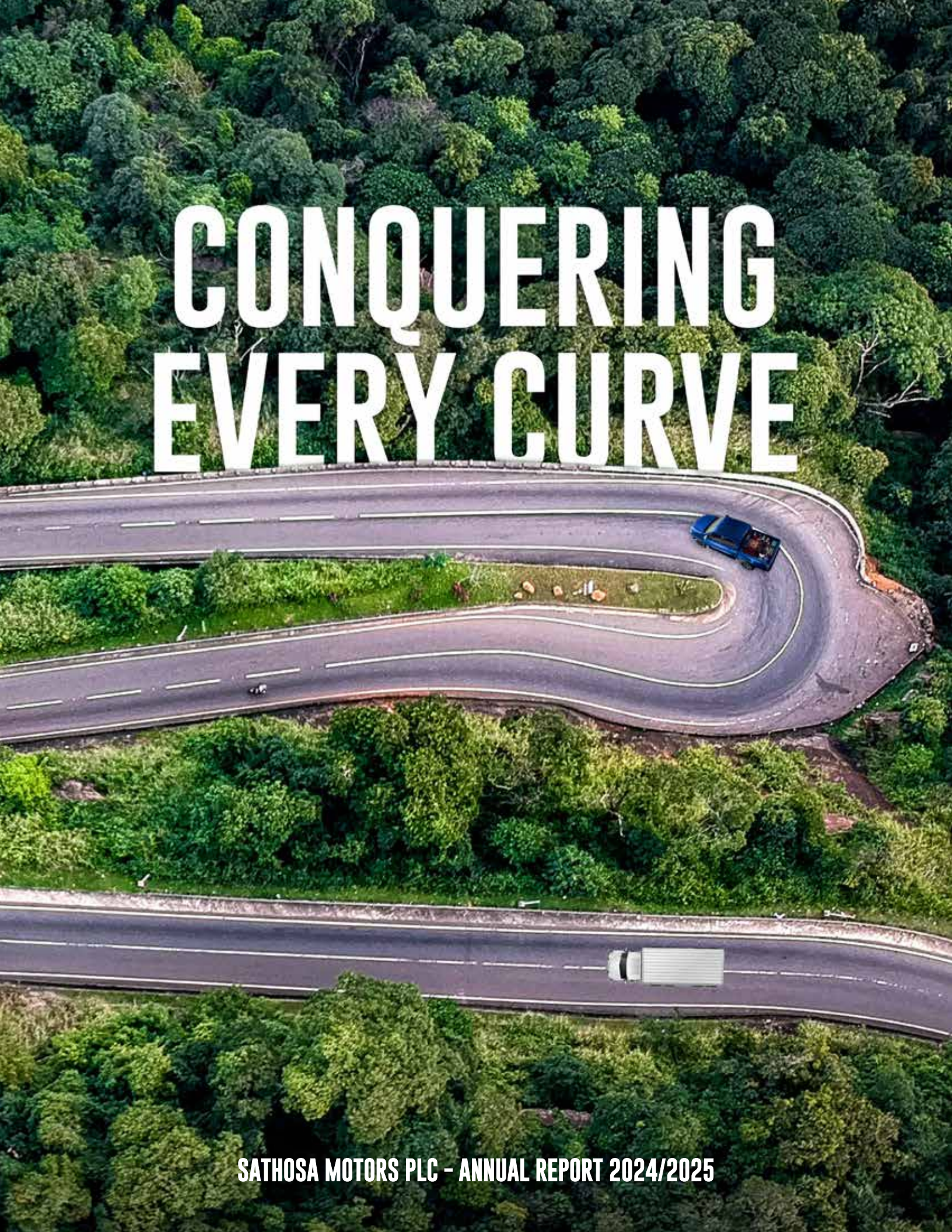



CONQUERING EVERY CURVE

An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road has white lane markings and a central grassy median. A blue car is visible on the right-hand curve, and a white truck is traveling along the bottom straight section of the road. The overall scene is vibrant and scenic.

SATHOSA MOTORS PLC – ANNUAL REPORT 2024/2025




CONQUERING EVERY CURVE



At Sathosa Motors, we are driven by an unwavering commitment to excellence, innovation, and customer satisfaction. As we reflect on the past year, we proudly look back at our continued growth and our pursuit of excellence in every aspect of our operations. We have faced adversity head-on and emerged stronger, proving that no challenge is too great to overcome.

This year, we've not only conquered the curves in our path but have also outpaced the expectations of the automotive industry. Through innovation, dedication, and resilience, we have turned obstacles into opportunities, ensuring that every twist and turn on the road to success only strengthens our drive to lead and inspire.

As we continue on this journey, we remain committed to surpassing every challenge and driving forward with confidence, knowing that the road ahead holds even greater achievements for Sathosa Motors and our valued partners. Together, we are conquering every curve, defying the odds, and paving the way for a brighter, more successful future.



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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 organisational 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 niche 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.



62 YEARS OF TRUST



1962

Introduction of Isuzu to Sri Lanka

In 1962, Co-operative Wholesale Establishment (C.W.E.) obtained the Isuzu agency in Sri Lanka, initiating its entry into the country's commercial vehicle sector. This event served as the starting point for the brand's subsequent development in the industry.

1985

Incorporation of Sathosa Motors Limited

Sathosa Motors Limited was formally incorporated on January 1, 1985 to enable focused operations and strategic development under the Corporation Wholesale Establishment in the purview of Ministry of Trade and Commerce.

1992

Entering into the Global Arena

A major shift occurred in 1992 when Sathosa Motors was privatized, with Japan's ITOCHU Corporation acquiring a 60% stake. This international partnership introduced global standards, advanced expertise, and enhanced operational efficiency, pushing the company onto a new trajectory of growth.

2013

Diversification Through Access Motors

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.

2012

Access Engineering Becomes Majority Shareholder

In 2012, Access Engineering PLC acquired Sathosa Motors' shares which belongs to the Itochu Corporation and through a mandatory offer, becoming the majority shareholder with a stake of 84.42%. This brought new leadership, financial resources, and a strategic shift that drove expansion and modernization.

ABOUT THIS REPORT

SCOPE AND BOUNDARY

This Annual Report presents a comprehensive review of the operations, performance, and strategy of Sathosa Motors PLC for the financial year ended 31 March 2025. The report covers both financial and non-financial aspects, drawing on the Company's activities across its core business segments: Isuzu vehicle sales, marine engine sales, Isuzu spare parts distribution, and workshop operations. Information presented herein relates to the standalone performance of Sathosa Motors PLC and, where relevant, includes consolidated insights from its subsidiary of Access Motors (Private) Limited. All data pertains to the period from 1 April 2024 to 31 March 2025, unless otherwise specified.

COMPLIANCE

The report complies with the standards set out by the Companies Act No. 07 of 2007 and the guidelines issued by the Securities and Exchange Commission of Sri Lanka, and the listing rules of the Colombo Stock Exchange. The financial statements presented in the report follow the guidelines (Accounting Standards (LKASs /SLFRSs) Sri Lanka) set out by the Institute of Chartered Accountants of Sri Lanka. In addition, it aligns with best practices in corporate governance and sustainability reporting, including reference to the principles of the Integrated Reporting <IR> Framework.

BOARD RESPONSIBILITY

The Board of Directors of Sathosa Motors PLC assumes full responsibility for the integrity and completeness of this Annual Report. The Board confirms that the report provides a balanced and accurate representation of the Company's performance, strategy, risks, and value creation activities for the reporting period. The content herein has been reviewed and approved by the Board prior to publication.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements that reflect current expectations, plans, and projections of Sathosa Motors PLC. These statements are subject to risks and uncertainties, many of which are beyond the Company's control. Actual results may differ materially from those expressed or implied due to changing economic, regulatory, environmental, or market conditions.

CONTACT

For further information or clarifications regarding this Annual Report, you may refer the investor relations details given inside of the back cover of the report.

THE REPORT COVERS BOTH FINANCIAL AND NON-FINANCIAL ASPECTS, DRAWING ON THE COMPANY'S ACTIVITIES ACROSS ITS CORE BUSINESS SEGMENTS:

- **VEHICLE SALES**
- **AFTER-SALES**
- **MARINE ENGINE SALES**
- **SPARE PARTS DISTRIBUTION**
- **WORKSHOP OPERATIONS**

ABOUT SML

Sathosa Motors PLC (SML) stands as a cornerstone in Sri Lanka's automotive industry, renowned for delivering high-quality vehicles, genuine spare parts, and exceptional customer service. Since its inception, SML has built a strong reputation for trust, performance, and service excellence, backed by a legacy that dates to 1962 when the Co-operative Wholesale Establishment (C.W.E.) first secured the Isuzu franchise in Sri Lanka.

Over the decades, the Company has evolved in tandem with the country's economic transformations. The liberalization of vehicle imports in 1978 marked a turning point that accelerated the demand for Isuzu's durable and reliable commercial vehicles. Recognizing the potential for further growth, the Ministry of Trade and Commerce converted the C.W.E.'s New Vehicles & Machinery Department into a fully owned subsidiary, leading to the establishment of Sathosa Motors Limited on 1st January 1985, with an initial capital of LKR 15 million.

In alignment with broader privatization policy reforms, SML was privatized on 26th August 1992, with 60% of shares acquired by ITOCHU Corporation, Japan's premier trading company. The remaining 40% was distributed between employees (10%) and the public (30%). Later, in February 2012, Access Engineering PLC, one of Sri Lanka's leading infrastructure

companies, acquired ITOCHU's shareholding, subsequently increasing its stake to 84.42% following a mandatory offer.

SML is also a shareholder in Access Motors (Private) Limited, holding 50% ownership since April 1, 2013. This subsidiary is the sole authorized distributor for Jaguar and Land Rover vehicles and caters to Sri Lanka's premium automotive segment.

Today, Sathosa Motors PLC is the official franchise holder for Isuzu vehicles and spare parts, representing Isuzu Motors Limited, Japan. The product portfolio includes:

- ◆ Double Cab/ Pickup Trucks
- ◆ Light and Heavy-Duty Commercial Vehicles
- ◆ Special Purpose Vehicles such as Fire Trucks, Dump Trucks, Water & Fuel Bowsers, Logging Trucks, and more

Beyond vehicle sales, SML has built a robust presence in after-sales services, spare

parts distribution, and workshop operations, ensuring reliability and value throughout the vehicle lifecycle.

NETWORK AND OPERATIONS

The Company's Head Office at No. 25, Vauxhall Street, Colombo 02 serves as the central hub for new vehicle showrooms, spare parts supply, and Isuzu repair workshops. Complementing this are:

- ◆ Nine regional branches dedicated to spare parts sales
- ◆ Four workshop locations in Colombo 02, Peliyagoda, Kurunegala and Newly opened in Matara
- ◆ A 75+ dealer network supporting nationwide parts availability and post-sale services

SML continues to uphold its legacy by combining innovation with operational excellence—ensuring our stakeholders benefit from quality, trust, and sustainable value creation.

GROUP PROFILE/STRUCTURE

AUTOMOBILE INDUSTRY

Sathosa Motors PLC



Authorized Distributor for ISUZU in Sri Lanka



Sathosa Motors PLC (SML) holds the exclusive franchise for Isuzu vehicles and genuine spare parts in Sri Lanka, representing Isuzu Motors Limited. Its key business areas include the import and sale of brand-new Isuzu vehicles, marine engines, the distribution of genuine Isuzu parts, and provision of workshop services.

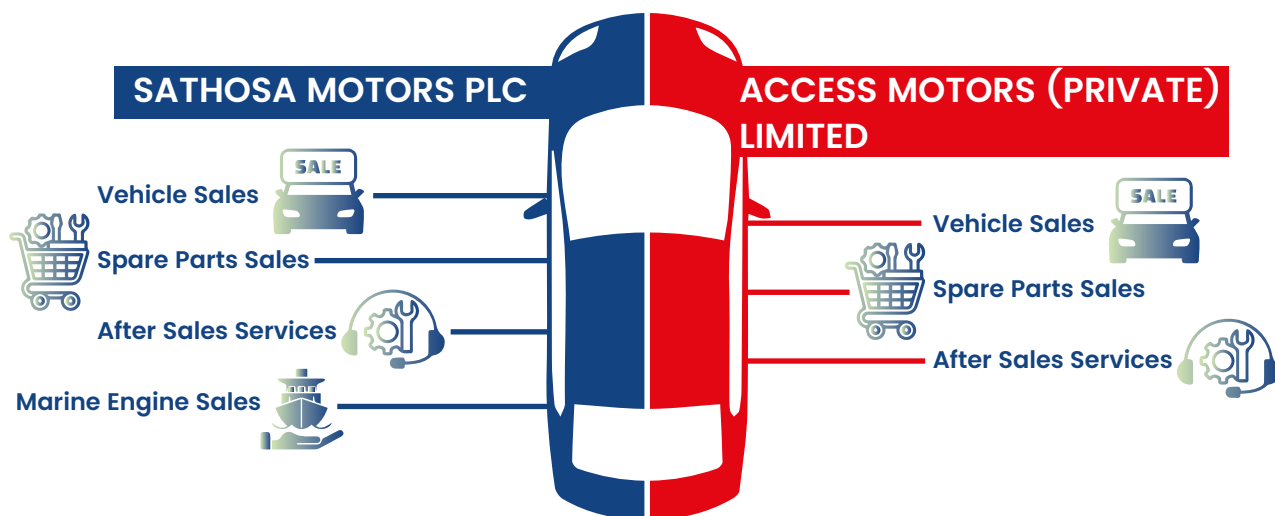
Access Motors (Private) Limited



Authorized Distributor for Jaguar and Land Rover in Sri Lanka



Access Motors (Private) Limited, a subsidiary of the Group, continues to serve as the sole authorized distributor for Jaguar and Land Rover vehicles and spare parts in Sri Lanka. Since its inception in 2012, Access Motors has remained a key player in the luxury vehicle segment, navigating a highly competitive market by delivering high-end vehicles and superior after-sales service.



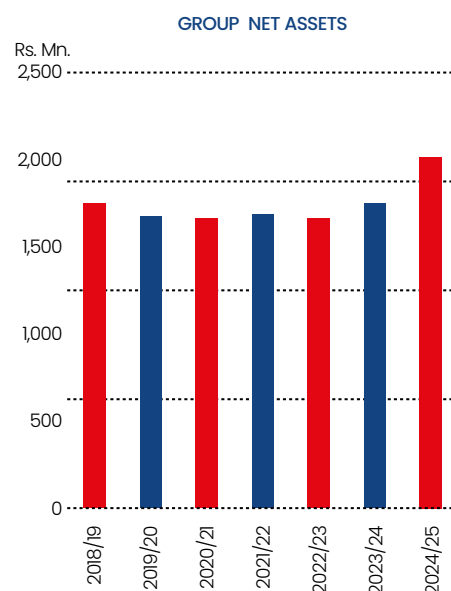
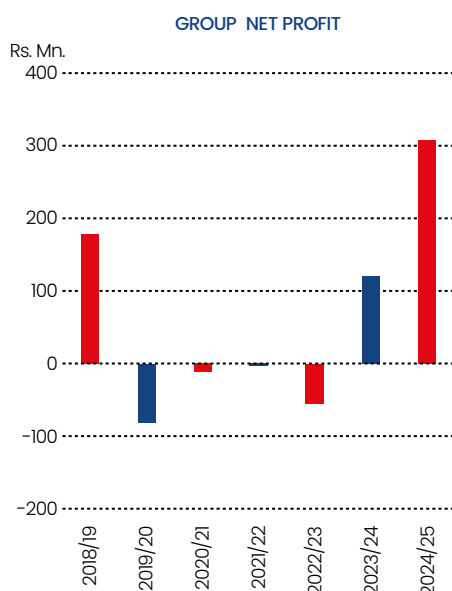
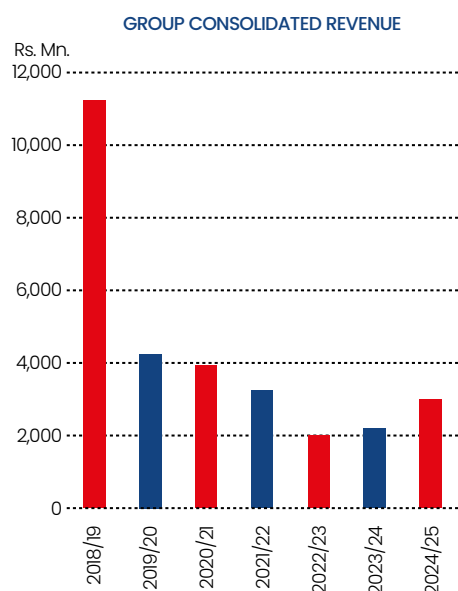
Staff Compositions

Sathosa Motors PLC			Access Motors (Pvt) Ltd	
Category	As at 31.03.2025	As at 31.03.2024	As at 31.03.2025	As at 31.03.2024
Managerial	10	6	13	12
Operational	78	71	57	58
Clerical and supporting	40	40	26	25
Total	128	117	96	95

FINANCIAL HIGHLIGHTS

Financial Highlights		2024/25		2023/24		Change (%)	
LKR'000*		Group	Company	Group	Company	Group	Company
Earnings Highlights and Ratios							
Revenue		2,972,852	1,817,840	2,173,450	982,222	36.8	85.1
Gross Profit		1,235,296	824,399	838,208	439,849	47.4	87.4
EBITDA		747,477	541,915	467,528	269,254	59.9	101.3
EBIT		574,351	476,232	298,708	202,294	92.3	135.4
Profit / (loss) before tax		447,974	419,324	159,599	73,164	(180.7)	(473.1)
Profit Attributable to Owners of the Company		297,907	289,179	85,164	51,759	(249.8)	(458.7)
Earnings per Share	LKR	49.37	47.93	14.11	8.58	(249.8)	(458.7)
Statement of Financial Position Highlights and Ratios							
Total Assets		4,837,956	2,887,692	3,871,385	2,958,463	25.0	(2.4)
Stated Capital		115,924	115,924	115,924	115,924	-	-
Retained Earnings		1,877,091	1,835,110	1,611,078	1,577,314	16.5	16.3
Total Equity/Shareholders' funds		2,499,936	1,951,035	2,225,706	1,693,238	12.3	15.2
Total Liabilities		2,338,020	936,657	1,645,679	1,265,225	42.1	(26.0)
Current Assets		1,856,857	912,493	1,907,297	997,654	(2.6)	(8.5)
Current Liabilities		1,767,353	780,638	1,317,775	1,094,425	34.1	(28.7)
Net Asset per Share	LKR	330.32	323.36	286.23	280.63	15.4	15.2
Investor Highlights and Ratios							
Price Per Share	LKR	-	437.50	-	200.00	-	118.8
Gross Profit Margin	%	41.6	45.4	38.6	44.8	7.7	1.3
Net Profit Margin	%	10.3	15.9	5.5	5.3	(89.1)	(201.9)
Return on Equity	%	12.3	14.8	5.3	3.1	(130.2)	(384.9)
Debt/Total Assets	%	48.3	32.4	42.5	42.8	13.7	(24.2)
Gearing	times	0.4	0.2	0.5	0.6	(13.8)	(67.8)
Current Asset Ratio	times	1.1	1.2	1.4	0.9	(27.4)	28.2
Quick Asset Ratio	times	0.6	0.6	0.7	0.4	(14.2)	36.3

* All values in the table are in LKR '000 unless states separately



ADAPTING TO EVERY BEND





CHAIRMAN'S MESSAGE



S.J.S. PERERA
CHAIRMAN

IT WITH PLEASURE THAT I PRESENT TO YOU THE ANNUAL REPORT FOR SATHOSA MOTORS PLC FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025—A YEAR THAT MARKED A POWERFUL RESURGENCE, BUILT ON RESILIENCE, AGILITY, AND COLLECTIVE STRENGTH. FOLLOWING SEVERAL YEARS OF UNPRECEDENTED CHALLENGES FOR THE SRI LANKAN ECONOMY AND THE AUTOMOTIVE INDUSTRY, I AM PLEASED TO REPORT THAT SML HAS EMERGED STRONGER AND MORE FOCUSED, DELIVERING A YEAR OF OUTSTANDING PROGRESS BOTH FINANCIALLY AND STRATEGICALLY.

External environment

Globally, 2024 was a year of cautious optimism, with improving macroeconomic indicators tempered by geopolitical and supply chain volatility. Meanwhile, Sri Lanka witnessed a gradual stabilization of its economic environment, with inflation stabilizing, the exchange rate showing more consistency, and policy reforms beginning to take hold.

In the automobile sector, the most consequential development was the phased lifting of the vehicle import ban, which had been in place since March 2020. This policy change is not only rejuvenated industry sentiment but also reopened a critical revenue stream for Sathosa Motors PLC. After nearly four years of navigating restricted imports, the resumption of vehicle imports in December 2024 allowed us to reconnect with our core Isuzu vehicle customers and meet long-suppressed demand.

Strategic Direction

During the past few years, SML remained steadfast and forward-thinking. We turned adversity into opportunity by strengthening our spare parts, after-sales services, and introducing new offerings like marine engines. These high-margin segments matured into sustainable profit centers, reinforcing our operational base.

With positive signals from the government regarding the easing of import restrictions, we were able to resume the receipt of vehicle shipments during the year. This release played a significant role in driving the 178% year-on-year surge in vehicle sales of the Group. While

178%↑
Vehicle Sale YoY

this marked an important strategic rebound for our flagship vehicle distribution business, it is important to note that newly ordered vehicles are arriving early in the 2025/26 financial year. Continued growth in after-sales services and workshop operations also supported revenue expansion, lifting it to LKR 2.97 billion and resulting in a significant increase in Company-level net profit.

Looking ahead, our strategy will focus on leveraging this renewed momentum by expanding our product portfolio, investing in capacity enhancements, and building the agility required to thrive in a rapidly evolving mobility landscape. In this journey, the continued support and strategic backing of our parent company, Access Engineering PLC, plays a pivotal role—contributing to operational strength, resource synergies, and long-term growth for Sathosa Motors PLC.

Governance

Our journey over the past year was guided by a governance framework that prioritizes accountability, ethical conduct, and transparency. As a listed entity and a subsidiary of Access Engineering PLC, we remain fully aligned with corporate governance codes, CSE listing requirements, and regulatory expectations. The Board of Directors maintained effective oversight through rigorous review

CHAIRMAN'S MESSAGE (CONTD.)

processes, strategic dialogue, and risk evaluation—ensuring that every decision was anchored in stakeholder value creation.

We also initiated policy reviews and strengthened internal processes in alignment with our parent company's directives, preparing the groundwork for enhanced compliance, data assurance, and responsible business conduct.

ESG Approach

SML's Environmental, Social, and Governance (ESG) journey gained renewed momentum during the year. We sharpened our focus on sustainable practices, expanding the use of EURO 4-compliant vehicles, installing energy-efficient lighting, and operating on-site water treatment facilities at our workshops.

On the social front, our inclusive workforce strategy, partnerships with training institutes, and employee welfare programs helped us build a highly engaged and future-ready team. Governance reforms continued, and most notably, we began preparing for alignment with the SLFRS S1 and S2 sustainability reporting standards, following the roadmap set by Access Engineering PLC. This marks an important step toward integrated, transparent, and globally benchmarked ESG disclosures.

Appreciation

None of what we achieved this year would have been possible without the remarkable resilience, dedication, and adaptability of our people. I extend my heartfelt thanks to our employees across all branches and workshops, who rose to every challenge with unwavering commitment.

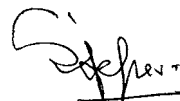
We also take this opportunity to extend our sincere appreciation to the members of our Board who stepped down during the year. Mr. M. M. N. De Silva and Mr. W. C. A. O. Wijesinghe who resigned in order to facilitate compliance with the Colombo Stock Exchange regulations. We also express our deep gratitude to Mr. Manoj Jayasooriya, who retired during the year. Their contributions have been invaluable in shaping the Company's governance and strategic direction.

I also thank our Board of Directors for their wisdom and governance, our principal partners Isuzu Motors and Itochu Corporation for their continued trust, and our customers and dealers for standing by us through difficult times. Finally, I am grateful to our shareholders for their confidence.

FUTURE OUTLOOK

SML enters the new financial year on a strong footing, bolstered by a more stable macroeconomic landscape and renewed momentum in our core business. Our focus will remain on strengthening our high-growth segments, expanding digital systems, and embedding ESG performance into every aspect of our operations. We will invest strategically in people, systems, and infrastructure to ensure that we are not only responsive to present opportunities but also resilient in the face of future uncertainty.

With optimism, discipline, and strategic clarity, we look forward to building a stronger, more sustainable Sathosa Motors PLC—one that continues to deliver exceptional value to all our stakeholders.



S.J.S. Perera
Chairman

22 July 2025



**FOCUSED
ON FORWARD**

BOARD OF DIRECTORS



From left to right

Sumal Perera
Chairman (Non-Executive)

Joseph Christopher Joshua
Executive Vice Chairman

Srimal Fernando
Managing Director

Dirk Joshua
Executive Director



Asanka Wimalaratna
Independent Non-Executive Director

Chaaminda Kumarasiri
Independent Non-Executive Director

Dharshana Munasinghe
Non-Executive Director

Sepala Dahanayake
Independent Non-Executive Director

Rohana Fernando
Non-Executive Director

BOARD OF DIRECTORS (CONTD.)

SUMAL PERERA

Chairman (Non-Executive)

Sumal Perera was appointed to the Board of Sathosa Motors PLC on June 12, 1998, marking the beginning of his longstanding relationship with the company. He is the Founder Chairman of the Access Group of Companies, an enterprise he established in 1989, and he has since been at the helm of its remarkable journey. Mr. Perera continues to serve as Chairman for all entities within the Access Group, offering steady guidance and unwavering strategic direction. Over the span of more than three decades, his leadership and vision have driven the Access Group's dynamic growth and significant diversification. Under his stewardship, the organization has evolved into a multifaceted business enterprise recognized for its success and innovation across a range of industries. In addition to his corporate achievements, Mr. Perera is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) in the UK, reflecting his strong academic and professional foundation. His commitment to excellence and forward-thinking approach have been instrumental in establishing the Access Group's reputation as a leader in the Sri Lankan business landscape. As Chairman of the Board, Mr. Perera remains deeply involved in shaping the governance structure and steering the long-term objectives of Sathosa Motors PLC.

JOSEPH CHRISTOPHER JOSHUA

Executive Vice Chairman

Christopher Joshua was appointed to the Board of Sathosa Motors PLC in April 2012 and assumed the role of Managing Director on April 1, 2019. He appointed as the Executive Vice Chairman of the company beginning October 1, 2024. 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 Realities (Pvt) Ltd, Access Realities 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. His leadership is characterised by a collaborative and strategic approach, empowering teams to achieve excellence while fostering innovation across business operations and processes.

SRIMAL FERNANDO

Managing Director

Srimal Fernando was appointed to the Board of Sathosa Motors PLC in January 2024 and became the Managing Director in October 2024. He is a Chartered Civil Engineer with over 25 years of experience in engineering and infrastructure sectors. Mr. 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 responsibilities at Sathosa Motors PLC, he serves as a Director at WUS Logistics (Pvt) Ltd, Access Logistic Park (Pvt) Ltd, Access Logistic Park Ekala (Pvt) Ltd, and Access Eco Power (Pvt) Ltd. He is also the Senior General Manager of Access Engineering PLC. Mr. Fernando has contributed to large-scale infrastructure projects across transport, telecommunications, water, and building development sectors. His work at Sathosa Motors PLC is focused on enhancing operational outcomes and maintaining the company's market position.

DIRK JOSHUA

Executive Director

Maurice Dirk Joshua joined Sathosa Motors PLC as General Manager of Sales and Marketing in July 2019, bringing with him over 14 years of experience in business development, sales, and marketing management. Since then, he has played a pivotal role in establishing the company as a leader in the Japanese truck market, fostering strong stakeholder relationships, expanding Isuzu's after-sales and spare parts business both geographically and within the product portfolio, and introducing Isuzu marine engines to the company's offerings. Prior to this, Mr. Joshua held middle management positions at Access Engineering PLC from January 2007 to July 2019, where he contributed to various business development initiatives and established new business partnerships, and before that, served as an Assistant Manager at John Keells Group. Mr. Joshua was appointed to the board of Sathosa Motors PLC, with effect from 1st of October 2024.

ROHANA FERNANDO

Non-Executive Director

Rohana Fernando has served on the Board of Sathosa Motors PLC since September 2012. A Chartered Civil Engineer with a BSc in Civil Engineering from the University of Peradeniya, he is a Corporate Member of the Institution of Engineers, Sri Lanka (IESL). He has been with the Access Group since 1998 and currently holds the position of Managing Director at Access Engineering PLC. In addition, Mr. Fernando serves as a Director of several affiliated companies, including Access International (Pvt) Ltd, Eco Friendly Power Developers (Pvt) Ltd, Access Realities (Pvt) Ltd, Access Realities 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 an integral part of the Access Group since 1996, serving in various leadership roles. He currently holds the position of Director – Business Development at Access Engineering PLC. In addition, Mr. Munasinghe serves on the boards of several affiliated companies, including Access International (Pvt) Ltd, Access Motors (Pvt) Ltd, Access Realities (Pvt) Ltd, Access Realities 2 (Pvt) Ltd, ZPMC Lanka Company (Pvt) Ltd, and ARL Elevate (Pvt) Ltd.

BOARD OF DIRECTORS (CONTD.)

SEPALA DAHANAYAKE

Independent Non-Executive Director

Appointed to the Board of Sathosa Motors PLC in August 2018, Mr. Sepala Dahanayake is a seasoned legal practitioner with over 40 years of experience in both civil and criminal law. He qualified as an Attorney-at-Law from the Law College of Sri Lanka in 1981 and has since built a distinguished legal career. Mr. Dahanayake served as an Acting Magistrate for more than 22 years, contributing to the judiciary with dedication and integrity. He also held the position of Vice President of the Bar Association of Mount Lavinia from 2001 to 2003. His extensive legal background and judicial expertise provide valuable counsel and oversight to the Board.

CHAAMINDA KUMARASIRI

Independent Non-Executive Director

Kumarasiri was appointed to the Board of Sathosa Motors PLC in November 2024. He holds an MBA in Finance from the University of Colombo and a B.Sc. in Accountancy with First-Class Honours from the University of Sri Jayewardenepura. A Fellow of CA Sri Lanka, ACCA (UK), CMA Sri Lanka, and AAT Sri Lanka, he brings over 20 years of leadership experience in financial strategy, governance, and enterprise development. He is the Chairman and Principal Consultant of HCP Consulting, CEO of The Human Capital Partner, and Founder-President of the Asia Pacific Institute of Money and Entrepreneurship Development. He also chairs the ACCA Sri Lanka Member Network Panel and serves as a director on several listed company boards.

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.



**SURPASSING
EVERY
CHALLENGE**

SENIOR MANAGEMENT



Joseph Christopher Joshua
Executive Vice Chairman



Srimal Fernando
Managing Director



Maurice Dirk Joshua
Executive Director



Ravilal Alokabandara
General Manager -Head of
Sales & Marketing (Spare Parts
Department)



MANAGEMENT REVIEW

MANAGEMENT REVIEW

The financial year 2024/25 was a transformative period for Sathosa Motors PLC—one in which our resilience, adaptability, and shared purpose were tested and proven. This year marked a definitive turning point for our Company, as we navigated a long-awaited reawakening of the automotive industry and capitalized on new opportunities with clarity and conviction. This year's performance stands as a testament to our team's unwavering commitment, the trust of our customers and partners, and the strength of our strategy.

Global and Local Overview

The global economy in 2024 displayed remarkable resilience despite ongoing geopolitical tensions and market uncertainty. Growth stabilized at 3.2%, and inflation levels moderated across major economies, offering a cautiously optimistic backdrop. For Sri Lanka, the year marked a clear shift toward recovery. Inflation eased into deflationary territory, interest rates declined, and the Sri Lankan rupee appreciated significantly—strengthening the macroeconomic environment after years of turbulence.

