment rate

Based on the actual salary increment rates of the Group over the past few years, future economic outlook of the country an increase in the long term salary increment rate is factored into the valuation for the current year.

23.4. Sensitivity of assumptions used

The sensitivity of the liability in the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the employment benefit obligation for the year, as shown below:

		Group		*Company*	
As at 31 March,		**2026**	2025	**2026**	2025
		LKR	LKR	LKR	LKR
Discount rate	1% Less	**1,079,913**	1,020,220	**235,915**	519,011
	1% More	**(1,012,213)**	(1,035,676)	**(216,510)**	(553,857)
Salary increment rate	1% Less	**(809,120)**	(1,154,186)	**(215,493)**	(622,167)
	1% More	**1,404,144**	1,138,073	**236,831**	592,638

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

23.5. Future expected contributions to the defined benefit plans

The following payments are expected contributions to the employee benefit obligation in future years:

As at 31 March,	Company	
	2026	2025
	LKR	LKR
Within the next 12 months	**3,264,419**	3,512,452
Between 1 and 2 years	**3,167,351**	4,719,270
Between 2 and 5 years	**6,858,758**	4,322,736
Between 5 and 10 years	**7,475,983**	3,134,493
Beyond 10 years	**1,815,912**	344,581
Total expected payments	**22,582,423**	16,033,532

The Weighted average duration of the defined benefit obligation at the end of the reporting period is 4.7 years (2025: 2.2 years)

23.6. Number of employees

The number of employees at the end of the year are as follows:

As at 31 March,	Sathosa Motors PLC		Access Motors (Private) Limited	
	2026	2025	**2026**	2025
Number of Employees	**161**	128	**106**	96

24. TRADE AND OTHER PAYABLES

Accounting Policy

Trade payables are the aggregate amount of obligation to suppliers for goods delivered to or services consumed by the group in the ordinary course of business. Trade payables are classified as current liabilities if they are payable within one year or less.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are normally non-interest bearing liabilities.

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Trade payable	**3,371,970,005**	127,550,630	**1,254,713,072**	51,927,795
Accrued expenses	**394,166,694**	90,638,944	**230,517,120**	65,500,013
Retention payables	**2,300,000**	2,400,000	**2,300,000**	2,400,000
Statutory payment liabilities	**246,685,618**	59,067,603	**37,123,901**	5,590,884
Advance received	**1,529,332,475**	706,672,843	**633,598,992**	262,430,415
Deferred Revenue	**80,519,740**	-	**80,519,740**	-
Other payables	**99,084,962**	75,040,866	**89,589,562**	66,315,171
	5,724,059,494	1,061,370,886	**2,328,362,387**	454,164,278

25. RELATED PARTY DISCLOSURE

25.1. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded impairment of receivable from related parties based on Expected Credit Loss (ECL) for the year ended 31st March 2026 (2025 - Nil) .This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25.2. Amount due from related parties

	Group		*Company*	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Access Engineering PLC	**33,626,204**	11,707,467	**14,275,573**	4,508,798
Access International (Private) Limited	**1,117,840**	941,093	**-**	-
Access Real Estate (Private) Limited	**-**	346,096	**-**	-
S D Munasinghe	**1,004,461**	1,004,461	**-**	-
Access Residencies (Private) Limited	**-**	30,238	**-**	-
Foresight Engineering (Private) Limited	**14,792,463**	4,110,342	**-**	-
Access Transport & Services (Private) Limited	**7,239,468**	7,077,465	**-**	-
Access Natural Water (Private) Limited	**2,625,500**	-	**2,625,500**	-
Ninewells Hospital (Pvt) Ltd	**734,046**	8,707,505	**-**	-
Access Medical (Pvt) Ltd	**86,535**	-	**-**	-
Access Civimech (Pvt) Ltd	**1,456,652**	449,244	**-**	-
Foresight Residencies (Pvt) Ltd	**21,633**	-	**-**	-
Virstack (Pvt) Ltd	**6,804,818**	6,804,818	**-**	-
Nw Logistics And Management (Pvt) Ltd	**9,236,141**	9,727,272	**-**	-
Access Lifestyle (Pvt) Ltd	**-**	59,113	**-**	-
	78,745,761	50,965,113	**16,901,073**	4,508,798

		Group		Company	
		2026	2025	**2026**	2025
		LKR	LKR	LKR	LKR
25.3	**Amount due to related parties**				
	Access Engineering PLC	**57,631,808**	610,977	**57,631,808**	610,977
	Access Lifestyle (Pvt) Ltd	**26,511**	-	**-**	-
	Access Natural Water (Private) Limited	**226,611**	95,092	**161,070**	4,860
	Reprographics (Pvt) Ltd	**25,400**	-	**25,400**	-
	Ninewells Hospital (Pvt) Ltd	**-**	125,000,000	**-**	-
	Access Residencies (Private) Limited	**15,119**	-	**-**	-
	Access Real Estate (Private) Limited	**101,150**	-	**-**	-
	A R L Elevate (Private) Limited	**-**	350,000	**-**	350,000
		58,026,599	126,056,069	**57,818,278**	965,837
25.4	**Transactions with related parties**				
	Holding Company				
	Sale of Goods / Rendering of services	**47,284,885**	19,965,259	**28,900,393**	7,810,766
	Purchase of Goods / Receiving of services	**(94,078,541)**	(2,538,978)	**(94,078,541)**	(2,538,978)
	Subsidiary Company				
	Purchase of Goods / Receiving of Services	**(224,919)**	-	**(224,919)**	-
	Other related party companies				
	Sale of Goods / Rendering of Services	**379,022,097**	40,422,849	**40,387,006**	13,624,937
	Purchase of Goods / Receiving of Services	**(107,438,334)**	(101,426,352)	**(2,693,938)**	(2,640,815)
	Property Purchase	**(516,000,000)**	(959,702,597)	**-**	-
	Purchase Vehicles	**(62,000,000)**	-	**(62,000,000)**	-
	Loan Received	**4,335,000,000**	-	**-**	-
	Loan Settlement	**(4,460,000,000)**	-	**-**	-

(a) Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue, which required additional disclosures in the FY 2025/2026 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 (2) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act other than,

Corporate guarantee issued by Sathosa Motors PLC on behalf of Access Motors (Private) Limited is LKR 25 Mn and USD 2 Mn.

