Healing-Growing-Thriving

DURDANS
HOSPITAL

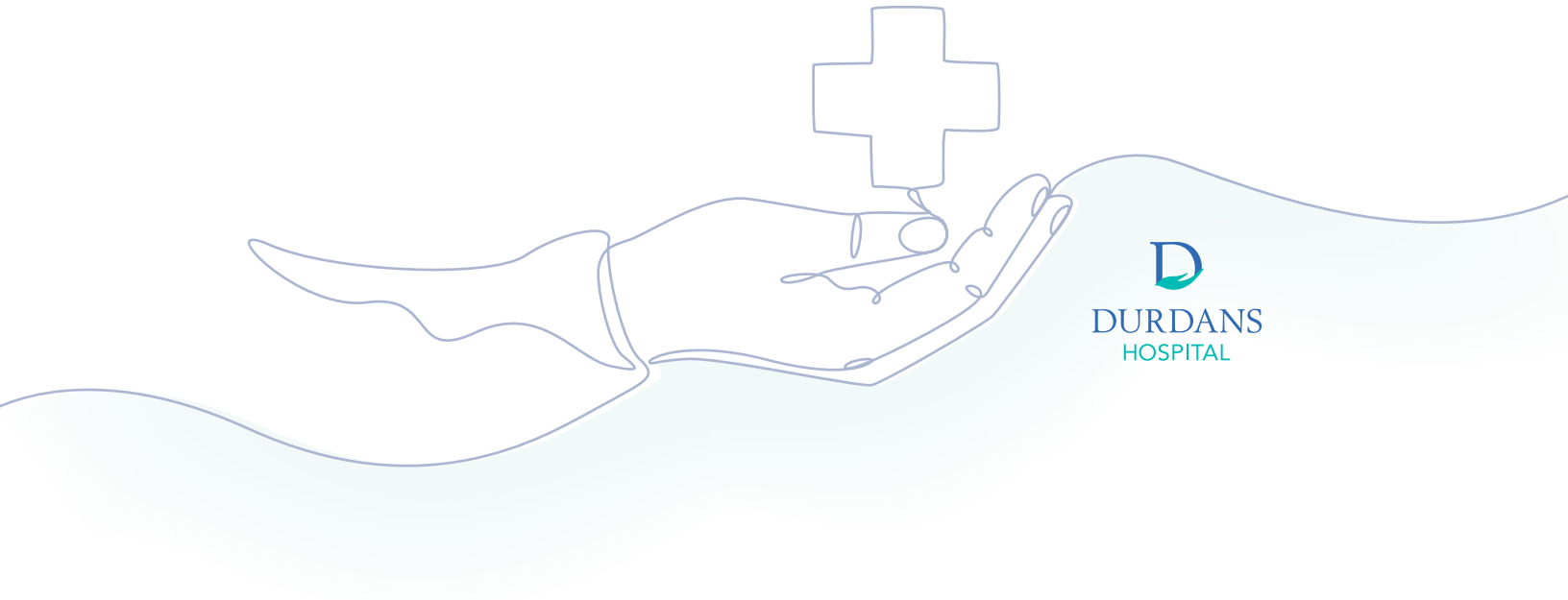
Healing- Growing-Thriving.

In a year marked by progress, performance and precision, Durdans Hospital has surpassed expectations, advancing the field of medicine in Sri Lanka. Our purpose, rooted in our duty to save every life that crosses the threshold of our walls, was both reaffirmed and realised this year as collaboration intensified, innovation accelerated and meaningful change took hold.

This year, our operation was fortified with cutting-edge surgical and diagnostic advancements that made the process of healing safer, faster and more effective, while our organisation itself became more connected and agile, with cross-functional teamwork becoming commonplace, and achievement becoming a shared outcome. The expansion of our facilities and the diversification of our healthcare offering strengthened our ecosystem, and the growth experienced was multifaceted – as our revenue grew, our quality advanced, and as our collaborative success expanded, so did our influence across the nation.

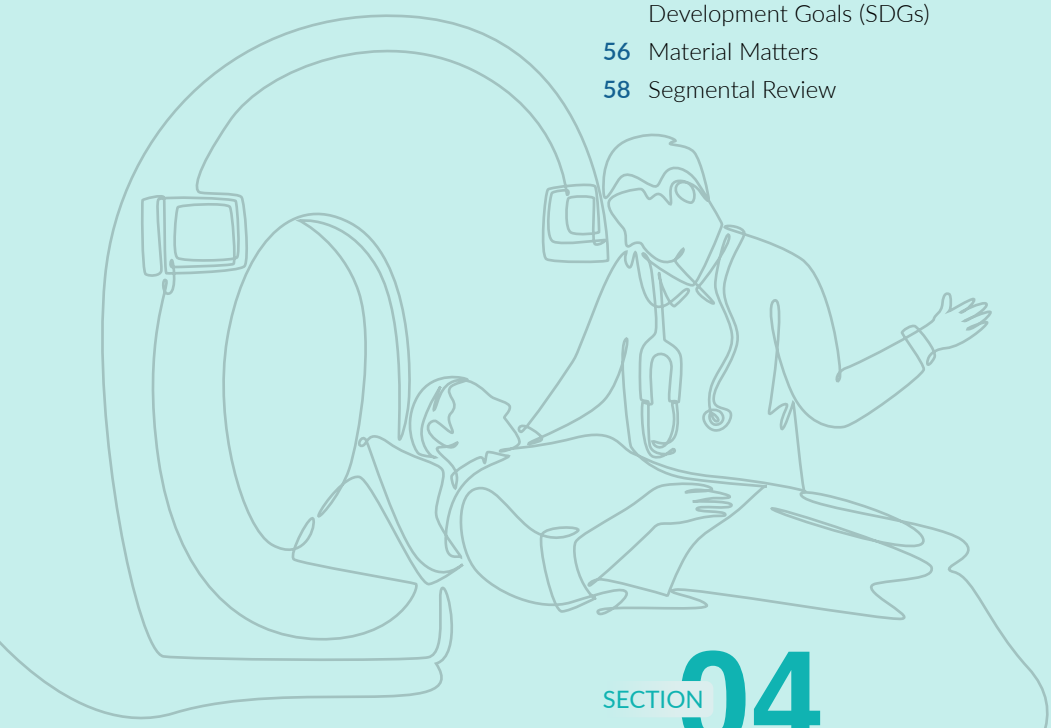
As we prepare for a new year of continued progress and purpose, we remain true to who we are.

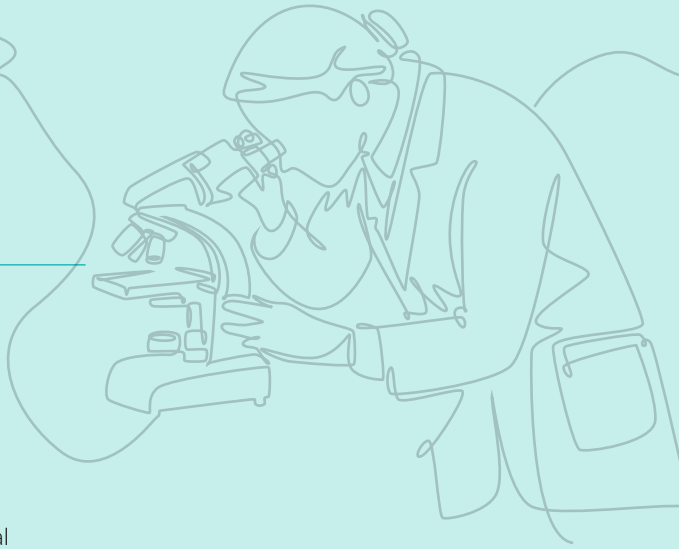
We are healing, growing, and thriving.