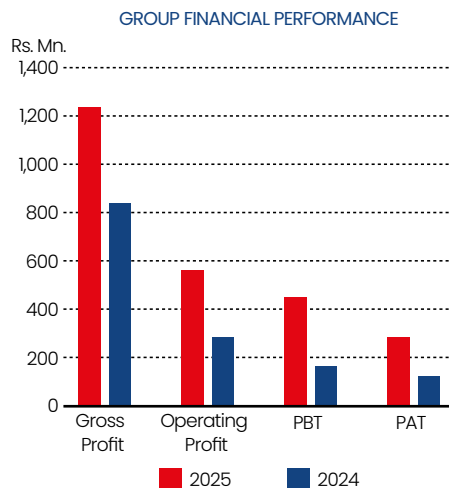
Crucially for SML, the most impactful policy development was the phased lifting of the vehicle import ban, particularly the December 2024 reinstatement of commercial vehicle imports. This breakthrough reversed nearly four years of restricted activity, reenergized industry sentiment, and allowed us to re-enter the market with speed and confidence. This policy relaxation, coupled with favorable lending conditions and improved consumer sentiment, created fertile

ground for resurgence in mobility demand in the commercial vehicle segment.

Company Performance

In response to these developments, group revenue rose to LKR 2.97 billion, a 37% increase year-on-year, driven by a 178% surge in vehicle sales, and double-digit growth across spare parts and workshop services. Profit before tax at Group level stood at 448 million while the Company recorded a notable increase in profitability—reaching LKR 419 million, with net profit climbing to LKR 289 million. The Spare parts and workshop recorded the highest revenue in the history of our business.

This performance was the result of deliberate, disciplined strategy. During the years of restricted imports, we reengineered our business model around high-margin, recurring income streams. We scaled up workshop operations, fortified our spare parts distribution, and ventured into marine engine sales. These efforts have now crystallized into robust and sustainable revenue pillars



that complement our core Isuzu distribution business.

Navigating Challenges

The past year was not without challenges. Supply chain recalibrations, tax policy shifts, and residual market caution posed complex challenges. Nevertheless, we navigated them through agility and focus. Our team adapted quickly to evolving regulations, reinstated vehicle imports with operational precision, and maintained an uninterrupted service network across the country.

We continued to deploy capital prudently – while enhancing our ERP systems, expanding our service capacity, and streamlining operations. This allowed us to operate efficiently, preserve cash flow, and maintain resilience in the face of lingering external volatility.

Above all, it was our people who carried us through. From service advisors and technicians to managers and support teams, every member of the SML family responded to challenges with a shared sense of mission and accountability.

Appreciation

We take this opportunity to thank our Board of Directors for their strategic guidance and oversight, our principal partners Isuzu Motors Japan, Isuzu Motors Asia, Isuzu Motors Thailand, and Itochu Corporation for their enduring trust, and our customers, dealers, and suppliers for standing by us through every season. Most importantly, we extend our deepest gratitude to our employees—for their resilience, adaptability, and the passion with which they serve our customers every day.



Group PBT
Rs. 448_{Mn} ↑

Sales
37% ↑

Growth by YoY

FUTURE OUTLOOK

We enter the new financial year with confidence, momentum, and renewed purpose. Our focus will be on scaling our vehicle sales operations further enhancing our presence as the market leader in our segment, deepening our presence in after-sales and parts services, and expanding into adjacent opportunities that align with our strengths and market potential. We will continue to digitize and modernize our operations, strengthen our ESG commitments, and empower our people to grow and lead.

With a robust foundation and a dynamic roadmap ahead, we look to the future with optimism.

J C Joshua
Executive Vice Chairman

22 July 2025

I S N Fernando
Managing Director



**PRECISION
IN EVERY
MOVE**



STAKEHOLDER ENGAGEMENT

Stakeholder engagement is central to our long-term value creation strategy. We recognize that our ability to generate sustainable growth and navigate complex market dynamics is intrinsically linked to the strength of our relationships with a diverse set of stakeholders. These include customers, employees, suppliers, dealers, investors, regulators, and the broader community. Our approach to stakeholder engagement is underpinned by principles of inclusiveness, transparency, and responsiveness. We continuously identify, understand and respond to stakeholder needs and expectations to ensure that our strategic decisions are aligned with shared value creation.

Stakeholder Identification and Prioritization

SML has a structured stakeholder mapping framework that identifies stakeholders based on their influence on our operations and the impact our activities have on them. Engagement priorities are regularly reviewed in line with business developments, regulatory changes, and industry dynamics.

- Customers – Individual and corporate vehicle users
- Employees – Technical, operational, and administrative teams
- Dealers and Suppliers – Authorized sales and service partners
- Shareholders and Investors – Institutional and retail shareholders
- Regulatory Authorities – Industry regulators, policymakers, and standards bodies

- Educational Institutions – Vocational and technical training providers
- Communities – Local communities and civil society
- Parent Company – Access Engineering PLC, as a key strategic influencer

Modes of Engagement

Stakeholder group	Engagement mechanism	Frequency	Purpose
Customers	Surveys, service feedback, technical consultations	Ongoing	Enhance satisfaction, product/service improvement
Employees	Performance reviews, training sessions, welfare forums	Quarterly/ Annual	Professional development, wellbeing, alignment
Dealers and Suppliers	Partnership reviews, product updates, compliance audits	Quarterly	Ensure quality, performance, and supply chain integrity
Investors/ Shareholders	Annual Report, AGMs, CSE disclosures	Annual/ Ongoing	Financial transparency, strategic outlook
Regulators	Policy consultations, compliance reporting	As required	Legal alignment, sector advocacy
Communities	CSR initiatives, customer education, service support	Ongoing	Social contribution, brand trust

Key highlights 2024/25

Customer-Centric Engagement: Enhanced the “Isuzu Aftersales Way” program, which reduced vehicle downtime and improved after-sales satisfaction scores.

Employee Voice: Rolled out a refreshed HR policy suite and introduced structured feedback channels, aligning closely with the parent company’s governance expectations.

Dealer Empowerment: Conducted performance workshops and knowledge-sharing sessions with over 75 dealers to ensure product readiness after the reintroduction of vehicle imports.

Investor Communication: Maintained timely disclosures on the Colombo Stock Exchange and hosted focused shareholder briefings post-budget and regulatory changes.

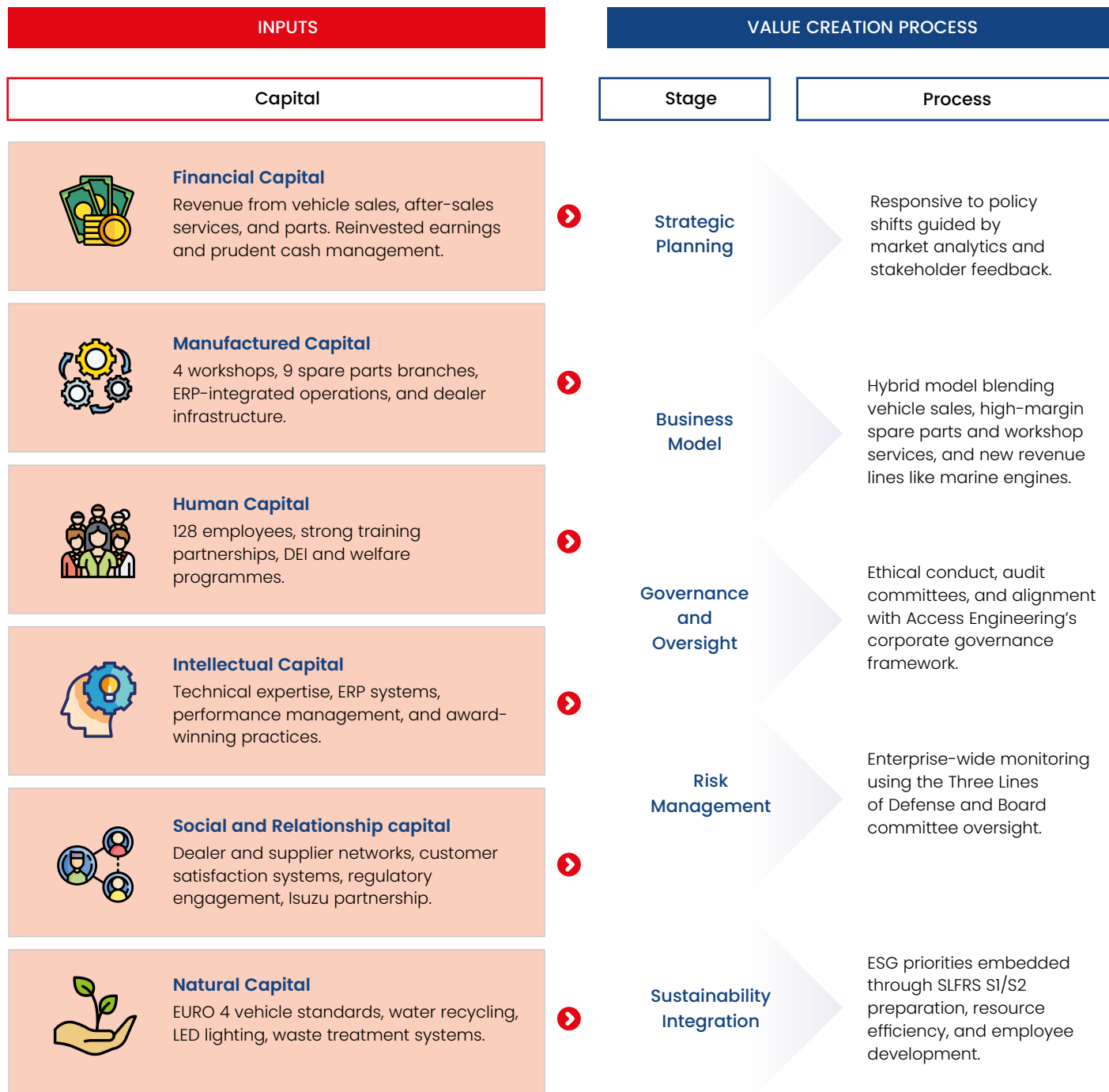
Vocational Training Partnerships: Recruited 79 automobile trainees through strategic alliances with 18 training institutes, supporting national workforce goals.











Community Trust: Facilitated complimentary check-up clinics and technical awareness programs during the phased re-opening of vehicle imports, ensuring customer safety and preparedness.

Future outlook

In 2025/26, SML will continue to strengthen its stakeholder engagement practices through the integration of digital platforms, enhanced feedback analytics, and deeper institutional partnerships. Key initiatives planned include the launch of an online customer feedback and service tracking portal, piloting of dealer incentive schemes linked to customer satisfaction metrics, and expanded collaboration with government bodies on policy development. Additionally, SML will strengthen community engagement through targeted skill-building programs and initiatives aimed at improving mobility access. These efforts collectively aim to enhance transparency, foster mutual trust, and promote inclusive growth, anchoring stakeholder relationships in shared purpose and the creation of sustainable value.

OUR VALUE CREATION PROCESS



OUTPUT		OUTCOMES	
Stakeholder	Key values delivered	Capital	Value preservation
Customers 	Quality vehicle options, after-sales support, and spare parts availability.	Financial Capital 	Revenue up 85%, vehicle sales +393%, profit before tax +472%.
Employees 	Career development, job stability, welfare programs, and inclusive policies.	Manufactured Capital 	Maintained asset base, modernized ERP, expanded customer access points.
Shareholders 	Strong profits (net profit up nearly 6x), dividend potential, and capital efficiency.	Human Capital 	Recruited 79 trainees, carried out technical and leadership training
Regulators 	Compliance with CSE, fiscal regulations, and emerging sustainability standards.	Intellectual Capital 	Industry award for best management practices, embedded SOPs, and compliance automation.
Suppliers and Dealers 	Stable demand pipeline, business continuity, and collaborative growth opportunities.	Social and Relationship capital 	Strengthened Isuzu partnership, increased customer satisfaction via aftersales and outreach.
Community 	Transport reliability, technical training access, and localized services.	Natural Capital 	Expanded water recycling, energy conservation efforts, and improved environmental data tracking.

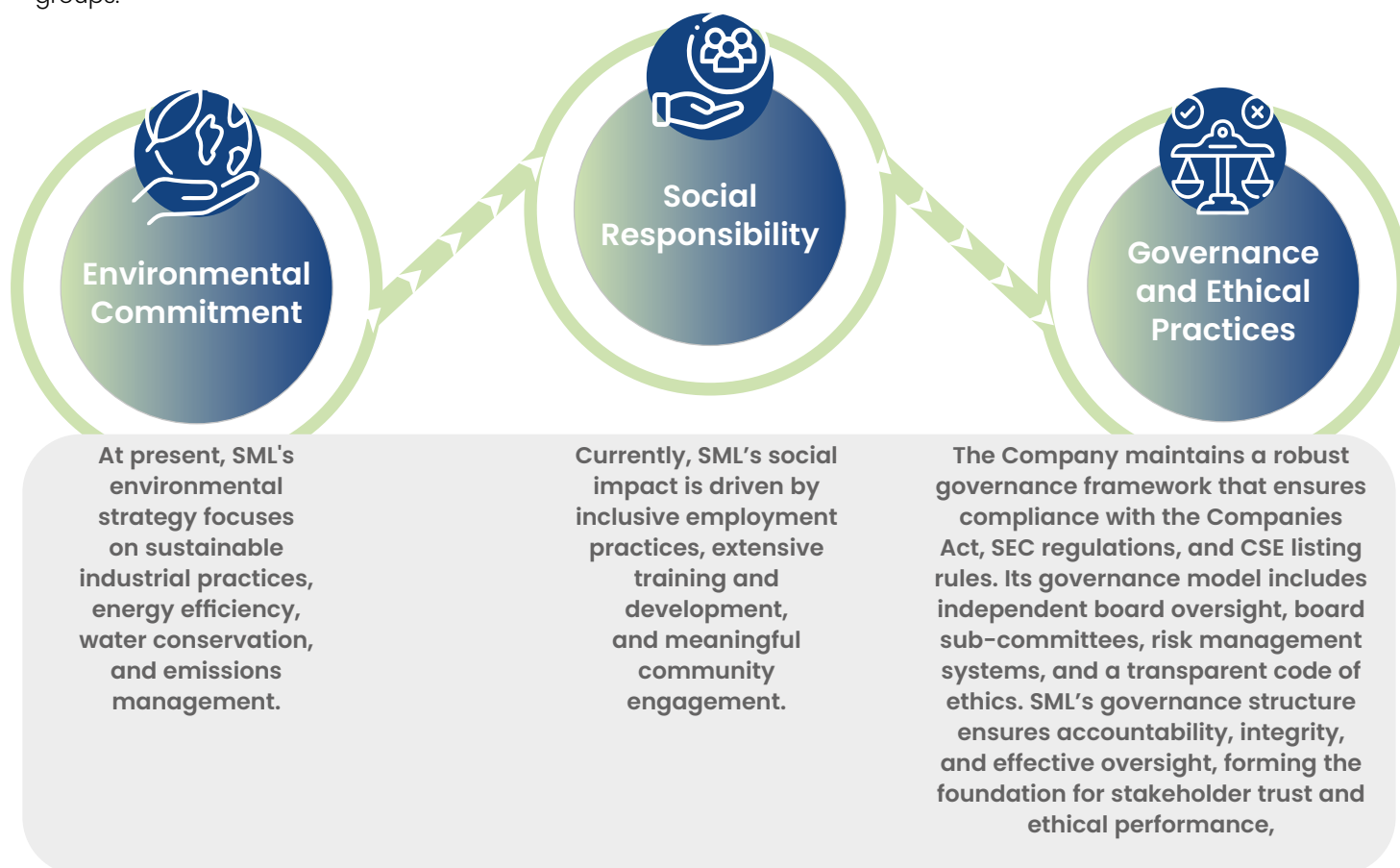
ESG APPROACH

As a trusted leader in Sri Lanka's automotive sector, SML recognizes that delivering long-term value goes beyond financial performance—it involves preserving the environment, uplifting communities, and upholding ethical governance. As such, we are well-equipped to map our ESG policy and framework.

SML's ESG approach is grounded in regulatory compliance, stakeholder inclusivity, and forward-looking risk management. The Company's sustainability strategy is integrated across its business model, reflecting a commitment to responsible resource use, equitable human capital practices, and transparent corporate governance. As part of the Access Group, SML is actively working toward aligning its ESG disclosures with global standards, including the Sri Lanka Sustainability Reporting Standards SLFRS S1 and S2, following the roadmap adopted by its parent company, Access Engineering PLC.

Strategic ESG Integration

SML's ESG journey has evolved into a structured, cross-functional approach involving all key capitals—natural, social, human, intellectual, and manufactured—ensuring that value is created responsibly and shared across stakeholder groups.



Future outlook

SML is entering a new phase of ESG maturity as it prepares to align with SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures). Under the guidance of Parent Company, the Company is developing internal systems to collect, analyze, and report sustainability-related data in accordance with international best practices.

CORPORATE GOVERNANCE

Sathosa Motors PLC recognizes that strong corporate governance is the cornerstone of sustainable success and stakeholder confidence. Our governance philosophy is rooted in accountability, transparency, and ethical business conduct. We are committed to embedding sound governance principles into every aspect of our corporate culture, ensuring that they guide our interactions with shareholders, regulators, employees, and other key stakeholders. To advance our vision of becoming Sri Lanka's leading automobile company, we employ a comprehensive governance framework that goes beyond regulatory compliance and is designed to deliver long-term value creation.

In line with Sections 7.6 and 9 of the Listing Rules of the Colombo Stock Exchange, Sathosa Motors PLC adhered to all applicable Corporate Governance Rules during the reporting period. With the introduction of revised Listing Rules effective from 1st October 2024, the Board has already initiated measures to ensure full compliance by the due date. Our governance philosophy underpins strategic direction, performance oversight, executive accountability, and risk management, ensuring that our promise of excellence to all stakeholders are fulfilled.

GOVERNANCE STRUCTURE

Sathosa Motors PLC operates under a governance model that promotes clear role definitions, transparency, and prudent management of resources. We aim to achieve long-term value creation while balancing our operational goals with social responsibilities. In addition to statutory compliance with the Companies

Act No. 07 of 2007, SEC and CSE regulations, we adopt leading voluntary governance practices including those recommended by CA Sri Lanka and the SEC.

Transparency and consistency in information dissemination are key to our stakeholder engagement efforts, ensuring informed decision-making and trust across all touchpoints.

GOVERNANCE FRAMEWORK

Our governance framework features a well-defined Board of Directors supported by five key sub-committees:

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

Each oversees strategic direction, financial integrity, risk management, and governance. This structure ensures a clear separation of responsibilities between governance and management, enabling effective execution and accountability. The Board and its sub-committees operate within a robust governance framework that aligns internal policies with external regulations, including the Colombo Stock Exchange Listing Rules, the 2023 Code of Best Practice by the Institute of Chartered Accountants of Sri Lanka, the Companies Act No. 07 of 2007, and other relevant laws and best practices.

THE BOARD OF DIRECTORS

The Board is responsible for setting strategic directions, ensuring good governance practices, and overseeing company performance. Its responsibilities include

formulating and reviewing strategy, setting risk appetite, managing key appointments, ensuring succession planning, and overseeing internal control systems. Independent Non-Executive Directors (INEDs) play a critical role in maintaining objectivity and holding the executive management accountable.

The Board's primary functions include:

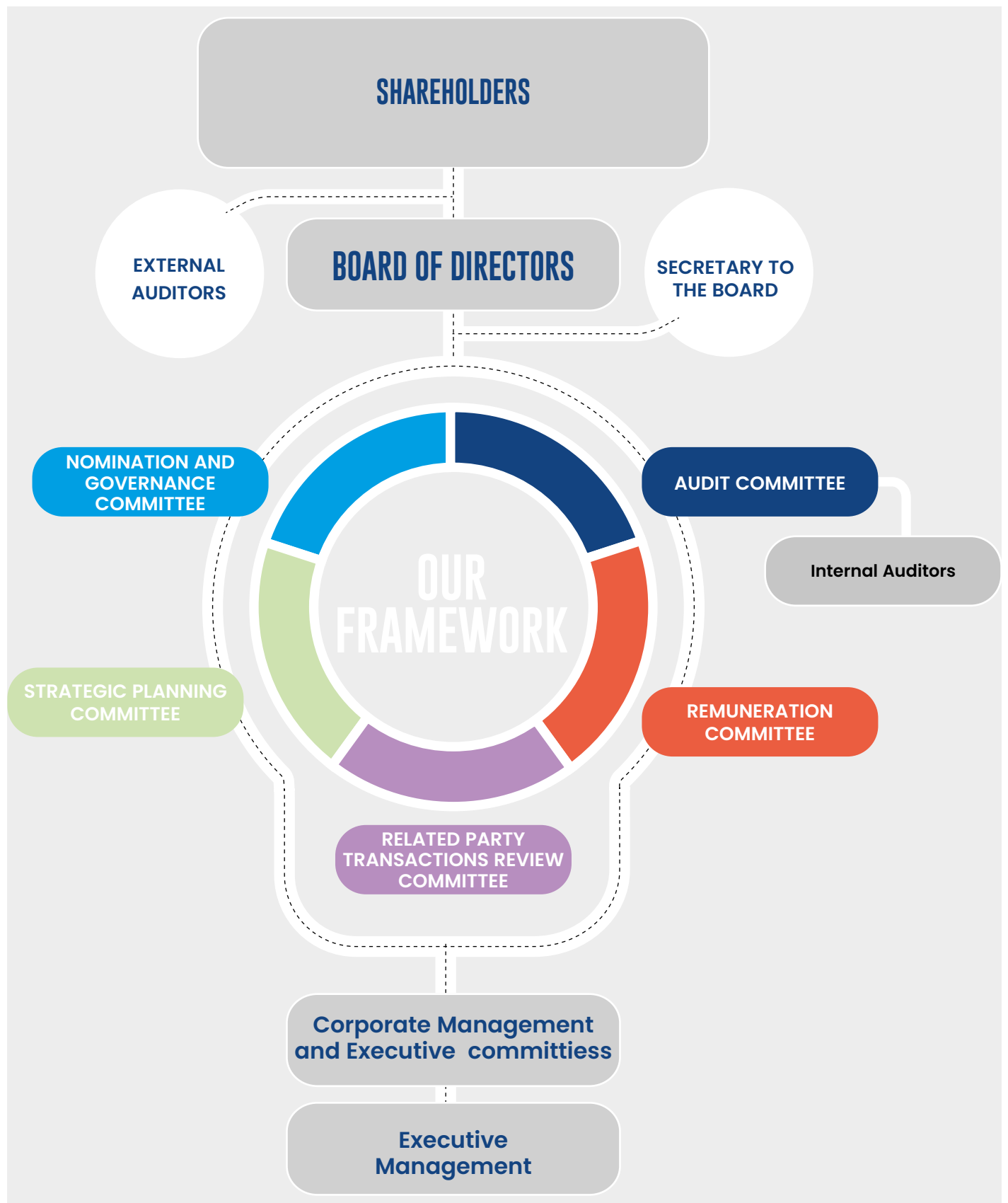
- Providing strategic and entrepreneurial leadership
- Overseeing risk management and control systems
- Ensuring transparency in appointments and succession
- Aligning executive remuneration with shareholder interests
- Evaluating governance effectiveness and board conduct
- Facilitating shareholder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

BOARD COMPOSITION AND BALANCE

As of 31st March 2025, the Board comprised Nine (9) Directors – Three (3) Executive Directors (EDs), Three (3) Non-Executive Directors (NEDs), and Three (3) Independent Non-Executive Directors (INEDs). This composition ensures diversity of experience, tenure, and governance perspectives.

The Board consists of members with expertise in the fields of automobile, marketing and sales, finance and accounting, and banking. Information regarding the qualifications and profiles of the Board members is provided in the profile of the directors on page 18 to 20. Policies concerning the governance of matters related to the Board of Directors are outlined in the Board Charter.

CORPORATE GOVERNANCE (CONTD.)



EXECUTIVE DIRECTORS

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



NON-EXECUTIVE DIRECTORS

S J S Perera	Chairman
S D Munasinghe	Director
D A R Fernando	Director

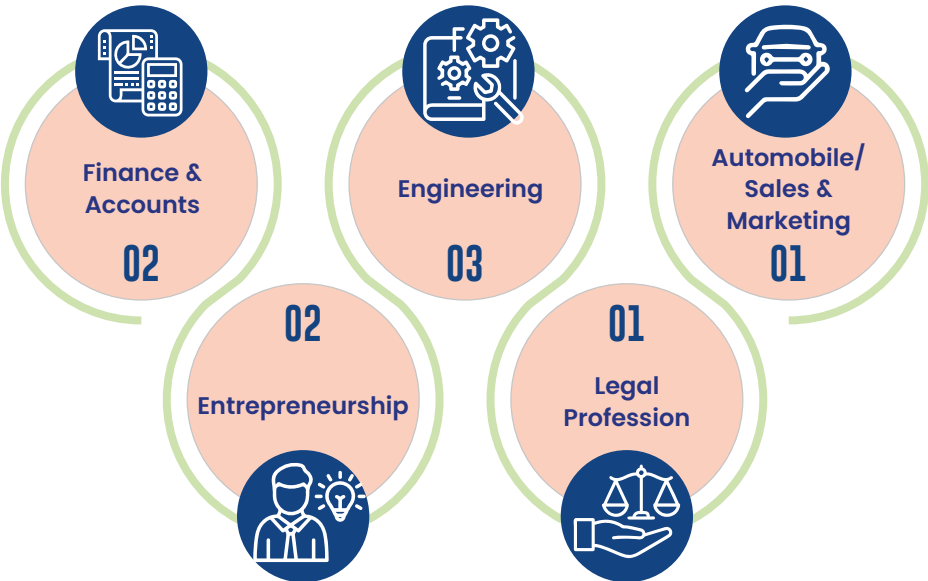
INDEPENDENT NON-EXECUTIVE DIRECTORS

W A M Wimalaratna	Director
T C D Kumarasiri	Director
R S Dahanayake	Director

Board Balance and Its Independence	
INED	03
NED	03
ED	03

TENURE ON THE BOARD	
0<5 years	
> = 5years	

BOARD OF DIRECTORS INDUSTRY EXPERIENCE



INED	Independent Non-Executive Directors
NED	Non-Executive Directors
ED	Executive Directors

DIRECTOR COMPLIANCE

In alignment with the corporate governance requirements stipulated by the Colombo Stock Exchange (CSE), all Directors of Sathosa Motors PLC submitted their annual declarations confirming compliance with the “Fit and Proper” criteria as prescribed under the Listing Rules. These declarations affirm that each Director possesses the integrity, competence, experience, and sound financial standing necessary to uphold their fiduciary responsibilities and to act in the best interest of the Company and its stakeholders.

The Board’s composition reflects a balanced blend of executive experience and independent judgment. In particular, Independent Non-Executive Directors (INEDs) bring a high level of objectivity and professionalism to the Board. They serve a pivotal role in providing constructive challenges to executive decisions, offering strategic guidance, and enhancing the Board’s overall effectiveness. Importantly, INEDs remain free from any business or other relationships that could materially interfere with their ability to exercise independent judgment, thereby ensuring robust oversight of management performance and adherence to ethical and governance standards.

BOARD MEETINGS AND ATTENDANCE

During the financial year, the Board of Directors has convened four scheduled meetings to review strategic, financial, and operational matters. In addition to these regular meetings, ad hoc meetings were held as necessary to address urgent issues and provide timely guidance on emerging

CORPORATE GOVERNANCE (CONTD.)

developments. The table below outlines the attendance of each Director at the scheduled Board meetings, reflecting their commitment to effective governance and active participation in the decision-making process.

Sub- committee meeting attendances are presented in the respective committee reports.

Name of the Director	Capacity	Board Meeting Attendance			
		13 May 2024	07 August 2024	11 November 2024	11 February 2025
S J S Perera	Chairman /Non-Executive Director	✓	✓	✓	✓
J C Joshua	Vice Chairman/Executive Director	✓	✓	✓	✓
M Jayahsuriya (Ceased to be as a director w.e.f.1st Oct 2024)	Executive Director	-	-	-	-
M M N De Silva (Resigned w.e.f.31st Dec 2024)	Non-Executive Director / Independent	✓	✓	✓	-
W A C O Wijesinghe (Resigned w.e.f.31st Dec 2024)	Non-Executive Director / Independent	✓	✓	✓	-
R S Dahanayake	Non-Executive Director / Independent	-	✓	✓	✓
D A R Fernando	Non-Executive Director / Non-Independent	✓	✓	✓	✓
S D Munasinghe	Non-Executive Director / Non- Independent	✓	✓	✓	✓
I S N Fernando	Managing Director/Executive Director	✓	✓	✓	✓
T C D Kumarasiri (Appointed w.e.f 1st Nov 2024)	Non-Executive Director / Independent	-	-	✓	✓
M D Joshua (Appointed w.e.f.1st Oct 2024)	Executive Director	-	-	✓	✓
W A M Wimalaratna (Appointed w.e.f.1st Jan 2025)	Non-Executive Director / Independent	-	-	-	✓

BOARD COMMITTEES

To support its responsibilities, the Board of Directors has established five sub-committees, each with a clear mandate to provide focused oversight on important governance areas. These committees are the Board Audit Committee, Remuneration Committee, Nomination and Governance Committee, Related Party Transactions Review Committee, and Strategy Review Committee.

The Board delegates specific functions to these sub-committees so they can apply their expertise effectively. Each committee operates under written Terms of Reference, which the Board reviews and approves annually. The committee Chairpersons are responsible for ensuring the committees function well and regularly report key matters and activities to the Board. Minutes from their meetings are also shared and discussed at Board meetings.

Audit Committee

The Audit Committee reviews and reports to the Board on financial reporting, internal controls, audits, risk management, and compliance with legal and regulatory standards, aiming to protect shareholders and stakeholders. It plays a critical role in ensuring the integrity of the Company's financial reporting processes. It oversees the effectiveness of internal control systems, evaluates audit findings, monitors compliance with legal and regulatory requirements, and ensures the accuracy and reliability of financial statements. The Committee also liaises with both internal and external auditors to strengthen transparency and accountability.

Audit Committee Composition

The Committee comprises three independent directors as of the date as follows:

Name of the Director	Designation
T C D Kumarasiri	Chairman - Independent Non-Executive Director
W A M Wimalaratna	Independent Non-Executive Director
R S Dahanayake	Independent Non-Executive Director

Committee composition changes during the year, and attendance of the members are given in detail in the Committee report on page 86.

Related Party Transactions Review Committee

This Committee is responsible for reviewing and approving transactions involving related parties to ensure they are conducted at arm's length and in the best interest of the Company. It works to identify, assess, and manage potential conflicts of interest, ensuring transparency and compliance with the applicable listing and accounting standards.

The Committee Composition as of the date is as follows:

Name of the Director	Designation	Committee Report
T C D Kumarasiri	Chairman - Independent Non-Executive Director	Refer page No. 91
W A M Wimalaratna	Independent Non-Executive Director	
R S Dahanayake	Independent Non-Executive Director	

See the detailed committee report in this document for information on committee composition changes and member attendance during the year.

Remuneration Committee

The Remuneration Committee is tasked with formulating and recommending remuneration policies for Executive Directors and key management personnel. Its objective is to ensure that compensation structures are fair, performance-driven, and aligned with the Company's strategic goals, while also being competitive within the industry.

Committee composition as of the date is as follows.

Name of the Director	Designation	Committee Report
W A M Wimalaratna	Chairman - Independent Non-Executive Director	Refer Page No. 89
T C D Kumarasiri	Independent Non-Executive Director	
D A R Fernando	Non-Executive Director	

CORPORATE GOVERNANCE (CONTD.)

See the detailed committee report in this document for information on committee composition changes and member attendance during the year.

Strategic Planning Committee

This Committee assists the Board in shaping and overseeing the Company's long-term strategic direction. It reviews major investment proposals, evaluates growth opportunities, including mergers, acquisitions, and capital projects and monitors the progress of strategic initiatives to ensure alignment with corporate objectives.

As of the date, the composition of the committee is as follows.

Name of the Director	Designation	Committee Report
J C Joshua	Chairman - Executive Vice Chairman	Refer Page No. 93
I S N Fernando	Managing Director	
M D Joshua	Executive Director	

Nomination and Governance Committee

The Nomination and Governance Committee oversees Board appointments, succession planning, and governance practices to ensure effective leadership and regulatory compliance.

Name of the Director	Designation	Committee Report
T C D Kumarasiri	Chairman - Independent Non-Executive Director	Refer Page No. 94
W A M Wimalaratna	Independent Non-Executive Director	
R S Dahanayake	Independent Non-Executive Director	

COMPANY SECRETARY

The Company Secretary plays an essential governance role by ensuring compliance with statutory obligations and corporate governance regulations. Responsibilities include coordinating Board and shareholder meetings, maintaining accurate records, issuing timely disclosures to the Colombo Stock Exchange, and advising the Board on procedural and regulatory matters. The Secretary also acts as a key liaison between the Company and its shareholders.