(b) Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower, which required additional disclosures in the FY 2025/2026 Annual Report other than the transactions specified above under Colombo Stock Exchange listing Rule 9.14.8 (1) and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

25.5. Directorship held by Directors in other Group of Companies

	Company (SML)					*Subsidiary*			
Company Name	**S J S Perera**	**J C Joshua**	**D A R Fernando**	**S D Munasinghe**	**I S N Fernando**	**T T B C Fernando**	**S M P K Dissanayake**	**T A A Fernando**	**P D Udayapriya**
Holding company									
Access Engineering PLC	√	√	√	√					
Subsidiary Company									
Access Motors (Private) Limited	√			√	√	√	√	√	√
Other related party companies									
Access Projects (Private) Limited	√		√						
Access International (Private) Limited	√	√	√	√		√			
Access Natural Water (Private) Limited	√	√							
Access Industrial Systems (Private) Limited	√								
Access International Projects (Private) Limited	√								
Access Real Estate (Private) Limited	√					√	√	√	
A R L Elevate (Private) Limited	√	√	√	√					
Reprographics (Private) Limited	√								
Foresight Engineering (Private) Limited	√					√	√	√	
J C J Holdings (Private) Limited	√	√					`		
Access Transport & Services (Private) Limited						√	√	√	
W U S Logistics (Private) Limited	√	√	√		√				
Access Logistics (Private) Limited	√	√	√		√				
Access logistics Park Ekala (Private) Limited	√	√	√		√				
Access Residencies (Private) Limited	√					√	√	√	
Access Realities (Pvt) Ltd.	√	√	√	√					
Access Energy (Pvt) Ltd.	√	√							
J C J Properties (Pvt) Ltd.		√							
Eco Friendly Power Developers (Pvt) Ltd.	√	√	√						
RMN Holding (Pvt) Ltd.		√							
Access Realties 2 (Pvt) Ltd.	√	√	√	√					
C R D S Developments (Pvt) Ltd	√	√	√	√					
Access Realties 3 (Pvt) Ltd	√	√	√	√					
Access Eco Electric (Private) Limited	√	√	√	√					
Foresight Investments (Private) Limited	√	√							
Access Civimech Pvt) Ltd.	√					√	√	√	
Access Solar (Pvt) Ltd.	√					√	√	√	
Axionent (Pvt) Ltd	√								
Access Holdings (Pvt) Ltd.	√								
ATSL International (Pvt) Ltd	√								
Access Travels (Pvt) Ltd.	√								
Access Properties (Pvt) Ltd.	√								
Access Energy Solution (Pvt) Ltd.	√								
Access Lifestyle (Pvt) Ltd.	√					√	√	√	
Access Telecom Technologies (Pvt) Ltd.	√								
EBuy (Pvt) Ltd.	√								
Ninewells Hospital (Pvt) Ltd	√					√	√	√	
Access Agro (Pvt) Ltd	√					√		√	
Access Residencies 2 (Private) Limited	√					√	√	√	

Company Name	Company (SML)					Subsidiary			
	S J S Perera	J C Joshua	D A R Fernando	S D Munasinghe	I S N Fernando	T T B C Fernando	S M P K Dissanayake	T A A Fernando	P D Udayapriya
Ninewells Hospitality (Pvt) Ltd	√					√	√	√	
N W Healthcare Management (Pvt) Ltd	√					√	√	√	
N W Realty (Pvt) Ltd	√					√	√	√	
NW Logistics and Management (Pvt) Ltd	√					√			
Access Eco Power (Pvt) Ltd	√	√	√	√	√				
Access Chec JV (Private) Limited	√	√							
Access Engineering Port Services (Private) Limited	√	√	√	√					
Access Medical Tracers (Private) Limited	√	√	√	√					
Access Venture Capital (Pvt) Ltd	√	√							
AEL East Africa Limited	√		√						
Harbour Village (Pvt) Ltd	√	√	√	√					
Lanka AAC (Pvt) Ltd	√	√	√						
RMN Holding (Pvt) Ltd	√	√							
South Asia Commercial and Logistic Hub Limited				√					
Foresight Residencies (Pvt) Ltd						√	√	√	
Foresight Realty (Pvt) Ltd						√	√	√	
Spark Tech Teams (Pvt) Ltd						√	√	√	

Following company directors neither hold shareholding nor directorship of above companies.
R S Dahanayake
M D Joshua
T C D Kumarasiri
W A M Wimalaratna

25.6. Transactions, arrangements and agreements involving Key Management Personal (KMP) and their Close Family Members (CFM)

According to LKAS 24 "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly Board of Directors (including executive and non -executive Directors) have been classified as key Management Personnel of the Group.

Compensation paid to Key Management Personnel of the Group

For the year ended 31 March	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Total compensation paid to Key Management Personnel	33,977,000	12,958,910	32,227,000	12,958,910

Close Family Members (CFM) of the KMPs are those family members who may be expected to influence or be influenced by that KMPs in their dealing with the entity. They may include KMPs domestic partner and children, children of the KMPs domestic partner and dependants of the KMP or the KPMs's domestic partner. During the year no transactions have been done with CFMs.

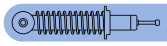
Directors Loan

No loans have been given to the directors of the Group / Company.

Other Transactions with Key Management Personnel

There were no other transactions with Key Managerial Personnel other than those disclosed in Note 25.4 to these Financial Statements.

26. PROVISIONS, COMMITMENTS AND CONTINGENCIES



Accounting Policy

Provisions are recognized when the Group/Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset when the reimbursement is virtually certain. The expense relating to provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are calculated based on the historical experience and the specific terms in the individual cases. The Group arrives at an estimate on the basis of an evaluation of the most likely outcome. All known provisions have been accounted for in preparing the Financial Statements.

Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured. All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition. Contingent assets are disclosed, where inflow of economic benefit is probable.

Currently the Group/Company is involved in pending litigations and claims arising out of the normal conduct of the business. The Group/ Company does not expect the pending litigations and claims, individually and in aggregate, to have a material impact on Group's Financial Position, operating profit or cash flow in addition to amounts accrued as provision for legal disputes.

26.1. Contingencies

(a) Pending litigation for the year ended 31st March 2026

There were no material contingencies as at the reporting date for the Company and its subsidiary.

(b) Corporate guarantee

Corporate guarantee issued by Sathosa Motors PLC on behalf of Access Motors (Private) Limited is LKR 25 Mn and USD 2 Mn.

26.2. Commitments

There were no material commitments, which have been approved or contracted for by the Company and its subsidiaries as at the reporting date.

27. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the reporting date, the Board of Directors approved the payment of a final dividend of Rs. 150,840,550/- for the financial year 2025/2026. According to Article 130 of the Articles of Association of the Company, the Directors are empowered to approve the payment of dividends, whether interim or final, without the need for approval by an ordinary resolution of the shareholders. This Dividend schedule to be paid on 26th June 2026. This event is a non-adjusting event and does not affect the amounts reported in the financial statements for the year ended 31st March 2026.

28. NON-CONTROLLING INTEREST (NCI)

NCI are measured initially at their proportionate share of acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The total profit or loss for the year of the Company and its subsidiary included in consolidation are shown in the consolidated Statement of Profit or Loss and other Comprehensive income with the proportion of profit or loss after taxation pertaining to minority shareholders of subsidiary being deducted as "Non controlling interest". All assets and liabilities of the Company and of its subsidiary included in consolidation are shown in the consolidated Statement of Financial Position. The interest of minority shareholders of subsidiary in the fair value of net assets of the Group is indicated separately in the consolidated Statement of Financial Position under the heading "Non-controlling interest". Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as, equity transactions. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Ownership interest held by NCI	Principal place of business	Nature of the business	2026	2025
Access Motors (Private) Limited	Sri Lanka	Authorised distributor for Jaguar and Land Rover in Sri Lanka	50%	50%

The following are summarized financial information of Access Motors (Private) Limited. The information is before inter-company eliminations.