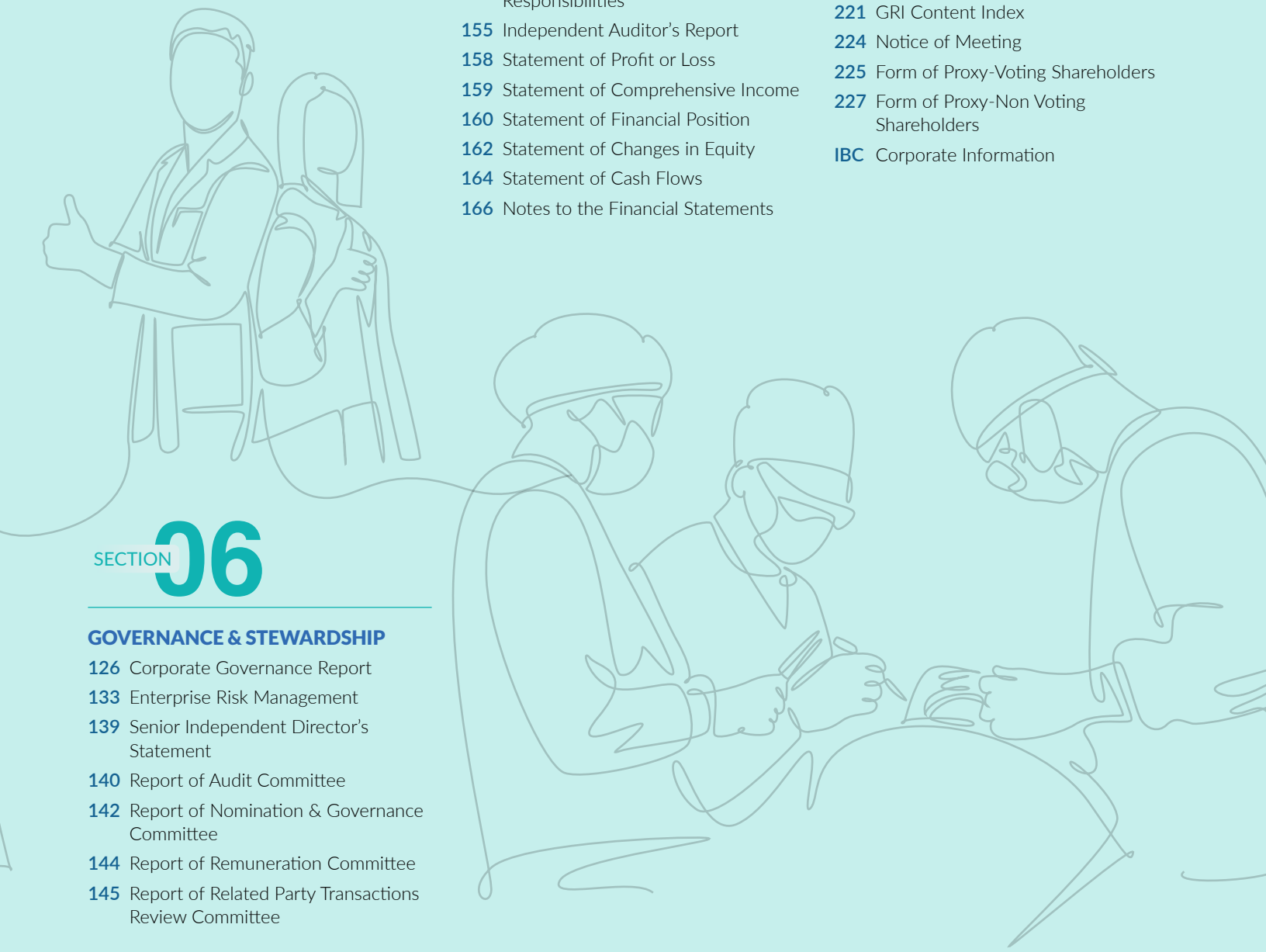


DURDANS
HOSPITAL

CONTENT







The Durdans Story

Fortified by the cutting edge and strengthened by our collaborative commitment to world-class healthcare, the Durdans legacy keeps growing. With the lives of Sri Lankans at the centre of our operations, we continue to make the process of healing safer, faster and more innovative.

THE HEART OF DURDANS

GRI 2-1

Durdans Hospital, operated by Ceylon Hospitals PLC, is one of Sri Lanka's most established private healthcare providers with a legacy spanning over 80 years. The organisation is committed to delivering high-quality, patient-centric healthcare through clinical excellence, advanced technology, and compassionate care. It has earned a reputation as a trusted healthcare institution and was the first hospital in Sri Lanka to receive accreditation from the Joint Commission International.

Vision

Our Vision is to be acclaimed as the most trusted healthcare provider.

Mission

Our Mission is to integrate advanced technology with empowered healthcare teams to deliver exceptional patient centric care.

Purpose

We strive, with passion, to meet the healthcare needs of people and build healthier communities

Core Values

Innovation
We search for new and better ways to deliver safe and convenient care.

Compassion
We strive to build a caring environment that's conducive to health and healing.

Good Governance
We enforce transparent and ethical decision making at all levels.

Integrity
We strive to build an environment that fosters accountability and honesty.

Quality
We are committed to maintaining excellent quality standards.

Learning
We believe that continual learning and development is the recipe for long-term success

DURDANS PURPOSE STATEMENT

Our People

We strive to create a workplace culture that values and supports our employees,recognising that they are our most important asset.

Our Customers

We are committed to providing our customers with high quality, reliable service that meet their needs and exceed their expectations.

Our suppliers

We work closely with our suppliers to ensure that we source the best materials and maintain a sustainable and ethical supply chain.

Our Community

We are dedicated to being a good corporate citizen and making a positive impact in the communities where we live and work.

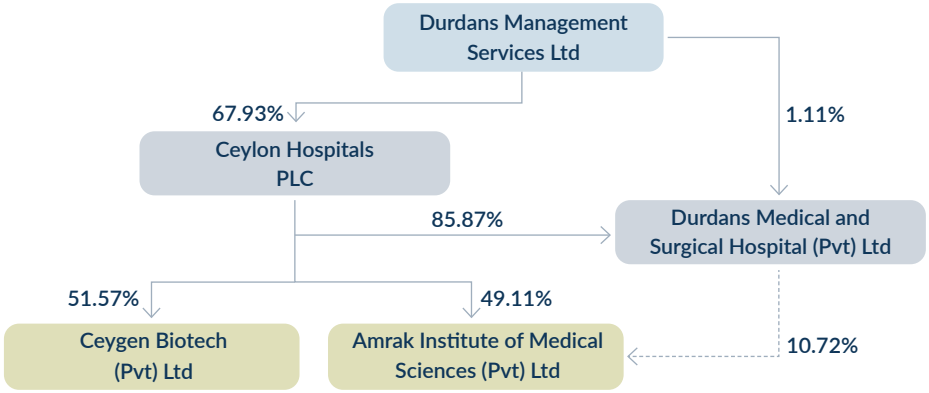
Our Shareholders

We prioritise financial performance and accountability to deliver consistent returns to our shareholders, while considering long term sustainability and ethical practices in our decision making.

Our Planet

We prioritise sustainability and strive to reduce our environment impact through eco friendly service delivering processes, energy efficient technologies and sustainable practices

GROUP STRUCTURE



OUR SERVICES IN HEALTH CARE SECTOR

Specialised Medical & Surgical Care

Durdans Hospital provides comprehensive medical and surgical treatments across multiple specialties, supported by experienced consultants, modern technology, and patient-focused care to ensure the best possible clinical outcomes.

Emergency & Critical Care

Our emergency and critical care units operate around the clock, delivering rapid medical attention, intensive monitoring, and lifesaving interventions for patients requiring urgent and specialised care.

Cardiology & Cardiac Surgery

Durdans Hospital is recognised for advanced heart care services, offering preventive cardiology, diagnostic testing, interventional procedures, and complex cardiac surgeries supported by highly skilled specialists.

Maternity & Pediatric Care

We provide compassionate care for mothers, newborns, and children through comprehensive maternity services, neonatal care, pediatric consultations, and child wellness programs in a safe and supportive environment.

Oncology Services

Our oncology services focus on the diagnosis, treatment, and management of cancer through personalised treatment plans, advanced therapies, and compassionate support for patients and families.

Orthopedics & Rehabilitation

Durdans Hospital offers specialised orthopedic treatments, joint care, trauma management, and rehabilitation services designed to restore mobility, improve recovery, and enhance quality of life.

Neurology & Neurosciences

Our neurology services provide expert diagnosis and treatment for disorders affecting the brain, spine, and nervous system, supported by advanced technology and multidisciplinary care.

Nephrology & Renal Care

We deliver comprehensive kidney care services including nephrology consultations, dialysis treatments, and renal health management with a focus on patient well-being and long-term care.

Pharmacy & Wellness Services

Durdans Hospital offers reliable pharmacy services and preventive wellness programs aimed at promoting healthier lifestyles, early detection, and continuous patient care.