COMPLIANCE DISCLOSURES

The Company has complied with Section 9 of the CSE Listing Regulations, the Companies Act No. 07 of 2007, and the 2023 Code of Best Practice on Corporate Governance issued by CA Sri Lanka, except for ESG reporting, which will be complied with the given time frame.

The supplementary information section on page 39 to 59 contains the compliance report status for section 9 of the listing rules.

ANNEXURE 1

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

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
9.2 POLICIES	9.2.1 Availability of policies	<p>Policies have been duly established, maintained, and published on our official website in accordance with the requirements for Listed Entities.</p> <ul style="list-style-type: none"> (I) Policy on Matters Relating to the Board of Directors (II) Policy on Board Committees (III) Policy on Corporate Governance, Nominations and Re-election (IV) Policy on Remuneration (V) Policy on Internal Code of Business Conduct and Ethics for all Directors and Employees, including Trading in the Entity's Listed Securities (VI) Policy on Risk Management and Internal Controls (VII) Policy on Relations with Shareholders and Investors (IX) Policy on Environmental, Social and Governance (ESG) Sustainability (X) Policy on Control and Management of Company Assets and Shareholder Investments (XI) Policy on Corporate Disclosures (XII) Policy on Whistleblowing (XIV) Policy on Anti-Bribery and Corruption 	Complied
9.3 BOARD COMMITTEES	9.3.1 Establishment of the mandatory Board Committees	The four mandatory Board committees are established by the board and maintained effectively.	Complied
	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.	Complied
	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.	Complied

CORPORATE GOVERNANCE (CONTD.)

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
9.4 ADHERENCE TO PRINCIPLES OF DEMOCRACY IN THE ADOPTION OF MEETING PROCEDURES AND THE CONDUCT OF ALL GENERAL MEETINGS WITH SHAREHOLDERS	9.4.1 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, vote counts in favour and against each resolution, and the number of shares for which voting was abstained.	Complied
	9.4.2 Communication and relation with shareholders and investors	The company maintained effective communication and relation with shareholders and investors. Please refer to the uploaded policy on our website.	Complied
9.5 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS	9.5.1 Availability of policy on governing matters relating to the Board of Directors	These requirements are currently embedded within the Board Charter, various other internal policies, and the Articles of Association.	Complied
	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.	Complied
9.6 CHAIRPERSON AND CEO	9.6.1 Chairperson and CEO	The Chairperson is a Non-Executive Director, and a different person holds the role of CEO.	Complied
	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 FITNESS OF DIRECTORS	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.	Complied
	9.7.3 Fit and proper assessment criteria; a) Honesty, integrity and reputation b) Competence and capability c) Financial soundness	All Directors meet the fit and proper criteria.	Complied

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
	9.7.4 Annual declarations from Directors and CEO	Annual declarations obtained from all Directors confirming fit and proper assessment criteria have been met.	Complied
	9.7.5 Disclosures in the Annual Report	Disclosures are made in the Annual Report of the Board of Directors.	Complied
9.8 BOARD COMPOSITION	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.	Complied
	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.	Complied
	9.8.3 Criteria for determining independence	All Non-Executive Directors meets the criteria as of year-end.	Complied
	9.8.5 Annual declaration of independence or non-independence of Directors	All Directors submitted their annual independence confirmations.	Complied
9.9 ALTERNATE DIRECTORS	Appointment of alternate directors	No alternate directors appointed.	N/A
9.10 DISCLOSURES RELATING TO DIRECTORS	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 (05).Refer Annexure 2 for more details.	Complied
	9.10.2 Appointment of new Director	Complied for all new appointments.	Complied
	9.10.3 Changes to the composition of the Board Committees	Announcements were made as required by the rules.	Complied
	9.10.4 Disclosures in the Annual Report	Profiles of the Board of Directors are given in the report pages. Board attendance and Sub-Committee memberships are given on each committee's reports.	Complied

CORPORATE GOVERNANCE (CONTD.)

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
9.11 BOARD NOMINATIONS AND GOVERNANCE COMMITTEE	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.	Complied
	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 on the re-election of Directors are given by the Company Secretary and the same is reviewed by the Board.	Complied
	9.11.3 Terms of Reference	Refer report of the Board Nominations and Governance Committee.	Complied
	9.11.4 (1) Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	All members are Independent Directors. Refer the Composition of the Nominations and Governance Committee report.	Complied
	9.11.4 (2) Composition - An Independent Director shall be appointed as the Chairperson of the Committee		
	9.11.4 (3) The Chairperson and the members of the Committee shall be identified in the Annual Report		
	9.11.5 The functions of the Committee	Refer the report of the Board Nominations and Governance Committee.	Complied
	9.11.6 Disclosures in the Annual Report		

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
9.12 REMUNERATION COMMITTEE	9.12.2 Availability of Remuneration Committee	Refer Remuneration Committee Report.	Complied
	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 (3) Directors out of which minimum of two (2) members shall be Independent Directors	All members are Independent Directors.	Complied
	9.12.6 (2) Composition – Independent Director shall be appointed as the Chairperson of the Committee		
	9.12.7 The functions of the Remuneration Committee	Refer the Remuneration Committee Report.	Complied
	9.12.8 Disclosures in the Annual Report	Refer the Remuneration Committee Report .	Complied
9.13 AUDIT COMMITTEE	9.13.1 Audit functions	The audit functions are carried out by Board Audit Committee.	Complied
	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 86 to 88.	Complied

CORPORATE GOVERNANCE (CONTD.)

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
	9.13.3 (1) Composition - A Minimum of three (3) Directors, out of which a minimum of two (2) or a majority of the members, whichever is higher, shall be Independent	All the Committee members are independent.	Complied
	9.13.3 (2) Composition - The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors		
	9.13.3 (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 quarterly basis prior to published the Financial Statements.	Complied
	9.13.3 (5) Independent Director shall be appointed as the Chairperson of the Committee	Independent Director act as the Chairperson of the Committee.	Complied
	9.13.3 (6) The CEO and the CFO shall attend the Audit Committee meetings by invitation	CEO and Executive Director-Finance attend meetings by invitation.	Complied

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
	9.13.3 (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.	Complied
	9.13.4 The functions of the Audit Committee	Refer the report of the Board Audit Committee.	Complied
	9.13.5 Disclosures in the Annual Report		Complied
9.14 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	9.14.1 Availability of Related Party Transactions Review Committee	Related Party Transactions Review Committee of the Company conforms to the requirements of the Section 9.14.	Complied
	9.14.2 Composition - A minimum of three (3) Directors, out of which two (2) 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.	Complied
	9.14.3 Functions of the Related Party Transactions Review Committee	Refer the report of the Related Party Transactions Review Committee.	Complied
	9.14.4 (1) The Committee shall meet at least once a calendar quarter	Committee meets every quarter and for attendance refer committee report.	Complied

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SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
	9.14.4 (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 the report of the Related Party Transactions Review Committee.	Complied
	9.14.4 (3) Approval of related party transactions by Board of Directors	No such requirement arisen,	Complied
	9.14.4 (4) Approving transactions with conflict of interest	Refrains from decision-making.	Complied
	9.14.5 Review of related party transactions by the Related Party Transactions Review Committee	All related party transactions are reviewed by the Committee.	Complied
	9.14.6 Shareholder approval	There were no RPTs during the year which required Shareholder approval as set out in Section 9.14.6.	Complied
	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.	Complied
	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".	Complied
	9.14.8 (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".	Complied

SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
	9.14.8 (3) Related Party Transactions Review Committee Report Names of the Directors comprising the Committee Statement that Committee has reviewed RPTs and communicated comments/ observations to the Board	Refer the report of the Related Party Transactions Review Committee.	Complied
	9.14.8 (4) Affirmative declaration by the Board of Directors on compliance with related party transactions rules or negative statement to that effect.	Refer the Annual Report of the Board of Directors.	Complied
	9.14.9 Acquisition and disposal of assets from/to related parties	During the year, there were no acquisition/disposal of substantial assets from/to related parties.	Complied
	9.14.10 Exempted related party transactions	The provisions of the sections are considered when evaluating the related party transactions by the Committee.	Complied

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SECTION	PRINCIPAL	COMMENTS	COMPLIANCE STATUS
9.17 ADDITIONAL DISCLOSURES	(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 the Annual Report of the Board of Directors.	Complied

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

PRINCIPAL	COMMENT	COMPLIANCE STATUS
A	Directors	
A.1	The Board	
A.1	Refer Board of directors in the corporate governance section	Complied
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	Complied
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	Complied
A.1.3	Require diversity in Board composition for Board effectiveness.	Complied
A.1.4	The justification for the limit and the maximum allowable number of Directors.	Complied
A.1.5	Frequency of Board meetings.	Complied
A.1.6	Implement processes to ensure Directors are regularly updated on Listing Rules and the Company's compliance or non-compliance status	Complied
A.1.7	Minimum required number and percentage of meetings a Director must attend	Complied
A.1.8	Requirements governing the trading of securities of the Company and its listed subsidiaries, along with related disclosure duties	Complied
A.1.9	Maximum permissible number of directorships held by Directors across listed companies	Complied
A.1.10	Authorize attendance at Board and Committee meetings through audiovisual methods, with participation considered valid for quorum purposes	Complied

PRINCIPAL	COMMENT	COMPLIANCE STATUS
A.1.11	Confirmation of adherence to policy within the annual report, accompanied by justifications for non-compliance and proposed remedial actions	Complied
A.2	Chairman and Chief Executive Officer (CEO)	
A.2	Company is not having a CEO position. The duties and responsibilities of the CEO is performed by the MD. There is a clear division of responsibilities of the positions of Chairman and Managing Director (MD) in order 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.	Complied
A.2.1	Need for a Senior Independent Director (SID) when the roles of Chairperson and CEO are combined in one person.	Complied
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	
A.3	Chairman's Role	
A.3	Refer Chairman's profile	Complied
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.	Complied
A.4	Financial Acumen	
A.4	A brief profile of each member of the Board of directors is given on Board of directors' report	Complied
A.5	Board Balance	
A.5	Refer composition of the board under corporate governance Report	Complied
A.5.1	Refer composition of the board under corporate governance Report	Complied
A.5.2	Refer composition of the Board under corporate governance Report	Complied
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 2024/2025, they were considered as continuing to be independent.	Complied

CORPORATE GOVERNANCE (CONTD.)

PRINCIPAL	COMMENT	COMPLIANCE STATUS
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.	Complied
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 Wimalaratna	Complied
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 comment under A.5.7	Complied
A.5.9	The Chairman holds meetings with the NEDs' without the presence of Executive Directors as and when necessary.	Complied
A.5.10	During the year, there were no matters of 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.	Complied
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 in order to provide sufficient, time for preparation. In the event, information provided was not sufficient supplementary information was provided on the request of Board Members.	Complied
A.6.1	Members of the Board (mainly executive) are provided with Management Reports and performance report 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 the Corporate Management.	Complied
A.6.2	As a norm, all Board Papers are circulated to the Board Members 10 working days before hand 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 minuted and circulated for their review / comments and finalization.	Complied
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.	Complied
A.7.1	The Company has a Nominations and Governance Committee.	Complied

PRINCIPAL	COMMENT	COMPLIANCE STATUS
A.7.2	The Board is satisfied with its composition and the level of qualifications, knowledge and experience it possesses as a whole in order to meet strategic demands facing the Company.	Complied
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 member's expertise, other directorships held and independence for public dissemination.	Complied
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 requires 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 on the re-election of Directors are given by the Company Secretary and the same is reviewed by the Board.	Complied
A.8.1	In terms of the Articles of Association of the Company, one third of the Non-Executive Directors is required to retire by rotation every year. The re-election of Non-Executive Director is sanctioned by the shareholders at the AGM of the Company	Complied
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.	Complied
A.8.3	Resignation	
A.8.3	Before the formal resignation the directors explain their reasons for the resignation decision and the same is being minute 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.	Complied
A.9	Appraisal of Board Performance	
A.9	Performance of the Board is evaluated from time to time with 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.	Complied
A.9.1	Performance of the Board for the financial year 2024/25 was assessed at the first Board Meeting conducted for the financial year 2025/26. The evaluation was done against the targets and goals set at beginning of the financial year 2024/25 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 as a whole of its performance in the year 2024/25.	Complied
A.9.2	Members of the Board and Board Committees carried out self-assessments of their performance for the FY 2024/25 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 2025/26 were identified. Over the years, both individual and collective performance appraisal of the Board has facilitated continuous development and improvement.	Complied
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 particular member to the Board and the contribution made thereof. Based on the discussion points the decision is made on to re-elect. The discussion points are being minuted under the Board meeting minutes.	Complied

CORPORATE GOVERNANCE (CONTD.)

PRINCIPAL	COMMENT	COMPLIANCE STATUS
A.9.4	The performance of the Board has been appraised through a formalized process of individual appraisal by enabling each member to self – appraise on an anonymous basis.	Complied
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.	Complied
B	Directors' 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.	Complied
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.	Complied
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.	Complied
B.1.3	For Details refer the Remuneration Committee Report.	Complied
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.	Complied
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.	Complied
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 expectation. The Board is aware of the fact that the level of remuneration should be sufficient enough to attract and retain Directors of high caliber 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.	Complied
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 so as to ensure that nothing is paid more than necessary	Complied

PRINCIPAL	COMMENT	COMPLIANCE STATUS
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	Complied
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.	Complied
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.	Complied
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.	Complied
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.	Complied
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 by all means.	N/A
B.2.10	The remuneration of Non-Executive Directors reflects the degree of responsibilities and the level of time commitment 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.	Complied
B.3	Disclosure of Remuneration	
B.3	Compensation paid to Key Management Personnel is given in Note 25 of this Report. Refer Remuneration committee Report.	Complied
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.	Complied
C	Relations 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 186 of this Report. All shareholders are free to raise any queries from the Board, on 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.	Complied
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	Complied
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.	Complied

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PRINCIPAL	COMMENT	COMPLIANCE STATUS
C.1.3	The secretariat and admin teams have strict follow up from the day 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 casted votes in favor of the passed resolutions accordingly.	Complied
C.1.4	Before the AGM date, the company Board and the respective sub committees meet and organise 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 post to answer them.	Complied
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.	Complied
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.	Complied
C.2.1	Refer comment given under C.2.	Complied
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.	Complied
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 in our website we have allocated a separate page indicating Investor information such as the market price per share.	Complied
C.2.4	The point of contact is given in the Corporate information of this Report.	Complied
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.	Complied
C.2.6	Both the Company Secretary as well as members of the Board act as contact points in relation to shareholder matters.	Complied
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.	Complied
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.	Complied
C.3.1	Refer the Related Party Transactions Review Committee Report on Note 25 of Notes to the Financial Statements.	Complied
C.3.2	Refer the Related Party Transactions Review Committee Report on Note 25 of Notes to the Financial Statements.	Complied

PRINCIPAL	COMMENT	COMPLIANCE STATUS
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 are given in this Report.	Complied
D.1.1	Refer Financial Report	Complied
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.	Complied
D.1.3	The Financial statements itself has the respective declaration stating that all standards, legal requirements are met with and the GM - Finance signs the financial statements below that declaration. Apart from that and annual declaration is also signed by the GM - Finance confirming the same.	Complied
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	Complied
D.1.5	'Directors responsibility for Financial Reporting', 'Statement of Auditors' and the 'Directors Statement on Internal Control' are given on this report respectively	Complied
D.1.6	'Management Discussion and Analysis' is given on this Report	Complied
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 favorable 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.	Complied
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.	Complied
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.	Complied
D.2.2	The confirmation of the Risk assessment conducted and the principal risks faced by the Company are disclosed in the Risk Management Review Report.	Complied

CORPORATE GOVERNANCE (CONTD.)

PRINCIPAL	COMMENT	COMPLIANCE STATUS
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.	Complied
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 2024/25 the Board reviewed the effectiveness of the system of internal control in place within the Company and directed to upgrade same as required	Complied
D.2.5	Refer the 'Directors Statement on Internal Controls'.	Complied
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.	Complied
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	Complied
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.	Complied
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.	Complied
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 on 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.	Complied
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.	Complied
D.4.2	In compliance with the requirements of the voluntary code of the Corporate Governance the Related Party Transaction Review Committee comprise of three Non-Executive Directors who are also independent. Also, the Executive Director attends the meetings upon invitation by the committee.	Complied
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.	Complied
D.5	Code of Business Conduct and Ethics	
D.5	Refer Report. – Corporate governance – Board of Directors.	Complied
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.	Complied

PRINCIPAL	COMMENT	COMPLIANCE STATUS
D.5.2	The price sensitive transactions relating to Investments are monitored through the Audit Committee. Significant matters are informed to the board for further action	Complied
D.5.3	Refer the report of the Related Party Transaction Review Committee	Complied
D.5.4	Refer Report – Corporate governance – Board of Directors.	Complied
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	Complied
D.6.1	Same as D.5	Complied
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 about the Company's past performance and future strategies.	Complied
E.1.1	The most structured and continuous dialogue the Company has with the shareholders is the 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.	Complied
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.	Complied
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.	Complied
F.2	The Company encourages individual shareholders to participate in General Meetings and exercise their voting rights.	Complied
G	Internet of things and cyber security.	
G.1	Refer Risk Management in this Annual Report (Information & Technology Risk)	Complied
G.2	The functions of the CISO is carried out by the Manager IT reported to Executive Director	Complied
G.3	Relevant risks are discussed at internal audit report and reported the same to Audit committee. High risk matters referred to the Board for further actions	Complied
G.4	Address issues at IRM annual Audit done by an independent third party and reported issues through Management Letter	Complied
G.5	Company adheres to the required level of Cyber security by analyzing the gravity of the requirement. IT department takes necessary precautionary measures to mitigate related risks.	Complied

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PRINCIPAL	COMMENT	COMPLIANCE STATUS
H	Environment, Society and Governance (ESG)	
H.1	Refer the Annual Report - Human, Intellectual, Manufacturing, Natural, Social and Relationship Capital	Complied
H.1.2	Refer the Annual Report Human, Intellectual, Manufacturing, Natural, Social and Relationship Capital	Complied
H.1.3	Refer the Annual Report Human, Intellectual, Manufacturing, Natural, Social and Relationship Capital	Complied
H.1.4	Refer Pages the Annual Report Corporate Governance for this requirement	Complied
H.1.5	SML understands its role and responsibility in ESG reporting and ensure that the company adheres to the ESG reporting requirements.	Complied

Appendix 3 :Annual Report Disclosures mandated by the Companies Act No.7 of 2007

PRINCIPAL	DESCRIPTION	COMPLIANCE STATUS	COMMENT
Section 168 – Contents of Annual Report			
(i) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Complied	Notes to the Financial Statements
(i) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Complied	Financial Statements
(i) (c)	Auditor's Report on the Financial Statements and any group Financial Statements	Complied	Independent Auditors' Report
(i) (d)	Change in accounting policies made during the accounting period	Complied	Notes to the Financial Statements
(i) (e)	Particulars of entries in the interests register made during the accounting period	Complied	Annual Report of the Board of Directors
(i) (f)	Remuneration and other benefits of Directors during the accounting period	Complied	Notes to the Financial Statements
(i) (g)	Total amount of donations made by the Company during the accounting period	Complied	Annual Report of the Board of Directors
(i) (h)	Names of the persons holding office as Directors of the Company as at the end of the accounting period and the names of any persons who ceased to hold office as Directors of the Company during the accounting period	Complied	Board of Directors
(i) (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	Complied	Notes to the Financial Statements
(i) (j)	Particulars of any relationship (other than that of the Auditor) which the Auditor has with or any interests which the Auditor has in, the Company or any of its subsidiaries	Complied	Annual Report of the Board of Directors
(i) (k)	Be signed on behalf of the Board by two Directors of the Company	Complied	Financial Statements

ANNEXURE 2

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.	T T B C Fernando	16			16	
7.	S M P K Dissanayake	13			13	
8.	T A A Fernando	14			14	
9.	R S Dahanayake	1		1		
10.	M D Joshua	1	1			
11.	T C D Kumarasiri	6	1	2		3
12.	W A M Wimalaratna	2		1	1	

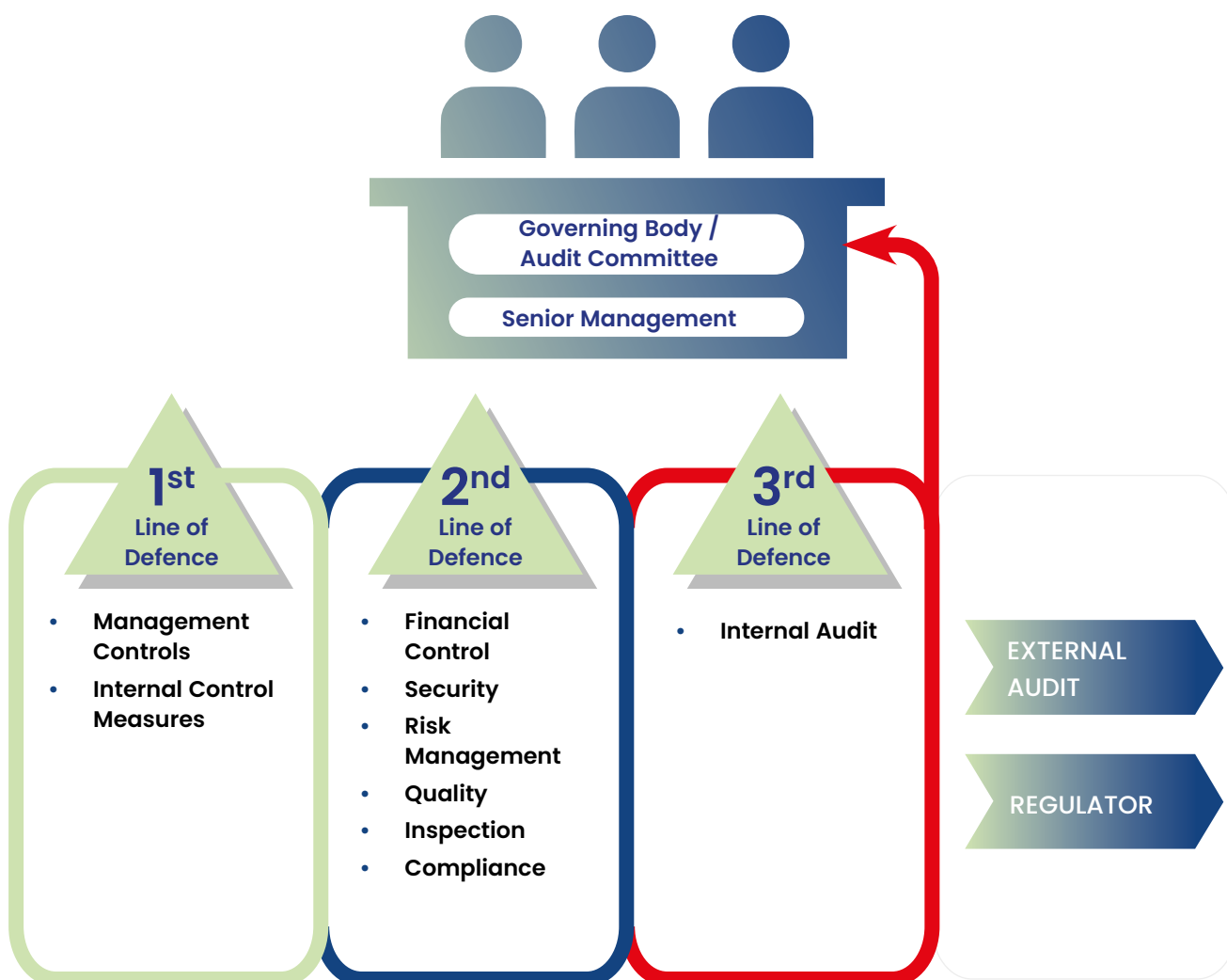
RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

SML's risk management process continues to evolve to ensure it is reflective of the shape of the business and its operations. The internal audit function has been founded to be fully aligned with the Board and the Board subcommittees to further sharpen the focus on the Group's internal risk and control environment. The Group recognizes that a consistent, agile, and responsive approach to risk management is crucial to the sustainable delivery of its business objectives.

SML adheres to the Three Lines of Defense model, which reinforces accountability and ensures robust risk mitigation across all business areas:

- First Line of Defense: Operational managers own and manage risks and are responsible for executing controls and corrective actions.
- Second Line of Defense: Risk and compliance teams provide frameworks, tools, and monitoring to support and oversee the first line.
- Third Line of Defense: The Internal Audit function, along with senior management, offers independent and objective assurance of the overall risk environment.



Given the dynamic and sensitive nature of the automobile industry, SML is exposed to various macroeconomic, regulatory, operational, and market risks. In response, the company has implemented a risk management process that is both proactive and adaptive – using timely insights and controls to minimize exposure and support long-term success.

1. RISK OVERSIGHT STRUCTURE

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

Entity /Committee	Role in Risk Management
Board of Directors	<ul style="list-style-type: none"> • 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
Nomination and Governance Committee	<ul style="list-style-type: none"> • Ensures the company maintains a robust governance framework • Ensures the Board has the appropriate mix of skills, independence, and diversity
Strategic Planning Committee	<ul style="list-style-type: none"> • Oversee strategic plans and evaluate effectiveness • Identifies long-term goals and risks in M&A, capital structure, and new opportunities • Monitors external environment for emerging risks • Provides guidance on risk mitigation strategies
Audit Committee	<ul style="list-style-type: none"> • Oversees internal control and risk management systems • Reviews of internal audit and external audit findings on Risk and take actions • Monitors financial and regulatory compliance
Related Party Transactions Review Committee	<ul style="list-style-type: none"> • Monitors related party exposures and conflict of interest policies • Ensure compliance with CSE Listing Rules and best practices
Remuneration Committee	<ul style="list-style-type: none"> • Sets executive remuneration and incentive scheme to align with long term objectives and mitigating any associate risk.
Corporate Management Team	<ul style="list-style-type: none"> • Implement strategy and manage day-to-day risk • Reviews performance of divisions/subsidiaries • Ensures compliance with internal control frameworks
Internal Audit Department	<ul style="list-style-type: none"> • Provides independent oversight of risk controls • Reports findings to Board and Audit Committee • Evaluates control system effectiveness
Business Unit Heads	<ul style="list-style-type: none"> • Manage operational risks at unit level • Supported by senior management • Reports consolidated risks to Strategic Planning & Audit Committees

RISK MANAGEMENT (CONTD.)

2. RISK MANAGEMENT PROCESS

we continued to shape our risk management approach using timely insights to mitigate and minimize risks. At present, our risk management approach employs the below process:



Sathosa Motors PLC has adopted the Enterprise Risk Management Framework that includes the following:

2.1 Risk Identification

2.1.1 The potential risks that could impact the Company's operations, financial performance, or reputation are identified and communicated by the process owners and the Heads of all Departments. This includes strategic, operational, financial, and compliance levels.

2.1.2 Risk identification will be managed according to the process.

2.1.3 The Company uses following methods to identify risk at all levels.

- Periodic review on operations and processes
- Quarterly meetings with staff and teams
- Market analysis
- Financial analysis
- Regular audits
- Surveys and evaluation

2.2 Risk Assessment

2.2.1 All identified risks are analyzed at four (04) levels (extreme/high/medium/low). The Risk Registers are used to assess and evaluate the potential impact and likelihood of each identified risk and prioritize risks based on their significance and potential impact on the Company.

2.2.2 Likelihood Criteria

Likelihood of potential adverse risk events will be assessed against five criteria, ranging from Unlikely to Definite and are then rated on a scale of 1-5 as to the extent to which they impact negatively on the business.

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

Impact	Extraordinary	H	E	E	E	E
	Major	H	H	E	E	E
	Moderate	L	M	H	H	E
	Minor	L	L	M	H	H
	Insignificant	L	L	M	M	H
		Rare	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

L- Low M- Medium H- High E- Extreme

2.2.3 Risk response ratings are defined as:

Extreme	Immediate action is required to mitigate the event. Action at Senior Management and Board level is required.
High	A priority action plan needs to be formulated and additional controls are needed to minimize the event. Action at Senior Management level is required.
Medium	Additional actions need to be assessed, approved, and action should be taken in a routine manner to minimize the risk event. Action at operational level is required.
Low	No specific further actions are required, hence should be managed by routine procedures.

2.3 Risk Evaluation

The Company should compare the risk found during the analysis process with risk criteria to determine whether the risk and its magnitude are acceptable or tolerable. Based on this comparison, the need for treatment will be considered.

Risk Treatment	Description
Avoid the risk	Avoid the risk by deciding not to start or continue with the activity that gives rise to the risk.
Take the risk	Take or increase the risk in order to pursue an opportunity.
Remove the risk	Remove the risk source.
Change the risk	Modify the risk by altering its likelihood or impact through specific actions or controls.
Share the risk	Transfer some or all of the risk to a third party.
Retain the risk	Accept the risk and implementing measures to manage its potential consequences.

RISK MANAGEMENT (CONTD.)

2.4 Risk Monitoring

The Company and the Internal Audit Department should continually monitor and review the risk management procedures and compliance with the support of risk owners and the Management of Subsidiaries.

The Company should conduct the following methods for risk monitoring and review.

- Audit Committee meetings
- Monthly management meetings
- Annual key staff forum
- Regular audits

3. MITIGATING TOP RISKS

Risk	Risk Description	Mitigation Strategies	Risk Profile	
			2024/25	2023/24
Credit Risk	possibility of a loss resulting from a buyer's failure to meet contractual obligations	<ul style="list-style-type: none"> • High value sales transactions are done mostly after full cash received or with a necessary bank guarantee arrangement. • Evaluate the customer financial background, operational risk before allocating the credit facilities • Discounts offering for Cash/advance Settlements 	Moderate	Moderate
Liquidity Risk	Liquidity risk refers to the risk associated with the ability to convert an asset or security into cash. This may occur when the Company struggle to obtain sufficient funds Or company cannot sell its assets	<ul style="list-style-type: none"> • Liquidity risk is managed by effective utilization of existing bank facilities • Manage the cash flow and working capital at its optimal level • Evaluate the recoverability of outstanding balances at each reporting period end <ul style="list-style-type: none"> • performs regular cash flow forecasts and solvency analyses to determine present and future cash requirements 	Moderate	Moderate
Interest Rate Risk	Interest rate risk exists in an interest-bearing asset, such as a loan or a bond, due to the possibility of a change in the asset's value resulting from the variability of interest rates	<ul style="list-style-type: none"> • Regularly monitor and renegotiate interest rates to optimize financial terms. • Maintain borrowings at an optimal level to ensure balanced gearing. • Implement effective working capital management and cash flow forecasting; prioritize debt collection. 	Moderate	Moderate
Currency Risk	1. Risk arises from changes in exchange rates during the settlement of a finance transaction. 2. Risk that affect the financial performance or position of the company due to change in exchange rate	<ul style="list-style-type: none"> • Prices are adjusting regularly for any material rate impacts • Quotes include terms for price adjustments based on rate changes. • Letters of credit are opened at sight, and forward rates are utilized as deemed appropriate. 	Moderate	Moderate

Risk	Risk Description	Mitigation Strategies	Risk Profile	
			2024/25	2023/24
Legal and Compliance Risk	This risk is associated with changes in Government policies, laws, regulations and statutes. Compliance Risk relates to a company being able to comply with all the laws, regulations and statutes applicable to a country.	<ul style="list-style-type: none"> Company has systems and processes in place to ensure compliance with applicable laws and regulations. Conducting periodical assessments on the extent of compliance with the statutory requirements Company is focused on identifying changes in the regulatory landscape and ensuring that we are prepared to respond to these changes Setting the appropriate policies and procedures to improve environment control. Aware employees on applicable laws and regulations and mindful of compliance with the same 	Moderate	Moderate
HR Risk	potential risks associated with human interactions within an organization. Mainly loose on key skill employees and unable to recruit required skill employees.	<ul style="list-style-type: none"> Recognize high-potential employees and offer them targeted skill development opportunities to prepare them for future leadership roles within the organization. Assess workforce skills and identify gaps. Use cross-training and job rotation to familiarize employees with various Company roles. Performance based incentive scheme attached to their salary Incentivize all employees, including non-sales staff, for any business they bring to the company. 	Moderate	Moderate
Operational and strategic risk	Operational risk is the risk of failing to execute the current strategy due to internal or external factors. Strategic risk is the risk of failing to achieve the business objectives due to changes in the external environment or poor decisions.	<ul style="list-style-type: none"> Strengthen internal controls by regularly reviewing and updating policies and procedures to ensure they are effective and aligned with current business operations Provide continuous training and development programs for employees to ensure they are well-equipped to handle their responsibilities and adapt to changes. Conduct regular internal and external audits to identify potential weaknesses and areas for improvement in operational processes Develop and regularly update a comprehensive strategic plan that outlines long-term goals, potential risks, and mitigation strategies Engage with key stakeholders, including customers, employees, and investors, to gather insights and feedback that can inform strategic decisions Maintain strong relationships with key agency partners by providing regular updates on company performance, anticipated orders, and ensuring alignment of expectations. 	Moderate	Moderate

TRUCKS THAT DRIVE SUCCESS





OPERATING ENVIRONMENT

Global Landscape

The global economy in 2024 demonstrated resilience amid uncertainty, recording a stable growth rate of 3.2%. While the United States outperformed expectations, Europe and China experienced slower recoveries. The IMF projects global growth at 3.3% in 2025, led by momentum in South and Southeast Asia. Inflation softened across most markets, yet monetary policy remained cautiously calibrated due to persistent services inflation and geopolitical risks.