As at/ for the year ended 31 March,	2026 LKR	2025 LKR
Statement of profit or loss and other comprehensive income		
Revenue	12,348,260,876	1,155,065,651
Profit for the year	607,482,148	17,455,837
Profit attributable to NCI	303,741,074	8,727,919
Other Comprehensive Income	(4,275,035)	(1,021,710)
Total Comprehensive Income	603,207,113	16,434,127
Total Comprehensive Income attributable to NCI	301,603,556	8,217,064
Inter-company transaction elimination at group level	-	52,850
Statement of financial position		
Non-current assets	1,992,303,524	1,470,839,924
Current assets	4,596,118,895	951,091,281
Non-current liabilities	311,312,431	414,647,750
Current liabilities	4,650,061,479	993,442,054
Net assets	1,620,942,052	1,013,841,401
Net assets attributable to NCI	810,471,026	506,920,701
Statement of cash flows		
Cash flows generated from / (used in) operating activities	(216,699,357)	857,795,739
Cash flows used in investing activities	(605,075,236)	(1,077,861,440)
Cash flows generated from financing activities	708,171,114	571,898,874
Net increase /(Decrease) in cash and cash equivalents	(113,603,479)	351,833,173

29. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

29.1. Financial assets

(a) Initial Recognition and measurement

Financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument with the exception of "Trade Receivables". The Group initially recognises trade receivables when they are originated.

Financial assets other than trade receivables that do not contain a significant financing component are 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 on issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(b) Classification and measurement

On initial recognition, the Group classifies a financial asset as measured at amortised cost; or Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it is held within a business model where the objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates and the financial asset is not designated as at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elected to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes equity Investments and derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the financial assets are managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- repayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(c) Subsequent measurement and gains and losses:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(d) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Group enters into transaction 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, such transferred assets are not derecognised.

(e) Impairment of Financial Assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Loss allowance for debt instruments is measured and 12-month ECL unless credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of the debt instrument has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- For trade receivables, being more than 365 days past due.
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market to a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

29.2. Financial liabilities

(a) Recognition and measurement

The Group initially recognises financial liabilities other than debt securities when it becomes a party to the contractual provisions of the instrument. The Group recognises debt securities issued when they are originated.

All financial liabilities are initially measured at fair value and, for an item not at Fair Value Through Profit or Loss (FVTPL), are measured net of transaction costs that are directly attributable to its issue.

The Group's financial liabilities comprise of loans and borrowings, other deposits, bank overdrafts and trade and other payables.

(b) Classification and measurement

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition of other financial liabilities are recognised in profit or loss.

(c) Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

29.3. Other Financial Assets

As at 31 March,	*Group*	
	2026	2025
	LKR	LKR
Investments in Unit Trust		
Balance at the beginning of the year	**153,284**	117,108,202
Investments made during the year	**-**	-
Withdrawal during the year	**-**	(119,000,000)
Fair value gain on remeasurement	**11,709**	2,045,082
Balance at the end of the year	**164,993**	153,284

As at 31 March,	*As at 31st March 2026*	
	No. of Units	**Fair Value**
		LKR
Investments in Unit Trust		
NDB Wealth Money Fund	**4,277**	**164,993**
		164,993

29.4. Financial Instruments - Statement of Financial Position

As at 31st March,	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
(a) Financial Assets					
Fair value through profit or loss					
Investments in Unit Trust	29.3	**164,993**	153,284	**-**	-
		164,993	153,284	**-**	-
Amortised Cost					
Trade receivables	18	**1,094,978,864**	344,800,487	**726,060,278**	258,679,709
Advances given to employees	18	**4,975,964**	9,275,752	**464,092**	3,666,160
Amounts due from related parties	25.2	**78,745,761**	50,965,113	**16,901,073**	4,508,798
		1,178,700,589	405,041,352	**743,425,443**	266,854,667
Cash and Cash Equivalents	19.1	**1,037,335,656**	441,653,531	**754,385,233**	58,291,118
Total		**2,216,201,238**	846,848,167	**1,497,810,676**	325,145,785
(b) Financial Liabilities					
Other Financial Liabilities					
Loans and borrowings	21	**1,427,466,554**	972,509,083	**65,029,703**	372,509,083
Trade payables	24	**3,371,970,005**	127,550,630	**1,254,713,072**	51,927,795
Lease liabilities	15.2	**29,170,001**	72,845,181	**24,865,323**	32,556,503
Amounts due to related parties	25.3	**58,026,599**	126,056,069	**57,818,278**	965,837
Unclaimed dividend		**6,234,889**	4,393,240	**6,234,889**	4,393,240
Bank overdraft	19.2	**13,191,489**	-	**-**	-
Total		**4,906,059,537**	1,303,354,203	**1,408,661,265**	462,352,458

30. FAIR VALUE MEASUREMENTS AND RELATED FAIR VALUE DISCLOSURES

30.1. Fair value measurement

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed in this note.

Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

* In the principal market for the asset or liability

Or

* In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Input that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

30.2. Fair Value Hierarchy

The Group does not anticipate the fair value of the above to be significantly different to their carrying values and considers the impact as not material for the disclosure.

The Group has not disclosed the fair values for financial instruments such as investment in debentures, trade receivables, amounts due from/to related parties, trade payables, lease liabilities and unclaimed dividends, since their carrying value are a reasonable approximation of fair values, due to short term maturity periods.

30.2.1. Fair Value Hierarchy - Group

The following table shows the carrying amount and fair value measurement hierarchy of the Group's financial assets and liabilities shown in the statement of financial position.

		Carrying Amount				*Fair Value*			
As at 31 March 2026	Note	**Fair value through profit or loss** LKR	**Financial Assets at Amortised Cost** LKR	**Financial Liabilities at Amortised Cost** LKR	**Total** LKR	**Level 1** LKR	**Level 2** LKR	**Level 3** LKR	**Total** LKR
Financial Assets									
Investments in Unit Trust	29.3	164,993	-	-	164,993	-	164,993	-	164,993
Trade receivables	18	-	1,094,978,864	-	1,094,978,864	-	-	-	-
Advances given to employees	18	-	4,975,964	-	4,975,964	-	-	-	-
Amounts due from related parties	25.2	-	78,745,761	-	78,745,761	-	-	-	-
Cash and Cash Equivalents	19.1	-	1,037,335,656	-	1,037,335,656	-	-	-	-
Total Financial Assets		164,993	2,216,036,245	-	2,216,201,238	-	164,993	-	164,993
Financial Liabilities									
Loans and borrowings	21	-	-	1,427,466,554	1,427,466,554	-	-	-	-
Trade payables	24	-	-	3,371,970,005	3,371,970,005	-	-	-	-
Lease liabilities	15.2	-	-	29,170,001	29,170,001	-	-	-	-
Amounts due to related parties	25.3	-	-	58,026,599	58,026,599	-	-	-	-
Unclaimed dividend		-	-	6,234,889	6,234,889	-	-	-	-
Total Financial Liabilities		-	-	4,892,868,048	4,892,868,048	-	-	-	-