Radiology & Imaging Services

Our Radiology and Imaging Department is dedicated to delivering accurate, timely, and patient-centered diagnostic services using advanced imaging technology. Equipped with state-of-the-art MRI, CT, digital X-ray, mammography, ultrasound, and DEXA scanning systems, our team of experienced consultant radiologists and radiographers provides comprehensive diagnostic and image-guided services to support early detection, precise diagnosis, and effective treatment planning

Durdans Laboratory Services

Durdans Laboratory Services is a key component of the Group's healthcare ecosystem, providing accurate, reliable, and timely diagnostic services to patients across Sri Lanka. Equipped with advanced technology and supported by qualified medical laboratory professionals, the laboratory offers a comprehensive range of diagnostic and pathology testing services that support effective clinical decision-making and patient care.

Durdans Hospital Specialized Clinics

Vascular/Urology/Eye

Vascular, Urology, and Eye specialized clinics provides infacility Services including Consultation, diagnosis, medical and surgical treatment, and minimally invasive procedures within the clinics.

OUR SERVICES - EDUCATION SECTOR

AMRAK, the educational arm associated with Durdans Hospital, is dedicated to developing future healthcare professionals through high-quality nursing education and training programs.

The institution provides students with the knowledge, clinical exposure, and practical skills required to build successful careers in the healthcare sector.

Through experienced lecturers, structured academic programs, and hands-on clinical training within a professional healthcare environment,

AMRAK supports the development of competent, compassionate, and industry-ready nursing professionals who contribute to the advancement of healthcare services in Sri Lanka.


DURDANS
HOSPITAL

ABOUT THIS REPORT

GRI 2-1, 2-2, 2-3, 2-4,2.6

This Annual Report outlines the Group's performance and key developments during the financial year ended 31 March 2026. It provides insights into the Group's strategy, operations, governance practices, sustainability initiatives, risk management framework, and financial results, demonstrating how the Group continues to create value for its stakeholders while delivering high-quality healthcare services.

SCOPE & BOUNDARY

This Report covers the operations of Ceylon hospitals plc (Durdans Hospital) and its subsidiaries, Durdans Medical & Surgical Hospital (Pvt) Ltd and Amrak Institute of Medical Sciences (Pvt) Ltd and Ceygen Biotech (Pvt) Ltd for the period from 1 April 2025 to 31 March 2026. The Group follows an annual reporting cycle, and there have been no significant restatements of financial or non-financial information unless otherwise stated.

The consolidated financial and non financial information included in this Report relates to activities at the Group level. The scope of our non financial disclosures extends beyond financial performance to include the Group's key risks and opportunities within its operating environment, as well as its impact on patients, employees, and other stakeholders. Headoffice in Colombo, Sri Lanka, the Group's operations comprise its main hospital and an expanding network of laboratory services. The Group structure of Ceylon hospitals plc, including its subsidiaries, Durdans Medical and Surgical Hospital (Pvt) Ltd. and Amrak Institute of Medical Sciences (Pvt) Ltd and Ceygen Biotech (Pvt) Ltd is presented on page 7. The narrative report primarily focuses on the Group's healthcare service delivery, encompassing hospital based care and diagnostic services, which form the core of its operations.

CHANGES TO REPORTING

No major change were made to the previous Annual Report's financial or non-financial information.

REPORTING IMPROVEMENTS

Alignment with SLFRS Sustainability Disclosure Standards S1 and S2

Annual Reports are available to download

ABOUT THIS REPORT

GRI 2-5

JOINT ASSURANCE

The Group adopts a combined assurance approach to ensure the integrity and reliability of its reporting. External assurance is obtained for the financial statements and it's relevant notes. While internal oversight is provided by the Board, Audit Committee, internal audit, and senior management. In addition, key operational and sustainability data across the hospital and laboratory network are subject to periodic review and verification to ensure accuracy and completeness.

MATERIALITY

This Report focuses on material matters that significantly impact the Group's value creation. We have enhanced stakeholder engagement and provided clearer insights into how our activities affect key stakeholders. Further details on our materiality assessment are available on page 56 We have also improved our reporting on environmental and climate related issues by adopting recognised standards such as GRI, SLFRS S1 and S2, SASB, and TCFD. The Report outlines key sustainability risks and opportunities, along with the strategies in place to manage them and drive long term value.

REPORTING

The reporting landscape has shifted significantly from FY 24/25 to 25/26 with the introduction of several new standards mandating updated disclosure requirements. To ensure full compliance, we undertook a careful evaluation of these standards and conducted a gap analysis to identify necessary adjustments. We also facilitated awareness sessions for senior and middle management to deepen their understanding and align processes with the new requirements. As a result, our financial and non-financial reporting complies with all mandatory regulations and aligns with international best practice through the early adoption of SLFRS Sustainability Reporting Standards S1 and S2 (commencing with a climate-first approach via S2 in FY 23/24). The specific regulatory and voluntary frameworks, requirements, standards, and codes guiding the preparation of this Integrated Annual Report are provided below.

Financial Reporting	➢ Sri Lanka Accounting Standards ➢ The Companies Act No. 7 of 2007 ➢ Listing requirements of the Colombo Stock Exchange
ESG and Sustainability Reporting	➢ New GRI Standards (2021) ➢ Sustainability Accounting Standards Board (SASB) Standards ➢ UN Sustainable Development Goals (SDG) ➢ 10 principles of the UN Global Compact ➢ Gender Parity Reporting Framework of CA Sri Lanka ➢ Recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures) disclosures ➢ Non-financial reporting guidelines of The Institute of Chartered Accountants, Sri Lanka ➢ SLFRS S1 General Disclosures and Sustainability-Related Risks & Opportunities Qualitative Disclosure ➢ SLFRS S2 Climate-Related Risks and Opportunities - qualitative and quantitative disclosure
Corporate Governance	➢ Code of Best Practice on Corporate Governance issued by CA Sri Lanka ➢ CSE Listing Section 9 on Corporate Governance ➢ Listing requirements of the Colombo Stock Exchange Section 7

THE JOURNEY OF INTEGRATED REPORTING

GRI 2-3

FY 2025/26 marks the 9th year of integrated reporting for Ceylon hospitals plc. By applying the principles of integrated thinking to our decision making and strategy formulation, we have enhanced resource allocation, enabling the Group to balance the diverse interests of our stakeholders. Furthermore, we have significance, and credibility of our information to stakeholders throughout this decade.

2024/25

2023/24

2022/23

2021/22

2017/18

2018/19

2019/20

2020/21

FEEDBACK & INQUIRIES

We welcome your comments, suggestions and queries on this report. Please direct your feedback to:

Chief Financial Officer,
Ceylon hospitals plc,
No. 3, Alfred Place, Colombo 03.
Email : contactus@durdans.com

HIGHLIGHTS OF THE YEAR

DELIVERING FINANCIAL VALUE

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

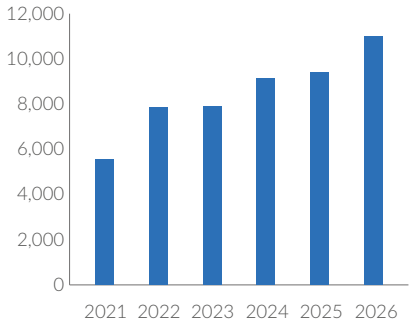
FINANCIAL RESULTS	25/26(Current Year)	24/25 (Last Year)	Growth
Revenue	**10.98 Bn**	9.41 Bn	16.7%
Operating Profit	**1.56 Bn**	1.16 Bn	34.6%
Profit Before Tax	**1.40 Bn**	0.96 Bn	46.4%
Profit After Tax	**1.05 Bn**	0.73 Bn	44.9%
Ratios			
Earnings Per Share	**5.68**	3.89	45.7%
Net Assets Per Share	**70.9**	66.3	7.0%
Return on Asset	**5.7%**	4.4%	29.9%
Return on Capital Employed	**11.2%**	8.8%	28.2%
Return on Equity	**8.2%**	6.1%	35.3%