For globally integrated sectors such as automotive trade, shifts in trade policy, commodity prices, and capital flows played a significant role. Softer oil prices helped stabilize transportation and logistics costs, while the stronger US dollar increased the cost of imports in emerging economies. Amid supply chain realignments and evolving environmental standards, the global vehicle industry remained focused on innovation, emissions compliance, and diversified sourcing.

Sri Lankan Economic Context

Sri Lanka's economic recovery gathered pace in 2024, marking the highest real GDP growth (5.0%) since 2017. Recovery was underpinned by stabilizing inflation, a stronger Sri Lankan rupee, and improved investor confidence stemming from successful debt restructuring and reform progress. The easing of the vehicle import ban late in the year further catalyzed activity in key sectors, including automotive retail, logistics, and financial services.

Interest rates trended downward, with policy rate reductions creating a more accommodative borrowing

environment. The exchange rate appreciated by 10.7% against the US dollar, improving purchasing power. Meanwhile, inflation reached deflationary levels by the end of the year, easing household cost pressures and indirectly supporting discretionary consumption, including vehicle purchases.

Impact on SML

The most significant policy shift impacting Sathosa Motors PLC was the phased relaxation of the import ban on vehicles, which had constrained industry growth since 2020. The December 2024 reintroduction of commercial vehicle imports directly enabled SML to resume distribution of Isuzu vehicles—its flagship product line—and reengage with its core customer segments.

This policy shift coincided with improved access to financing, lower interest rates, and more favorable foreign exchange conditions—creating a highly supportive backdrop for automotive sector recovery. Demand for commercial vehicles rebounded as logistics, construction, and small business sectors expanded. Additionally, the broader economic recovery revived aftersales service demand and stimulated parts procurement, benefiting SML's high-margin workshop and spare parts operations.

In this macroeconomic context, SML leveraged its resilient operational foundation—built during the ban period—to capitalize on market re-entry. Workshop modernization, digital systems integration, and diversified product offerings provided a robust platform to scale growth as mobility demand returned.

Regulatory and Policy Landscape

Sri Lanka's fiscal reforms and external debt restructuring contributed to improved credit ratings and macro-financial stability. However, the 2025 national budget introduced higher indirect taxes, which could exert pressure on consumer prices and compress margins for vehicle buyers and businesses in the short term. Nonetheless, SML is well-positioned to weather such volatility, given its lean operational structure and diversified income model.

Outlook

The operating landscape for 2025 presents both opportunity and responsibility for Sathosa Motors PLC. The macroeconomic backdrop—characterized by renewed growth, supportive monetary policy, and improved consumer sentiment—offers fertile ground for market expansion. Yet, evolving tax structures, global trade dynamics, and environmental regulations require continued strategic agility.

SML will remain focused on strengthening its market share in the re-opened vehicle segment, expanding its high-performing service and parts operations, and aligning with policy expectations for sustainable, compliant automotive trade. With a forward-looking business model and strong stakeholder trust, SML is well-positioned to succeed in a recovering economy.

FINANCIAL CAPITAL

At Sathosa Motors PLC, financial capital is not merely a resource; it is the tangible outcome of our strategic intent, operational excellence, and stakeholder-centric approach. It reflects the disciplined execution of our business model—where every rupee earned is the result of thoughtful planning, efficient operations, and a commitment to value creation across the short, medium, and long term.

Our ability to generate and grow financial capital stems from a consistent focus on profitability, cost efficiency, and revenue diversification. This includes prudent management of cash flows, maintaining optimal working capital levels, and ensuring capital is deployed into areas that yield maximum stakeholder value—whether through strengthening core business lines, exploring new revenue streams, or investing in customer experience.

This disciplined financial stewardship allows us to deliver sustainable returns to shareholders, meet obligations to employees and partners, contribute meaningfully to the national economy through taxes, and ensure reinvestment into the business to fuel future growth. In doing so, we not only preserve the value of financial capital but also use it as a catalyst to strengthen other capitals such as manufactured, intellectual, and human capital—laying the foundation for long-term success and resilience in a dynamic operating environment.

Strategic Overview

The financial year ended 31st March 2025 marked a turning point for

Sathosa Motors PLC, with the Company and the Group delivering a strong financial recovery following a prolonged period of macroeconomic uncertainty and industry-wide constraints. This resurgence was underpinned by an improved external environment, notably the phased relaxation of Sri Lanka's vehicle import ban, which reinvigorated the automotive sector and unlocked new revenue opportunities for the business.

The Company responded swiftly and strategically to these changes, translating them into improved profitability, robust revenue generation, and enhanced operational agility. Our performance reflects the successful execution of a multi-pronged strategy focused on adaptability, diversification, and customer-centricity.

Key strategic developments during the year included:

Re-entry into the New Vehicle Market:

The partial lifting of the vehicle import ban in late 2024 enabled SML to resume its core business of distributing Isuzu commercial vehicles. Capitalizing on pent-up demand and existing market goodwill, the Company reactivated its vehicle sales operations with speed and precision—delivering substantial growth from this segment in the final quarter of the financial year.

Strengthening Core Business Segments:

During the import suspension period, SML maintained resilience by prioritizing spare parts and after-sales services—high-margin, recurring revenue streams that

provided financial stability and reinforced long-term customer relationships.

Strategic Diversification:

Over the past few years, SML placed strong strategic emphasis on expanding and strengthening its spare parts sales and workshop operations, recognizing their potential as stable, high-margin revenue streams. These segments were aggressively developed during the vehicle import suspension period and have now matured into core profit centers for the business. By leveraging the Company's trusted brand, technical expertise, and wide customer base, SML successfully positioned its after-sales services as a key pillar of sustainable revenue generation.

Operational and Financial Discipline:

Proactive cost containment, working capital discipline, and tax management initiatives contributed to improved margins and net profitability, even in a challenging macroeconomic landscape.

Market Responsiveness and Agility:

SML's ability to adapt to regulatory changes and quickly align its operational model with evolving conditions played a pivotal role in capturing emerging growth opportunities as they materialized.

These developments reinforce the Company's financial resilience and strategic foresight. By leveraging external policy shifts and internal strengths, SML has not only restored financial momentum but also laid a stronger foundation for sustained value creation and efficient capital allocation in the years ahead.

FINANCIAL CAPITAL (CONTD.)

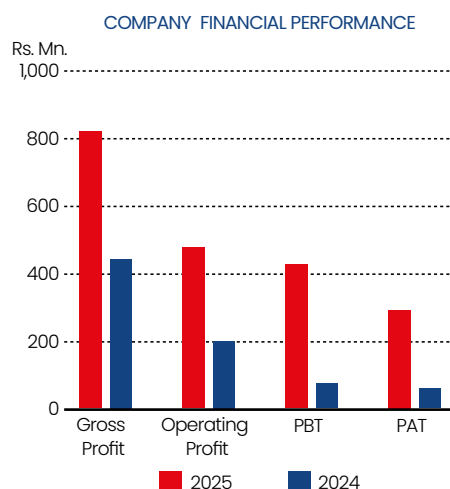
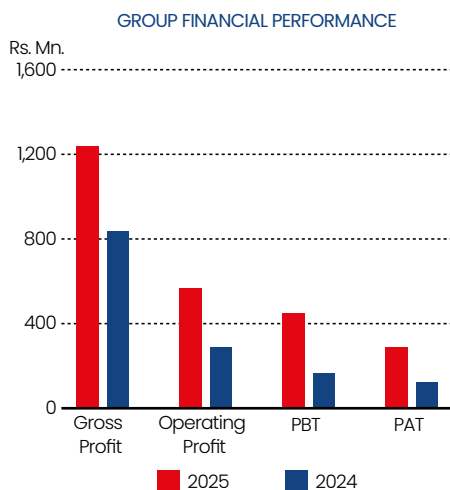
Financial Performance

The financial year ended 31st March 2025 saw a marked improvement in the profitability of both the Group and the Company, reflecting the success of strategic and operational measures implemented during and after the vehicle import suspension period.

At the Group level, profit before tax rose significantly to LKR 447.9 million, nearly tripling from the previous year's figure of LKR 159.6 million. The Company recorded an even more pronounced turnaround, with profit before tax increasing more than fivefold, from LKR 73.2 million in 2024 to LKR 419 million in 2025. This surge in earnings was driven primarily by a rebound in vehicle sales following the partial lifting of the import ban, coupled with sustained contributions from the Company's strengthened spare parts and workshop operations.

Tax expenses also rose in tandem with higher earnings, with the Group and Company incurring income tax costs of LKR 141.3 million and LKR 130 million respectively. Despite this, both entities posted strong bottom-line results. The Group's net profit more than doubled to LKR 306 million, while the Company achieved a net profit of LKR 289 million, a near sixfold increase from the prior year.

These outcomes reflect the Company's sharpened focus on cost control, margin enhancement, and capital efficiency—further validating its ability to navigate external volatility while creating long-term financial value.



Revenue

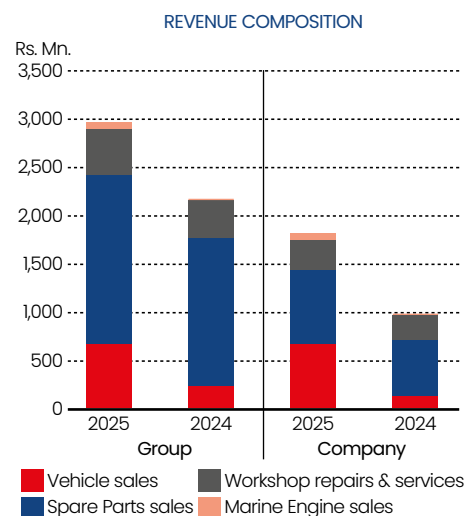
Sathosa Motors PLC recorded a robust revenue performance for the year ended 31st March 2025, with Group revenue reaching LKR 2.97 billion, Company itself represented 1.8 billion representing a 85% increase over the previous year. This substantial growth was driven by a combination of strategic recovery in core operations and incremental gains from diversification efforts.

The most notable surge came from vehicle sales of the company, which expanded by an impressive 393% compared to the previous year. This was primarily due to the partial lifting of the government's

vehicle import ban, which allowed the Company to resume its flagship Isuzu vehicle distribution business and meet long-suppressed market demand.

Meanwhile, spare parts sales continued to serve as the Company's largest revenue contributor, growing by 33.8% year-on-year. This growth reflected not only the enduring demand for genuine parts but also the success of SML's strategic focus on strengthening its aftermarket service network and ensuring parts availability despite import-related challenges.

Workshop repair and service operations also recorded a healthy 18.3 % growth, underscoring the Company's investment in enhancing service capabilities and delivering value-added support to its customer base. These services have now become a key component of SML's revenue model, contributing steady and recurring income.



Although still a relatively small segment, marine engine sales experienced significant traction with

a 576% increase over the prior year, showcasing the early success of SML's efforts to diversify its revenue streams.

These results highlight the Company's effective revenue model—anchored by a balanced mix of vehicle sales, high-margin aftersales services, and selective diversification—positioning it for sustainable growth in a gradually normalizing operating environment.

Capital allocation

During the year under review, Sathosa Motors PLC maintained its approach to capital allocation and operational management. The company invested in a solar rooftop project at the Peliyagoda Workshop, with the expectation of generating long-term financial benefits. Earnings were reinvested to strengthen working capital and accommodate growth in vehicle sales. This period saw profitability increase without the addition of new debt, reflecting the use of internally generated funds. Additionally, a focus on high-margin, recurring income streams, such as spare parts and workshop services, contributed to operating leverage and capital efficiency.

Future outlook

Sathosa Motors PLC remains committed to building on the strong financial momentum achieved in 2025. In the year ahead, the Company will focus on leveraging its high-growth segments—particularly spare parts, workshop services, and vehicle sales—to further diversify its revenue base. Simultaneously, it will explore opportunities to enhance operational efficiencies as a means of mitigating the impact of input cost inflation. Strengthening financial resilience will remain a strategic priority, enabling the Company to navigate potential economic volatility while sustaining long-term value creation for stakeholders.

HUMAN CAPITAL

At Sathosa Motors PLC (SML), human capital is regarded as one of our most vital value drivers—fueling innovation, customer service excellence, and sustainable business growth. Our people embody the technical expertise, brand integrity, and customer trust that have been cultivated over decades.

We believe in nurturing a motivated, skilled, and resilient workforce through investment in training, welfare, and clear pathways for development. Our approach to human capital management aligns closely with our operational needs and long-term strategic goals, ensuring that our people are empowered to grow as the organization grows.

Strategic Overview

SML's human capital strategy is centered on talent acquisition, development, and retention. During the year, we emphasized building long-term relationships with educational institutions, streamlining recruitment processes, and attracting technically qualified individuals who also align with our corporate culture.

We continue to invest heavily in employee development, with training sessions ranging from technical upskilling to financial and operational efficiency—ensuring our workforce remains agile in a rapidly evolving automotive sector. Retention strategies have been reinforced through incentive schemes, clear career pathways, and a strong performance management system. At the same time, welfare initiatives and employee engagement activities have played a critical role in boosting morale and creating a positive, inclusive workplace.

Governance, Policy, and Compliance

During the year, SML implemented a refreshed suite of HR policies and procedures aligned with the directives of the parent company. These include structured performance reviews, ethical conduct guidelines, and equitable treatment standards, reinforcing a culture of transparency and professionalism.

Workforce Composition

As of 31st March 2025, Sathosa Motors PLC employed a total of 128 individuals, structured across six employment categories ranging from junior executives to senior managerial roles. While the automotive and engineering sector has traditionally been male-dominated, SML acknowledges the importance of fostering a more inclusive and balanced workforce.

Currently, the permanent workforce comprises 106 male and 22 female employees, with representation across all age groups. Recognizing the gender imbalance characteristic of the industry, SML is actively working to encourage greater female participation by creating an environment where all employees are respected, valued, and provided equal opportunities.

In line with our Diversity, Equity, and Inclusion (DEI) commitment, SML offers employment and advancement strictly based on skills, merit, and performance, without discrimination based on gender identity, ethnicity, age, or background. Our inclusive recruitment and promotion practices are designed to attract talent from a diverse spectrum and empower every individual to realize their full potential within the organization.

Demographic Comparison by Age and Gender

Age Group	Male	Female	No. of Employees
18-20	2	–	2
21-25	17	3	20
26-30	24	5	29
31-35	16	8	24
36-40	11	1	12
41-45	11	1	12
46-50	9	1	10
51-55	12	2	14
Above 55	4	1	5
Total	106	22	128

Talent Retention

Employee retention remains a strategic priority, with 46% of employees having served between 1–3 years, and 42% remaining with the Company for more than 4 years. Incentive schemes based on performance, career progression planning, and open communication channels contribute to a supportive and motivating work environment.

Retention Analysis Based on Length of Service

Service Period	No. of Employees	Percentage (%)
Less than 1 year	16	12%
1–3 years	59	46%
4–6 years	9	7%
7–10 years	23	18%
11–25 years	16	13%
Over 25 years	5	4%
Total	128	100%

Employee Development and Training

We remain firmly committed to building a skilled and future-ready workforce through continuous learning and structured development initiatives. During the year, the Company collaborated with 18 leading training institutions, resulting in the recruitment of 79 automobile trainees and establishing a strong pipeline of industry-ready talent. A series of targeted training programmes were conducted to enhance both technical and functional competencies, including Excel and vehicle insurance training, tax and compliance-related upskilling, and technical knowledge-sharing sessions in partnership with academic institutions. These were complemented by industrial training opportunities and hands-on learning, enabling employees to stay abreast of evolving industry practices. Special emphasis was also placed on soft skills and leadership development, equipping staff for career progression, cross-functional collaboration, and long-term success within the organization.

Talent Acquisition & Industrial Collaboration

We focus on attracting top talent by leveraging employer branding, establishing strong partnerships with educational institutions, and using structured recruitment processes to ensure the right fit.



Automobile Engineering Training Institute - Orugodawatta



Employee training programs



Employee engagement and welfare

We believe that a motivated and supported workforce is key to long-term organizational success. In line with this philosophy, the Company has placed strong emphasis on employee well-being, engagement, and inclusion as core components of its human capital strategy. We are committed to fostering a workplace culture where employees feel valued, connected, and empowered—both personally and professionally. To

HUMAN CAPITAL (CONTD.)



Employee Promotions



Employee Recognitions

that end, a comprehensive suite of welfare and engagement initiatives was implemented during the year to enhance employee satisfaction, recognize contributions, and create a positive working environment that promotes both individual and collective growth.

Key employee engagement highlights

- Annual staff get-together to build camaraderie.
- Foreign tour to Thailand for top-performing spare parts division employees.
- Scholarship programs for children of employees with academic excellence.
- Distribution of dry rations, workwear, and PPE.
- Interest-free welfare loans to ease financial stress.
- Employee gymnasium at Peliyagoda for physical well-being.



Annual Staff Get-Together held at Paradise Inn, Bolgoda



Foreign Tour to Thailand



Scholarship programs for children of employees with academic excellence



Distribution of dry rations



Employee health and safety

SML maintains a strong commitment to employee safety through the regular provision of personal protective equipment

(PPE) and safety-focused infrastructure. The Company complies with all occupational health and safety guidelines and continues to upgrade workplace conditions to align with best practices. The company also offers gym access for employees during their free time at the Peliyagoda workshop.



Future Outlook

Looking ahead, Sathosa Motors PLC will continue to strengthen its human capital foundation by prioritizing inclusive recruitment, targeted talent development, and long-term retention. The Company aims to further deepen its partnerships with vocational and technical institutions to ensure a steady influx of skilled talent, while also expanding leadership development and digital learning platforms to prepare employees for the future of mobility. Special focus will be placed on enhancing gender diversity within the traditionally male-dominated automotive industry, reinforcing our commitment to creating a more inclusive and equitable workplace.

INTELLECTUAL CAPITAL

Our intellectual capital encompasses the collective knowledge, systems, practices, and brand value that shape our ability to deliver superior customer service, maintain operational excellence, and adapt to a dynamic business environment. It is a foundational component of our long-term value creation and competitive positioning as Sri Lanka's trusted distributor for ISUZU vehicles.

This capital is reflected in our proven service methodologies, and in the robust internal systems and processes we have developed over decades. Our experience in the Japanese light commercial vehicle segment, supported by proprietary knowledge in maintenance and repair, underpins our industry leadership. SML's investment in employee training, performance management systems, standard operating procedures (SOPs), and digital tools contributes further to the strength of our intellectual capital.

Strategic Overview

The strategic development of intellectual capital at SML is geared toward enhancing productivity, elevating service standards, and future-proofing the business. Key initiatives implemented during the year and in recent periods have centered around structured process improvements, capability building, and customer-centric innovation as presented below:



PROCESS EXCELLENCE AND STANDARDIZATION

SML continues to strengthen its operational model through the use of SOPs and continuous reviews to adapt to market needs. The rollout of internal audits and compliance reviews ensures consistency, risk mitigation, and alignment with regulatory and ethical standards.

KNOWLEDGE-DRIVEN SERVICE DELIVERY



Our long-standing adherence to the "Isuzu Aftersales Way"—a globally recognized standard that emphasizes minimizing vehicle downtime, guiding dealers, and sustaining strong customer relationships, remains a key strategic advantage. This is complemented by an active program of technical training sessions and knowledge-sharing collaborations with institutions and industry experts



DIGITAL TOOLS AND SYSTEMS

The use of the IFS ERP system continues to be central to how SML manages its operations. This platform enables accurate record-keeping, better inventory control, and decision-making based on real-time data. In parallel, the company is exploring other digital platforms to reduce administrative overhead and improve efficiency.

Awards and Recognition



SML became the category winner (automobile) at the Best Management Practices Company Awards 2025. This underscores the Company's maturity and effectiveness of its internal knowledge systems. Award-winning practices spanned areas such as KPI-based performance evaluations, strategic workforce planning, compliance, and talent development—each contributing to a resilient intellectual framework.

Innovation and Continuous Learning

At the heart of SML's intellectual capital is a culture of continuous improvement and knowledge evolution. The Company recognizes that staying competitive in the fast-evolving automotive industry requires more than just adherence to established protocols—it demands a forward-looking mindset, agility, and a readiness to embrace new ideas.

In this spirit, SML has embedded technical training, soft skills enhancement, and cross-functional learning into its organizational fabric. Employees regularly participate in structured workshops, vendor-led knowledge-sharing sessions, and compliance training. This approach not only sharpens technical expertise but also fosters cross-departmental collaboration, enabling employees to better understand the end-to-end value chain.

The Company's collaboration with vocational training institutes and the integration of on-the-job learning for new recruits further enrich the knowledge ecosystem within the organization. These initiatives cultivate a workforce that

is both capable and confident—one that can apply its knowledge to real-world customer needs and operational challenges.

Technical Knowledge Sharing Programme at Kalutara Technical College



Systems and Digitalization

SML has continued to strengthen its internal systems to support data-driven decision-making, operational transparency, and efficiency. The IFS ERP platform remains a cornerstone of this strategy, enabling automation of inventory management, customer records, financial accounting, and procurement processes.

Plans are underway to integrate additional digital platforms to further streamline functions such as HR administration, training tracking, and compliance management. These investments in digital systems not only enhance operational efficiency but also safeguard institutional knowledge by embedding it into technology

platforms that outlast individual tenure.

The combination of systematized knowledge, technology-backed decision-making, and cross-functional access to real-time data helps convert individual expertise into organizational intelligence—an essential aspect of intellectual capital development.

Future outlook

Looking ahead, Sathosa Motors PLC will continue to strengthen and evolve its intellectual capital by strategically aligning its systems, people, and operational practices with emerging industry trends and technological advancements. The Company aims to deepen the integration of digital systems for knowledge management and analytics, enabling more informed and responsive decision-making across functions. Efforts will also be directed toward standardizing and documenting internal processes to reduce dependency on individual expertise and enhance institutional continuity. To foster a culture of continuous learning, SML plans to expand its training ecosystem by introducing microlearning opportunities, e-learning modules, and performance-linked development pathways that support employee growth. Additionally, greater emphasis will be placed on harnessing customer and market data to fuel innovation in service delivery. Through this multi-faceted approach, SML is well-positioned to sustain and grow its intellectual capital as a key enabler of long-term competitive advantage.

MANUFACTURED CAPITAL

Manufactured capital forms the physical and technological foundation on which Sathosa Motors PLC delivers value to its stakeholders. It includes the Company's facilities, infrastructure, technological tools, and workshop assets that support the delivery of high-quality vehicles, genuine spare parts, and after-sales services across Sri Lanka. As the authorized distributor for ISUZU, SML's manufactured capital is pivotal in sustaining its service excellence and operational reliability.

SML manages its manufactured capital with a strong focus on efficiency, sustainability, and strategic reinvestment to ensure uninterrupted business continuity and customer satisfaction.

Strategic Overview

Sathosa Motors PLC's strategic approach to manufactured capital is centered on ensuring that its physical infrastructure and operational assets are optimized for resilience, accessibility, and long-term service excellence. In response to a volatile operating environment—including prolonged vehicle import restrictions and evolving customer expectations—the Company adopted a forward-thinking strategy focused on sustaining core service capabilities, expanding reach through its island-wide infrastructure, and enhancing operational efficiency through digital integration.

In place of scaling back during periods of restricted activity, SML used this time to strengthen and streamline its workshop facilities, parts distribution channels, and digital operating systems. We maintained investments in key assets and adhered to sustainable

industrial practices to ensure uninterrupted support to our loyal customer base and positioned itself to capture emerging demand once market conditions normalized.

This strategic stewardship of manufactured capital—characterized by proactive maintenance, selective upgrades, and network optimization—continues to support SML's ability to deliver consistent, high-quality service and drive long-term stakeholder value.

Branch and Workshop Network

SML maintained a robust presence through ten spare parts branches and three workshops (located in Colombo 02, Peliyagoda, and Kurunegala). Ensuring wide geographic access to maintenance and repair services, It has reopened its Workshop at Matara at the end of this financial year. The continued investment in these locations supported the expansion of customer reach and service capabilities.



Infrastructure Investments

The carrying amount of property, plant, and equipment of the company stood at LKR 500 million, reflecting prudent reinvestment into maintenance and upgrades across facilities. Additionally, the investment property at Vauxhall Street, valued at LKR 978 million, remains a cornerstone of the Company's asset base.

Digital and Operational Efficiency

The Company continued the development and integration of the IFS ERP system, enhancing operational transparency, inventory control, and customer service responsiveness. These digital tools contributed to better resource utilization, improved turnaround times at workshops, and greater customer satisfaction.

Dealer Network

Through its network of over 75 dealers island-wide, SML ensured the availability of spare parts and servicing options, reinforcing the Company's manufactured capital through external channel support.

Future outlook

Going forward, SML is poised to further leverage its manufactured capital to support business resilience and growth, particularly as the easing of import restrictions begins to revitalize the vehicle sales segment. Strategic investment in workshop infrastructure, ERP system enhancements, and sustainable practices will remain core to SML's operational blueprint.

Through a balance of digital innovation, physical asset optimization, and customer-centric service delivery, SML's manufactured capital will continue to be a key enabler of long-term value creation for customers, shareholders, and society at large.

NATURAL CAPITAL

As a responsible automotive distributor and service provider, SML recognizes the inherent environmental footprint of its industry and is committed to minimizing adverse impacts while contributing to long-term environmental sustainability. SML's approach to managing its natural capital integrates regulatory compliance, operational efficiency, and the adoption of environmentally responsible technologies. The Company strives to monitor, manage, and reduce its consumption of natural resources and mitigate its ecological impact.

Strategic Overview

SML's natural capital strategy is guided by the principles of sustainable industrial practice, continuous improvement, and environmental stewardship. During the year under review, the Company reinforced its commitment to eco-efficiency through multiple initiatives—ranging from the use of EURO 4 compliant vehicles to the deployment of water treatment facilities and energy-saving infrastructure across its workshop network.

In anticipation of future environmental challenges and stakeholder expectations, SML continued to invest in long-term solutions that reduce environmental risks, improve resource efficiency, and support regulatory alignment. The Company's workshop operations, spare parts logistics, and vehicle service processes are being restructured with a focus on optimizing water and energy use, reducing emissions, and managing waste responsibly. These efforts are embedded within SML's broader sustainability agenda and

contribute to its license to operate in a resource-constrained and environmentally sensitive market.

Water Management

Water is a vital resource for SML's workshop and service operations, particularly in vehicle washing, engine servicing, and general maintenance activities. Recognizing its responsibility to manage water use sustainably, SML has invested in on-site water treatment plants at key workshop locations. These systems enable the Company to treat and reuse water safely, thereby reducing reliance on fresh water sources and minimizing wastewater discharge into the environment.

The Company monitors water usage and discharge at facility level and is in the process of implementing tracking systems for water withdrawal, recycling, and discharge. With year-on-year tracking and reporting capabilities being enhanced, SML plans to report quantitative water consumption data in future disclosures, further strengthening transparency and accountability.

Waste and Effluent Management

SML is committed to responsible waste and effluent management practices that comply with national environmental regulations. Waste generated through workshop operations—such as used oil, filters, coolant fluids, and packaging materials—is segregated, stored safely, and handed over to licensed waste handlers for environmentally sound disposal.

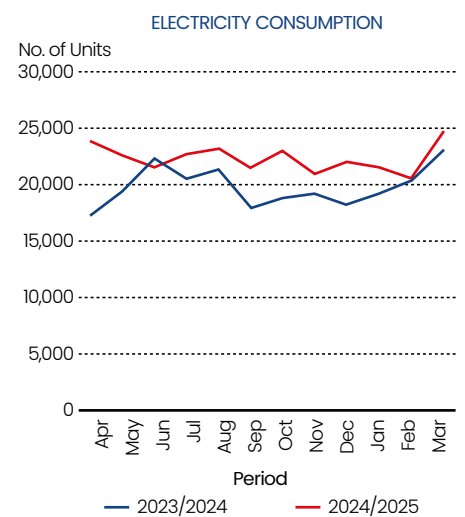
In addition to hazardous waste protocols, SML emphasizes waste minimization through process efficiencies, preventive

maintenance, and careful inventory planning to reduce unnecessary material use. Effluents from workshop operations, including wash bays and mechanical servicing areas, are directed through treatment systems prior to disposal, ensuring compliance with environmental discharge standards.

As part of its future roadmap, SML intends to improve its waste data collection and explore opportunities for circular practices such as material recovery and recycling within its facilities.

Energy Management

Energy conservation is a critical element of SML's operational sustainability. The Company has adopted several measures to reduce energy consumption across its branches and workshops, including the installation of energy-efficient LED lighting, staff awareness campaigns on energy conservation, and routine monitoring of energy usage patterns.



Where possible, SML continues to explore energy-saving technologies and automation tools to improve energy efficiency in areas such as

lighting, air conditioning, and machinery operation. While the Company currently relies on grid electricity, it is actively assessing the feasibility of integrating renewable energy sources into its operations.

With enhanced data collection on electricity consumption planned for the upcoming year, SML aims to provide baseline and trend data in future reports.

Future Outlook

Looking ahead, Sathosa Motors PLC remains steadfast in its commitment to enhancing the sustainability of its operations by prioritizing environmental responsibility across all facets of its business. As regulatory expectations and stakeholder awareness continue to evolve, the Company will place greater emphasis on measuring, reporting, and reducing its environmental footprint through a more data-driven and transparent approach.

In the coming year, SML plans to strengthen its environmental management systems by introducing quantified tracking mechanisms for water consumption, waste generation, and energy usage. These enhancements will enable the Company to set meaningful reduction targets in line with global best practices. Greater investment will also be made in circular economy principles, including opportunities for waste reuse and recycling within workshop operations.

Further, SML will assess the feasibility of renewable energy integration, pilot green infrastructure improvements, and expand awareness campaigns among staff to foster a culture of environmental stewardship across the organization. These efforts will not only reduce operational risks and costs but also help build long-term environmental resilience—ensuring that SML continues to meet the expectations of regulators, customers, and the wider community while protecting the natural resources on which its business depends.

SOCIAL AND RELATIONSHIP CAPITAL

Our Social and Relationship capital represents the value embedded in the Company's strong, enduring relationships with its stakeholders—including customers, employees, dealers, suppliers, regulatory authorities, investors, and the wider community. These relationships, built on trust, transparency, and mutual benefit, have been instrumental in sustaining SML's reputation as a responsible corporate citizen and a trusted mobility solutions provider for over six decades.

SML's long-standing partnership with Isuzu Motors Japan, a cornerstone of its business since 1962, exemplifies the quality of relationships nurtured through shared commitment and consistent performance. Meanwhile, SML actively identifies and engages with its stakeholders to understand their concerns and expectations, thereby informing the Company's strategy and value creation process.

Strategic Overview

SML's social and relationship capital strategy is built on the principles of stakeholder inclusiveness, responsiveness, and long-term engagement. In a challenging operating context marked by import restrictions, economic pressures, and supply chain disruptions, the strength of SML's external relationships has played a pivotal role in enabling business continuity, customer loyalty, and operational resilience.

Customer Engagement

SML places the customer at the center of its operations, consistently engaging through structured feedback loops, post-service evaluations, and technical consultations. The application of the "Isuzu Aftersales Way" reinforces this customer-first approach by minimizing downtime and enhancing service quality. This has translated into high customer satisfaction and loyalty, particularly among corporate and fleet clients who rely on the uninterrupted performance of their vehicles.

Dealer and Supplier Partnerships

Strong relationships with Isuzu-authorized dealers and certified spare parts suppliers ensure consistent service delivery and uphold the Company's quality standards. These partnerships are essential to maintaining trust across the value chain and enabling SML to serve customers nationwide through its extensive branch and workshop network.