As at 31 March 2025	Note	Carrying Amount				Fair Value			
		Fair value through profit or loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total	Level 1	Level 2	Level 3	Total
		LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Assets									
Investments in Unit Trust	29.3	153,284	-	-	153,284	-	153,284	-	153,284
Trade receivables	18	-	344,800,487	-	344,800,487	-	-	-	-
Advances given to employees	18	-	9,275,752	-	9,275,752	-	-	-	-
Amounts due from related parties	25.2	-	50,965,113	-	50,965,113	-	-	-	-
Cash and Cash Equivalents	19.1	-	441,653,531	-	441,653,531	-	-	-	-
Total Financial Assets		153,284	846,694,883	-	846,848,167	-	153,284	-	153,284
Financial Liabilities									
Loans and borrowings	21	-	-	972,509,083	972,509,083	-	-	-	-
Trade payables	24	-	-	127,550,630	127,550,630	-	-	-	-
Lease liabilities	15.2	-	-	72,845,181	72,845,181	-	-	-	-
Amounts due to related parties	25.3	-	-	126,056,069	126,056,069	-	-	-	-
Unclaimed dividend		-	-	4,393,240	4,393,240	-	-	-	-
Total Financial Liabilities		-	-	1,303,354,203	1,303,354,203	-	-	-	-

The fair value of investments classified under Level 2 of the fair value hierarchy is determined using observable inputs other than quoted prices. For investments in unit trusts, the fair value is based on the published unit prices provided by the fund managers. These prices reflect the net asset value of the underlying assets held by the unit trust. Since the valuation relies on these published prices, there are no significant unobservable inputs involved. The estimated fair value of the investment will increase or decrease in line with changes in the published unit prices.

30.2.2. Fair Value Hierarchy - Company

The following table shows the carrying amount and fair value measurement hierarchy of the Company's financial assets and liabilities shown in the statement of financial position.

As at 31 March 2026	Note	Carrying Amount				Fair Value			
		Fair value through profit or loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total	Level 1	Level 2	Level 3	Total
		LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Assets									
Trade receivables	18	-	726,060,278	-	726,060,278	-	-	-	-
Advances given to employees	18	-	464,092	-	464,092	-	-	-	-
Amounts due from related parties	25.2	-	16,901,073	-	16,901,073	-	-	-	-
Cash and Cash Equivalents	19.1	-	754,385,233	-	754,385,233	-	-	-	-
Total Financial Assets		-	1,497,810,676	-	1,497,810,676	-	-	-	-
Financial Liabilities									
Loans and borrowings	21	-	-	65,029,703	65,029,703	-	-	-	-
Trade payables	24	-	-	1,254,713,072	1,254,713,072	-	-	-	-
Lease liabilities	15.2	-	-	24,865,323	24,865,323	-	-	-	-
Amounts due to related parties	25.3	-	-	57,818,278	57,818,278	-	-	-	-
Unclaimed dividend		-	-	6,234,889	6,234,889	-	-	-	-
Total Financial Liabilities		-	-	1,408,661,265	1,408,661,265	-	-	-	-

As at 31 March 2025	Note	Carrying Amount				Fair Value			
		Fair value through profit or loss	Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total	Level 1	Level 2	Level 3	Total
		LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Financial Assets									
Trade receivables	18	-	258,679,709	-	258,679,709	-	-	-	-
Advances given to employees	18	-	3,666,160	-	3,666,160	-	-	-	-
Amounts due from related parties	25.2	-	4,508,798	-	4,508,798	-	-	-	-
Cash and Cash Equivalents	19.1	-	58,291,118	-	58,291,118	-	-	-	-
Total Financial Assets		-	325,145,785	-	325,145,785	-	-	-	-
Financial Liabilities									
Loans and borrowings	21	-	-	372,509,083	372,509,083	-	-	-	-
Trade payables	24	-	-	51,927,795	51,927,795	-	-	-	-
Lease liabilities	15.2	-	-	32,556,503	32,556,503	-	-	-	-
Amounts due to related parties	25.3	-	-	965,837	965,837	-	-	-	-
Unclaimed dividend		-	-	4,393,240	4,393,240	-	-	-	-
Total Financial Liabilities		-	-	462,352,458	462,352,458	-	-	-	-

31. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational Risk

This note represents information about the Group's exposure to each of the above risks, the Group's objectives policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management policies to identify and analyse the risks face by the group and set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly, and aim to develop a disciplinary constructive control environment, in which all employees understand their roles and obligations through training, management standards and procedures.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk face by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the Audit Committee. The committee reports regularly to the board of directors on its activities.

The Board of Directors reviews, verifies, agree the policies for managing each type of risk which are summarized below.

31.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from Group's receivables from customers and investment securities.

The carrying amounts of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

As at 31 March,	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Trade receivables	1,094,978,864	344,800,487	726,060,278	258,679,709
Advances given to employees	4,975,964	9,275,752	464,092	3,666,160
Amounts due from related parties	78,745,761	50,965,113	16,901,073	4,508,798
Cash at Bank	1,033,935,611	441,653,531	751,694,151	57,846,086
	2,212,636,200	846,694,883	1,495,119,594	324,700,753

31.1.1. Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer based including default risk associate with the industry and country in which customers operate. Each new customer is analysed individually for credit worthiness, reviews external ratings, if they are available financial statements, credit agency information, industry information, and in some cases bank references. Each business units monitor the customers' financial standing (financial insolvency) and outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on actual incurred historical data. The minimum exposure to credit risk at the reporting date is the carrying value of the each class of financial assets disclosed in Note 31.1

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets and material payments being backed by guarantees and enters contractual agreements with client before starting the operations.

Age analysis of trade receivables as at reporting date as follows:

As at 31 March,	2026		2025	
	Trade receivables	Provision for impairment	Trade receivables	Provision for impairment
	LKR	LKR	LKR	LKR
Group				
< 30 days	696,226,871	343,456	138,692,907	346,316
30–60 days	247,804,625	683,365	121,395,886	628,227
61–90 days	108,449,179	596,460	41,937,884	598,956
91–120 days	21,996,235	251,415	15,161,422	194,369
> 120 days	68,137,723	45,761,073	66,683,065	37,302,811
Total	1,142,614,633	47,635,769	383,871,165	39,070,678
Gross carrying value	1,142,614,633		383,871,165	
Allowance for expected credit losses	(47,635,769)		(39,070,678)	
Net carrying value	1,094,978,864		344,800,487	
Company				
< 30 days	385,364,113	331,972	109,637,669	326,233
30–60 days	199,288,262	600,851	72,254,981	590,463
61–90 days	104,873,911	585,168	33,303,443	575,052
91–120 days	8,323,687	183,564	8,155,400	180,391
> 120 days	54,872,816	24,960,956	61,529,783	24,529,428
Total	752,722,789	26,662,511	284,881,276	26,201,567
Gross carrying value	752,722,789		284,881,276	
Allowance for expected credit losses	(26,662,511)		(26,201,567)	
Net carrying value	726,060,278		258,679,709	

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment pattern and extensive analysis and follow up procedures implemented on the customer credit risk.