FINANCIAL HIGHLIGHTS

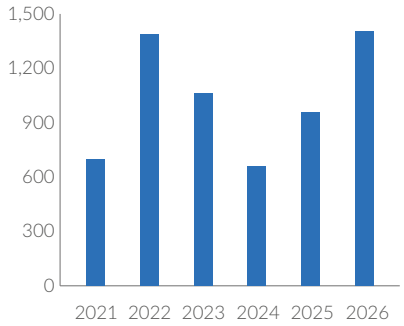
Group	2021	2022	2023	2024	2025	2026
Financial Results						
Turnover (Rs. Mn)	5,546	7,840	7,905	9,153	9,405	**10,979**
Operating Profit (Rs. Mn)	640	1,361	940	704	1,158	**1,558**
Profit Before Tax (Rs. Mn)	696	1,389	1,060	659	958	**1,402**
Profit After Tax (Rs. Mn)	600	1,110	652	454	726	**1,052**
Statement of Financial Position						
Fixed Assets - NBV (Rs. Mn)	7,083	7,295	7,706	11,582	14,146	**14,225**
Total Assets (Rs. Mn)	10,896	12,802	14,110	15,043	18,083	**18,882**
Capital Employed (Rs. Mn)	8,873	10,290	11,158	11,713	13,809	**14,214**
Net Assets (Rs. Mn)	7,220	8,282	8,501	8,836	11,952	**12,802**
Ratio						
Earnings Per Share (Rs.)	4.14	7.25	4.22	2.90	3.89	**5.68**
Interest Cover (Times)	7.14	18.24	13.06	5.55	4.82	**8.26**
Net Assets Per Share (Rs.)	48.92	55.71	57.36	56.29	66.30	**70.94**
Return On Asset (%)	5.52	8.67	4.62	3.02	4.38	**5.69**
Return On Capital Employed (%)	8.94	14.28	10.29	6.86	8.75	**11.22**
Return On Equity (%)	8.31	13.40	7.67	5.15	6.07	**8.22**

Following the ordinary share subdivision on 5 March 2026 (1:4 basis), prior-year per share figures and share-related ratios have been retrospectively adjusted to ensure comparability between the current and previous financial years.

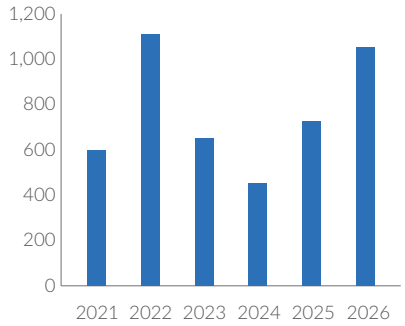
Turnover
(Rs. Mn)



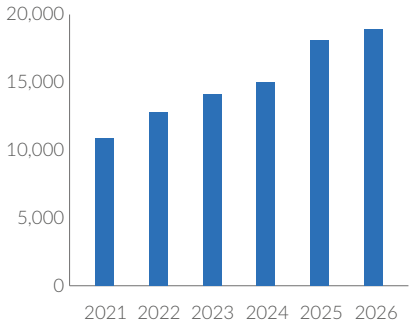
Profit Before Tax
(Rs. Mn)



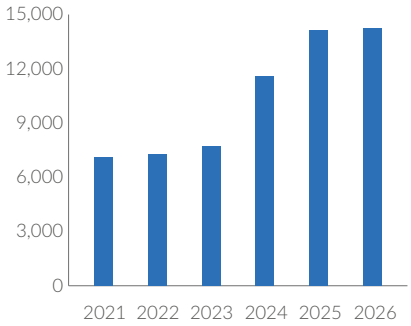
Profit After Tax
(Rs. Mn)



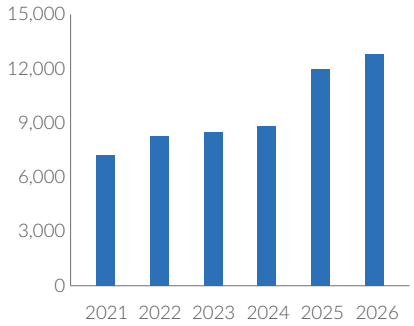
Total Assets
(Rs. Mn)



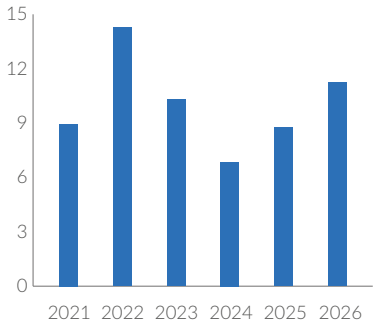
Fixed Assets - NBV
(Rs. Mn)



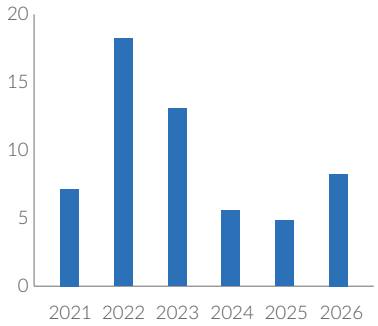
Net Assets
(Rs. Mn)



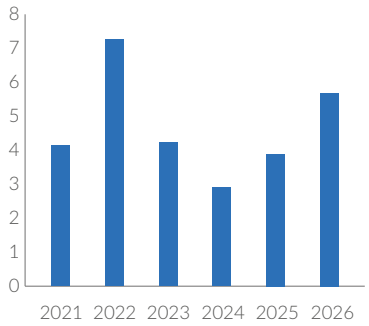
Return On Capital Employed
(%)



Interest Cover
(Times)



Earnings Per Share
(Rs.)



OUR JOURNEY OF CARE

GRI 2-6

> The journey of Durdans Hospital began during World War II between the years 1939 and 1945.

The original house owned by Charles Henry de Soysa, that was converted into Durdans Hospital

1939
With the outbreak of hostilities during the Second World War, the British Government commandeered the premises now known as 'Durdans Hospital' at its current location to provide medical and surgical care for the sick and injured military personnel in the then British colony of Ceylon.

1945
With the cessation of hostilities, a group of general practitioners in medicine and surgery, realised the need for private healthcare for the people of Ceylon. They took over the former military hospital and incorporated a legal entity known as 'Ceylon Hospitals Limited' on 17th May 1945. The commercial operations of Ceylon Hospitals Limited as a healthcare provider and operator began in January 1946.

1968
Special focus was provided for maternity care when Durdans opened its new maternity ward as well as an outpatient facility.

1982
The new Paediatric Ward, Surgical Ward, and Operating Theatre complex were set up.

1984
Radiology services were introduced to the public for the first time.

1993
The Intensive Care Unit (ICU) was formally established.

1995
Strategic management was introduced together with the establishment of Durdans' 1st Strategic Road Map.

The Endoscopy unit was established.

1996
A strategic alliance was established with the largest free-standing Heart Institute in Asia.

The Pathological Laboratory and Blood Bank commenced operations.

1997
The infrastructural development of the Heart Station and Heart Command Centre commenced.

1999
Durdans Heart Surgical Centre (Pvt) Ltd (known as Durdans Heart Centre) was established and the Heart Station became operational.

Durdans island wide laboratory network commenced operations during the year.

2000
Durdans Heart Centre commenced cardiac surgeries.

The Catheterisation Laboratory was set up to commence invasive and interventional cardiac procedures for the first time at Durdans Heart Centre.

2001
A formal Emergency Unit was set up.

The restructuring of Durdans Hospital commenced.

Formulation of 2nd Strategic Road Map.

2003
Ceylon Hospitals Limited was listed on the Colombo Stock Exchange as Ceylon Hospitals PLC.

2004
The Neonatal and Dialysis units were established.

2005
Commencement of Ocular surgery and Cochlear implant surgery for the first time in Sri Lanka.

2007
Durdans 3rd Strategic Road Map was introduced.

2009
Construction of the Sixth Lane Hospital Wing commenced.

2010
An Orthopaedic Clinic was established with an Orthopaedic OT commencing complex surgeries.

2011
The Sixth Lane Wing was unveiled to the public and became fully operational. Operations commenced under Durdans Medical and Surgical Hospital (Pvt) Ltd.

A brand-new Eye Clinic was set up.

A Genitourinary unit was set up.

2012
Operations relating to the Diabetes and Endocrinology Centre and Durdans Oral Health Centre commenced.

2013
The Neurology Unit was established.

2014
Durdans became the 1st hospital in Sri Lanka to be accredited with the Gold Seal of approval by Joint Commission International (JCI) USA, which is the highest accreditation in healthcare delivery.

2015
The 4th Strategic Road Map was introduced. 'Enhance' Cosmetic Centre was set up.

2016
The Dietetic and Nutritional Care Centre and Sports Medicine under the Physiotherapy Unit were established.

2017
Re-launch of the Durdans brand under the slogan 'Dedicated to You', enhancing the customer experience with the introduction of sophisticated technology, processes and operations. A new 180-slot multi-storey split-level car park building was opened. Durdans Hospital received re-accreditation from Joint Commission International (JCI).

2018
Commenced major infrastructural development project on the re-development and remodelling of Durdans.

The Biplane Catheterisation Laboratory was set up to commence minimally invasive and interventional head to toe procedures.

2019
A formal ENT (Ear, Nose, Throat) Clinic was set up and an advanced ENT Workstation was installed, ensuring comfort and precision in ENT.