Employee Engagement

SML works closely with technical and vocational institutions to build a skilled workforce through internship and apprenticeship programmes. These partnerships help create employment opportunities and support national workforce development. Internally, employees are engaged through training, welfare schemes, and recognition programs that reinforce loyalty and collective purpose.

Automobile Engineering Training Institute - Orugodawatta



Investor and Shareholder Engagement

The Company engages with investors through timely disclosures, annual reports, and stakeholder meetings, maintaining open channels for feedback and accountability. The consistent financial performance in FY 2024/25, driven by strategic shifts and renewed vehicle imports, has helped retain shareholder trust.

Regulatory Collaboration

SML maintains proactive engagement with regulatory bodies and policymakers, especially relevant in a sector dependent on government import policies.

Community Engagement

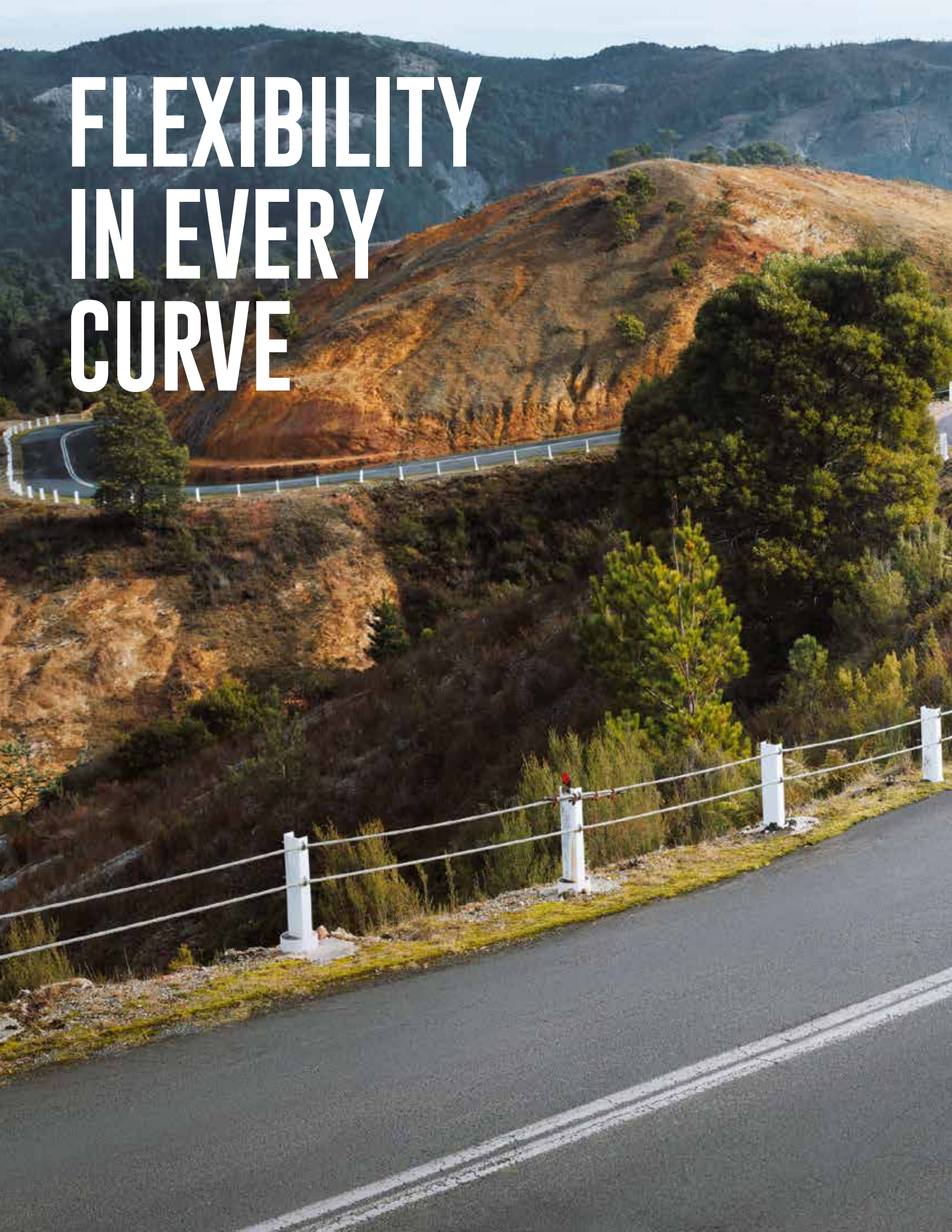
Through its customer education efforts, including free vehicle check-ups and maintenance advice, and by offering services during times of economic hardship, SML supports communities by helping ensure safe and reliable transportation. The Company also contributes to national economic resilience by facilitating commerce through its vehicle offerings and services. During the year, the company contributed to a corporate social responsibility initiative supporting children at three selected schools in Lunugamwehera.



Future outlook

SML aims to strengthen its social and relationship capital by investing in new service platforms, enhancing community engagement, and expanding its partnerships with both government and educational institutions. Moving forward, stakeholder feedback will continue to inform key aspects of business planning, ensuring that SML remains attuned to the evolving needs of its stakeholder base while delivering shared, sustainable value.

FLEXIBILITY IN EVERY CURVE





AUDIT COMMITTEE REPORT

The Committee was formed under Section 9.13 of the Colombo Stock Exchange Corporate Governance rules and the Code of Best Practice on Corporate Governance from The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission. It reviews and reports to the Board on financial reporting, internal controls, audits, risk management, and compliance with legal and regulatory standards, aiming to protect shareholders and stakeholders. Operating under a formal Charter approved by the Board, the Committee complies fully with CSE listing rules, the Companies Act No. 07 of 2007, and the Code of Best Practices on Corporate Governance.

COMPOSITION

The composition of the Audit Committee was restructured with effect from 1st January 2025 as detailed below.

Names of the Directors	Directorship Status	Membership Status
Mr. M.M.N.De Silva (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Chairman (Up to 31st December 2024)
Mr. W.A.C.O.Wijesinghe (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member
Mr. T.C.D.Kumarasiri (Appointed w.e.f 1st November 2024)	Independent Non-Executive Director	Chairman (w.e.f. 1st January 2025)
Mr. W.A.M.Wimalaratna (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member
Mr. R.S.Dahanayake	Independent Non-Executive Director	Member

As per the Restructured Board Audit Committee effective from 1st January 2025, The Committee comprises of three (3) Independent Non-Executive Directors and is now chaired by Mr. T.C.D.Kumarasiri as an independent Non-Executive Director.

COMMITTEE MEETING

The Audit Committee remained active throughout the financial year and convened four (04) times. During these meetings, the Committee reviewed and assessed the effectiveness of the internal control systems to ensure that appropriate safeguards were in place for the Company's assets and the financial reporting processes remained reliable.

All other matters, including the interim Financial Statements, were approved through Circular Resolution, where necessary.

In addition to the Committee members, the Managing Director and the General Manager Finance attended the meetings by invitation. The Head of Internal Audit attended all meetings, and the Company Secretaries attended each meeting.

The attendance at the Audit Committee meetings held during the year under review was as follows;

Name of Director	13.05.2024	07.08.2024	11.11.2024	11.02.2025
Mr. M.M.N.De Silva	✓	✓	✓	N/A
Mr. W.A.C.O.Wijesinghe	✓	✓	✓	N/A
Mr. T.C.D.Kumarasiri	N/A	N/A	N/A	✓
W.A.M.Wimalaratna	N/A	N/A	N/A	✓
Mr. R.S.Dahanayake	X	✓	✓	✓

✓ - Attended X - Absent N/A - Not Applicable

ROLE OF THE AUDIT COMMITTEE

- The Audit Committee assists the Board by overseeing financial statement accuracy, internal controls, and compliance with company policies and legal requirements. These efforts aim to safeguard the interests of shareholders and other stakeholders. The scope of the Committee's functions and responsibilities is clearly defined in its Terms of Reference, which are approved by the Board and reviewed periodically to ensure continued relevance and effectiveness.
- Ensuring the effectiveness of the company's systems of internal control, financial reporting, and risk management, as well as compliance with applicable laws and regulations, and evaluating the adequacy and effectiveness of the company's overall governance processes.
- All matters pertaining to the company's accounting principles and practices are thoroughly reviewed, along with an evaluation of key financial, operational, and compliance controls. The Committee is equipped with sufficient resources to fulfill its duties effectively, drawing on support from the internal audit team, external auditors, and senior management as needed.
- The Committee develops and enforces policies regarding the use of external auditors for non-audit services, ensuring these align with ethical standards and regulatory requirements. It also oversees the advance approval of all audits and approved non-audit services performed by the external auditor to

protect auditor independence and uphold the integrity of the company's financial reporting.

ACTIVITIES DURING THE YEAR 2024/25

Financial Reporting and Significant Judgment

The Committee reviews whether appropriate accounting policies are in place and ensures that Management has made sound estimates and judgments in preparing the Financial Statements. In its assessment, the Committee examines the clarity and completeness of disclosures to determine if they are suitable within the given context. It also monitors the effects of current or anticipated changes to accounting standards relevant to the company and provides overall oversight of the company's financial policies.

The Audit Committee reviewed the quarterly and annual Financial Statements prior to its publication and the review included:

- Assessment of appropriateness and updates to accounting policies
- Review of significant estimates and judgments made by Management
- Verification of compliance with relevant accounting standards and regulatory requirements
- Evaluation of asset impairment matters
- Consideration of issues raised by internal and external auditors
- Review of the Company's ability to continue as a going concern

External Audit

The Audit Committee assessed the independence and objectivity of KPMG Sri Lanka, Chartered

Accountants. They also met with them to discuss their audit plan and findings. The Committee has received a declaration from the External Auditors, confirming that they do not have any relationship or interest in the Company or its subsidiaries. The Committee reviewed the non-audit services and its impact on the independence of the External Auditors. Based on the clarification received and the judgment arrived on it, the committee was satisfied with the entity and the Group. The Audit Committee has recommended to the Board that Messrs KPMG be reappointed as the Independent External Auditor and that the reappointment be included in the agenda of the Annual General Meeting.

The current External Auditors, Messrs KPMG Sri Lanka, Chartered Accountants, have served as the company's auditors for many years. In line with applicable regulatory requirements and established best practices, the audit partner is rotated periodically to ensure continued independence and objectivity. The most recent partner rotation took place during the financial year 2024/25.

Internal Audit

The Committee, dedicated to ensuring governance and accountability, approved the 2024/25 Internal Audit Plan and regularly monitor its progress. Audit findings and management responses were carefully reviewed at each session. The Head of Internal Audit participated in all meetings and, when needed, discussed audit matters privately with the Committee, excluding Management for impartial consultation.

AUDIT COMMITTEE REPORT (CONTD.)

Risk Management and Internal Control

The Audit Committee played an active role in overseeing the company's risk management and internal control frameworks. The Committee obtained and reviewed statements from the Heads of Departments, each identifying their key business risks along with the mitigatory actions taken or planned to address those risks. In addition, the Committee conducted assessments of Environment, Social, and Governance (ESG) risks, with a focus on identifying, prioritizing, and monitoring sustainability-related risks and opportunities.

The Committee further evaluated the robustness of risk management processes, internal controls, business continuity strategies, and information security protocols. When improvements were identified, the Committee provided recommendations to the Board to enhance these systems accordingly.

The effectiveness of the company's system of internal controls was assessed through reports submitted by Management, Internal Auditors, and Independent External Auditors. Based on these evaluations, the Committee was satisfied that a sound internal control system was in place, providing reasonable assurance regarding the safeguarding of the Company's assets and the reliability of its Financial Statements.

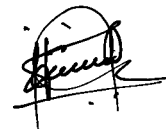
ETHICS AND GOOD GOVERNANCE

The Audit Committee maintained its steadfast dedication to ensuring the highest ethical standards are consistently upheld throughout the company's operations. In support of this objective, the company has implemented a comprehensive Code of Ethics & Professional Conduct, along with robust policies such as the Whistle blowing Policy and the Anti-Bribery & Anti-Corruption Policy. These frameworks require all employees to act with integrity, transparency, and accountability, and to report any suspected misconduct or unethical behavior through the established whistle blowing channels.

The Committee consistently adhered to the company's Code of Ethics and exercised diligent oversight of corporate governance practices to reinforce stakeholder confidence. All necessary procedures were in place to conduct independent and impartial investigations into concerns raised through whistle blowing or identified by other means, ensuring appropriate action is taken where required.

CONCLUSION

The Audit Committee is satisfied that the effectiveness of the organizational structure of the company and of the implementation of the Company's accounting policies and operational controls provide reasonable assurance that the affairs of the company are managed in accordance with company policies and that the company assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Company and its subsidiaries are able to continue as a going concern.



T G D KUMARASIRI
Chairman
Audit Committee

22nd July 2025

REMUNERATION COMMITTEE REPORT

The Remuneration Committee was established to adhere to the guidelines set forth in Section 7.10.5 of the Colombo Stock Exchange Listing Rules, as well as the Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities Exchange Commission of Sri Lanka.

ROLE OF THE COMMITTEE

The role of the Remuneration Committee is to set up the remuneration policy for the Management and make recommendations to the Board on recruitment, remuneration and performance evaluation of Management including Executive Directors of the Company.

TERMS OF REFERENCE

The Remuneration Committee operates according to established terms of reference and is responsible for ensuring that remuneration practices are linked to performance outcomes.

The Committee's responsibilities include:

- Ensuring that Executive Directors are fairly compensated for their contributions to the Company's performance.
- Providing transparency to shareholders by ensuring that the remuneration of Executive Directors is determined by individuals without personal stakes in the outcomes of the Committee's decisions.

REMUNERATION POLICY

The remuneration policy of the Company is designed to attract, motivate and retain staff with the appropriate professional, managerial and operational expertise to achieve the objectives of the Company in a competitive environment.

The Committee determines the Group's policy on Executive Directors' and Key Management Personnel's remuneration. The objectives of the policy are;

- To reward Executive Directors and Key Management Personnel in a manner that ensures that they are properly incentivised and motivated to perform in the best interests of the Company over the long term
- To provide the level of remuneration required to attract and retain Executive Directors and Key Management Personnel of appropriate calibre.

COMPOSITION OF THE COMMITTEE

The composition of the Remuneration Committee was restructured with effect from 1st January 2025 as detailed below,

Names of the Directors	Directorship Status	Membership Status
Mr. S J S Perera	Non-Executive Director	Chairman (Up to 30th September 2024)
Mr. M M N De Silva (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member
Mr. W A C O Wijesinghe (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member (Up to 30th September 2024) Chairman (From 1st October 2024 to 31st December 2024)
Mr. T C D Kumarasiri (Appointed w.e.f 1st January 2025)	Independent Non-Executive Director	Member
Mr. W A M Wimalaratna (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Chairman (From 1st January 2025 Onwards)
D A R Fernando (Appointed w.e.f 1st January 2025)	Non-Executive Director	Member

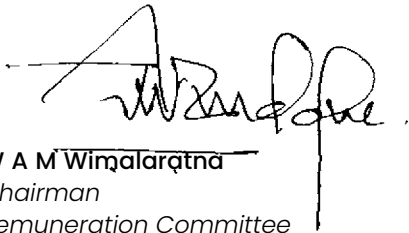
- Reviewing the remuneration framework and employment terms for the Chairman of the Board and Executive Directors.
- Monitoring the structure and levels of compensation for senior managers.
- Set detailed remuneration of the executive directors and chairman including termination payments.
- Setting detailed remuneration packages for Executive Directors and the Chairman, including termination payments.

REMUNERATION COMMITTEE REPORT (CONTD.)

The Managing Director attends the Committee meetings by invitation. The Company Secretary serve as the Secretary of the Remuneration Committee.

The Committee has been given authority by the Board to obtain relevant professional advice from within the Company as needed.

The aggregate remuneration paid to the Executive Directors and the fees paid to the Non-Executive Directors for serving on the Board and attending Board and Board Sub Committee Meetings are disclosed in Note 25.6 as Key management Personnel Compensations in the financial statements.



W A M Wimalaratna
Chairman
Remuneration Committee

22 JULY 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee was constituted to provide guidance to the Board regarding transactions involving related parties, as specified under LKAS 24. Additionally, the Committee oversees compliance with the Colombo Stock Exchange Listing Rules and adheres to the Code of Best Practices on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka. The Committee has further incorporated best practices recommended by The Institute of Chartered Accountants of Sri Lanka.

ROLE OF THE COMMITTEE

The Committee, established under Section 9 of the CSE Listing Rules, independently reviews, approves, and monitors all related party transactions to ensure transparency and regulatory compliance. It protects the interests of the Company and minority shareholders by preventing preferential treatment. The Committee's role in related party transactions is outlined below.

- Review all proposed Related Party Transactions unless exempted by the Code.
- Decide if related party transactions need Board or shareholder approval.
- No Director of the Company shall participate in any discussion regarding a proposed related party transaction in which he or she is identified as a related party, except when specifically requested by the Committee to provide information pertinent to the transaction.

- Set Management guidelines for ongoing related party transactions. The Committee will annually review these relationships to ensure compliance with its guidelines and ongoing appropriateness of the transactions.

KEY RESPONSIBILITIES OF THE COMMITTEE

- Ensure Company compliance with CSE Rules on related party transactions.
- Establish procedures to identify and review all related party transactions, both recurrent and non-recurrent.
- Review all proposed related party transactions in advance.
- Disclose applicable related party transactions to the market as required by CSE Rules.
- Quarterly updates to the Board on related party transactions.
- Include required disclosures on related party transactions in the Annual Report as required by CSE.

COMPOSITION

The composition of the Related Party Committee was restructured with effect from 1st January 2025 as detailed below.

Names of the Directors	Directorship Status	Membership Status
Mr. M M N De Silva (Resigned w.e.f 31st December 2024)	Independent Non-Executive Director	Chairman (Up to 31st December 2024)
Mr. W A C O Wijesinghe (Resigned w.e.f 31st December 2024)	Independent Non-Executive Director	Member
Mr. T C D Kumarasiri (Appointed w.e.f 1st January 2025)	Independent Non-Executive Director	Chairman (w.e.f. 1st January 2025)
Mr. W A M Wimalaratna (Appointed w.e.f 1st January 2025)	Independent Non-Executive Director	Member
Mr. R S Dahanayake	Independent Non-Executive Director	Member

As per the Restructured Related party Committee effective from 1st January 2025, The Committee comprises of three (3) Independent Non-Executive Directors and is now chaired by Mr. T.C.D.Kumarasiri as an independent Non-Executive Director.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT (CONTD.)

MEETING ATTENDANCE

During the financial year 2024/2025, the Committee held 04 meetings. The attendance of the members is as follows:

Name of Director	13.05.2024	07.08.2024	11.11.2024	11.02.2025
Mr. M M N De Silva	✓	✓	✓	N/A
Mr. W A C O Wijesinghe	✓	✓	✓	N/A
Mr. T C D Kumarasiri	N/A	N/A	N/A	✓
W A M Wimalaratna	N/A	N/A	N/A	✓
Mr. R S Dahanayake	X	✓	✓	✓

✓ - Attended X- Absent N/A - Not Applicable

POLICIES AND PROCEDURES

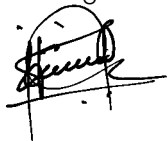
In accordance with the procedures established, all related party transactions are to be reported to the Committee and submitted for approval in line with this Policy. These transactions are disclosed to stakeholders through the Company's Financial Statements. For recurring transactions that occur in the ordinary course of business, the Committee may provide a standing pre-approval

PERFORMANCE REVIEWED DURING THE YEAR

During the year, the Committee reviewed the related party transactions and the Company's compliance, and communicated the same to the Board. The Committee in its review process recognized the adequacy of the content and the quality of the information forwarded to its members by the management.

DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in note 25.4 to the financial statements given in page 160 to this report.



T C D Kumarasiri

Chairman

Related Party Transaction Review Committee

22nd July 2025

STRATEGIC PLANNING COMMITTEE REPORT

The Strategic Planning Committee focuses on shaping the company's strategic direction to achieve its goals. Over the year, it regularly updated the Board on strategy progress and key challenges affecting objectives.

ROLE OF THE COMMITTEE

The Committee assists the Board in overseeing the Company's vision, mission, and strategic direction while maintaining compliance with established corporate governance practices.

During the year, the Committee held several meetings to discuss the Company's strategic direction and related issues.

Its responsibilities include:

- Reviewing the Company's vision, mission, strategic initiatives, major programs, and services at regular intervals and making recommendations to the Board.
- Identifying key strategic issues for the Company and contributing to the assessment of potential strategic options.
- Confirming that Management has implemented a structured strategic planning process with defined timelines and objectives.
- Assessing new products, services, and business opportunities to determine their consistency with existing operations.
- Providing input to the Board regarding industry, market, community trends, and essential competencies.
- Establishing company-level key performance indicators to monitor progress toward objectives.

- Examining and submitting the strategic plans of subsidiary organizations to the Board to ensure alignment with the Company's overall strategic direction and goals.

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 (W.e.f.1st October 2024)	Executive Director	Member
M Jayahsuriya (Cessed to be a Director w.e.f.1st October 2024)	Non-Executive Director / Independent	Member



J C Joshua
Chairman
Strategic Planning Committee

22nd July 2025

NOMINATION AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee of the Company was formed on 1st October 2024 in accordance with Section 9 (Corporate Governance) of the Listing Rules of the Colombo Stock Exchange. The Committee operates in compliance with Rule 9.11 of the Listing Rules.

COMPOSITION

The composition of the Nomination and Governance Committee was restructured with effect from 1st January 2025.

Names of the Directors	Directorship Status	Membership Status	Period
Mr M.M.N De Silva (resigned w.e.f 31st December 2024)	Independent Non-Executive Director	Chairman	25th September 2024 to 31st December 2024
Mr. W A C O Wijesinghe (resigned w.e.f 31st December 2024)	Independent Non-Executive Director	Member	
Mr. T C D Kumarasiri (appointed to this board w.e.f 1st November 2024)	Independent Non-Executive Director	Chairman	From 1st January 2025 to the Date.
Mr. W.A.M.Wimalaratna (appointed w.e.f 1st January 2025)	Independent Non-Executive Director	Member	
Mr. R.S.Dahanayake	Independent Non-Executive Director	Member	From 25th September to the date

KEY RESPONSIBILITIES

The principal responsibilities of the committee include:

- Establish a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Company
- Develop succession plan for Board of Directors and Key Management Personnel of the company
- Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and best industry/international practices.
- Receive reports from the Management on compliance with the corporate governance framework of the company including the company's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rationale for same.

ACTIVITIES DURING THE YEAR

1. Board appointments

The committee recommended and the Board approved the following new appointments during the year:

- Mr. M.D.Joshua was appointed as an Executive Director with effect from 1st October 2024 bringing in extensive experience in business development and sales and marketing management.
- Mr. T.C.D.Kumarasiri was appointed as an Independent Non-Executive Director with effect from 1st November 2024. He is an Award Winning Professional ,Senior Chartered Accountant, Management Consultant ,Business Advisor and a Corporate Trainer with a proven track record, ,holding senior leadership positions in leading local entities and multinationals.
- Mr. W A M Wimalaratna was appointed as an Independent Non-Executive Director with effect from 01st January 2025. He has extensive experience in the apparel and the finance sectors.

2. Resignation

The committee took note of the following resignations/Cessation:

- Mr. Manoj Jayahsuriya -Executive Director,- Considering the incapacitation of the director due to a prolonged illness and thereby not been able to discharge the functions of a Director , resolution was passed for the cessation of him as a Director with effective from 1st October 2024.
- Mr. M.M.N. De Silva and Mr. W.A.C.O. Wijesinghe, both Independent Non-Executive Directors, resigned from the Board effective 31st December 2024. The Board expressed its appreciation for their valuable insights and dedicated service to the Company over the years.

3. Governance and Policy Review

- The Committee has the written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings. The committee reviewed and recommended updates to the Board Charter and the Terms of Reference of all Board Committees.
- Governance policies, including those on-Board diversity, independence, and conflicts of interest, were reviewed to ensure compliance with evolving regulatory requirements.

RE-APPOINTMENTS/ RE-ELECTIONS

Mr. R S Dahanayake retires by rotation in terms of Articles 88 and 89 of the Articles of Association and being eligible for reelection. The board considers his extensive experience and the contribution to the Board and recommended for Re-election,

Messrs M D Joshua, T C D Kumarasiri and W A M Wimalaratna, who were appointed to the Board in terms of Article 95 of the Articles of Association of the Company, since the last Annual General Meeting are recommended by the Board for re-election by the shareholders. Members have refrained from participating in his own decisions relating to their own appointments.

Meetings

The Committee met on 11th February 2025 for the year and all three members were presented on the date.

Disclosures in the Annual Report

The following disclosures are made by the Nominations and Governance Committee with regard to the Listing Rule No. 9.11.6 of the Colombo Stock Exchange

- A Documented policy and processes are in place when nominating Directors
- Directors are required to submit themselves for re-election in every three (3) years subject to the Articles of Association of the Company.
- The Committee notes that the Board includes diversity in experience, skills, age, and gender, which are considered relevant to effective Board performance

- The committee reviewed and nominated directors to fill board vacancies, appointed members to board committees, and considered directors for re-election as outlined in the Company's Articles of Association, following established policies and procedures.
- A process exists for the regular evaluation of the Board of Directors and the CEO to assess the fulfillment of their responsibilities. These evaluations are conducted periodically.
- The Company has established processes to keep Independent Directors informed of significant matters concerning the Entity. These processes include providing updates and information to Independent Directors during quarterly board meetings and scheduled board committee meetings.
- The Directors of the Company meet the criteria for determining independence.

NOMINATION AND GOVERNANCE COMMITTEE REPORT (CONTD.)

Disclosure required as per Section 9.11.6 (g) of the Listing Rules of CSE

Name of the Director	Re-election/Re-appointment Status	First Appointed Date as a Director	Date of Last Reappointed/ Re-election	Directorships/ Chairpersonship and other principal commitments both present and those held over the preceding three years in other Listed Entities	Status of Close family relationship under the defined Criteria
Mr. T C D Kumarasiri	Proposed for Reappointment as a Director	01/11/2024	N/A	None	None
Mr. W.A.M.Wimalaratna	Proposed for Reappointment as a Director	01/01/2025	N/A	None	None
Mr. R.S.Dahanayake	Proposed for Re-election as a Director	15/08/2018	01/04/2022	None	None
Mr M.D.Joshua	Proposed for Reappointment as a Director	01/10/2024	N/A	None	None

Name of the Director	Nomination and Governance Committee	Related party Transaction Committee	Audit Committee	Remuneration Committee
Mr. T C D Kumarasiri	Chairman	Chairman	Chairman	Member
Mr. W.A.M.Wimalaratna	Member	Member	Member	Chairman
Mr. R.S.Dahanayake	Member	Member	Member	N/A
Mr M.D.Joshua	N/A	N/A	N/A	N/A

N/A Not Applicable

The committee remains committed to maintaining a robust governance framework and a Board with the right balance of 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.



T C D KUMARASIRI
Chairman
Nomination and Governance Committee

22 JULY 2025

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 2025, 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 11 March 1982 under the Companies Ordinance No: 51 of 1938 and re-registered under the Companies Act, No.07 of 2007 on 13 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, 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, profits, assets and liabilities 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 116 to 180.

INDEPENDENT AUDITORS' REPORT

The Report of the Independent Auditor on the Financial Statements of the Company and its subsidiary is given on Pages 112 to 115.

ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 120 to 180 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 116 to 180. 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 105.

FINANCIAL RESULTS AND APPROPRIATIONS

Revenue

Revenue generated by the Company amounted to LKR 1,817.8 Mn (2024- LKR 982.2 Mn) whilst Group revenue amounted to LKR 2,972.8 Mn (2024 - LKR 2,173.4 Mn).

Profit and Appropriations

The profit after tax of the company was LKR 289.2 Mn (2024-LKR 51.8 Mn) whilst Group Profit attributable to owners of the Company for the year was LKR 297.9 Mn. (2024 -LKR 85 MN).

Dividend

The company has paid an interim dividend Rs 5/- per share for the year under review. Total gross paid dividend for the year is Rs 30.2 Mn.

Reserves

The reserves of the Company and Group as at 31 March 2025 amounted to LKR 1,835 Mn (2024 - LKR 1,577 Mn) and LKR 1,877 Mn (2024 - LKR 1,611 Mn) respectively.

The movement and composition during the year are given in the Statement of Changes in Equity on page 118.

Material Foreseeable Risk Factors

As part of the governance process, the Board on a continuous basis reviews and takes any measures

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONTD.)

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

The Company's and Group's capital expenditure on PPE amounted to LKR 50.2 Mn and (2024 – LKR 10.9 Mn) and LKR 1,244.3Mn (2024 – LKR 107.9 Mn) respectively and all other related information and movements have been disclosed in Note 12 (pages 137 to 141) to the financial statements.

Capital expenditure on intangible assets for Company is NIL for the year (2024 – NIL) and its subsidiary LKR 0.59 Mn (2024 – LKR 3.4 Mn) during the year under review. All other related information and movements have been disclosed in note 14 (Page 143) to 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 145. 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 141 to 143.

Investments

Details of the Company's quoted and unquoted investments as at 31st March 2025 are given in Note 16 to the Financial Statements on page 148.

Stated Capital

The Stated Capital of the Company as at 31st March 2025 was Rs.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 25.6 to the Financial Statements on page 161.

Corporate Social Responsibility

The company continued its Corporate Social responsibility initiatives with a range of programs, details of which are set out on page 72-75 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 18 to 20.

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

CHANGES IN THE DIRECTORATE OF THE COMPANY

Resignations/Cessations

Mr. Manoj Jayahsuriya ceased to be an Executive Director w.e.f. 1st October 2024.

Mr. M M N de Silva and W A C O Wijesinghe, Independent Non-Executive Directors resigned w.e.f. 31st December 2024.

Appointments

Mr. M D Joshua was appointed as an Executive Director w.e.f. 1st October 2024.

Mr. T C D Kumarasiri was appointed as an Independent Non-Executive Director w.e.f. 1st November 2024.

Mr. W A M Wimalaratna was appointed as an Independent Non-Executive Director w.e.f. 1st January 2025.

Re-designations

Mr. J C Joshua, Executive Director was appointed the Vice Chairman of the Company w.e.f. 1st October 2024 and ceased to be the Managing Director of the Company effective from the same date.

Mr. I S N Fernando, Executive Director was appointed the Managing Director of the Company w.e.f. 1st October 2024.

Recommendation for Re-election of Directors who retire by rotation

Mr. R S Dahanayake 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.

Recommendation for re-election of Directors who were appointed since the last Annual General Meeting

Mr. M D Joshua, T C D Kumarasiri and W A M Wimalaratna, who were appointed to the Board in terms of Article 95 of the Articles of Association of the Company, since the last Annual General Meeting are recommended by the Board for re-election by the shareholders, consequent to review by the Nominations and Governance Committee.

Directors of the Subsidiary Company as at 31st March 2025 and the changes in the Directorate

The Directors of Access Motors (Pvt) Ltd as at 31st March 2025 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. M Jayahsuriya (Ceased to be w.e.f. 01.10.2024)

Changes in the Directorate of Access Motors (Pvt) Ltd

Mr. Manoj Jayahsuriya ceased to be a Director w.e.f. 1st October 2024.

Mr. I S N Fernando and P D Udayapriya were appointed as Directors w.e.f. 1st June 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 86 to 88.

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 pages 89 to 90.

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 91 to 92.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONTD.)

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 94 to 96.

Strategic Planning Committee

Mr J C Joshua	Chairman/Executive Vice Chairman
Mr I S N Fernando	Executive Director
Mr M.D Joshua	Executive Director

The Report of the Strategic Planning Committee appears on page 93.

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 during the financial year ended 31st March 2025.

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 2024, 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 2024, 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 158.

Directors' Shareholding

The Shareholding of the Directors in the Shares of the Company as at 31st March 2025 were Nil.

Share Information

There were 1247 shareholders registered as at 31 March 2025 (1,236 shareholders as at 31st March 2024). The details of distribution are given on pages 183 to 185 of this report.

Public Shareholding Percentage

Information on Public Shareholding in terms of the Listing Rules is given on pages 183 to 185 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, twenty 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 183 to 185 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 33 to 59. 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 Whistleblowing
- l. Policy on Anti-Bribery and Corruption

There were no significant 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.

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 last page of this report.

Policy on Matters relating to the Board of Directors

The Company has in terms of the above 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.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONTD.)

(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 159 to 160 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 36.

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 31 March 2025 a total of 128 persons were in employment (117 persons as at 31

March 2024). There were no material issues pertaining to employees and industrial relations during the financial year.