The movement in the allowance for impairment in respect of trade receivables during the year is disclosed in Note 18.1 to the Financial Statements

Expected Credit Loss (ECL) Assessment

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type, customer type and rating, and coverage by letters of credit etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

However the Group has taken into account the Impact from rapid change in macro economic factors and formulated necessary alterations to the impairment templates. The resultant increase in impairment provision due to this change is incorporated to the carrying value of trade and other receivables as at the year end.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

31.1.2. Short term deposits and Cash and Cash Equivalents

Credit risk from balances with banks and financial institution is managed by the Group's treasury management in accordance with the Group's policy.

The Group held Short Term deposits and cash and cash equivalent as at 31st March 2026 which represents its maximum credit exposure on these assets.

As at 31st March 2026, bank and financial institution rated bellow.

Group

As at 31 March,	2026		2025	
	LKR	%	LKR	%
Fitch Rating group				
AA-	1,018,507,430	100%	446,711,389	101%
A+	(4,475,028)	0%	(8,485,297)	-2%
A	6,711,720	0%	2,373,141	1%
A-	-	0%	-	0%
	1,020,744,122	100%	440,599,233	100%

Company

As at 31 March,	2026		2025	
	LKR	%	LKR	%
Fitch Rating group				
AA-	748,303,708	100%	56,563,072	98%
A+	702,395	0%	785,229	1%
A	2,688,048	0%	497,785	1%
A-	-	0%	-	0%
	751,694,151	100%	57,846,086	100%

31.2. 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 monitors its risk of a shortage of funds using a liquidity planning tools. The Group's approach of managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity meets its liability when due, and maintaining the balance between financial assets and liabilities and forecasting cash flows from operating activities, without incurring unacceptable losses or risking damages to the Group's reputation.

The Board of Directors is satisfied that the Company and its subsidiaries have adequate liquidity and business plans to continue to operate the business and to mitigate the liquidity risks.

Maturity profile

The following are the remaining contractual maturities of the financial liabilities at the reporting date.

(a) The maturity analysis of Liabilities - Group

	Undiscounted Contractual Cash flows					
As at 31 March 2026	**Carrying amount** LKR	**Total** LKR	**On demand** LKR	**Within 1 year** LKR	**Within 1-2 years** LKR	**More than 2 years** LKR
Loans and borrowings	1,427,466,554	1,427,466,554	-	1,154,353,645	273,112,909	-
Trade payables	3,371,970,005	3,371,970,005	-	3,371,970,005	-	-
Lease liabilities	29,170,001	40,015,424	-	19,694,064	12,846,062	7,475,298
Amounts due to related parties	58,026,599	58,026,599	-	58,026,599	-	-
Unclaimed dividend	6,234,889	6,234,889	6,234,889	-	-	-
Bank Over Draft	13,191,489	13,191,489	13,191,489	-	-	-
	4,906,059,537	4,916,904,960	19,426,378	4,604,044,313	285,958,971	7,475,298

	Undiscounted Contractual Cash flows					
As at 31 March 2025	Carrying amount LKR	Total LKR	On demand LKR	Within 1 year LKR	Within 1-2 years LKR	More than 2 years LKR
Loans and borrowings	972,509,083	1,089,164,278	-	577,029,956	222,920,887	289,213,435
Trade payables	127,550,630	127,550,630	-	127,550,630	-	-
Lease liabilities	72,845,181	96,261,623	-	53,365,384	22,612,412	20,283,827
Amounts due to related parties	126,056,069	126,056,068	-	126,056,068	-	-
Unclaimed dividend	4,393,240	4,393,240	4,393,240	-	-	-
	1,303,354,203	1,443,425,839	4,393,240	884,002,038	245,533,299	309,497,262

(a) The maturity analysis of Liabilities - Company

	Undiscounted Contractual Cash flows					
As at 31 March 2026	**Carrying amount** LKR	**Total** LKR	**On demand** LKR	**Within 1 year** LKR	**Within 1-2 years** LKR	**More than 2 years** LKR
Loans and borrowings	65,029,703	65,029,703	-	52,530,207	12,499,496	-
Trade payables	1,254,713,072	1,254,713,072	-	1,254,713,072	-	-
Lease liabilities	24,865,323	34,975,424	-	18,894,064	10,366,062	5,715,298
Amounts due to related parties	57,818,278	57,818,278	-	57,818,278	-	-
Unclaimed dividend	6,234,889	6,234,889	6,234,889	-	-	-
	1,408,661,265	1,418,771,366	6,234,889	1,383,955,621	22,865,558	5,715,298

As at 31 March 2025	Undiscounted Contractual Cash flows					
	Carrying amount LKR	Total LKR	On demand LKR	Within 1 year LKR	Within 1-2 years LKR	More than 2 years LKR
Loans and borrowings	372,509,083	382,477,198	-	311,960,421	70,516,777	-
Trade payables	51,927,795	51,927,795	-	51,927,795	-	-
Lease liabilities	32,556,503	43,191,023	-	17,065,384	14,626,412	11,499,227
Amounts due to related parties	965,837	965,837	-	965,837	-	-
Unclaimed dividend	4,393,240	4,393,240	4,393,240	-	-	-
	462,352,458	482,955,093	4,393,240	381,919,437	85,143,189	11,499,227

Trade and other payables are settled during the availability of the credit terms.

31.3. Market Risk

Market risk is the risk that changes in the market process- e.g. foreign exchange rates, interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Group Management.

Market risk comprise of the following types of risk:

I. Interest rate risk

II. Currency risk

31.3.1. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation. The Group utilizes various financial instruments to manage exposures to interest rate risks.

The possible impact on interest rate change is disclosed under the sensitivity analysis to the financial statement.

At the reporting date, the Group's interest - bearing financial instruments were as follows:

As at 31 March,	Group		Company	
	2026 LKR	2025 LKR	**2026** LKR	2025 LKR
Fixed Rate Instruments				
Financial Liabilities				
Term Loan	**445,643,116**	622,509,083	**65,029,703**	**122,509,083**
	445,643,116	622,509,083	**65,029,703**	**122,509,083**
Variable Rate Instruments				
Financial Liabilities				
Short term and import loans	**981,823,438**	350,000,000	**-**	**250,000,000**
Bank Overdraft	**13,191,489**	-	**-**	**-**
	995,014,927	350,000,000	**-**	**250,000,000**

During the financial year, consecutive reductions in policy rates and monetary easing policies by Central Bank of Sri Lanka to encourage banks and finance companies to reduce lending rates.

Sensitivity Analysis

A reasonable possible change of 100 and 700 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular, foreign currency exchange rates, remain constant.