2020
The 'Amrak Institute of Medical Sciences' was incorporated as a subsidiary of Ceylon Hospitals PLC.

2021
Durdans Hospital embarked on the next phase of its 5th Strategic Road Map in alignment with Durdans Vision 2022.

Durdans commenced the upgrade of its Enterprise Resource Planning platform for better efficiency and to streamline its business processes.

Refurbishment of Durdans Heart Centre and the Sixth Lane Wing (Durdans Medical and Surgical Hospital (Pvt) Ltd) commenced and scheduled to be completed in 2022.

2022
Despite the economic disruptions during the year, Durdans persisted against all odds to progressively continue the construction work of vision 2022 project.

2023
The landmark Vision 2022 project which was delayed due to COVID 19 pandemic and economic downturn was substantially completed during the latter part of the financial year and as the first phase, opened its doors to our clients in January 2023 with the relocation of the OPD pharmacy and laboratory facilities, the Dental Clinic, Sleep Lab and Sixth Lane Café

The hospital successfully recommenced its kidney transplant programme under the guidance and expertise of renowned specialists in December 2022.

The hospital's key functions were restructured into key Strategic Business Units in line with 5th Strategic Road Map.

2024
The refurbishment programme of the Sixth Lane Wing was substantially completed during financial year 2023/24.

The landmark Vision 2022 redevelopment project was successfully completed during the financial year 2023/24 apart from the Wellness Centre and the expansion of the Eye Clinic.

Two brand new modular operation theatres for Neuro Surgery was opened in the facility with a Neuro Surgery ICU and ward strengthening neurosurgery in Sri Lanka with advanced image guided and navigation surgeries.

2025
As part of ongoing infrastructure improvements, a patient-centric, comprehensive Urology Clinic-offering both consultations and procedures in situ-was launched. The refurbishment of the Audiology Clinic also reached its final stages during the year.

In line with our efforts to enhance patient experience and deliver cost-effective medical solutions, a fully refurbished six-bedded Day Care Centre was commissioned in December.

'Revive by Durdans' is scheduled for completion in the first quarter of the 2025/26 financial year, marking a significant step in our commitment to supporting patient recovery and rehabilitation.

Durdans Heart Centre (DHC) with Ceylon Hospitals PLC (CHPLC), was successfully merged and was executed on 01st January 2025.

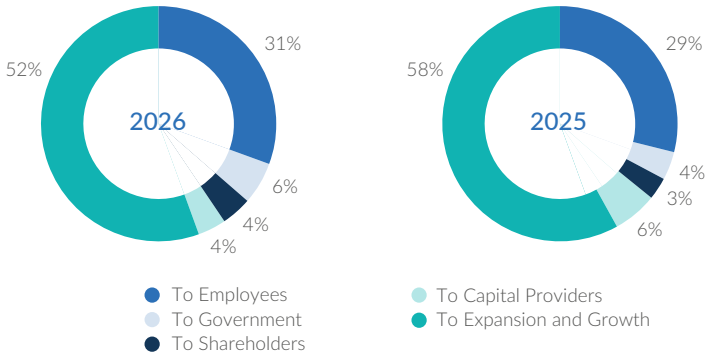
2026
In continuing our journey of enhancing patient services and innovative product roll outs Sri Lanka's 1st Private sector comprehensive recovery and rehabilitation centre "Revive by Durdans" was commissioned in May 2025, Audiology and Sleep lab was refurbished and now provides much better layouts, convenience and comfort to all patronising the facility, a patient-centric, comprehensive Vascular/ Wound Clinic was launched offering both consultations, in situ radiology facilities and procedures catering to the much needed convenience to patients. In 2026 Q1 Durdans would be commissioning 02 more unique services to cater to the much-needed requirements of the communities in Geriatrics and psychology support further strengthening our commitment to communities and building a healthier nation.

OUR SOCIAL & ECONOMIC IMPACT

We play an important role in our nation's economy, through our contribution to export earnings, tax payments, employment generation, community upliftment and environmental conservation

VALUE ADDED STATEMENT	2026 Rs. 000'	2025 Rs. 000'
To Employees	2,948,820	2,419,144
To Government	291,988	149,939
To Shareholders	196,295	120,494
To Capital Providers	193,050	250,668
To Expansion and Growth	1,600,345	1,207,113

ECONOMIC VALUE ADDED AND GENERATED



Employment opportunities created

We provide employment for a large number of direct and indirect employees across Sri Lanka, boosting economic growth and development in those nations

Total Employment in Sri Lanka	2,072
Employee Retention Ratio	70%
Investment in employee training and development	Rs. 4.3 Mn

Community upliftment

We focused on Enhancing Living Environments, Promoting Health & Nutrition, Building Community Capacity, and Empowering the Community

Beneficiaries	5,000+
Investment in CSR	Rs. 2.5 Mn

Developing suppliers

Engaging continuously with approximately 600 + diverse supplier base, we foster strong, mutually beneficial relationships that support local communities

Payment to suppliers	Rs. 7 Bn

Delivering value to customers

Our position at the forefront of healthcare delivery is sustained by the deep-rooted confidence our patients place in us and the enduring partnerships we build to foster a healthier society

Total IP's	14,708
Net Promoter Score	IP-76

Environmental sustainability

At Durdans, we are deeply committed to making a meaningful, positive impact on our environment, optimising our resource management, and uplifting the communities we serve. We recognise that advanced sustainability practices are not just essential for shaping a healthier future for all, but are also fundamental to our long-term operational and business success.

Waste Management	96,652 KG

Good governance and ethical compliance

Zero tolerance policy towards non compliance governance framework is monitored, ensuring compliance and highest ethical standards for satisfy transparency, accountability across all operations.

Zero non compliance
Compliance with local laws and regulations

Supporting the development of capital markets

As a well established company, our performance and stability contribute to investor confidence in the Sri Lankan capital market

Market capitalisation	Rs. 2,600 Mn
Dividend declared	196 Mn

Value creation to governments

As a leading healthcare institution, the Hospital contributes to government revenue through various tax payments and regulatory contributions, supporting national healthcare priorities and broader socio-economic development goals of the country.

Tax Amount	Rs. 292 Mn
All taxes paid as per operating locations' tax regulations and returns filed on time	

Leadership Perspectives

As we reach the conclusion of a year marked by precision and progress, we renew our dedication to advancing the field of medicine and delivering one-of-a-kind patient care to all those who trust us with their lives.

CHAIRMAN'S MESSAGE

GRI 2-22

Ceylon Hospitals PLC delivered its strongest financial performance in the Group's history, reflecting the success of its strategic initiatives and the resilience of its operating model. The Group remains committed to embedding sustainability into its long-term strategy through the introduction of a structured five-year sustainability roadmap.

Dear Shareholders,

It is my privilege to present the Annual Report of Ceylon Hospitals PLC for the financial year 2025/2026, a year marked by continued progress in strengthening our strategic foundations, enhancing service capabilities, and reinforcing our position within Sri Lanka's evolving healthcare landscape.

INDUSTRY AND OPERATING CONTEXT

Successive Governments have, over time, articulated policy with the intent of introducing Public-Private Partnerships (PPPs) within the healthcare sector. However, tangible implementation has yet to materialise. Notwithstanding this delay, the healthcare industry continues to evolve in response to shifting patient expectations, rapid advancements in medical technology, and the increasing demand for accessible, high-quality care.

Against this backdrop, the Government's renewed emphasis on PPPs represents a timely and potentially transformative opportunity to strengthen the national healthcare ecosystem through structured collaboration and shared investment.

If effectively executed, such initiatives could play a pivotal role in addressing capacity constraints, optimising resource utilisations, and alleviating system bottlenecks. This, in turn, would contribute to reducing patient waiting times and enhancing access to quality healthcare for the broader community.

We view these developments as a meaningful opportunity for the private sector to assume a more active and responsible role in supporting national healthcare delivery. The Group remains well positioned by virtue of its established infrastructure, clinical capabilities, and governance framework to contribute constructively towards improving access, operational efficiency, and overall healthcare outcomes in Sri Lanka.

At the same time, the operating environment continues to present structural challenges. The rising cost of acquiring advanced medical equipment driven primarily by government-imposed levies and the depreciation of the Sri Lankan Rupee has increased capital intensity and extended investment payback periods. While such cost structures may be more sustainable in larger regional markets with greater population scale and a broader base of patients able to afford private healthcare, the local context necessitates a measured and disciplined approach to capital deployment. In this regard, policy support to facilitate access to advanced medical technologies would further strengthen the sector's ability to deliver timely, high-quality care.