Refer Human Capital on Pages 72 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 454 Mn (2024 – LKR 158 Mn) and LKR 1,063 Mn (2024 – LKR 312 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 fulfill 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 161) 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 60–65.

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 Rs. 2,268,859/- is payable and paid by the Company to the Auditors for the year under review. Rs. 1,955,004/- as audit fees and Rs. 313,855/- as non-audit fees respectively.

The Auditors have expressed their willingness to continue in office. The Audit Committee at a meeting held on 11th February 2025 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 the Financial Statements on page 130.

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

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY (CONTD.)

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 Ernst & Young, 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.

SPECIAL BUSINESS

Special Business to be transacted at the Annual General Meeting – Amendments to the Articles of Association

The “Special Business” set out as Item 2 of the Notice of Annual General Meeting contains amendments to certain Articles of the Articles of Association of the Company, as recommended by the Directors, to be adopted by way of a Special Resolution. The salient amendments proposed are :

- (a) Article 58 be deleted in its entirety and the new heading and the Article 58 be substituted therefore for meetings of shareholders to be held in addition to physical meetings as per the present Article; by means of audio or audio and visual communication ; thereby providing the Board to have the option to determine whether a General Meeting of shareholders would be held as a physical meeting, electronic meeting or as a hybrid meeting.

- (b) Currently, the minimum number of Directors shall not be less than two (02). The recent amendments to Listing Rules require the minimum number to be increased to five (05). The proposed amendment to the number of Directors is to be in line with the new Rule.
- (c) The Listing Rules have introduced provisions relating to the circumstances under which / the period for which an Alternate Director may be appointed. The proposed amendment to the provisions relating to Alternate Directors is to align the existing provisions with the Listing Rules.
- (d) Additional methods were brought in, to serve notice on shareholders.
- (e) Further provision in terms of the Listing Rules that publication by advertisement must be done as required by the statute in all three languages in national daily newspapers is proposed to be amended. Publication of notice was further enhanced if permitted by law, to be done via the official website of the Company and/or the official website of the Colombo Stock Exchange so long as the Company is listed on the Colombo Stock Exchange.

Events Occurring after the Balance Sheet Date

Except for the matters disclosed in Note 27 (Page 162) 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 22nd July 2025.

Annual General Meeting

The Forty First (41th) Annual General Meeting will be held on 27th August 2025.

The Notice of the Annual General Meeting appears on Page 186.

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.

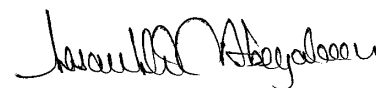
This Annual Report is signed for and on behalf of the Board of Directors by



I S N Fernando
Managing Director



J C Joshua
Vice Chairman



P W Corporate Secretarial (Pvt) Ltd.
Secretaries

22nd July 2025
Colombo

THE STATEMENT OF DIRECTORS' RESPONSIBILITY

Section D.1.5 of the "Code of Best Practice on Corporate Governance 2023" (the Code), issued by the Institute of Chartered Accountants of Sri Lanka, recommends that the Board of Directors should include a Responsibility Statement regarding the preparation and presentation of financial statements in the Annual Report, along with a statement by the auditors outlining their reporting responsibilities.

This Statement outlines the responsibilities of the Board of Directors regarding the Financial Statements of the Company and its Subsidiaries. The responsibilities of the Auditors concerning these Financial Statements are detailed in the 'Independent Auditors Report' on page 112.

The Directors are responsible for the proper recording and maintenance of books of accounts of all transactions of the Company and its Subsidiaries under the provisions of the Companies Act No. 07 of 2007.

As per the Sections 150(1), 151, 152(1) and (2), 153(1) and (2) of the Companies Act No. 07 of 2007, the Directors are responsible for preparing Financial Statements that give a true and fair view of the state of the affairs of the Company and its Subsidiaries at the end of each financial year. These statements consist of the Statement of Comprehensive Income giving a true and fair view of the profit or loss of the Company and its Subsidiaries for the financial year, the Statement of Financial Position giving a true and fair view of the state of affairs of the Company and its Subsidiaries as at the end of the financial year, Statement of Changes in Equity, Statement of Cash Flows and the Notes thereto.

In preparing these Financial Statements the Directors are required to ensure that:

- Appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- Financial Statements are presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS); and reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected;
- 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 with reasonable accuracy sufficient accounting records to disclose the financial position of the Company and the Group;
- Financial Statements have been prepared on a going concern basis and they are of the view that sufficient resources are available to justify it

Further, the Directors confirm that they have taken reasonable measures to safeguard the assets of the Company and Group and in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

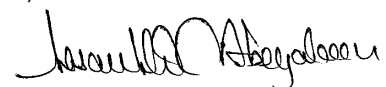
The External Auditors were provided with all information and explanations necessary to enable them to form their independent opinion on the Financial Statements.

COMPLIANCE REPORT

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 the employees of the Company and its Subsidiaries and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at reporting date have been paid or, where relevant, provided for, except as specified in Note No 24 to the Financial Statements covering commitments and contingencies.

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

By Order of the Board,



P W Corporate Secretarial (Pvt) Ltd
Secretaries

22nd July 2025
Colombo

DIRECTORS STATEMENTS ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with the Code of Best Practice on Corporate Governance, it requires the Board of Directors to present a Statement on Internal Controls, in the Annual Report

BOARD'S RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Company's system of Risk Management and internal controls. However, such a system is designed to manage the Company's key exposure areas within an acceptable risk profile rather than eliminating the risk of failure to achieve the Company's objectives. Accordingly, the system of internal controls can only provide a reasonable assurance but not absolute against the material misstatement of management and financial information and records or against financial losses or fraud. The Board has established an ongoing process for identifying, evaluating and managing the significant exposures faced by the Company and this process includes enhancing the system of internal controls as and when there are changes for the business environment or regulatory framework.

KEY INTERNAL CONTROL PROCESSES

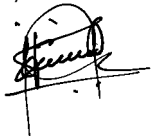
The following features of the System of Internal Control put in place by the Board provide reasonable assurance regarding the reliability of financial reporting. They also ensure the adequacy and effectiveness of the system.

- General Manager-Head of Finance, Managing Director, the Executive Director, and the Corporate Management Team support the Board in overseeing the operations of the Company and the Group, ensuring alignment with corporate objectives, strategies, policies, and procedures established by the Board. Aforesaid personnel and the other Key Management Personnel provide confirmation on the adequacy and effectiveness of the entity's risk management and internal control systems.
- The Board Audit and Risk Committee assesses the sufficiency and effectiveness of risk management and internal control systems and oversees any control weaknesses identified by the Internal Audit Division, External Auditors, and Management.
- The Internal Audit Department, which is headed by the Head of Internal Audit, carries out periodic audits on an on-going basis covering all operational units to ensure the effectiveness of the system of internal control. These audits are carried out in accordance with the Annual Audit Plan approved by the Board Audit Committee and findings of the same are submitted to the Board Audit Committee for their review on a quarterly basis. Additionally Special Audits are conducted as and when the need arises and findings of the same are submitted to the Board Audit Committee for their review.
- The Board Audit Committee reviews internal control issues identified by the Internal Audit Department, regulatory bodies and the management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits.
- When evaluating the Company's overall internal control system and that of its subsidiaries, Divisional Heads review all procedures and controls within their purview, with continuous oversight provided by the Internal Audit Division.
- The recommendations provided by the External Auditors in their Management letters regarding the internal control system from the previous year were thoroughly reviewed during the current year, and appropriate measures have been implemented to address them.

CONFIRMATION STATEMENT

Based on the above processes, the Board of Directors confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with the Sri Lanka Accounting Standards (SLFRS/LKASs), requirements of the Company's Act No 7 of 2007 and Listing Rules of the Colombo Stock Exchange.

By Order of the Board



T C D Kumarasiri
Chairman – Audit Committee



I S N Fernando
Managing Director



J C Joshua
Executive Vice Chairman

22nd July 2025

An aerial photograph of a boat moving through deep blue water, executing a sharp turn. The boat, visible in the lower right, is white with a dark hull. It has left behind a large, circular, white wake that dominates the center of the frame. The water's surface is textured with small waves and ripples. The text "FLEXIBILITY IN EVERY CURVE" is superimposed in white, bold, sans-serif capital letters over the circular wake.

**FLEXIBILITY IN
EVERY CURVE**

FINANCIAL REPORTS

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FINANCIAL CALENDAR

	2024			2025	
	August	Septemeber	November	July	August
Annual General Meeting Calendar					
41st Annual General Meeting					27th
40th Annual General Meeting		23rd			
41st Annual General Meeting- Accounts Sign On				22nd	
40th Annual General Meeting Accounts Sign On	23rd				
Dividend Declaration					
For the year 2024					
Interim -Cash Dividend			22nd		
Final-Cash Dividend				28th	

INTERIM FINANCIAL STATEMENTS CALENDAR

Published on (2024-2025)

Submission to the Colombo Stock Exchange (CSE)	August	November	february	May
1st Quarter ending June 30th 2024	7th			
2nd Quarter ending September 30th 2024		12th		
3rd Quarter ending December 31st 2024			11th	
4th Quarter ending March 31st 2025				28th

INDEPENDENT AUDITOR'S REPORT



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
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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, 2025, and the 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.

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, 2025, 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 Company financial statements and 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.

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C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyratne 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

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

Valuation of Investment Properties	
Refer the Note 13 to the financial statements	
Risk Description	Our response
<p>The Group's investment properties are stated at their fair value at a value of LKR 978 Mn as at 31st March 2025. Management's assessment of fair value of investment property is based on valuations performed by a qualified independent property valuer in accordance with recognized industry standards.</p> <p>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.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> Assessing the objectivity, independence, competence, and qualifications of the external valuer engaged by the management. Engaging our own internal experts where applicable to assess the reasonability of the valuation technique, per square-foot 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.

Recoverability of Trade Receivables	
As described in Note 18 Trade Receivables	
Risk Description	Our response
<p>The Group and Company has recognized trade receivable balance of Rs. 372 Mn and 258 Mn respectively as at 31st March 2025, after adjusting for impairment provision amounting to Rs.39 Mn and 26 Mn respectively.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures included;</p> <ul style="list-style-type: none"> 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.

INDEPENDENT AUDITOR'S REPORT

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.



KPMG

Colombo, Sri Lanka
22nd July 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st March,	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue	6.	2,972,852,488	2,173,450,136	1,817,839,687	982,221,943
Cost of sales		(1,737,556,249)	(1,335,242,316)	(993,440,997)	(542,372,466)
Gross profit		1,235,296,239	838,207,820	824,398,690	439,849,477
Other Income	7.	131,264,125	109,710,868	44,351,305	44,021,414
Fair Value gain on Investment Property	13.1	53,000,000	45,000,000	53,000,000	45,000,000
Administrative Expenses		(724,815,648)	(632,445,730)	(372,217,139)	(287,363,812)
Selling & Distribution Expenses		(120,393,687)	(61,764,733)	(73,301,020)	(39,213,463)
Operating profit		574,351,029	298,708,225	476,231,836	202,293,616
Finance income	8.1	7,525,476	21,752,216	4,471,075	5,272,475
Finance costs	8.2	(133,902,923)	(160,861,650)	(61,379,315)	(134,402,185)
Net finance costs	8	(126,377,447)	(139,109,434)	(56,908,240)	(129,129,710)
Profit before tax	9.	447,973,582	159,598,791	419,323,596	73,163,906
Income tax expense	10.1	(141,338,820)	(41,030,470)	(130,144,666)	(21,404,922)
Profit for the year		306,634,762	118,568,321	289,178,930	51,758,984
Other Comprehensive Income:					
Items that will not be reclassified to Profit & Loss					
Actuarial Gain/(Loss) on Re-measurement of Defined Benefit Obligation		(3,194,689)	4,685,413	(1,735,103)	2,584,100
Related Deferred Tax Impact on the Actuarial Gain/(Loss)		958,407	(1,405,624)	520,531	(775,230)
Total Other Comprehensive Income/ (Expenses) for the Year		(2,236,282)	3,279,789	(1,214,572)	1,808,870
Total Comprehensive income for the year		304,398,480	121,848,110	287,964,358	53,567,854
Profit attributable to:					
Owners of the Company		297,906,843	85,163,654	289,178,930	51,758,984
Non-controlling interests		8,727,919	33,404,667	-	-
		306,634,762	118,568,321	289,178,930	51,758,984
Total Comprehensive income attributable to:					
Owners of the Company		296,181,416	87,707,983	287,964,358	53,567,854
Non-controlling interests		8,217,064	34,140,127	-	-
		304,398,480	121,848,110	287,964,358	53,567,854
Earnings Per Share		49.37	14.11	47.93	8.58

The notes on pages 120 through 180 form an integral part of these financial statements.
Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st March,	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Assets					
Property, plant and equipment	12	1,933,737,455	825,805,374	500,378,766	503,862,356
Investment Property	13	978,000,000	925,000,000	978,000,000	925,000,000
Intangible assets	14	2,984,893	3,366,702	-	-
Right -of- use assets	15.1	66,376,053	183,710,915	31,879,710	41,143,056
Deferred tax assets	10.5	-	26,204,625	-	25,863,646
Investment in subsidiary	16	-	-	464,940,064	464,940,064
Non current assets		2,981,098,401	1,964,087,616	1,975,198,540	1,960,809,122
Inventories	17	763,891,973	957,784,150	460,829,880	533,129,995
Trade and other receivables	18	615,820,351	559,367,397	380,661,282	345,709,139
Amounts due from related parties	25.2	25,217,162	145,590,169	4,508,798	12,112,315
Current tax assets	10.4	10,120,821	25,988,647	8,202,326	36,773,316
Other financial assets	29.3	153,284	117,108,202	-	-
Cash and cash equivalents	19.1	441,653,531	101,458,561	58,291,118	69,929,319
Total Current assets		1,856,857,122	1,907,297,126	912,493,404	997,654,084
Total assets		4,837,955,523	3,871,384,742	2,887,691,944	2,958,463,206
Equity					
Stated capital	20	115,924,290	115,924,290	115,924,290	115,924,290
Retained earnings		1,877,091,018	1,611,077,712	1,835,110,381	1,577,314,133
Equity attributable to owners of the Company		1,993,015,308	1,727,002,002	1,951,034,671	1,693,238,423
Non-controlling interests		506,920,701	498,703,637	-	-
Total equity		2,499,936,009	2,225,705,639	1,951,034,671	1,693,238,423
Liabilities					
Interest bearing loans and borrowings	21	445,004,279	122,509,083	65,004,279	122,509,083
Deferred income	22	4,387,779	4,607,151	4,387,779	4,607,151
Employee benefits	23.1	33,090,463	29,348,642	16,033,532	13,074,443
Deferred tax Liabilities	10.5	61,781,372	-	51,647,021	-
Lease liabilities	15.2	26,402,828	171,439,632	18,946,361	30,608,666
Non current liabilities		570,666,721	327,904,508	156,018,972	170,799,343
Trade and other payables	24	1,062,956,327	312,211,866	454,164,278	157,863,018
Amounts due to related parties	25.3	126,056,069	41,027,340	965,837	41,048,906
Interest bearing loans and borrowings	21	527,504,804	882,504,804	307,504,804	882,504,804
Lease liabilities	15.2	46,442,353	77,921,173	13,610,142	8,899,300
Unclaimed dividend		4,393,240	4,109,412	4,393,240	4,109,412
Total Current liabilities		1,767,352,793	1,317,774,595	780,638,301	1,094,425,440
Total liabilities		2,338,019,514	1,645,679,103	936,657,273	1,265,224,783
Total equity and liabilities		4,837,955,523	3,871,384,742	2,887,691,944	2,958,463,206
Net Assets Per Share	34	330.32	286.23	323.36	280.63

The notes on pages 120 through 180 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.



P.D. 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.



I S N Fernando
Director/Managing Director



J C Joshua
Director/Executive Vice Chairman

22nd July 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st March 2025,

Group	Attributable to the Owners of the Company			Non-controlling Interests	Total Equity
	Stated Capital	Retained Earnings	Total		
	LKR	LKR	LKR	LKR	LKR
Balance as at 01st April 2023	115,924,290	1,523,369,729	1,639,294,019	464,563,510	2,103,857,529
Profit for the year	-	85,163,654	85,163,654	33,404,667	118,568,321
Other comprehensive income for the year net of tax	-	2,544,329	2,544,329	735,460	3,279,789
Total comprehensive income for the year	-	87,707,983	87,707,983	34,140,127	121,848,110
Balance as at 31st March 2024	115,924,290	1,611,077,712	1,727,002,002	498,703,637	2,225,705,639
Balance as at 1st 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

Company	Stated Capital	Retained Earnings	Total Equity
	LKR	LKR	LKR
Balance as at 01st April 2023	115,924,290	1,523,746,279	1,639,670,569
Profit for the year	-	51,758,984	51,758,984
Other comprehensive income for the year net of tax	-	1,808,870	1,808,870
Total comprehensive income for the year	-	53,567,854	53,567,854
Balance as at 31st March 2024	115,924,290	1,577,314,133	1,693,238,423
Balance as at 1st 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

The notes on pages 120 through 180 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	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cash flows from operating activities					
Profit before tax		447,973,582	159,598,791	419,323,596	73,163,906
Adjustments for:					
Depreciation of property plant and equipment	12.1, 12.2	132,297,994	107,794,497	53,071,747	54,508,349
Amortization of intangible assets	14.1	974,266	3,349,606	-	2,483,354
Depreciation of right-of-use assets	15.1	39,854,049	57,675,321	12,611,193	9,968,842
Amortization of grants received	22	(219,372)	(219,389)	(219,372)	(219,389)
Provision for /(reversal of) inventories	17.1	15,303,642	(21,605,573)	9,046,648	(22,415,295)
Provision for trade debtors	18.1	13,567,688	9,773,305	5,518,619	4,082,706
Profit on sale of property, plant and equipment	7	(5,546,044)	(47,707,280)	(86)	(7,007,522)
Gain on derecognition of ROU assets		(62,186,643)	-	(875,017)	-
Gain on valuation of Investment Property	13.1	(53,000,000)	(45,000,000)	(53,000,000)	(45,000,000)
Provision for employee benefits	23.2	6,732,311	8,113,858	3,240,616	4,261,919
Write back of advances	7	-	139,904	-	139,904
Net finance costs	8	126,377,447	139,109,434	56,908,240	129,129,710
Operating profit before working capital changes		662,128,920	371,022,474	505,626,184	203,096,484
Changes in:					
Inventories		178,588,535	46,328,994	63,253,467	(80,649,646)
Trade and other receivables		(70,020,642)	(121,863,434)	(40,470,762)	(141,698,657)
Amount due from related parties		120,373,007	(133,983,481)	7,603,517	(10,846,501)
Trade and other payables		751,028,289	(15,325,953)	296,585,088	(57,961,353)
Amount due to related parties		85,028,729	(43,727,591)	(40,083,069)	(44,026,144)
Cash generated from/(used in) operating activities		1,727,126,838	102,451,009	792,514,425	(132,085,817)
Interest paid on Loan and Borrowings		(118,408,437)	(129,537,344)	(56,562,082)	(129,516,166)
Interest Paid on Lease Liabilities	15.2	(15,494,486)	-	(4,817,233)	-
Income tax/WHT paid		(36,526,591)	-	(23,542,478)	-
Gratuity paid	23.1	(6,185,179)	(5,387,983)	(2,016,630)	(3,872,982)
Net cash generated from/(used in) operating activities		1,550,512,145	(32,474,318)	705,576,002	(265,474,965)
Cash Flows From Investment Activities					
Purchase of property, plant & equipment	12.1, 12.2	(1,244,302,711)	(107,934,414)	(50,152,158)	(10,978,593)
Purchase of Intangible Assets	14.1	(592,457)	(3,397,604)	-	-
Withdrawals/(Investment) on Financial Assets	29.3	119,000,000	(105,500,000)	-	-
Proceeds from sale of property, plant & equipment		9,618,680	61,876,454	564,087	7,113,703
Interest received		5,480,394	9,497,050	4,471,075	5,008,816
Net cash generated from/(used in) investing activities		(1,110,796,094)	(145,458,514)	(45,116,996)	1,143,926
Cash Flows From Financing Activities					
Proceed for borrowings	21.1, 21.2	3,940,000,000	3,206,391,646	3,240,000,000	3,206,391,646
Repayment of loans	21.1, 21.2	(3,972,504,804)	(2,966,377,754)	(3,872,504,804)	(2,966,377,754)
Repayment of lease liabilities	15.2	(36,848,167)	(81,028,186)	(9,424,294)	(14,471,886)
Dividend Payment		(30,168,110)	-	(30,168,110)	-
Net cash generated from/(used in) financing activities		(99,521,081)	158,985,706	(672,097,208)	225,542,006
Net increase/(decrease) in cash & cash equivalents		340,194,970	(18,947,126)	(11,638,203)	(38,789,033)
Cash and cash equivalents at the beginning of the year		101,458,561	120,405,687	69,929,319	108,718,352
Cash and cash equivalents at the end of the year	19	441,653,531	101,458,561	58,291,118	69,929,319
Analysis of cash and cash equivalents	19				
Cash and cash equivalents		441,653,531	101,458,561	58,291,118	69,929,319
		441,653,531	101,458,561	58,291,118	69,929,319

The notes on pages 120 through 180 form an integral part of these financial statements.
Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

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 2025 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).

2.2 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.

2.3 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 22nd July 2025.

2.4 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)

2.5 Functional and Presentation Currency

These Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Group's functional and presentation currency.

2.6 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]

2.7 Going Concern

The Group and the Company has prepared the financial statements for the year ended 31 March 2025 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 2025, 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 operationalization 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.

NOTES TO THE FINANCIAL STATEMENTS

2.8 Materiality and aggregation

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

2.9 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 precombination 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 derecognizes 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

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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 2025 that are expected to have a material impact on the Group's Financial Statements other than below.

The below standards will be effective from 1st January 2025, subject to the implementation timeframe given for each entity. Early adoption has not been applied by the entity.

- General Requirements for Disclosure of Sustainability related Financial Information (SLFRS S1)
- Climate-related Disclosures (SLFRS S2)

4.2 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).

4.3 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.

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	Importation and distribution of brand new Isuzu, Range Rover and Jaguar vehicles as authorized agent in Sri Lanka
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		Spare Parts sales		Workshop Repair & Services		Marine Engine Sales		Total	
For the year ended 31st March,	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue										
External customers	670,366,506	240,851,250	1,749,063,307	1,527,719,901	484,707,076	394,722,993	68,715,599	10,155,992	2,972,852,488	2,173,450,136
Total revenue, net of tax	670,366,506	240,851,250	1,749,063,307	1,527,719,901	484,707,076	394,722,993	68,715,599	10,155,992	2,972,852,488	2,173,450,136
Segment Gross Profit/Loss	229,961,999	(2,392,656)	824,644,632	700,670,514	165,197,405	140,483,537	15,492,203	(553,575)	1,235,296,239	838,207,820
Operating profit									574,351,029	298,708,225
Finance income									7,525,476	21,752,216
Finance costs									(133,902,923)	(160,861,650)
Net Finance costs									(126,377,447)	(139,109,434)
Profit before tax									447,973,582	159,598,791
Income tax (expense)/benefit									(141,338,820)	(41,030,470)
Profit for the year									306,634,762	118,568,321
Capital expenditures									1,244,895,168	107,934,414
Depreciation and amortization									173,126,309	168,819,424

NOTES TO THE FINANCIAL STATEMENTS

5.1. Business Segment (Contd.)

Company	Vehicle sales		Spare Parts sales		Workshop repair & services		Marine Engine sale		Total	
For the year ended 31st March,	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue										
Segment revenue	670,366,506	135,929,375	773,909,217	578,527,589	304,848,365	257,608,987	68,715,599	10,155,992	1,817,839,687	982,221,943
Total revenue, net of tax	670,366,506	135,929,375	773,909,217	578,527,589	304,848,365	257,608,987	68,715,599	10,155,992	1,817,839,687	982,221,943
Segment Gross Profit/(Loss)	234,228,422	9,645,553	463,558,657	337,579,996	111,119,408	93,177,503	15,492,203	(553,575)	824,398,690	439,849,477
Operating profit									476,231,836	202,293,616
Finance income									4,471,075	5,272,475
Finance costs									(61,379,315)	(134,402,185)
Net Finance costs									(56,908,240)	(129,129,710)
Profit before tax									419,323,596	73,163,906
Income tax (expense)/ benefit									(130,144,666)	(21,404,922)
Profit for the year									289,178,930	51,758,984
Capital expenditures									50,152,158	10,978,593
Depreciation and amortization									65,682,940	66,960,545

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 and providing workshop repair & services.

For the year ended 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue from contracts with customers	2,972,852,488	2,173,450,136	1,817,839,687	982,221,943
	2,972,852,488	2,173,450,136	1,817,839,687	982,221,943

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	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Vehicle sales	670,366,506	240,851,250	670,366,506	135,929,375
Spare Parts sales	1,749,063,307	1,527,719,901	773,909,217	578,527,589
Workshop repairs & services	484,707,076	394,722,993	304,848,365	257,608,987
Marine Engine sales	68,715,599	10,155,992	68,715,599	10,155,992
Total Revenue	2,972,852,488	2,173,450,136	1,817,839,687	982,221,943

6.3.2 Timing of revenue recognition

Products transferred at a point in time	2,972,852,488	2,173,450,136	1,817,839,687	982,221,943
	2,972,852,488	2,173,450,136	1,817,839,687	982,221,943

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.

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Type of Product/ services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Sale of Vehicles, 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 Vehicle 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.

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 sundary 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	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Sundry income	24,163,186	25,199,461	4,107,950	209,765
Rent Income	16,560,000	15,300,000	16,560,000	15,300,000
Gain from sale of property, plant and equipment	5,546,044	47,707,280	86	7,007,522
Agency commission	22,371,920	21,938,368	22,371,920	21,938,368
Gain on derecognition of right of use assets	62,186,643	-	875,017	-
Amortization of asset related grants	219,372	219,389	219,372	219,389
Write-back/ (Write-off) of advances	-	139,904	-	139,904
Net Foreign exchange gain/ (loss)	216,960	(793,534)	216,960	(793,534)
	131,264,125	109,710,868	44,351,305	44,021,414

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.

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For the year ended 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
8.1 Finance Income				
Interest Income	7,525,476	10,144,014	4,471,075	5,272,475
Gain on remeasurement from Investment in Unit Trust	-	11,608,202	-	-
	7,525,476	21,752,216	4,471,075	5,272,475
8.2 Finance Costs				
Interest expense on bank loans	(108,643,627)	(129,516,166)	(56,562,082)	(129,516,166)
Interest expense bank overdraft	(9,764,810)	(21,177)	-	-
Interest expense lease liabilities	(15,494,486)	(31,324,307)	(4,817,233)	(4,886,019)
	(133,902,923)	(160,861,650)	(61,379,315)	(134,402,185)
Net finance costs	(126,377,447)	(139,109,434)	(56,908,240)	(129,129,710)

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	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit from operations is after charging all the expenses including the following.				
Directors' Emoluments and Fees (Note 25.6)	12,958,910	17,730,000	12,958,910	17,730,000
Auditors' remuneration- Statutory Audit	4,098,303	3,364,000	1,955,004	1,734,000
- Non Audit services	2,400,000	229,400	2,400,000	-
Legal Expenses	3,913,010	3,250,477	3,913,010	3,250,477
Depreciation of property plant and equipment (Note 12.1,12.2)	132,297,994	107,794,497	53,071,747	54,508,349
Amortization of intangible assets (Note 14.1)	974,266	3,349,606	-	2,483,354
Amortization of right-of-use assets (Note 15.1)	39,854,049	57,675,321	12,611,193	9,968,842
Professional fees, Consultancy fees & Secretarial fees	20,844,508	35,553,711	7,675,406	4,499,287
Provision for impairment of Trade receivables (Note 18.1)	10,835,092	9,773,305	4,874,847	4,082,706
Provision for /(reversal of) inventories (Note 17.1)	15,303,642	(21,605,573)	9,046,648	(22,415,295)
Personnel Cost (Note 9.1)	320,262,076	275,153,379	138,910,540	139,466,818

For the year ended 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
9.1 Personnel Cost				
Salaries, Wages and Other related costs	290,836,740	250,558,140	125,796,812	122,575,457
Provision for employee benefits (Note 23.2)	6,732,311	8,113,858	3,240,616	4,261,919
Defined contribution plan - EPF and ETF	22,693,025	16,481,381	9,873,112	12,629,442
	320,262,076	275,153,379	138,910,540	139,466,818

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

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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	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Amounts recognised in the statement of profit or loss				
Current income tax				
Current income tax expense (Note 10.2)	52,394,416	11,691,584	52,113,468	-
Deferred tax:				
Relating to Origination / (reversal) of temporary differences (Note 10.7)	88,944,404	29,338,886	78,031,197	21,404,922
Income tax Provision / (benefit) reported in the statement of profit or loss	141,338,820	41,030,470	130,144,666	21,404,922
Amounts recognised in the consolidated statement of other comprehensive income				
Relating to origination of temporary differences (Note 10.7)	(958,407)	1,405,624	(520,531)	775,230
Deferred tax charged to other comprehensive income	(958,407)	1,405,624	(520,531)	775,230

10.2 Reconciliation of accounting profit to income tax expense

For the year ended 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Accounting profit before income tax expense	447,973,582	159,598,791	419,323,596	73,163,906
Aggregated disallowable items	318,250,353	243,736,707	94,472,626	94,042,941
Aggregated allowable items	(431,552,875)	(362,127,690)	(150,264,203)	(185,502,595)
Income from Investments	20,021,756	37,216,981	21,031,075	20,737,240
Total Net Taxable Income/(Loss)	354,692,816	78,424,789	384,563,094	2,441,492
Tax losses Carried forward during the year	29,870,278	-	-	-
Tax losses Claimed during the year	(210,851,533)	(39,452,841)	(210,851,533)	(2,441,492)
Total taxable income	173,711,561	38,971,948	173,711,561	-
Tax rate	30%	30%	30%	-
Current tax expense for the year	52,113,468	11,691,584	52,113,468	-
Under/(Over) provision in respect of previous years	280,948	-	-	-
Total Current Tax	52,394,416	11,691,584	52,113,468	-

10.3 Tax loss reconciliation

As At 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Tax Losses Brought forward	216,597,437	224,043,132	216,597,437	219,038,944
Under/(Over) adjustment	(5,745,904)	32,007,146	(5,745,904)	(15)
Tax losses arising during the year	29,870,278	-	-	-
Tax losses utilized	(210,851,533)	(39,452,841)	(210,851,533)	(2,441,492)
Tax Losses carried forward	29,870,278	216,597,437	-	216,597,437

10.4 Current Tax Liabilities / (Assets)

As At 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	(25,988,647)	(35,521,265)	(36,773,316)	(34,997,657)
Provision made during the year	52,113,468	11,691,584	52,113,468	-
Over/ (under) provision in respect of previous years	280,948	-	-	-
Payments made during the year	(34,394,176)	-	(21,663,165)	-
WHT recoverable	(2,132,415)	(2,158,966)	(1,879,313)	(1,775,659)
Balance at the end of the year	(10,120,821)	(25,988,647)	(8,202,326)	(36,773,316)

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10.5 Deferred Tax Liabilities/ (Assets)

As At 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	(26,204,625)	(56,949,135)	(25,863,646)	(48,043,798)
Origination/ (Reversal) of temporary differences				
Recognised in profit or loss	88,944,404	29,338,886	78,031,197	21,404,922
Recognized in OCI	(958,407)	1,405,624	(520,531)	775,230
Balance at the end of the year	61,781,372	(26,204,625)	51,647,021	(25,863,646)