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Variable Rate Instruments - Financial Liabilities				
100 bp Increase	**(9,950,149)**	(3,500,000)	**-**	(2,500,000)
100 bp Decrease	**9,950,149**	3,500,000	**-**	2,500,000
700 bp Increase	**(69,651,045)**	(24,500,000)	**-**	(17,500,000)
700 bp Decrease	**69,651,045**	24,500,000	**-**	17,500,000

31.3.2. 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 exposes to the foreign currency risk on purchases, cash and cash equivalent that are denominated in a foreign currencies.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows,

	Currency	**2026**	2025
Cash at bank	JPY	**7,093,257**	1.825.538
Trade Receivable - Foreign Debtors	JPY	**5,800,000**	-
Trade Receivable - Foreign Debtors	GBP	**43,420**	-
Trade Receivable - Foreign Debtors	USD	**135,000**	-
Trade Payables - Foreign Creditors	GBP	**61,821**	-
Gross Statement of Financial Position Exposure		**13,133,498**	1.825.538

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows,

	Currency	**2026**	2025
Cash at bank	JPY	**7,093,257**	1,825,538
Trade Receivable - Foreign Debtors	JPY	**5,800,000**	-
Gross Statement of Financial Position Exposure		**12,893,257**	1.825,538

The following significant exchange rates were applicable during the FY 2026 & 2025

As at 31 March,	Group/ Company			
	Average Rate		Reporting Date Spot Rate	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
GBP	**416.32**	381.68	**416.37**	383.78
JPY	**1.97**	1.98	**1.97**	1.96
USD	**311.91**	-	**315.19**	-

Sensitivity Analysis

A strengthening or weakening of the Rupee as indicated below, against the GBP & JPY 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.

	Group		*Company*	
	Strengthening Profit or Loss	**Weakening Profit or Loss**	**Strengthening Profit or Loss**	**Weakening Profit or Loss**
	LKR	LKR	LKR	LKR
31 March 2026				
JPY (10% movement)	2,533,654	(2,533,654)	2,533,654	(2,533,654)
GPB (10% movement)	1,807,681	(1,807,681)	-	-
USD (10% movement)	4,210,825	(4,210,825)	-	-
31 March 2025				
JPY (10% movement)	362,187	(362,187)	362,187	(362,187)

31.4. Operational Risk

Operational risk arises from failures in internal processes, people, systems, or external events, and is inherent in all aspects of the Group's operations, excluding credit, market, and liquidity risks.

The Group seeks to manage operational risk by balancing effective loss prevention and reputational protection with operational efficiency. Senior management in each business unit is responsible for implementing controls, supported by Group-wide standards covering:

- Segregation of duties
- Transaction monitoring and reconciliation
- Regulatory compliance
- Documented procedures
- Risk assessments
- Loss reporting and remediation
- Staff training
- Ethical conduct
- Risk mitigation measures, including insurance

32. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future deployment of the business. The Group's management and Board of Directors monitors the return on capital, as well as the level of dividends to ordinary shareholders.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group's Net Debt to adjusted Equity ratio at the end of the reporting period was as follows:

As at 31 March,	Group		Company	
	2026	2025	**2026**	2025
	LKR	LKR	LKR	LKR
Total Liabilities	**8,122,994,454**	2,338,019,514	**3,166,647,054**	936,657,273
Less: Cash and Cash Equivalents	**(1,037,335,656)**	(441,653,531)	**(754,385,233)**	(58,291,118)
Net Debt	**7,085,658,798**	1,896,365,983	**2,412,261,821**	878,366,155
Total Equity Attribute to the Company	**3,912,444,030**	1,993,015,308	**3,569,255,890**	1,951,034,671
Net Debt to Equity Ratio	**181%**	95%	**68%**	45%

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.

33. COMPARATIVE FIGURES

The below Group information has been reclassified with the current year's classification in order to provide a better representation

As at 31st March 2025	Note	Current Presentation	As disclosed Previously
Statement of Financial Position	18	383,871,165	411,204,557
Trade & Other Receivables	24	127,550,630	129,136,071
Trade & Other Payables	25.2	50,965,113	25,217,162
Amounts due from Related Parties			
Cash Flow Statement			
Increase In Trade & Other Receivables		(42,687,250)	(70,020,642)
Decrease In Amounts due from Related Parties		94,625,056	120,373,007
Decrease In Trade & Other Payables		749,442,848	751,028,289

34. DIRECTORS RESPONSIBILITIES

The Board of Directors is responsible for the preparation and presentation of the Financial Statements in accordance with Sri Lanka Accounting Standards.

35. NET ASSETS PER SHARE

	Group		Company	
	2026	2025	**2026**	2025
Net assets attributable to ordinary shareholders (LKR)	**3,912,444,030**	1,993,015,308	**3,569,255,890**	1,951,034,671
Weighted average number of ordinary shares in issue	**6,033,622**	6,033,622	**6,033,622**	6,033,622
Net assets per share (LKR)	**648.44**	330.32	**591.56**	323.36

SML Branch Network / Locations



Reliable Service. Islandwide Reach.

#	BRANCH	LOCATION ADDRESS	BRANCH OPERATIONS
01	Colombo 02 - Head Office	No. 25, Vauxhall Street, Colombo 02	
02	Peliyagoda	No. 25/11, New Nuge Road, Peliyagoda	
03	Panchikawatta	No. 42, Panchikawatta Road, Colombo 10	
04	Kurunegala	No. 78, Colombo Road, Dambokka, Kurunegala	
05	Matara	No. 679, Galle Road, Walgama, Matara	
06	Ratnapura	No. 1/1, Colombo Road, Weeragoda, Hidellana, Ratnapura	
07	Negombo	No. 231, Nalallawatta, Pitipana North, Negombo	
08	Dambulla	No. 738, Anuradhapura Road, Dambulla	
09	Kandy	No. 264, Katugastota Road, Kandy	
10	Badulla	No. 13, R H Gunawardane Mawatha, Badulla	

New Vehicle | Spare Parts | Marine Engine | Workshop Repair and services

OUR DEALER NETWORK

A strong islandwide network providing Sales, Parts and After Sales Support to keep you moving forward.



OUR BRANCHES AT A GLANCE

- 10 BRANCHES
- ISLANDWIDE PRESENCE
- WIDE RANGE OF SERVICES
- TRUSTED SUPPORT
- GENUINE ISUZU PARTS
- EXPERT TECHNICIANS