STRENGTHENING OUR FOUNDATIONS

Building on the strategic realignment undertaken in the previous year, we continued to strengthen our organisational and leadership structures to support long-term growth. These efforts have enhanced alignment between clinical excellence and operational performance, enabling a more cohesive and integrated approach to delivering high-quality care.

A key milestone shaping our trajectory was the successful merger of Durdans Heart Centre (DHC) with Ceylon Hospitals PLC, completed in the previous financial year. This integration has strengthened our ability to deliver comprehensive cardiac care while unlocking synergies across clinical operations, infrastructure, and resource utilisation. The consolidation has enhanced operational efficiency, improved service coordination, and reinforced our position as a leading provider of specialised healthcare services.

Equally important has been our continued focus on strengthening leadership depth and organisational capability. The Group has invested in building a strong and experienced leadership team, supported by ongoing initiatives to develop talent, enhance clinical expertise, and reinforce a performance-driven culture. These efforts are central to sustaining operational excellence and ensuring responsiveness to the evolving needs of the healthcare sector.

INVESTING IN CAPABILITY AND INNOVATION

Our commitment to clinical excellence is underpinned by sustained investment in infrastructure, technology, and service development. During the year, we continued to invest meaningfully in medical equipment and service enhancements, ensuring that our facilities remain well equipped to meet evolving patient needs while maintaining the highest standards of care.

A key highlight was the commissioning of the Revive Centre, representing an investment of over LKR 360 million including the new infrastructure cost and equipment. As a unique offering within the private sector, this purpose-built rehabilitation and wellness facility expands our continuum of care beyond acute treatment. It supports post-operative recovery across cardiac, neurological, and orthopaedical disciplines, while also addressing the growing demand for preventive and lifestyle-focused healthcare. As the needs of an ageing population evolve, this facility is expected to play an increasingly important role in enabling patients to regain mobility, improve quality of life, and sustain long-term wellbeing.

We also marked the opening of a comprehensive Vascular Centre, further enhancing our specialised care offerings and strengthening our ability to deliver integrated treatment pathways. Continued advancements in neurological and cardiac care services have further reinforced our ability to achieve improved clinical outcomes across high-acuity disciplines.

Our investments in upgrading medical equipment and service capabilities during the year were substantial, reflecting our ongoing commitment to strengthening clinical excellence. Looking ahead, we

The integration of Durdans Heart Centre (DHC) with Ceylon Hospitals PLC continued to generate operational synergies, strengthening specialised cardiac care and enhancing service delivery.

are preparing for a significant phase of capital investment, including the planned acquisition of an advanced 3 Tesla MRI system anticipated to be one of the largest single investments undertaken by the Group. Additional investments are also planned to enhance capabilities across gastroenterology, minimally invasive surgery, and neurology, ensuring that we remain at the forefront of modern healthcare delivery.

DIGITAL TRANSFORMATION

Digital enablement remains a central pillar of our long-term strategy. Having laid the foundation through the development of internal systems over the past three decades, we reached a significant milestone during the year with the selection of Microsoft Dynamics 365 Business Central as our next-generation Enterprise Resource Planning (ERP) platform.

The completion of licensing in the first and the second quarters of 2026/2027 marks a critical step in modernising our digital infrastructure. This transition reflects a strategic shift from internally developed systems to a scalable, globally aligned platform, enabling enhanced integration across operational functions, improved data integrity, and more agile, insight-driven decision-making.

While the implementation timeline was modestly extended to ensure system readiness and seamless integration with existing front-end systems, the process of integrating with the current front-

Turnover (Rs. Bn)
10.9 Bn

Operating Profit (Rs. Bn)
1.6 Bn

Earnings Per Share (Rs.)
5.68

Total Assets (Rs. Mn)
18.9 Bn

end architecture in conjunction with Microsoft Dynamics 365 Business Central has presented certain complexities. Nevertheless, the vendor's team, together with our internal team, continue to work diligently towards bringing the ERP applications online during the latter part of the first quarter of the 2026/2027 financial year. This initiative is expected to enhance operational efficiency and support our ability to respond effectively to the demands of a rapidly evolving healthcare environment.

CREATING VALUE FOR SHAREHOLDERS

Our strategic focus remains firmly centered on creating sustainable value for shareholders. The structural initiatives undertaken in recent years including the integration of specialised services and organisational realignment continue to deliver tangible benefits across the Group.

During the year, we also implemented measures to enhance the accessibility and liquidity of our shares by increasing the number of shares available in the market. While this does not impact overall market capitalisation, it supports broader investor participation and improves market activity, thereby strengthening engagement with the shareholder base.

ACKNOWLEDGEMENT

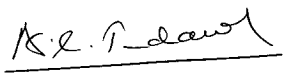
Sincere appreciation is extended to our Clinical Consultants, both visiting and in-house, for their continued commitment to clinical excellence and the trust they place in our institution.

Deep gratitude is also conveyed to the entire Durdans team, including our medical officers, nursing, administrative, technical, and support staff, whose dedication and professionalism have been instrumental in sustaining our standards of care and service delivery during the year under review.

The Board also places on record its appreciation to Mr Asoka Abeywardene, who retired as an Independent Non-Executive Director of the Company in November 2023 and passed away in March 2026, for his valuable contribution during his tenure. The Board further records with deep regret the passing of Mr Naveen Sooriyaarchchi, who served as an Independent Non-Executive Director of Durdans Medical & Surgical Hospital (Private) Limited, in September 2025 whilst in office, and acknowledges with gratitude his dedicated service to the Group.

Recognition is also due to the CEO/DMS and his management team for their leadership and the vital role they have played in driving operational performance and organisational effectiveness.

Finally, acknowledgement is extended to the Boards of Directors of the Company and its principal subsidiary for their guidance and steadfast support. Their counsel and oversight have been invaluable in steering the Group through a dynamic and evolving operating environment. Appreciation is also conveyed to the Company's stakeholders, including Government institutions such as the Ministry of Health and other regulatory and public sector agencies, funding institutions, and suppliers, for their continued support and collaboration.



Ajith Tudawe
Chairman

29th May 2026

CEO/DMS'S MESSAGE

GRI 2-22

Sustained above industry growth across all major service lines, with over 20% growth in both patient volumes and revenue across surgical, medical, laboratory, radiology, and emergency services. Expanded specialized healthcare services through the launch of the Revive Rehabilitation and Wellness Centre and a fully integrated Vascular Clinic

Dear Shareholders,

It is with great responsibility, resolve, and pride that I present the Annual Report of Ceylon Hospitals PLC for the financial year ended 31 March 2026 – my first full year as Chief Executive Officer and Director of Medical Services.

Over the course of the year, the Group has built further on a strong foundation, progressing steadily towards becoming a future-ready organisation. Despite a dynamic and often challenging environment, we delivered above-industry performance, reflecting our resilience, adaptability, and ability to execute strategically while building tangible value for our stakeholders.

OPERATING CONTEXT

The financial year was characterised by improving macroeconomic conditions, with GDP growth exceeding 5%, alongside stabilisation in currency, inflation, and utility costs, reinforcing investor confidence, as reflected in the resurgence of the Colombo Stock Exchange. Tourist arrivals exceeding 2.5 Mn and increased remittances contributed to improving foreign reserves and broader economic stability. Collectively, these developments created a more supportive operating environment across most sectors, including healthcare.

During the year, the healthcare sector faced persistent challenges owing to the continued migration of skilled healthcare professionals in key paramedical roles, further compounded by intermittent shortages of critical medicines; combined factors which, in turn, impacted service continuity and clinical workflows. Notwithstanding these pressures, the sector demonstrated resilience, underpinned by sustained demand for quality healthcare services, increasing awareness of preventive care, and continued investment in clinical capability and infrastructure across leading providers.

The regulatory landscape evolved further, with increased requirements relating to compliance, pricing transparency, environmental sustainability, and data protection. While these developments strengthen sector governance, they have necessitated ongoing investments in systems, infrastructure, and training, thereby augmenting the investment burden on an industry already constrained by higher taxes and the rising cost of capital.

MARKET DYNAMICS

Durdans, with over 80 years of excellence in healthcare delivery, benefits from a strong and loyal patient base. However, in the post-COVID and post-economic downturn environment, a shift in patient behaviour has emerged, fuelled by increased price sensitivity, convenience, and the expansion of healthcare providers across peripheral regions.