10.6 Reconciliation of Deferred Tax Assets and Liabilities

As At 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deferred tax liability				
Temporary differences arising from Property, Plant & Equipment	228,571,927	187,966,302	102,594,845	94,630,929
Temporary differences arising from Gain on Revaluation of land - IP	125,595,920	72,595,920	125,595,920	72,595,920
Temporary differences arising from Gain on Revaluation of building - IP	15,000,000	15,000,000	15,000,000	15,000,000
Temporary difference arising from Right -of -use assets	66,376,052	183,710,915	31,879,710	41,143,056
Total temporary difference of deferred tax liability	435,543,899	459,273,137	275,070,475	223,369,905
Closing Deferred tax liability @ 30%	130,663,170	137,781,941	82,521,143	67,010,971
Deferred tax assets				
Temporary difference arising from retirement benefit obligations	(33,090,464)	(29,348,642)	(16,033,532)	(13,074,443)
Temporary difference arising from unutilized tax losses	(27,296,910)	(216,597,437)	-	(216,597,437)
Temporary difference arising from provision for inventories	(32,894,698)	(23,079,418)	(28,122,138)	(19,075,490)
Temporary difference arising from impairment of trade receivables	(63,478,739)	(28,235,586)	(26,201,567)	(21,326,720)
Temporary difference arising from lease liability	(72,845,181)	(249,360,805)	(32,556,503)	(39,507,965)
Total temporary difference of deferred tax assets	(229,605,992)	(546,621,888)	(102,913,740)	(309,582,055)
Closing Deferred tax asset @ 30%	(68,881,797)	(163,986,566)	(30,874,122)	(92,874,617)
Net temporary differences	205,937,907	(87,348,751)	172,156,735	(86,212,150)
Net deferred tax liability/ (asset)	61,781,372	(26,204,625)	51,647,021	(25,863,646)

10.7 Movement in Deferred tax assets and liabilities during the year

Group	Balance as at 01.04.2023 LKR	Recognised in profit or loss LKR	Recognised in OCI LKR	Balance as at 31.03.2024 LKR	Recognised in profit or loss LKR	Recognised in OCI LKR	Balance as at 31.03.2025 LKR
Property plant and equipment	49,667,063	6,722,827	-	56,389,890	12,181,688	-	68,571,578
Gain on Revaluation of land - IP	9,178,776	12,600,000	-	21,778,776	15,900,000	-	37,678,776
Gain on Revaluation of building - IP	3,600,000	900,000	-	4,500,000	-	-	4,500,000
Right -of- use assets	61,006,910	(5,893,634)	-	55,113,276	(35,200,460)	-	19,912,816
Retirement benefit obligations	(9,392,457)	(817,760)	1,405,624	(8,804,593)	(164,139)	(958,407)	(9,927,139)
Carried forward tax loss	(67,212,940)	2,233,709	-	(64,979,231)	56,790,158	-	(8,189,073)
Provision for inventories	(13,405,497)	6,481,672	-	(6,923,825)	(2,944,584)	-	(9,868,409)
Provision for impairment of trade receivables	(12,080,543)	3,609,867	-	(8,470,676)	(10,572,946)	-	(19,043,622)
Lease liability	(78,310,447)	3,502,205	-	(74,808,242)	52,954,688	-	(21,853,554)
	(56,949,135)	29,338,886	1,405,624	(26,204,625)	88,944,404	(958,407)	61,781,372
Company							
Property plant and equipment	26,485,014	1,904,264	-	28,389,278	2,389,176	-	30,778,454
Gain on Revaluation of land - IP	9,178,776	12,600,000	-	21,778,776	15,900,000	-	37,678,776
Gain on Revaluation of building - IP	3,600,000	900,000	-	4,500,000	-	-	4,500,000
Right -of- use assets	13,178,863	(835,946)	-	12,342,917	(2,779,004)	-	9,563,913
Retirement benefit obligations	(4,580,885)	(116,678)	775,230	(3,922,333)	(367,196)	(520,531)	(4,810,060)
Carried forward tax loss	(65,711,683)	732,452	-	(64,979,231)	64,979,231	-	-
Provision for inventories	(12,447,236)	6,724,589	-	(5,722,647)	(2,713,995)	-	(8,436,641)
Provision for impairment of trade receivables	(5,173,204)	(1,224,812)	-	(6,398,016)	(1,462,454)	-	(7,860,470)
Lease liability	(12,573,443)	721,053	-	(11,852,390)	2,085,439	-	(9,766,951)
	(48,043,798)	21,404,922	775,230	(25,863,646)	78,031,197	(520,531)	51,647,021

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10.8 Effective Tax Rate Reconciliation

For the year ended 31st March,	Group				Company			
	2025		2024		2025		2024	
	LKR	%	LKR	%	LKR	%	LKR	%
Accounting profit before income tax expense	447,973,582		159,598,791		419,323,596		73,163,906	
Aggregated disallowable items	318,250,353	71%	243,736,707	153%	94,472,626	23%	94,042,941	129%
Aggregated allowable items	(431,552,875)	(96%)	(362,127,690)	(227%)	(150,264,203)	(36%)	(185,502,595)	(254%)
Income from Investments	20,021,756	4%	37,216,981	23%	21,031,075	5%	20,737,240	28%
Total Net Taxable Income/ (Loss)	354,692,816	79%	78,424,789	49%	384,563,094	92%	2,441,492	3%
Tax losses Carried forward during the year	29,870,278	7%	-	0%	-	0%	-	0%
Tax losses Claimed during the year	(210,851,533)	(47%)	(39,452,841)	(25%)	(210,851,533)	(50%)	(2,441,492)	(3%)
Total taxable income	173,711,561	39%	38,971,948	24%	173,711,561	41%	-	0%
Tax rate	30%	30%	30%	30%	30%	30%	30%	30%
Total current tax expense for the year	52,113,468	12%	11,691,584	7%	52,113,468	12%	-	0%
Property plant and equipment	12,181,688	3%	6,722,827	4%	2,389,176	1%	1,904,264	3%
Gain on Revaluation of land - IP	15,900,000	4%	12,600,000	8%	15,900,000	4%	12,600,000	17%
Gain on Revaluation of building - IP	-	0%	900,000	1%	-	0%	900,000	1%
Right -of- use assets	(35,200,460)	(8%)	(5,893,634)	(4%)	(2,779,004)	(1%)	(835,946)	(1%)
Retirement benefit obligations	(164,139)	0%	(817,760)	(1%)	(367,196)	0%	(116,678)	0%
Carried forward tax loss	56,790,158	13%	2,233,709	1%	64,979,231	15%	732,452	1%
Provision for inventories	(2,944,584)	(1%)	6,481,672	4%	(2,713,995)	(1%)	6,724,589	9%
Provision for impairment of trade receivables	(10,572,946)	(2%)	3,609,867	2%	(1,462,454)	0%	(1,224,812)	(2%)
Lease liability	52,954,688	12%	3,502,205	2%	2,085,439	0%	721,053	1%
Total Deferred tax expense for the year	88,944,404	20%	29,338,886	18%	78,031,197	19%	21,404,922	29%
Total Current Tax & Deferred tax Effective tax rate as a percentage of profit before Tax		31%		26%		31%		29%

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 analyzed 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 31st March 2025 and 31st March 2024.

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.

For the year ended 31st March,	Group		Company	
	2025	2024	2025	2024
Amount used as the Numerator				
Profit attributable to ordinary shareholders (LKR)	297,906,843	85,163,654	289,178,930	51,758,984
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)	49.37	14.11	47.93	8.58

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.

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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

Cost	Freehold							Leasehold			Total
	Land	Building	Sola Power Plant	Plant, Machinery and Tools	Motor Vehicles	Office Equipment	Furniture & Fittings	Capital work in progress	Building		
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR		
Balance as at 01st April 2023	-	-	-	296,159,068	161,663,899	145,875,310	171,055,941	82,269,339	696,078,995	1,553,102,552	
Additions during the year	-	-	50,200,000	14,992,718	-	7,645,168	4,721,391	19,160,928	11,214,209	107,934,414	
Disposals during the year	-	-	-	-	(57,589,509)	(885,200)	-	-	-	(58,474,709)	
Balance as at 31st March 2024	-	-	50,200,000	31,151,786	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)	(127,654,831)	-	-	(5,511,273)	
CWIP Transfer to / (From)	-	-	-	-	-	-	-	(194,974,831)	194,974,831	-	
Balance as a 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	
Accumulated Depreciation											
Balance as at 01st April 2023	-	-	-	138,387,883	123,647,655	108,887,982	119,030,231	-	223,314,170	713,267,921	
Charge for the year	-	-	540,968	32,206,672	10,451,969	9,241,706	18,832,552	-	36,520,630	107,794,497	
Disposals during the year	-	-	-	-	(43,526,516)	(779,019)	-	-	-	(44,305,535)	
Balance as at 31st March 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)	-	-	(1438,637)	
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	
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	
Carrying value as at 31st March											
2024	-	-	49,659,032	140,557,231	13,501,282	35,284,609	37,914,549	101,430,267	447,458,404	825,805,374	

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12.2 Company

	Freehold					Leasehold		Total
	Plant, Machinery and Tools LKR	Motor Vehicles LKR	Office Equipment LKR	Furniture & Fittings LKR	Capital work in progress LKR	Building LKR		
Cost								
Balance as at 01 April 2023	110,931,384	87,709,630	78,171,775	37,119,003	-	631,393,943	945,325,735	
Additions during the year	680,324	-	947,527	-	-	9,350,742	10,978,593	
Disposals during the year	-	(4,510,240)	(885,200)	-	-	-	(5,395,440)	
Balance as at 31 March 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	
Accumulated Depreciation								
Balance as at 01 April 2023	46,315,668	80,423,537	60,899,801	25,868,061	-	184,320,375	397,827,442	
Charge for the year	12,276,336	2,341,608	3,418,561	4,229,460	-	32,242,384	54,508,349	
Disposals during the year	-	(4,510,240)	(779,019)	-	-	-	(5,289,259)	
Balance as at 31 March 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)	
Openning 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	
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	
Carrying value as at								
31 March 2024	53,019,704	4,944,485	14,694,759	7,021,482	-	424,181,926	503,862,356	

(a) Addition in Property, Plant and Equipment - Group

During the year, the Group invested a total of Rs. 1,244,302,711/- in the acquisition of property, plant and equipment. These additions mainly relate to Land & Building Purchase by Subsidiary Company.

(b) Capital work-in-progress

Capital work-in-progress includes the construction of capital assets of building of the subsidiary company and Solar Power Construction of Company.

(c) Capitalized borrowing costs

There were no capitalized borrowing costs related to the acquisition of property, plant and equipment during the year 2025 (2024 - 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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Property, Plant and Equipment	338,072,099	348,108,786	204,888,868	199,223,666

(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

NOTES TO THE FINANCIAL STATEMENTS

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	925,000,000	880,000,000	925,000,000	880,000,000
Gain from Fair Value change	53,000,000	45,000,000	53,000,000	45,000,000
Balance at the end of the year	978,000,000	925,000,000	978,000,000	925,000,000
Rental income derived from investment property	16,560,000	15,300,000	16,560,000	15,300,000
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 A V U Wasantha, FIV (Sri Lanka), MRICS Chartered Valuation Surveyor, on an open market value for existing use basis as at 31st March 2025.

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:

Location	Significant unobservable input							
	Extent	Freehold	Estimated	Estimated	Number	Fair	Fair	Correlation
	Perches	Building square feet Sqft	price per perch LKR	price per square feet LKR	of buildings	Value LKR	Value Gain LKR	to Fair
# 86, Vauxhall Street, Colombo 02	83.07	3743.	11,600,000	4,000	1	978,000,000	53,000,000	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.

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14.1 Reconciliation of beginning and ending balances

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cost				
Balance at the beginning of the year	48,372,363	44,974,759	36,431,143	36,431,143
Additions during the year	592,457	3,397,604	-	-
Balance at the end of the year	48,964,820	48,372,363	36,431,143	36,431,143
Accumulated amortization				
Balance at the beginning of the year	45,005,661	41,656,055	36,431,143	33,947,789
Charge for the year	974,266	3,349,606	-	2,483,354
Balance at the end of the year	45,979,927	45,005,661	36,431,143	36,431,143
Carrying value	2,984,893	3,366,702	-	-

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 2025 and 2024.

(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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Fully amortized intangible assets	44,808,209	41,608,057	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.

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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 2025.

15.1 Right of use assets

Cost	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	379,658,764	341,628,894	82,800,714	75,618,356
Addition during the year	6,555,750	38,029,870	6,555,750	7,182,358
Derecognition of ROU assets	(181,373,238)	-	(6,999,060)	-
Balance at the end of the year	204,841,276	379,658,764	82,357,404	82,800,714
Accumulated Amortization				
Balance at the beginning of the year	195,947,849	138,272,528	41,657,658	31,688,816
Amortisation during the year	39,854,049	57,675,321	12,611,193	9,968,842
Derecognition of ROU assets	(97,336,675)	-	(3,791,157)	-
Balance at the end of the year	138,465,223	195,947,849	50,477,694	41,657,658
Carrying value	66,376,053	183,710,915	31,879,710	41,143,056

Company

The Company have derecognized the lease contract of Kandy Spare Part Show Room on 31st January 2025. The gain of derecognition amounting Rs. 875,017/- has been included in other income for the period ended 31st March 2025.

Subsidiary

The Subsidiary Company have derecognized the lease contract of Boralesgamuwa Repair Center- AEL and Boralesgamuwa Vehicle Workshop -FSE on 31st May 2024. The gain of derecognition amounting Rs. 61,311,626/- has been included in other income for the period ended 31st May 2024.

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 31st March 2025 is Sixty One (61) years (remaining lease period).

Details of the leasehold Buildings - Company 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	2 years & 4 months
No.679, Galle Road, Walgama, Matara	5310	01st November 2016	10 years	1 years & 7 months
No.1/1, Colombo Road, Weeragoda, Hidellana, Rathnapura	828	01st May 2022	06 years	3 years & 1 month
No.231 , Nalallawatta, Pitipana North, Negombo	1600	05th January 2021	10 years	5 years & 9 months
No.40, 42, 46,48 & 50 Panchikawatta Road, Colombo 10	640	01st October 2023	03 years	1 years & 6 months
No.13, RH Gunawardhana Mawatha, Badulla	1250	17th January 2022	06 Years	2 Years 9 Months
No.264, Katugasthota Road, Kandy	1361	01st February 2025	03 Years	2 Years 10 Months
No. 738 Anuradhapura Road, Dambulla	1875	01st September 2021	06 Years	2 Years 5 Months

Details of the leasehold Buildings - Subsidiary are as follows.

Property located at	Commencing date of lease period	Total Lease period	Remaining lease period
No.117, Dehiwala Road, Boralesgamuwa	01st April 2023	5 Years	3 Years
Raththanapitiya - vehicles Bodyshop - FSE	01st April 2021	5 Years	1 Year

15.2 Lease liability

As at 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	249,360,805	261,034,814	39,507,966	41,911,475
Addition during the year	6,555,750	38,029,870	6,555,750	7,182,358
Interest expense charged to income statement	15,494,486	31,324,307	4,817,233	4,886,019
Re-payment made during the year	(52,342,653)	(81,028,186)	(14,241,527)	(14,471,886)
Derecognition of ROU assets	(146,223,207)	-	(4,082,919)	-
Balance at the end of the year	72,845,181	249,360,805	32,556,503	39,507,966
Current	46,442,353	77,921,173	13,610,142	8,899,300
Non current	26,402,828	171,439,632	18,946,361	30,608,666
Total lease liability	72,845,181	249,360,805	32,556,503	39,507,966
(a) Maturity analysis - contractual undiscounted cash flows				
Within the next 12 months	53,365,384	88,135,819	17,065,384	15,033,889
Between 1 and 2 years	22,612,412	95,016,912	14,626,412	14,604,789
Between 2 and 3 years	16,293,610	44,708,460	7,509,010	12,157,125
Between 3 and 4 years	1,413,401	40,568,108	1,413,401	4,761,640
Between 4 and 5 years	1,405,536	30,905,983	1,405,536	1,181,928
Beyond 5 years	1,171,280	26,383,928	1,171,280	2,459,688
Total undiscounted lease liabilities	96,261,623	325,719,210	43,191,023	50,199,059

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
(b) Amount recognized in profit or loss				
Amortization of right-of-use asset	39,854,049	57,675,321	12,611,193	9,968,842
Interest on lease liabilities	15,494,486	31,324,307	4,817,233	4,886,019
	55,348,535	88,999,629	17,428,426	14,854,861
(c) Amount recognized in the statement of cash flows				
Total cash outflow for lease	(52,342,653)	(81,028,186)	(14,241,527)	(14,471,886)
	(52,342,653)	(81,028,186)	(14,241,527)	(14,471,886)

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 st March,	Effective holding percentage	Company			
		2025		2024	
		No.of shares	Cost	No.of shares	Cost
			LKR		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

Access Motors (Private) Limited, a subsidiary of Sathosa Motors PLC, Formed 100% of the issued share capital of **Absolute Dealing (PVT) Ltd**, for a total consideration of Rs.10,000,000/- (No of Shares 1,000,000) in this Financial Year to establish a separate brand for the detailing business (detailing, car wash, vacuum, and under wash), ensure smooth operation, and satisfy customers.

An impairment assessment was carried out as at 31st March 2025 and it was concluded that net realisable value of the investment in subsidiary exceed its carrying value.

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, Marine Engines , Work in Progress and - At actual cost

Goods in Transit

Spare Parts and General Stores

Allowance for impairment

- At actual cost on weighted average basis

- 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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
New Vehicles	14,500,000	201,657,211	-	151,157,211
Spare Parts	629,760,841	500,441,164	390,138,247	252,549,718
Marine Engines	87,660,939	140,881,834	87,660,939	140,881,834
Work in Progress	50,881,122	59,464,576	3,139,112	911,544
General Stores	8,013,720	6,705,178	8,013,720	6,705,178
Goods in Transit	11,458,411	71,713,605	-	-
	802,275,033	980,863,568	488,952,018	552,205,485
Provision for Inventories (Note 17.1)	(38,383,060)	(23,079,418)	(28,122,138)	(19,075,490)
	763,891,973	957,784,150	460,829,880	533,129,995

17.1 Provision for inventories

Balance at the beginning of the year	23,079,418	44,684,991	19,075,490	41,490,785
Provision made during the year	15,303,642	5,773,639	9,046,648	4,963,917
Reversal for the year	-	(27,379,212)	-	(27,379,212)
Balance at the end of the year	38,383,060	23,079,418	28,122,138	19,075,490

NOTES TO THE FINANCIAL STATEMENTS

17.2 Inventories pledged as security for liabilities

There were no items of inventory pledged as securities 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.

As at 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Receivables – New Vehicles	6,913,333	44,450,000	6,913,333	44,450,000
– Spare Parts	250,329,792	253,595,769	124,006,511	141,792,734
– Work Shop	134,070,205	85,385,826	134,070,205	85,385,826
– Marine Engines	19,891,227	9,100,000	19,891,227	9,100,000
	411,204,557	392,531,595	284,881,276	280,728,560
Provision for impairment (Note 18.1)	(39,070,678)	(28,235,586)	(26,201,567)	(21,326,720)
	372,133,879	364,296,009	258,679,709	259,401,840
Deposits and prepayments	23,156,011	27,336,840	19,818,280	23,999,109
Advances given to suppliers	118,413,690	80,677,122	50,767,851	17,420,682
VAT receivable	23,897,510	21,907,588	23,897,510	21,907,588
Advances given to employees	9,275,752	4,843,022	3,666,160	3,640,260
Other receivables	68,943,509	60,306,816	23,831,772	19,339,660
	615,820,351	559,367,397	380,661,282	345,709,139

18.1 Provision for impairment

Balance at the beginning of the year	28,235,586	40,268,489	21,326,720	17,244,014
Provision for the year	13,567,688	9,773,305	5,518,619	4,082,706
Write-off of previously impaired debtors	(2,732,596)	(21,806,208)	(643,772)	-
Balance at the end of the year	39,070,678	28,235,586	26,201,567	21,326,720

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
19.1 Favorable Balances				
Cash in hand	1,054,298	1,008,565	445,032	408,940
Cash at Bank	440,599,233	100,449,996	57,846,086	69,520,379
	441,653,531	101,458,561	58,291,118	69,929,319
Cash and cash equivalents for the purpose of statement of cash flow	441,653,531	101,458,561	58,291,118	69,929,319

20 STATED CAPITAL

	2025		2024	
	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.30,168,110/- dividends to the Company shareholders during the financial year ended 31st March 2025. (2024- Nil)

NOTES TO THE FINANCIAL STATEMENTS

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	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current interest bearing loans and borrowings				
Term loan (Note 21.1)	177,504,804	57,504,804	57,504,804	57,504,804
Import and short term loan (Note 21.2)	350,000,000	825,000,000	250,000,000	825,000,000
	527,504,804	882,504,804	307,504,804	882,504,804
Non-current interest bearing loans and borrowings				
Term loan (Note 21.1)	445,004,279	122,509,083	65,004,279	122,509,083
	445,004,279	122,509,083	65,004,279	122,509,083
Total loans and borrowings	972,509,083	1,005,013,887	372,509,083	1,005,013,887

21.1 Term loan

Balance at the beginning of the year	159,776,850	74,999,995	159,776,850	74,999,995
Obtained during the year	600,000,000	150,017,096	-	150,017,096
Fair Value Change (Rebate Loan)	-	(45,003,204)	-	(45,003,204)
Deferred Income	13,258,488	11,824,743	13,258,488	11,824,743
Repayment during the year	(157,504,804)	(32,061,780)	(57,504,804)	(32,061,780)
Balance at the end of the year	615,530,535	159,776,850	115,530,535	159,776,850

21.1.1 Deferred Income on Term loan

Balance at the beginning of the year	20,237,037	-	20,237,037	-
Fair Value Adjustment on Interest Free Loan	-	32,061,780	-	32,061,780
Unwinding of Deferred Interest Income on Interest Free Loan	(13,258,488)	(11,824,743)	(13,258,488)	(11,824,743)
Balance at the end of the year	6,978,548	20,237,037	6,978,548	20,237,037
	622,509,083	180,013,887	122,509,083	180,013,887
Payable within one year	177,504,804	57,504,804	57,504,804	57,504,804
Payable after one year	445,004,279	122,509,083	65,004,279	122,509,083
	622,509,083	180,013,887	122,509,083	180,013,887

21.2 Import and Short term loans

Balance at the beginning of the year	825,000,000	690,000,000	825,000,000	690,000,000
Obtained during the year	3,340,000,000	3,056,374,550	3,240,000,000	3,056,374,550
Repayment during the year	(3,815,000,000)	(2,921,374,550)	(3,815,000,000)	(2,921,374,550)
Balance at the end of the year	350,000,000	825,000,000	250,000,000	825,000,000
Payable within one year	350,000,000	825,000,000	250,000,000	825,000,000
	350,000,000	825,000,000	250,000,000	825,000,000

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	2025 LKR	2024 LKR
Company							
Sathosa Motors PLC	Bank of Ceylon	Revolving short term Loan	Market rate over AWPLR	03 Months	200,000,000	200,000,000	525,000,000
	Commercial Bank of PLC	Term Loan	9%	05 Years	100,000,000	34,999,987	54,999,991
		Term Loan	Interest free	05 Years	150,017,096	87,509,096	125,013,896
	Seylan Bank PLC	Revolving short term Loan	Market rate over AWPLR	03 Months	300,000,000	-	300,000,000
	Sampath Bank PLC	Revolving short term Loan	Market rate over AWPLR	03 Months	100,000,000	50,000,000	-
Subsidiary						372,509,083	1,005,013,887
Access Motors (Pvt) Ltd	Seylan Bank PLC	Mortgage Loan	9%	05 Years	600,000,000	500,000,000	-
	Hatton National Bank	Revolving short term Loan	Market rate over AWPLR	03 Months	100,000,000	100,000,000	-
						600,000,000	-

Corporate Guarantees amounting to LKR 500 Mn have been issued by Access Engineering PLC (Holding Company) on behalf of the banking facilities of the Company.

Corporate guarantee issued by Sathosa Motors PLC on behalf of Access Motors (Private) Limited is LKR 369 Mn and USD 1 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 31st March,	Group/Company	
	2025 LKR	2024 LKR
Balance at the beginning of the year	4,607,151	4,826,540
Amortization during the year	(219,372)	(219,389)
Balance at the end of the year	4,387,779	4,607,151

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 20 years).

NOTES TO THE FINANCIAL STATEMENTS

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 Goup.

23.1 Reconciliation from the opening balances to the closing balances for the net employee defined benefit liability

As at 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	29,348,642	31,308,180	13,074,443	15,269,606
Current service cost	4,394,087	3,793,773	1,802,427	1,284,346
Interest cost	2,338,224	4,320,085	1,438,189	2,977,573
Actuarial (gain) / losses	3,194,689	(4,685,413)	1,735,103	(2,584,100)
	39,275,642	34,736,625	18,050,162	16,947,425
Payments made during the year	(6,185,179)	(5,387,983)	(2,016,630)	(3,872,982)
Balance at the end of the year	33,090,463	29,348,642	16,033,532	13,074,443

23.2 Expense recognised in statement of profit or loss and other comprehensive income

For the year ended 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current service cost	4,394,087	3,793,773	1,802,427	1,284,346
Interest cost	2,338,224	4,320,085	1,438,189	2,977,573
Past Service Credit	-	-	-	-
Expense recognised in Statement of profit or loss	6,732,311	8,113,858	3,240,616	4,261,919
Actuarial (gains)/ losses recognised in Other comprehensive income	3,194,689	(4,685,413)	1,735,103	(2,584,100)
Total provision for the year	9,927,000	3,428,445	4,975,719	1,677,819

Company

An actuarial valuation of the provision for defined benefit plan was carried out as at 31st March 2025 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

As at 31st March,	Company		Subsidiary	
	2025	2024	2025	2024
Discount Rate	9.5%	11%	10%	11%
Expected Annual Average Salary Increment Rate	10%	10%	5%	5%
Staff Turnover Factor	28%	31%	27.37%	24.4%
Retirement Age	60 Years	60 Years	60 Years	60 Years

Discount rate

A long-term treasury bond rate of 9.5% P.a. (2024 - 11%) 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.

NOTES TO THE FINANCIAL STATEMENTS

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:

As at 31st March,		Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Discount rate	1% Less	1,020,220	974,025	519,011	396,643
	1% More	(1,035,676)	(925,778)	(553,857)	(373,379)
Salary increment rate	1% Less	(1,154,186)	(849,812)	(622,167)	(438,467)
	1% More	1,138,073	1,254,864	592,638	458,523

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 31st March,	Company	
	2025 LKR	2024 LKR
Within the next 12 months	3,512,452	3,478,531
Between 1 and 2 years	4,719,270	2,438,995
Between 2 and 5 years	4,322,736	3,742,972
Between 5 and 10 years	3,134,493	3,180,482
Beyond 10 years	344,581	233,463
Total expected payments	16,033,532	13,074,443

The Weighted average duration of the defined benefit obligation at the end of the reporting period is 2.2 years (2024: 3.2 years)

23.6 Number of employees

The number of employees at the end of the year are as follows:

As at 31st March,	Sathosa Motors PLC		Access Motors (Private) Limited	
	2025	2024	2025	2024
Number of Employees	128	117	96	95

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade payable	129,136,071	143,114,169	51,927,795	64,905,570
Accrued expenses	90,638,944	43,448,192	65,500,013	29,824,085
Retention payables	2,400,000	24,644,477	2,400,000	2,385,500
Statutory payment liabilities	59,067,603	18,138,958	5,590,884	6,515,035
Advance received	706,672,843	57,225,412	262,430,415	28,592,172
Other payables	75,040,866	25,640,658	66,315,171	25,640,656
	1,062,956,327	312,211,866	454,164,278	157,863,018

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 2025 (2024 - 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

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Access Engineering PLC	11,707,467	16,390,127	4,508,798	11,715,272
Access International (Private) Limited	941,093	347,947	-	347,947
Access Real Estate (Private) Limited	346,096	-	-	-
S D Munasinghe	1,004,461	595,932	-	-
Access Residencies (Private) Limited	30,238	-	-	-
Foresight Engineering (Private) Limited	4,110,342	126,124,407	-	-
Access Transport & Services (Private) Limited	7,077,465	2,082,660	-	-
Access Logistics (Pvt) Ltd	-	49,096	-	49,096
	25,217,162	145,590,169	4,508,798	12,112,315

NOTES TO THE FINANCIAL STATEMENTS

25.3 Amount due to related parties

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Access Engineering PLC	610,977	40,435,056	610,977	40,435,056
Access International (Private) Limited	-	257,233	-	
Access Natural Water (Private) Limited	95,092	227,517	4,860	156,479
Ninewells Hospital (Pvt) Ltd	125,000,000	-	-	
Loan received from Directors	-	107,534	-	
Access Motors (Private) Limited	-	-	-	457,371
A R L Elevate (Private) Limited	350,000	-	350,000	
	126,056,069	41,027,340	965,837	41,048,906

25.4 Transactions with related parties

Holding Company

Sale of Goods / Rendering of services	19,965,259	16,293,552	7,810,766	12,159,858
Purchase of Goods / Receiving of services	(2,538,978)	(18,917,707)	(2,538,978)	-

Subsidiary Company

Purchase of Goods / Receiving of Services	-	-	-	(995,307)
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Other related party companies

Sale of Goods / Rendering of Services	40,422,849	20,140,117	13,624,937	1,876,954
Purchase of Goods / Receiving of Services	(101,426,352)	(58,631,351)	(2,640,815)	(2,241,116)
Property Purchase	(959,702,597)	-	-	-

(a) Recurrent Related Party Transactions

For the Reporting date, There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue, which required additional disclosures in the FY 2024/2025 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 except as noted below.

As stated in Note 27, following the reporting date, the Board approved two bank guarantees—USD 2 million and LKR 25 Mn—to HNB for a subsidiary's bank facility. The USD 2 million guarantee surpasses the Listing Rule 9.14.8 (2) threshold and is disclosed in the Annual Report as required.

Related Party	Relationship	Nature of the Transaction	Aggregate Value(1 USD=Rs.300)	Aggregate Value as a % Gross Revenue	Terms and Conditioms
Access Motors (Pvt) Ltd	Subsidiary Company	Bank Gurantee -USD	Rs 600 Mn	28%	Unconditional Guarantee against the facility up to 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 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 Name	Company (SML)						Subsidiary		
	S J S Perera	J C Joshua	D A R Fernando	S D Munasinghe	M Jayahsuriya	I S N Fernando	T T B C Fernando	S M P K Dissanayake	T A A Fernando
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 I 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.	✓	✓							
JCJ Holdings (Pvt) Ltd.		✓							

NOTES TO THE FINANCIAL STATEMENTS

Company Name	Company (SML)						Subsidiary		
	S J S Perera	J C Joshua	D A R Fernando	S D Munasinghe	M Jayahsuriya	I S N Fernando	T T B C Fernando	S M P K Dissanayake	T A A Fernando
Eco Friendly Power Developers (Pvt) Ltd.	✓	✓	✓						
RMN Holding (Pvt) Ltd.		✓							
Access Realities 2 (Pvt) Ltd.	✓	✓	✓	✓					
C R D S Developments (Pvt) Ltd		✓	✓	✓					
Access Realities 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	✓						✓	✓	✓
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	✓	✓	✓			✓			

* ✓ Executive Director

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 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Total compensation paid to Key Management Personnel	12,958,910	17,730,000	12,958,910	17,730,000

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 dependents of the KMP or the KMPs'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.

NOTES TO THE FINANCIAL STATEMENTS

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 2025

There were no material contingencies as at the reporting date for the Company and its subsidiary.

(b) Corporate guarantee

Corporate Guarantees amounting to LKR 500 Mn have been issued by Access Engineering PLC (Holding Company) on behalf of the banking facilities of the Company.

Corporate guarantee issued by Sathosa Motors PLC on behalf of Access Motors (Private) Limited is LKR 369 Mn and USD 1 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

No material events occurred after the reporting date of 31st March 2025 that require adjustment to or disclosure in the Financial Statements, except as noted below.

On 27th June 2025, the Company announced a final gross dividend of Rs. 10 per share (totaling Rs. 60,336,220) for the financial year 2024/25. The dividend is scheduled for payment on 28th July 2025. This represents a non-adjusting event and does not impact on the amounts reported in the financial statements for the year ended 31st March 2025.

Access Motors (Pvt Ltd), a company subsidiary, secured a USD 10 million standby Letter of Facility and a Rs 50 million Letter of Guarantee facility from HNB by the offer letter dated 17th March 2025. On 3rd July 2025, the Board approved to provide two bank guarantees to the bank: USD 2 million and LKR 25 million, respectively, as securities against these facilities.

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	2025	2024
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 31st March,	2025 LKR	2024 LKR
Statement of profit or loss and other comprehensive income		
Revenue	1,155,065,651	1,191,228,193
Profit for the year	17,455,837	66,809,334
Profit attributable to NCI	8,727,919	33,404,667
Other Comprehensive Income	(1,021,710)	1,470,920
Total Comprehensive Income/(Expense)	16,434,127	68,280,254
Total Comprehensive Income/(Expense) attributable to NCI	8,217,064	34,140,127
Inter-company transaction elimination at group level	52,850	-
Statement of financial position		
Non-current assets	1,470,839,924	468,218,558
Current assets	951,091,281	921,286,835
Non-current liabilities	414,647,750	157,105,166
Current liabilities	993,442,054	234,992,954
Net assets	1,013,841,401	997,407,273
Net assets attributable to NCI	506,920,701	498,703,637
Statement of cash flows		
Cash flows generated from / (used in) operating activities	857,795,739	232,617,342
Cash flows generated from / (used in) investing activities	(1,077,861,440)	(146,219,135)
Cash flows generated from / (used in) financing activities	571,898,874	(66,556,300)
Net increase / (Decrease) in cash and cash equivalents	351,833,173	19,841,907

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.