		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Statement of Profit or Loss and Other Comprehensive Income Highlights											
Revenue	LKR Mn	5,221	8,177	11,126	4,196	3,882	3,194	1,931	2,173	2,973	24,722
Gross Profit	LKR Mn	897	1,497	1,320	795	636	705	761	838	1,235	4,744
EBITDA	LKR Mn	416	759	732	367	290	296	332	468	715	3,585
EBIT	LKR Mn	309	635	595	195	111	107	135	299	574	3,616
Net Finance Income/(Cost)	LKR Mn	1	(105)	(299)	(337)	(140)	(97)	(211)	(139)	(126)	(161)
Profit / (Loss) after tax	LKR Mn	234	384	176	(80)	(13)	(2)	(55)	119	307	2,378
Profit Attributable to Owners of the company	LKR Mn	263	388	135	(81)	(4)	20	(32)	85	298	2,074
Statement of Financial Position Highlights											
Property Plant and Equipment	LKR Mn	549	973	1,251	1,315	1,853	896	840	826	1,934	2,662
Total Non Current Assets	LKR Mn	1,250	1,686	1,911	1,626	2,134	2,130	1,984	1,964	2,981	3,710
Cash and Cash Equivalent	LKR Mn	(19)	19	363	(31)	123	176	122	101	442	1,024
Total Assets	LKR Mn	3,900	5,382	7,014	6,547	3,872	4,065	3,584	3,871	4,838	12,844
Stated Capital	LKR Mn	116	116	116	116	116	116	116	116	116	116
Retained Earnings	LKR Mn	1,365	1,481	1,616	1,537	1,535	1,556	1,523	1,611	1,877	3,797
Equity Attributable to Owners of the company	LKR Mn	1,481	1,597	1,731	1,653	1,651	1,672	1,639	1,727	1,993	3,912
Loans and Borrowings	LKR Mn	631	2,127	3,307	3,039	816	919	765	1,005	973	1,427
Total Non Current Liabilities	LKR Mn	183	173	155	346	285	407	301	328	571	426
Statement of Cash Flow Highlights											
Cash Flows from/ (used in) Operating Activities	LKR Mn	69	(792)	(565)	(166)	2,374	43	196	(32)	1,551	1,180
Cash Flows From / (used in) Investing Activities	LKR Mn	126	(395)	(272)	(125)	44	(25)	(26)	(145)	(1,111)	(846)
Cash Flows From/(used in) Financing Activities	LKR Mn	15	1,225	1,180	(103)	(2,266)	34	(226)	159	(100)	248
Key Financial Ratios											
EPS	LKR	43.51	64.32	22.32	(13)	(0.62)	3.31	(5.37)	14.11	49.37	343.79
DPS	LKR	30.00	45.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	25.00
Net Assets Per Share	LKR	245.46	264.70	286.97	274.01	273.65	277.05	271.69	286.83	330.32	648.44
Dividend Payout	Times	69	70	-	-	-	-	-	-	-	4.36
ROE	%	14.1	20.5	8.6	(3.7)	(0.6)	(0.01)	(2.60)	5.33	12.27	50.37
ROCE	%	13.5	15.9	11.1	3.7	3.7	3.6	4.70	11.70	16.76	69.66
Gearing	Times	0.4	1.2	1.7	1.4	0.4	0.4	0.4	0.4	0.4	0.3
Current Ratio	Times	1.29	1.11	1.06	1.22	1.22	1.29	1.36	1.45	1.05	1.19
Quick Ratio	Times	0.37	0.48	0.63	0.56	0.63	0.78	0.52	0.72	0.62	0.33
Price Per Share	LKR	300.00	440.00	457.90	260.20	225.00	185.00	130.00	200.00	437.75	1,049.75
Investor Highlights											
Total Number of Shareholders	No.	1,173	1,139	1,147	1,186	1,236	1,215	1,234	1,236	1,236	1,616
Public Share Holdings	%	15.46	15.46	15.54	15.54	15.56	15.56	15.56	15.56	15.56	15.58

Share Information

SHARE HOLDING ANALYSIS

No of Shares Held	As at 31st March 2026 Number of Shareholders	No. of Shares	%	As at 31st March 2025 Number of Shareholder	No. of Shares	%
1-1,000	1,543	207,291	3.44%	1,191	169,824	2.81%
1,001-10,000	69	172,329	2.86%	55	144,718	2.40%
10,001-100,000	2	23,600	0.39%	0	0	0.00%
100,001-1,000,000	1	536,657	8.89%	1	625,335	10.36%
1,000,001 & Over	1	5,093,745	84.42%	1	5,093,745	84.42%
Total	1,616	6,033,622	100.00%	1,248	6,033,622	100.00%
Category						
Local Individuals	1,535	340,344	5.64%	1,189	276,049	4.58%
Local Institutions	75	5,688,114	94.27%	53	5,752,070	95.33%
Foreign Individuals	6	5,164	0.09%	6	5,503	0.09%
Foreign Institutions				0	0	0.00%
Total	1,616	6,033,622	100.00%	1,248	6,033,622	100.00%

SHARE PRICES

	As at 31/03/2026	As at 31/03/2025
Highest Price during the year	RS.2300 (14-11-2025)	Rs. 550.00 (30-01-2025)
Lowest Price during the year	RS.401 (11-04-2025)	Rs. 180.00 (18-04-2024)
Closing Price	RS.1008.00	Rs. 437.5
Last Traded	RS.1049.75	Rs. 437.75

PUBLIC HOLDING

1. Public holding percentage as at 31st March 2026 = 15.577% (As at 31st March 2025 - 15.5777%)
2. Number of shareholders representing the above percentage = 1,615
3. The float adjusted market capitalization as at 31st March 2026 = Rs. 947,396,016.00 (As at 31 -03-2025=RS. 411,196,187.50)

Ordinary Voting shares of Sathosa Motors PLC have been transferred from the Main Board to Diri Savi Board, with effect from 02nd July 2018.

The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1 (i) (b) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said Option.

MAJOR SHAREHOLDER LIST

		As at 31/03/2026		As at 31/03/2025	
	Name	**No of Shares**	**%**	No of Shares	%
1	ACCESS ENGINEERING PLC	5,093,745	84.42	5,093,745	84.42
2	LAKSHMANS HOUSING AND CONSTRUCTION CO PVT LTD	536,657	8.89	625,335	10.36
3	MR. M.P.D. COORAY	12,600	0.21	4,773	0.08
4	MR. L.C.D. PEIRIS	11,000	0.18	-	-
5	MR. U.I. SURIYABANDARA	8,197	0.14	7,764	0.13
6	PEOPLE S LEASING AND FINANCE PLC/H.D.D.MADUGALLA	8,114	0.13	-	-
7	MRS. D.B.D.D. DANTHANARAYANA	8,100	0.13		
8	MR. S.N.D. ABEYAGUNAWARDENE	8,000	0.13	8,000	0.13
9	MR. R.D. LEELARATNA	7,300	0.12	7,390	0.12
10	MR. J.A.B.P. KUMARA	5,889	0.10	6,161	0.10
11	SEYLAN BANK PLC/SAMARAKOON MUDIYANSELAGE PRASANNA DISSANAYAKE AND OMANTHA MUDIYANSELAGE UPEKSHA DHARSHANI RATHNAYAKE	5,500	0.09	3,035	0.05
12	MR. R. SENTHILNATHAN	5,000	0.08	-	-
13	MR. H.M. USGALHEWA	4,232	0.07	-	-
14	MR. G.C. GOONETILLEKE	4,050	0.07	4,050	0.07
15	SENKADAGALA FINANCE PLC/A.K.G.INDIKA	4,040	0.07	-	-
16	MR. R.D.U.A. RANAMUKA	4,000	0.07	4,000	0.07
17	MR. A.H. MUNASINGHE	3,998	0.07	3,998	0.07
18	MR. W.W.D.H. PERERA	3,500	0.06	-	-
19	MR. S. GOWRISANGAR	3,300	0.06	3,300	0.06
20	NEXUS CAPITAL (PVT) LTD	3,000	0.05	-	-
21	TEA CEYLON INVESTMENTS (PVT) LTD	2,850	0.05	2,850	0.05
22	ASSETLINE FINANCE LIMITED/W.W.D.H. PERERA	2,625	0.04		
23	MR. L.M. DIAS	2,400	0.04	2,400	0.04
24	MR. L.P.M. ABEYSEKERA	2,351	0.04	-	-
25	MR. M.U. AZHAR	2,300	0.04	-	-
26	MR. P.K. SAMBASIVAM	2,260	0.04	2,260	0.04
27	MR. S.T. MADUSANKA	2,155	0.04	-	-
28	MR. D.M.A.A. DISSANAYAKE	2,130	0.04	-	-
29	MR. S.N. FERNANDO	2,100	0.04	-	-
30	MR. R.S.K. FERNANDO	2,034	0.03	-	-
	SUB TOTAL	5,763,427	95.52	5,779,061	95.81
	OTHER TOP SHAREHOLDERS AT 31/03/2025			44,479	0.71
	OTHER	270,195	4.48	210,082	3.48
	TOTAL	6,033,622	100	6,033,622	100