Patients today are more informed, value-conscious, and increasingly mindful of the overall healthcare journey, while seeking quality, convenience, and value for money in their healthcare decisions. In response, the Group accelerated the adoption and enhancement of digital tools, including mobile platforms, chatbot functionality, and process automation, with the aim of enhancing accessibility and efficiency across its diverse stakeholder groups.

During the year, a visible improvement in consumer sentiment was witnessed, intensified by rising disposable incomes and a growing awareness of preventive healthcare. Furthermore, increasing healthcare costs have contributed to a rise in demand for insurance solutions among corporates and individuals, supported by programmes such as NITF and Suraksha. While overall insurance penetration remains relatively low, these trends present a positive outlook for the sector going forward.

MANAGING CHALLENGES AND BUILDING RESILIENCE

The year presented several operational challenges, including workforce constraints and increasing competition resulting in pricing pressures, alongside rising human resource and operating costs. Furthermore, the healthcare sector remains inherently capital-intensive, requiring continuous investment to maintain and upgrade medical equipment and clinical capabilities. Rising acquisition costs owing to taxes and levies continue to pose challenges for capital deployment and long-term investment planning.

In response, the Group undertook targeted steps to maintain operational stability and improve its ability to respond to an ever-changing environment. These constituted the effective implementation of disciplined cost and resources control, productivity improvements, and targeted workforce strategies designed to ensure margin enhancements and the continuity of operations across the Group. This

approach was further reinforced by the introduction of bundled service offerings, particularly within surgical care.

FINANCIAL AND OPERATIONAL PERFORMANCE

Against this backdrop, the Group delivered its strongest financial performance to date, achieving revenue of LKR 11 Bn, reflecting a year-on-year growth of 17% and improved efficiency ratios. EBITDA reached LKR 2.4 B, recording a 31% YOY growth, while operating profit and profit after tax Grew by 35% and 45% YOY.

Growth was broad-based across all key service areas, including surgical, medical, radiology, emergency treatment, and laboratory services, each contributing strongly with growth levels around 20% in both volumes and revenue terms. Surgical volumes increased by approximately 27%, reflecting strong demand across multiple specialties, while medical admissions grew due to the intake of higher patient volumes during the first half of the year, partly influenced by seasonal and epidemic-related trends.

Capital deployment remained aligned with long-term strategic priorities, with close

Surgical volumes increased by approximately 27%, reflecting strong demand across multiple specialties. Expanded the laboratory network with 10 new collection centres and 2 mini laboratories, improving accessibility and service reach.

to 755 Mn invested across infrastructure, IT enhancements, and medical equipment in order to enhance the Group's clinical capability and service delivery.

The Group's exceptional performance reflects the alignment of strategic initiatives with operational execution, reinforcing the Group's ability to translate investments in capability and service delivery into sustained growth and improved outcomes.

Surgical Volumes Increased by

27%

Highest ever Revenue in History

17%

Growth Year-on- Year

Net Promoter Scores exceeding

70%

Total Investment (Rs. Mn)

750 +

To strengthen clinical capabilities

Strategy Execution and Service Expansion

The year represented a phase of consolidation, refinement, and realignment of strategic priorities. Organisational structures were strengthened to support a future-ready operating model, including the alignment of medical and administrative leadership under a unified CEO/DMS structure, which enhanced integration, execution, and accountability across the Group.

The year under review saw us further augment our service portfolio to meet changing patient needs. The commissioning of the Revive Rehabilitation and Wellness Centre and the establishment of a fully-fledged vascular clinic with integrated on-site diagnostic capabilities have fostered a greater ability to deliver integrated, multidisciplinary care.

These developments reflect our focus on supporting patient recovery, rehabilitation, and long-term wellbeing through more coordinated and patient-centric service delivery.

We continued to uphold our position as a centre of excellence across key specialties, including neurological, cardiac, orthopaedic, and ophthalmic care. Increased emphasis on stakeholder engagement also facilitated the onboarding of a diverse mix of experienced and newly board-certified consultants across multiple subspecialties, enhancing the breadth and depth of clinical expertise available to patients.

Clinical excellence was further developed through structured training programmes, including continuous professional development initiatives and clinical symposiums aimed at enhancing the capabilities of our medical teams. The laboratory network was also expanded, with the addition of 10 new collection centres and 2 mini laboratories across multiple regions.

Despite increased operational demands and ongoing facility upgrades and network expansion, all clinical quality and patient safety benchmarks were maintained above accepted standards. Increased patient volumes also prompted a transition from outsourced to in-house support services in selected areas with the aim of improving service quality and long-term sustainability.

ENHANCING PATIENT CARE AND EXPERIENCE

Enhancing patient care and experience remained a key priority throughout the year. Over 900 employees across key patient touchpoints underwent structured training programmes, complemented by the certification of more than 40 in-house trainers, ensuring continuity of service excellence. These capability building programmes translated into measurable improvements in patient satisfaction, with Net Promoter Scores exceeding 70%, reflecting strong levels of trust and confidence in our services.

The corporate segment also recorded robust growth, driven by targeted initiatives to re-engage clients and introduce enhanced service offerings, resulting in growth exceeding 50% in both volumes and revenue. The relaunch of the “Priority Circle” programme further bolstered relationships with corporate partners.

ADVANCING DIGITAL CAPABILITIES

Digital capability remains a key strength of the Group. Our internally developed Health Information System and ERP platforms provide a strong foundation for operational efficiency, with ongoing enhancements aligned to evolving clinical and operational requirements.

Governance was further reinforced through the Clinical and Digital Transformation Committee, ensuring closer alignment between digital initiatives and clinical priorities.

As digital integration deepens across clinical and operational processes, we continue to actively enhance cybersecurity frameworks and data protection measures to safeguard patient information and ensure system resilience.

PEOPLE, CULTURE, AND CAPABILITY

Our people remain central to our success, and during the year we concentrated our efforts towards strengthening workforce capability, developing leadership, and fostering a performance-driven and inclusive culture across the Group – undertaking fundamental steps towards sustaining operational excellence and long-term growth.

Key actions pertaining to human capital during the year included structured leadership development programmes, participation in professional training platforms, and the establishment of a nursing leadership programme in

collaboration with academic institutions. In parallel, international partnerships were leveraged to address specialised skill gaps in critical care areas, forming part of a broader move towards improving succession planning and building a resilient leadership pipeline aligned with the Group’s future ambitions.

In line with this, key performance indicators were streamlined across functions, enabled by the introduction of a structured performance-based incentive framework to drive performance through clearly defined targets and deliverables.

Operational excellence was further reinforced through the expansion of lean programmes, with over 30 lean green practitioners certified during the year, collectively delivering more than 50 improvement projects. This work is anticipated to generate annual savings of approximately LKR 50 Mn, while also enhancing efficiency and process effectiveness across the organisation.

Equally, fostering a strong and inclusive organisational culture remained a key priority. A range of employee engagement initiatives and cultural gatherings were organised during the year, with the objective of bringing together teams across the Group and cultivating a sense of unity, inclusivity, and shared purpose. These programmes were complemented

by enhanced communication and feedback platforms, including "Tell the CEO", open forums, and regular town halls, promoting transparency and alignment across the organisation.

SUSTAINABILITY AND COMMUNITY IMPACT

Our approach to sustainability is grounded in responsibility to both our communities and the environment. During the year, a key community initiative involved supporting a rural school in Mahiyanganaya, benefiting over 100 students through essential supplies and the establishment of a computer laboratory, funded through staff contributions and group exceeding LKR 2.5 Mn.

Environmental initiatives prioritised on driving improvements in energy efficiency, waste management, and resource utilisation across the Group. This included the transition to sterilisation boxes for theatre equipment, significantly reducing material consumption. The Group remains committed to further deepening its ESG commitment through targeted initiatives and the deeper integration of sustainability principles into its long-term strategy, ensuring that responsible practices are embedded across all aspects of operations.

Looking Ahead

The Group is preparing for the introduction of advanced diagnostic capabilities in the upcoming year, including the planned deployment of MRI technology, which will further strengthen our ability to support early diagnosis and enhance clinical decision-making across key specialties. These investments are aligned with our broader focus on expanding high-acuity care and reinforcing our position in specialised healthcare delivery.

As we look ahead, the Group's strategic roadmap over the next five years will centre on positioning Durdans as a leader across multiple clinical specialties while transforming into one of the most efficiently functioning healthcare providers in the country.

This direction will be backed by ongoing investments in clinical capability, operational efficiency, and service innovation, with an emphasis on expanding care in areas such as elderly care, preventive health, rehabilitation, and psychological support. The Group will also explore opportunities to expand its geographical presence through innovative operating models.