NOTES TO THE FINANCIAL STATEMENTS

(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 months 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 months 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.

NOTES TO THE FINANCIAL STATEMENTS

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 31st March,	Group	
	2025 LKR	2024 LKR
Investments in Unit Trust		
Balance at the beginning of the year	117,108,202	-
Investments made during the year	-	393,500,000
Withdrawal during the year	(119,000,000)	(288,000,000)
Fair value gain on remeasurement	2,045,082	11,608,202
Balance at the end of the year	153,284	117,108,202
	As at 31st March 2025	
	No. of Units	Fair Value LKR
Investments in Unit Trust		
NDB Wealth Money Fund	4,277	153,284
		153,284

29.4 Financial Instruments - Statement of Financial Position

As at 31st March,	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
(a) Financial Assets					
Fair value through profit or loss					
Investments in Unit Trust	29.3	153,284	117,108,202	-	-
		153,284	117,108,202	-	-
Amortised Cost					
Trade receivables	18	372,133,879	364,296,009	258,679,709	259,401,840
Advances given to employees	18	9,275,752	4,843,022	3,666,160	3,640,260
Amounts due from related parties	25.2	25,217,162	145,590,169	4,508,798	12,112,315
		406,626,793	514,729,200	266,854,667	275,154,415
Cash and Cash Equivalents	19.1	441,653,531	101,458,561	58,291,118	69,929,319
Total		848,433,608	733,295,963	325,145,785	345,083,734

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March,	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
(b) Financial Liabilities					
Other Financial Liabilities					
Loans and borrowings	21	972,509,083	1,005,013,887	372,509,083	1,005,013,887
Trade payables	24	129,136,071	143,114,169	51,927,795	64,905,570
Lease liabilities	15.2	72,845,181	249,360,805	32,556,503	39,507,966
Amounts due to related parties	25.3	126,056,069	41,027,340	965,837	41,048,906
Unclaimed dividend		4,393,240	4,109,412	4,393,240	4,109,412
Total		1,304,939,644	1,442,625,613	462,352,458	1,154,585,741

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.

As at 31st 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	-	372,133,879	-	372,133,879	-	-	-	-
Advances given to employees	18	-	9,275,752	-	9,275,752	-	-	-	-
Amounts due from related parties	25.2	-	25,217,162	-	25,217,162	-	-	-	-
Cash and Cash Equivalents	19.1	-	441,653,531	-	441,653,531	-	-	-	-
Total Financial Assets		153,284	848,280,324	-	848,433,608	-	153,284	-	153,284
Financial Liabilities									
Loans and borrowings	21	-	-	972,509,083	972,509,083	-	-	-	-
Trade payables	24	-	-	129,136,071	129,136,071	-	-	-	-
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		-	-	1,304,939,644	1,304,939,644	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2024	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	117,108,202	-	-	117,108,202	-	117,108,202	-	117,108,202
Trade receivables	18	-	364,296,009	-	364,296,009	-	-	-	-
Advances given to employees	18	-	4,843,022	-	4,843,022	-	-	-	-
Amounts due from related parties	25.2	-	145,590,169	-	145,590,169	-	-	-	-
Cash and Cash Equivalents	19.1	-	101,458,561	-	101,458,561	-	-	-	-
Total Financial Assets		117,108,202	616,187,761	-	733,295,963	-	117,108,202	-	117,108,202

Financial Liabilities									
Loans and borrowings	21	-	-	1,005,013,887	1,005,013,887	-	-	-	-
Trade payables	24	-	-	143,114,169	143,114,169	-	-	-	-
Lease liabilities	15.2	-	-	249,360,805	249,360,805	-	-	-	-
Amounts due to related parties	25.3	-	-	41,027,340	41,027,340	-	-	-	-
Unclaimed dividend		-	-	4,109,412	4,109,412	-	-	-	-
Total Financial Liabilities		-	-	1,442,625,613	1,442,625,613	-	-	-	-

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 31st 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	-	-	-	-

As at 31st March 2024	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	-	259,401,840	-	259,401,840	-	-	-	-
Advances given to employees	18	-	3,640,260	-	3,640,260	-	-	-	-
Amounts due from related parties	25.2	-	12,112,315	-	12,112,315	-	-	-	-
Cash and Cash Equivalents	19.1	-	69,929,319	-	69,929,319	-	-	-	-
Total Financial Assets		-	345,083,734	-	345,083,734	-	-	-	-
Financial Liabilities									
Loans and borrowings	21	-	-	1,005,013,887	1,005,013,887	-	-	-	-
Trade payables	24	-	-	64,905,570	64,905,570	-	-	-	-
Lease liabilities	15.2	-	-	39,507,966	39,507,966	-	-	-	-
Amounts due to related parties	25.3	-	-	41,048,906	41,048,906	-	-	-	-
Unclaimed dividend		-	-	4,109,412	4,109,412	-	-	-	-
Total Financial Liabilities		-	-	1,154,585,741	1,154,585,741	-	-	-	-

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 analyze 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.

NOTES TO THE FINANCIAL STATEMENTS

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade receivables	372,133,879	364,296,009	258,679,709	259,401,840
Advances given to employees	9,275,752	4,843,022	3,666,160	3,640,260
Amounts due from related parties	25,217,162	145,590,169	4,508,798	12,112,315
Cash at Bank	440,599,233	100,449,996	57,846,086	69,520,379
	847,226,026	615,179,196	324,700,753	344,674,794

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 31st March,	2025		2024	
	Trade receivables	Provision for impairment	Trade receivables	Provision for impairment
	LKR	LKR	LKR	LKR
Group				
< 30 days	138,692,907	346,316	194,701,078	327,456
30–60 days	121,395,886	628,227	79,048,933	418,918
61–90 days	41,937,884	598,956	16,337,087	191,247
91–120 days	15,161,422	194,369	30,360,727	544,091
> 120 days	94,016,457	37,302,811	72,083,770	26,753,874
Total	411,204,557	39,070,678	392,531,595	28,235,586
Gross carrying value	411,204,557		392,531,595	
Allowance for expected credit losses	(39,070,678)		(28,235,586)	
Net carrying value	372,133,879		364,296,009	
Company				
< 30 days	109,637,669	326,233	151,333,965	306,199
30–60 days	72,254,981	590,463	59,962,390	412,721
61–90 days	33,303,443	575,052	11,006,446	191,074
91–120 days	8,155,400	180,391	26,771,809	544,009
> 120 days	61,529,783	24,529,428	31,653,950	19,872,717
Total	284,881,276	26,201,567	280,728,560	21,326,720
Gross carrying value	284,881,276		280,728,560	
Allowance for expected credit losses	(26,201,567)		(21,326,720)	
Net carrying value	258,679,709		259,401,840	

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 analyzed.

NOTES TO THE FINANCIAL STATEMENTS

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 2025 which represents its maximum credit exposure on these assets.

As at 31st March 2025, 97% of the favorable balances of bank and financial institution were rated A' for the Group.

Group

As at 31st March, Fitch Rating group	2025		2024	
	LKR	%	LKR	%
AA-	446,496,847	101%	-	0%
A+	(8,485,297)	(2%)	-	0%
A	2,373,141	1%	97,380,999	97%
A-	-	0%	3,068,997	3%
	440,384,691	100%	100,449,996	100%

Company

Fitch Rating group				
AA-	56,563,072	98%	-	0%
A+	785,229	1%	-	0%
A	497,785	1%	67,864,374	98%
A-	-	0%	1,656,005	2%
	57,846,086	100%	69,520,379	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

As at 31st March 2025	Undiscounted Contractual Cash flows					
	Carrying amount	Total	On demand	Within 1 year	Within 1-2 years	More than 2 years
	LKR	LKR	LKR	LKR	LKR	LKR
Loans and borrowings	972,509,083	1,089,164,278	-	577,029,956	222,920,887	289,213,435
Trade payables	129,136,071	129,136,071	-	129,136,071	-	-
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	-	-	-
	1,304,939,644	1,445,011,280	4,393,240	885,587,479	245,533,299	309,497,262

As at 31st March 2024	Undiscounted Contractual Cash flows					
	Carrying amount	Total	On demand	Within 1 year	Within 1-2 years	More than 2 years
	LKR	LKR	LKR	LKR	LKR	LKR
Loans and borrowings	1,005,013,887	1,011,763,886	-	884,304,804	62,454,803	65,004,279
Trade payables	143,114,169	143,114,169	-	143,114,169	-	-
Lease liabilities	249,360,805	325,719,210	-	88,135,819	95,016,912	142,566,479
Amounts due to related parties	41,027,340	41,027,340	-	41,027,340	-	-
Unclaimed dividend	4,109,412	4,109,412	4,109,412	-	-	-
	1,442,625,613	1,525,734,017	4,109,412	1,156,582,132	157,471,715	207,570,758

NOTES TO THE FINANCIAL STATEMENTS

(a) The maturity analysis of Liabilities - Company

As at 31st March 2025	Undiscounted Contractual Cash flows					
	Carrying amount	Total	On demand	Within 1 year	Within 1-2 years	More than 2 years
	LKR	LKR	LKR	LKR	LKR	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

As at 31st March 2024	Undiscounted Contractual Cash flows					
	Carrying amount	Total	On demand	Within 1 year	Within 1-2 years	More than 2 years
	LKR	LKR	LKR	LKR	LKR	LKR
Loans and borrowings	1,005,013,887	1,011,763,886	-	884,304,804	62,454,803	65,004,279
Trade payables	64,905,570	64,905,570	-	64,905,570	-	-
Lease liabilities	39,507,966	50,199,059	-	15,033,889	14,604,789	20,560,381
Amounts due to related parties	41,048,906	41,048,906	-	41,048,906	-	-
Unclaimed dividend	4,109,412	4,109,412	4,109,412	-	-	-
	1,154,585,741	1,172,026,833	4,109,412	1,005,293,169	77,059,592	85,564,660

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Fixed Rate Instruments				
Financial Liabilities				
Term Loan	622,509,083	180,013,887	122,509,083	180,013,887
	622,509,083	180,013,887	122,509,083	180,013,887
Variable Rate Instruments				
Financial Liabilities				
Short term and import loans	350,000,000	825,000,000	250,000,000	825,000,000
	350,000,000	825,000,000	250,000,000	825,000,000

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Variable Rate Instruments - Financial Liabilities				
100 bp Increase	(3,500,000)	(8,250,000)	(2,500,000)	(8,250,000)
100 bp Decrease	3,500,000	8,250,000	2,500,000	8,250,000
700 bp Increase	(24,500,000)	(57,750,000)	(17,500,000)	(57,750,000)
700 bp Decrease	24,500,000	57,750,000	17,500,000	57,750,000

NOTES TO THE FINANCIAL STATEMENTS

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,

As at 31st March,	2025 JPY	2024 JPY
Cash at bank	1,825,538	1,825,536
Gross Statement of Financial Position Exposure	1,825,538	1,825,536

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows,

	2025 JPY	2024 JPY
Cash at bank	1,825,538	1,825,536
Gross Statement of Financial Position Exposure	1,825,538	1,825,536

The following significant exchange rates were applicable during the FY 2025 & 2024

As at 31st March,	Group/ Company			
	Average Rate		Reporting Date Spot Rate	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
GBP	381.68	379.54	383.78	380.52
JPY	1.98	1.99	1.96	1.99

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	Weakening	Strengthening	Weakening
	Profit or Loss	Profit or Loss	Profit or Loss	Profit or Loss
	LKR	LKR	LKR	LKR
31st March 2025				
JPY (10% movement)	362,187	(362,187)	362,187	(362,187)
GBP (10% movement)	-	-	-	-
31st March 2024				
JPY (10% movement)	363,282	(363,282)	363,282	(363,282)
GBP (10% movement)	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

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 31st March,	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Total Liabilities	2,338,019,514	1,645,679,103	936,657,273	1,265,224,783
Less: Cash and Cash Equivalents	(441,653,531)	(101,458,561)	(58,291,118)	(69,929,319)
Net Debt	1,896,365,983	1,544,220,542	878,366,155	1,195,295,464
Total Equity Attribute to the Company	1,993,015,308	1,727,002,002	1,951,034,671	1,693,238,423
Net Debt to Equity Ratio	95%	89%	45%	71%

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 DIRECTORS RESPONSIBILITIES

The Board of Directors is responsible for the preparation and presentation of the Financial Statements in accordance with Sri Lanka Accounting Standards.

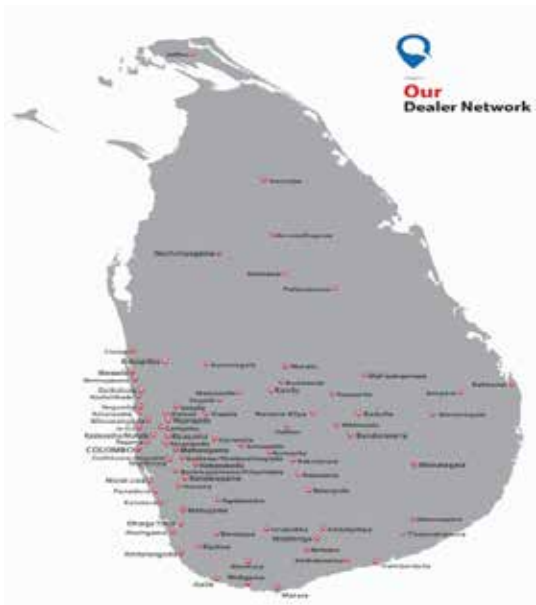
34 NET ASSETS PER SHARE

	Group		Company	
	2025	2024	2025	2024
Net assets attributable to ordinary shareholders (LKR)	1,993,015,308	1,727,002,002	1,951,034,671	1,693,238,423
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)	330.32	286.23	323.36	280.63

SML BRANCH NETWORK / LOCATIONS

#	Branch	Location Address	Branch Operation
1	Colombo 02 - Head Office	No. 25, Vauxhall Street, Colombo 02	   
2	Peliyagoda	No. 25/11, New Nuge Road, Peliyagoda	 
3	Panchikawatta	No. 42, Panchikawatta Road, Colombo 10	
4	Kurunegala	N0. 78. Colombo Road, Dambokka, Kurunegala	   
5	Matara	No. 679, Galle Road, Walgama, Matara	   
6	Ratnapura	No. 1/1, Colombo Road, Weeragoda, Hidellana, Ratnapura	
7	Negombo	No. 231, Nalallawatta, Pitipana North, Negombo	 
8	Dambulla	No. 738, Anuradhapura Road, Dambulla	
9	Kandy	No. 264, Katugasthota Road, Kandy	
10	Badulla	No. 13, R H Gunawardane Mawatha, Badulla	

-  - New Vechicle
-  - Spare Parts
-  - Marine Engine
-  - Workshop Repair and services



DECADE AT A GLANCE

Ten Year Summary		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Statement of Profit or Loss and Other Comprehensive Income Highlights											
Revenue	Rs.Mn	4,048	5,221	8,177	11,126	4,196	3,882	3,194	1,931	2,173	2,972
Gross Profit	Rs.Mn	967	897	1,497	1,320	795	636	705	761	838	1,235
EBITDA	Rs.Mn	557	416	759	732	367	290	296	332	468	715
EBIT	Rs.Mn	491	309	635	595	195	111	107	135	299	582
Net Finance Income/(Cost)	Rs.Mn	(28)	1	(105)	(299)	(337)	(140)	(97)	(211)	(139)	(126)
Profit / (Loss) after tax	Rs.Mn	327	234	384	176	(80)	(13)	(2)	(55)	119	307
Profit Attributable to Owners of the company	Rs.Mn	321	263	388	135	(81)	(4)	20	(32)	85	298
Statement of Financial Position Highlights											
Property Plant and Equipment	Rs.Mn	513	549	973	1,251	1,315	1,853	896	840	826	1,934
Total Non Current Assets	Rs.Mn	1,318	1,250	1,686	1,911	1,626	2,134	2,130	1,984	1,964	2,981
Cash and Cash Equivalent	Rs.Mn	(229)	(19)	19	363	(31)	123	176	122	101	442
Total Assets	Rs.Mn	3,197	3,900	5,382	7,014	6,547	3,872	4,065	3,584	3,871	4,838
Stated Capital	Rs.Mn	116	116	116	116	116	116	116	116	116	116
Retained Earnings	Rs.Mn	1,283	1,365	1,481	1,616	1,537	1,535	1,556	1,523	1,611	1,877
Equity Attributable to Owners of the company	Rs.Mn	1,399	1,481	1,597	1,731	1,653	1,651	1,672	1,639	1,727	1,993
Loans and Borrowings	Rs.Mn	368	631	2,127	3,307	3,039	816	919	765	1,005	973
Total Non Current Liabilities	Rs.Mn	225	183	173	155	346	285	407	301	328	571
Statement of Cash Flow Highlights											
Cash Flows from/ (used in) Operating Activities	Rs.Mn	460	69	(792)	(565)	(166)	2,374	43	196	(32)	1551
Cash Flows From / (used in) Investing Activities	Rs.Mn	(788)	126	(395)	(272)	(125)	44	(25)	(26)	(145)	(1,111)
Cash Flows From/ (used in) Financing Activities	Rs.Mn	54	15	1,225	1,180	(103)	(2,266)	34	(226)	159	(100)
Key Financial Ratios											
EPS	Rs.	53.22	43.51	64.32	22.32	(13)	(0.62)	3.31	(5.37)	14.11	49.37
DPS	Rs.	12.00	30.00	45.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
Net Assets Per Share	Rs.	231.82	245.46	264.70	286.97	274.01	273.65	277.05	271.69	286.83	330.32
ROE	%	21.7	14.1	20.5	8.6	(3.7)	(0.6)	(0.01)	(2.60)	5.33	12.27
ROCE	%	26.2	13.5	15.9	11.1	3.7	3.7	3.6	4.70	11.70	16.76
Gearing	times	0.4	0.4	1.2	1.7	1.4	0.4	0.4	0.4	0.4	0.4
Current Ratio	times	1.28	1.29	1.11	1.06	1.22	1.22	1.29	1.36	1.45	1.05
Quick Ratio	times	0.47	0.37	0.48	0.63	0.56	0.63	0.78	0.52	0.72	0.62
Price Per Share	Rs.	300.00	300.00	440.00	457.90	260.20	225.00	185.00	149.75	200.00	437.75
Investor Highlights											
Total Number of Shareholders	No.	1193	1173	1139	1147	1186	1236	1215	1236	1,236	1,236
Public Share Holdings	%	15.46	15.46	15.46	15.54	15.54	15.56	15.56	15.56	15.56	15.56

SHARE INFORMATION

SHARE HOLDING ANALYSIS

No of Shares Held	As at 31st March 2025			As at 31st March 2024		
	Number of Shareholders	No.of Shares	%	Number of Shareholders	No.of Shares	%
1-1,000	1,191	169,824	2.81%	1,182	179,258	2.97
1,001-10,000	55	144,718	2.40%	51	122,090	2.02
10,001-100,000	0	0	0.00%	1	13,194	0.22
100,001-1,000,000	1	625,335	10.36%	1	625,335	10.36
1,000,001 & Over	1	5,093,745	84.42%	1	5,093,745	84.42
Total	1,248	6,033,622	100.00%	1,236	6,033,622	100.00
Category						
Local Individuals	1,189	276,049	4.58%	1,175	266,684	4.42
Local Institutions	53	5,752,070	95.33%	54	5,761,335	95.49
Foreign Individuals	6	5,503	0.09%	7	5,603	0.09
Foreign Institutions	0	0	0.00%	0	0	0.00
Total	1,248	6,033,622	100.00%	1,236	6,033,622	100.00

SHARE PRICES

	As at 31/03/2025	As at 31/03/2024
Highest Price during the year	Rs 550.00 (30-01-2025)	Rs 227.00 (13-03-2024)
Lowest Price during the year	Rs 180.00 (18-04-2024)	Rs 140.00 (03-04-2023)
Closing Price	Rs 437.5	Rs 200.00
Last Traded	Rs 437.75	Rs 200.00

PUBLIC HOLDING

- Public holding percentage as at 31st March 2025 = 15.577% (As at 31-03-2024 =15.559%)
- Number of shareholders representing the above percentage = 1,247
- The float adjusted market capitalization as at 31st March 2025 = Rs. 411,196,187.50 (As at 31 -03-2024=RS. 187,755,400.00)

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.

SHARE INFORMATION

MAJOR SHAREHOLDER LIST

NAME	As at 31/03/2025		As at 31/03/2024	
	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	625,335	10.36	625,335	10.36
3 MR. S.N.D. ABEGUNAWARDENE	8,000	0.13	8,000	0.13
4 MR. M.I. SHIBLY	8,000	0.13	-	-
5 MR. U.I. SURIYABANDARA	7,764	0.13	7,477	0.12
6 MRS. F.H.M. KAMIL	7,700	0.13	-	-
7 MR. R.D. LEELARATNA	7,390	0.12	10,000	0.17
8 MR. J.A.B.P. KUMARA	6,161	0.1	-	-
9 MR. M.P.D. COORAY	4,773	0.08	-	-
10 EST.OF LAT K.C. VIGNARAJAH	4,359	0.07	-	-
11 MR. G.C. GOONETILLEKE	4,050	0.07	4,050	0.07
12 MR. R.D.U.A. RANAMUKA	4,000	0.07	4,000	0.07
13 MR. A.H. MUNASINGHE	3,998	0.07	3,998	0.07
14 ASSETLINE FINANCE LIMITED/M.S.KANDANAGE	3,800	0.06	-	-
15 MR. K.M.C.S. KANAKARATNE	3,560	0.06	-	-
16 MR. S. GOWRISANGAR	3,300	0.06	3,300	0.05
17 SEYLAN BANK PLC/SAMARAKOON MUDIYANSELAGE PRASANNA DISSANAYAKE AND OMANTHA MUDIYANSELAGE UPEKSHA DHARSHANI RATHNAYAKE	3,035	0.05	-	-
18 TEA CEYLON INVESTMENTS (PVT) LTD	2,850	0.05	2,850	0.05
19 SAMPATH BANK PLC/EAGLE CREST (PVT) LTD	2,560	0.04	-	-
20 SEYLAN BANK PLC /F.J.P.RAJ	2,500	0.04	-	-
21 MR. L.M. DIAS	2,400	0.04	2,400	0.04
22 MR. P.K. SAMBASIVAM	2,260	0.04	2,260	0.04
23 MRS. D.N.G. SENEVIRATNA	2,000	0.03	2,000	0.03
24 MR. N. YAMAGUCHI	2,000	0.03	2,000	0.03
25 MR. C.J.E. COREA	2,000	0.03	2,000	0.03
26 MRS. N.G.A.P. RATNASEKERA	2,000	0.03	2,000	0.03
27 MR. M.D.C.P.K. GUNATHILAKE & MRS. R.B.J.TIRANAGAMA	2,000	0.03	-	-
28 SHALSRI INVESTMENTS (PRIVATE) LTD.	2,000	0.03	2,000	0.03
SUB TOTAL	5,823,540	96.52	5,777,415	95.75
OTHER Top 25 Shareholders at 31/03/2024			37,974	0.63
OTHERS	210,082	3.48	218,233	3.62
TOTAL	6,033,622	100.00	6,033,622.00	100.00

OTHER TOP 25 SHAREHOLDERS AT 31/03/2024

	NO OF SHARES	%
BANK OF CEYLON NO. 1 ACCOUNT	13,194	0.22
SEYLAN BANK PLC/SHERMAL HEMAKA JAYASURIYA	5,461	0.09
MR. P. PRASATH	4,983	0.08
MR. K.C. VIGNARAJAH	4,359	0.07
MR. M.F. CADER	3,197	0.05
CITIZENS DEVELOPMENT BUSINESS FINANCE PLC/N.ANOSHAN	2,515	0.04
MISS. S.N. DIAS	2,195	0.04
MR. W.G. KARUNADASA	2,070	0.03
Total	37,974	0.63

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty First (41st) Annual General Meeting of Sathosa Motors PLC will be held at The Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 on the 27th day of August 2025 at 12.30 p.m. for the following purposes:

1. Ordinary Business
 - 1.1 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 2025 and the Report of the Auditors thereon.
 - 1.2 To re-elect as a Director, Mr. Maurice Dirk Joshua who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.
 - 1.3 To re-elect as a Director, Mr. Thalawaththalage Chaaminda Dencil Kumarasiri who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.
 - 1.4 To re-elect as a Director, Mr. Walimuni Asanka Mahesh Wimalaratna who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.
 - 1.5 To re-elect Mr. Ranjith Sepala Dahanayake as a Director who retires by rotation in terms of Articles 88 and 89 of the Articles of Association of the Company.
 - 1.6 To re-appoint the retiring Auditors Messrs KPMG, Chartered Accountants, as the Company's Auditors and to authorize the Directors to determine their remuneration.
 - 1.7 To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.
2. Special Business
 - 2.1 To consider and if thought fit, to pass the following resolution as a Special Resolution:

'IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:

- (1) by the deletion of Article 58 under the heading "Resolution in lieu of Meeting" in its entirety and the substitution therefor of the following new Article 58 ;

"METHODS OF HOLDING GENERAL MEETINGS

58. (1) *A General Meeting of shareholders may be held -*
 - (i) *by a number of shareholders who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; (hereinafter sometimes referred to as the Physical General Meeting); or*
 - (ii) *by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting (hereinafter sometimes referred to as Electronic General Meeting); or*
 - (iii) *by a meeting held both physically and electronically (called Hybrid General Meeting); or*
 - (iv) *by means of a resolution in writing signed by not less than Eighty-Five per centum (85%) of the Shareholders who would be entitled to vote on a resolution at a meeting of Shareholders, who together hold not less than Eighty-Five per centum (85%) of the votes entitled to be cast on that resolution.*
- (2) *The Board shall determine whether a General Meeting is to be held as a Physical General Meeting as referred to in 58(1)(i) or held as an Electronic General Meeting as referred to in 58(1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 58(1)(iii) or by a Resolution in writing as referred to in 58(1)(iv).*
- (3) *The Board shall specify in the notice calling the General Meeting whether the meeting will be physical or electronic or hybrid or by a Resolution in writing. Such notice shall also specify (as applicable) the time, date, and place and/or electronic platform(s) of the General Meeting, as it is determined.*

- (4) (i) *When conducting an Electronic General Meeting, the Board shall enable persons to simultaneously attend by electronic means, with no shareholder necessarily in physical attendance at the Electronic General Meeting. The shareholders or their proxies present shall be counted in the quorum for, and entitled to vote at, the General Meeting in question.*
- (ii) *If it appears to the Chairman of the General Meeting that the electronic platform(s), facilities, or security at the Electronic General Meeting have become inadequate for the purposes referred to herein then the Chairman may, without the consent of the meeting, interrupt to resolve such inadequacy where possible or adjourn the General Meeting. All business conducted at that General Meeting up to the time of that adjournment shall be valid and the provisions of Article 62 shall apply to that adjournment.*
- (iii) *In relation to an Electronic General Meeting, the right of a shareholder to participate in the business of any General Meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy, and have access (including electronic access) to all documents which are required by the Act or these Articles to be made available for/at the meeting."*
- (2) by the deletion of the word "two" and the substitution therefor of "five" in line 1 of the Article 80(a);
- (3) by the deletion of the word "Ordinary" and the substitution therefor of "Special" in line 1 of the Article 82;
- (4) by the deletion of Articles 121 under the existing heading, 'Alternate Directors' in its entirety and the substitution therefor of the following new Article 121;

"ALTERNATE DIRECTORS

121. (i) *Subject to the Statutes and other laws applicable in respect of the composition of the Board, a Director may, due to exceptional circumstances, by notice in writing under his hand delivered to the Secretary, nominate an individual to be appointed as an Alternate Director of the Company for a maximum period of one (1) year from the date of appointment to attend to the duties of the Director in his absence, and the following provisions of these Articles shall apply to any person so appointed.*
- (ii) *If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.*
- (iii) *If an Alternate Director is appointed to represent an Independent Non-Executive Director, such Alternate Director shall meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange.*
- (iv) *The appointment of an Alternate Director shall be subject to the approval of the Board."*
- (5) by the inclusion of the words and figures 'including the signing of resolutions in writing to be passed by circulation under Article 118 hereof.' at the end of Article 123(i);
- (6) by the inclusion of the words "Subject to Article 121, an" at the beginning of the Article 124 in place of the word "An";
- (7) by the deletion of the words "if the Directors resolve" in line 1 of Article 124(iv) and the substitution therefor of "If the Board resolves";
- (8) by the inclusion of following paragraph at the end of Article 157 ;
- "The Company may serve notice by electronic mail to an electronic mail account notified by a shareholder in writing or any other acceptable means, to the Company or to the Central Depository Systems (Pvt) Ltd. Where electronic mail is used, the document or notice shall be deemed to have been received by the shareholder upon the dispatch of same by the Company through electronic mail."*

NOTICE OF ANNUAL GENERAL MEETING

- (9) by the inclusion of the following paragraph immediately after the word “newspaper” in Article 162;
- “The Company may if so permitted by Statute, publish any notice required to be given to the shareholders on the official website of the Company and/or on the official website of the Colombo Stock Exchange (so long as the Company is listed on the Colombo Stock Exchange).”*

By order of the Board
Sathosa Motors PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries

22 July 2025
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.

FORM OF PROXY

I/We*.....
 (NIC/Passport/Co.Reg.No.....) of.....
being a shareholder / shareholders of SATHOSAMOTORS 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. D A R Fernando or failing him*
 Mr S D Munasinghe or failing him*
 Mr. I S N Fernando or failing him*
 Mr. R S Dahanayake or failing him*
 Mr. M D Joshua 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 First (41st) Annual General Meeting of the Company to be held on 27th August 2025 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

1. ORDINARY BUSINESS

		For	Against
(1)	To re-elect as a Director, Mr. Maurice Dirk Joshua who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.		
(2)	To re-elect as a Director, Mr. Thalawatthalage Chaaminda Dencil Kumarasiri who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.		
(3)	To re-elect as a Director, Mr. Walimuni Asanka Mahesh Wimalaratna who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.		
(4)	To re-elect Mr. Ranjith Sepala Dahanayake as a Director who retires by rotation in terms of Articles 88 and 89 of the Articles of Association of the Company.		
(5)	To re-appoint the retiring Auditors Messrs KPMG, Chartered Accountants, as the Company's Auditors and to authorize the Directors to determine their remuneration.		
(6)	To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.		

2 SPECIAL BUSINESS

		For	Against
(1)	To pass the Special Resolution as set out in item 2.1 of the Notice of Meeting		

Signed this day of Two Thousand and Twenty Five.

.....
 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.

FORM OF PROXY

INSTRUCTIONS FOR COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, No. 25, Vauxhall Street, Colombo 02 by 12.30 a.m. on 26th August 2025.
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 THE COMPANY

Sathosa Motors PLC

REGISTERED OFFICE

No. 25, Vauxhall Street, Colombo 02
Sri Lanka

Tel:- +94 112 432 858

Fax:- +94 112 446 129

Web:- www.sathosamotorsplc.com

E mail :- customercare@sml.lk

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.

COMPANY REGISTRATION NUMBER

PQ 105

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

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

NOMINATIONS AND GOVERNANCE COMMITTEE

T C D Kumarasiri - *Chairman*

W A M Wimalaratna

R S Dahanayake

STRATEGIC PLANNING COMMITTEE

J C Joshua - *Chairman*

I S N Fernando - *Managing Director*

M D Joshua - *Executive Director*

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

Nation's Trust Bank PLC

AUDITORS

Messrs KPMG

Chartered Accountants

32 A, Sir Mohomad Macan Marker

Mawatha,

Colombo 03,

Sri Lanka.

Tel: +94 112 426 426

Fax: +94 112 445 872

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

REGISTRARS

Central Depository Systems (Pvt) Ltd
Ground Floor

M & M Centre

341/5, Kotte Road

Rajagiriya

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 11 2 302 900 / + 94 11 2 302 901

Fax: + 94 11 2 302 911

INVESTOR RELATIONS

For investor relations and clarifications, 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