OTHER TOP SHAREHOLDERS AT 31/03/2025

	NO OF SHARES	%
MR. M.I. SHIBLY	8,000	0.13
MRS. F.H.M. KAMIL	7,700	0.13
EST.OF LAT K.C. VIGNARAJAH	4,359	0.07
MR. K.M.C.S. KANAKARATNE	3,560	0.06
SAMPATH BANK PLC/EAGLE CREST (PVT) LTD	2,560	0.04
SEYLAN BANK PLC /F.J.P.RAJ	2,500	0.04
MRS. D.N.G. SENEVIRATNA	2,000	0.03
MR. N. YAMAGUCHI	2,000	0.03
MR. C.J.E. COREA	2,000	0.03
MRS. N.G.A.P. RATNASEKERA	2,000	0.03
MR. M.D.C.P.K. GUNATHILAKE & MRS. R.B.J.TIRANAGAMA	2,000	0.03
SHALSRI INVESTMENTS (PRIVATE) LTD.	2,000	0.03
ASSETLINE FINANCE LIMITED/M.S.KANDANAGE	3,800	0.06
	44,479	0.71

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty Second (42nd) Annual General Meeting of Sathosa Motors PLC will be held at The Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 on the 6th day of July 2026 at 2.00 p.m. for the following purposes:

1. To receive the Annual Report of the Board of Directors on the affairs of the Company and its subsidiary and the Financial Statements for the year ended 31st March 2026 and the Report of the Auditors thereon.
2. To re-elect Mr. Thalawaththalage Chaaminda Dencil Kumarasiri as a Director who retires by rotation in terms of Articles 88 and 89 of the Articles of Association of the Company.
3. To re-appoint the retiring Auditors Messrs KPMG, Chartered Accountants, as the Company's Auditors and to authorize the Directors to determine their remuneration.
4. To authorize the Directors to determine donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting.

By order of the Board
Sathosa Motors PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

9 June 2026

Notes

1. A Shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote on behalf of him/hers.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.

Note

Form of Proxy

I/We*.....

(NIC/Passport/Co. Reg. No. .....) of .... being a shareholder / shareholders

of SATHOSA MOTORS PLC hereby appoint ..... (NIC/Passport No. .....)

of ..... or failing him/her*,

Mr S J S Perera	or failing him*
Mr J C Joshua	or failing him*
Mr. I S N Fernando	or failing him*
Mr. M D Joshua	or failing him*
Mr. D A R Fernando	or failing him*
Mr S D Munasinghe	or failing him*
Mr. R S Dahanayake	or failing him*
Mr. T C D Kumarasiri	or failing him*
Mr. W A M Wimalaratna	

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Forty Second (42nd) Annual General Meeting of the Company to be held on 6th July 2026 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

		For	Against
(1)	To re-elect Mr. Thalawaththalage Chaaminda Dencil Kumarasiri as a Director who retires by rotation in terms of Articles 88 and 89 of the Articles of Association of the Company.	☐	☐
(2)	To re-appoint the retiring Auditors Messrs KPMG, Chartered Accountants, as the Company's Auditors and to authorize the Directors to determine their remuneration.	☐	☐
(3)	To authorize the Directors to determine donations for the year ending 31st March 2027 and up to the date of the next Annual General Meeting.	☐	☐

Signed this ..... day of ..... Two Thousand and Twenty Six.

.....

Signature of Shareholder/s

*Please delete what is inapplicable.

Notes:

1. A proxy need not be a shareholder of the Company
2. Instructions as to completion appear overleaf.

INSTRUCTIONS FOR COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, No. 25, Vauxhall Street, Colombo 02 by 2.00 a.m. on 5th July 2026.
3. The Proxy shall –
   (a) In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
   (b) In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided.
5. Please indicate with a 'X' in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.
6. In the case of joint holders the Form of Proxy must be signed by the first holder.

Corporate Information

NAME OF COMPANY

Sathosa Motors PLC

LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 11th March 1982 under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 07 of 2007 and listed on the Colombo Stock Exchange on 07th November 1993.

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

COMPANY REGISTRATION NUMBER

PQ -105

REGISTERED OFFICE

No. 25/11, New Nuge Road, Peliyagoda
Sri Lanka
Tel :- 94 112 432 858
Fax:- 94 112 446 129
Web:- www.sathosamotorsplc.com
E mail:- customercare@sml.lk

AUDITORS

Messrs KPMG
Chartered Accountants
32 A, Sir Mohamed Macan Markar Mawatha,
Colombo 03, Sri Lanka.
Tel: +94 115 426 426
Fax: +94 112 445 872

LAWYERS

Nithi Murugesu & Associates
Attorney-at-Law, Notary Public,
Commissioner for Oaths,
No. 28 (Level 2),
W. A. D. Ramanayake Mawatha,
Colombo 02, Sri Lanka.
Tel: +94 112 302 900 / + 94 (77) 772 8428
Fax + 94 (11) 230 2911

REGISTRARS

Central Depository Systems (Pvt) Limited
Ground Floor,
M & M Center,
341/5, Kotte Road, Rajagiriya, Sri Lanka.

SECRETARIES

P W Corporate Secretarial (Pvt) Ltd
No. 3/17, Kynsey Road,
Colombo 08,
Sri Lanka
Tel: +94 114 640 360
Fax: +94 114 740 588

BANKERS

Hatton National Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon
People's Bank
Sampath Bank PLC
National Development Bank PLC
Seylan Bank PLC
Nations Trust Bank PLC
DFCC Bank PLC

BOARD OF DIRECTORS

S J S Perera – Chairman
J C Joshua – Executive Vice Chairman
I S N Fernando – Managing Director
M D Joshua – Executive Director
D A R Fernando – Director
R S Dahanayake – Director
S D Munasinghe – Director
T C D Kumarasiri – Director
W A M Wimalaratna – Director

AUDIT COMMITTEE

T C D Kumarasiri – Chairman
W A M Wimalaratna
R S Dahanayake

NOMINATION AND GOVERNANCE COMMITTEE

T C D Kumarasiri – Chairman
W A M Wimalaratna
R S Dahanayake

REMUNERATION COMMITTEE

W A M Wimalaratna – Chairman
T C D Kumarasiri
D A R Fernando

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

T C D Kumarasiri – Chairman
W A M Wimalaratna
R S Dahanayake

STRATEGY REVIEW COMMITTEE

J C Joshua – Chairman
I S N Fernando – Managing Director
M D Joshua – Executive Director

INVESTOR RELATIONS

For investor relations and clarifications on the report, please contact:
Executive Vice Chairman,
Sathosa Motors PLC,
No. 25, Vauxhall Street,
Colombo 02,
Sri Lanka
Tel: +94 112 432 858
Fax: +94 112 446 129

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