With a strong foundation and clear strategic direction, we remain confident in sustaining our growth momentum, while delivering high-quality, patient-centred care and long-term value with the same vigour, agility, and singular determination we demonstrated during the year.

APPRECIATION

The legacy and excellence of over 80 years at Durdans have been built on the collective strength, contributions, and unwavering commitment of our people and stakeholders. As we conclude our most successful year of performance, I extend my sincere and heartfelt appreciation to the Chairman, Executive Vice Chairman, and Board of Directors for their untiring support, guidance, and continued encouragement and empowerment.

I am deeply grateful to my colleagues and staff for their dedication, perseverance, and commitment to delivering exceptional and empathetic care at every moment, making a meaningful difference in the lives of those we serve. I also extend my appreciation to our esteemed consultant panels for the trust you place in us to care for your patients, and for your continued guidance in upholding the highest standards of quality and patient safety.

My sincere thanks also go to our suppliers, bankers, and collaborative partners, whose ongoing support has been integral to our growth and operational strength. I extend my gratitude to our shareholders for their continued confidence in the Group.

Finally, I would like to acknowledge our most important stakeholders – our patients – for the trust they place in us, their continued patronage, and the valuable feedback and encouragement they provide.

As we move forward, Durdans remains committed to delivering exceptional care and creating meaningful value for all. I warmly invite you to continue this journey, and Heal with Us.

Dr. Lasantha Karunasekara
Chief Executive Officer and Director Medical Services

29th May 2026

BOARD OF DIRECTORS

GRI 2-9

CEYLON HOSPITALS PLC

AJITH TUDAWE

Executive Chairman

Ajith Tudawe serves as the Chairman of Ceylon Hospitals PLC (Durdans Healthcare Group) and as a Senior Director of Tudawe Holdings (Private) Limited. He brings extensive expertise in business leadership, corporate finance, and strategic management, and has been instrumental in establishing Durdans Hospital as one of Sri Lanka's foremost private healthcare institutions.

He holds a Bachelor of Arts degree in Accounting from the United Kingdom and is a Chartered Accountant qualified in England and Wales, Australia, and Sri Lanka. He is a Fellow Member of the respective professional institutes and a Lifetime Fellow of the Association of Chartered Certified Accountants (UK). He has further augmented his professional credentials through executive education programs at leading business schools in Australia, Singapore, and the United Kingdom.

UPUL TUDAWE

Director/ Executive Vice President

Upul Tudawe, the Director/Executive Vice President of Ceylon Hospitals PLC also serves as Group Director of Tudawe Holdings (Pvt) Ltd, its subsidiary companies and is the Chairman of Commercial Marketing Distributors (Pvt) Ltd. Upul Tudawe holds a Bachelor of Science degree in Microbiology from Texas Tech University and a degree in Medical Technology from the University of Texas Health Science Centre in Houston, USA. Among his many affiliations, he is a Member of the American Society of Clinical Pathology (ASCP) and the Australian Institute of Medical Scientists (AIMS). He also functions as the Director Laboratory Services for over 25 years.

RAVINDRA JAYATILLEKE

Deputy Chairman/Senior-Independent, Non-Executive Director

Ravindra Jayatilleke is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow of the Chartered Institute of Management Accountants UK, having 45 years of experience in the fields of Finance and Management. He is a Director of Lalan Rubbers (Pvt) Ltd, its parent company Lalan Rubber Holdings (Pvt) Ltd, and some of its subsidiaries and associate companies.

DR. PREETHIRAJ WIJEGOONEWARDENE

Director/ Senior Vice President - Medical

Dr. Preethiraj Wijegoonewardene holds an MBBS from India along with a Postgraduate Diploma in Family Medicine from the Postgraduate Institute of Medicine (PGIM) in Colombo. He is a Fellow of the College of General Practitioners of Sri Lanka and was awarded an Honorary Fellowship from the Royal College of General Practitioners, UK in November 2008. He was elected as Chairman of the South Asia Board of the Royal College of General Practitioners International. Dr. Wijegoonewardene was the first Sri Lankan to receive a WONCA Fellowship in recognition of his contribution to family medicine in South Asia and World WONCA and was awarded an Honorary Fellowship from the Bangladesh Academy of Family Physicians.

NIMAL PIYASENA

Non-Executive Director

Serving as the Managing Partner of Y. R. Piyasena & Company and Vice-Chairman of Hotel Star Dust in Pottuvil, Mr. Nimal Piyasena brings more than four decades of distinguished, diversified experience to the Board. His extensive expertise spans the critical sectors of Finance, Healthcare, and Trade Operations, providing invaluable strategic insight and stability to Ceylon Hospitals PLC.

ASITE TALWATTE

Non-Executive Director

Asite Talwatte is the Chairman of Management Systems (Pvt) Ltd, and serves as a Non-Executive Director on the boards of listed and private companies. With over 37 years of experience in the fields of Assurance, Business Risk and Advisory Services, he served as the Country Managing Partner of Ernst & Young for over 10 years prior to his retirement in March 2016. Asite Talwatte holds a Post-Graduate Diploma in Business and Financial Administration offered jointly by CA Sri Lanka and the University of Wageningen Holland, as well as an MBA from the University of Sri Jayewardenepura, Sri Lanka. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants, UK.

AMINDA TUDAWE

Executive Director

Aminda Tudawe directs the supply chain of Durdans Hospital. He is also a Director of Durdans Medical and Surgical Hospital (Pvt) Ltd. He is also involved in the implementation of JCI accreditation at Durdans Hospital and plays a role in completing several key development projects over the years. He holds a Bachelor of Science (Hons) degree in Business Management from the University of Wales, UK as well as a Master of Business Administration degree from the School of Business, University of Leicester, UK.

SIVAKRISHNARAJAH RENGANATHAN

Independent, Non-Executive Director

Renganathan was the former Managing Director/ Chief Executive Officer of Commercial Bank of Ceylon PLC and had held several key positions in the Bank. He is a senior banker counting over 41 years and has led Commercial Bank's acquisition of the banking operations of Credit Agricole Indosuez in Bangladesh as the first Country Manager.

In addition, Mr. Renganathan served as the Managing Director and a Board Member of the Commercial Development Company PLC, and Commercial Bank of Maldives Private Limited as the Deputy Chairman. He was also a Director of the Lanka Financial Services Bureau Limited and the Sri Lanka Banks' Association (Guarantee) Limited. Further, he also served as a Council Member of the Employers Federation of Ceylon and Executive member of the Council for Business with Britain.

Renganathan has served among others, as a Member of the General Council of the Institute of Bankers of Bangladesh, Founder President of the Sri Lanka Bangladesh Chamber of Commerce and Industry, Executive Member of the Foreign Investors Chamber of Commerce and Industry in Bangladesh and Board Vice Chairman of International Chamber of Commerce Sri Lanka and Executive Member of the Ceylon Chamber of Commerce.

Renganathan currently serves as an Independent Non-Executive Director on the boards of Sunshine Holdings PLC, Sunshine Healthcare Lanka Ltd., Health guard Pharmacy Ltd., Lina Manufacturing (Pvt) Ltd., Sunshine Consumer Lanka Ltd., Sunshine Tea (Private) Ltd ., Agility Innovations (Pvt) Ltd., Janashakthi Insurance PLC, Ceylon Hospitals PLC, Marino Leisure Holdings PVT Ltd., Hatton National Bank PLC., SRF Holdings (Pvt) Ltd., and Lanka IOC PLC. In addition, he also contributes his expertise as a Consultant to the Asian Development Bank.

He is a Fellow of the Chartered Institute of Management Accountants, UK (FCMA), Chartered Global Management Accountant (CGMA), Fellow of the London Institute of Banking & Finance, UK (FLIBF) and a Fellow of the Institute of Bankers Sri Lanka (FIB), had received extensive Leadership, Management and Banking training locally and in overseas countries.

MANIL JAYESINGHE

Independent, Non-Executive Director

Manil Jayesinghe is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Chartered Institute of Management Accountants (UK), Fellow Member of CMA Sri Lanka and a Member of the Chartered Institute of Public Finance & Accountancy.

He served as the Country Managing Partner of Ernst & Young Sri Lanka & Maldives, Head of Assurance and was in charge of Banking and Financial Services practice and counts over 41 years of extensive experience.

He was the past President of the Institute of Chartered Accountants of Sri Lanka, Board of Sri Lanka Accounting & Auditing Standards Monitoring Board and a Council Member of CMA Sri Lanka.

He currently holds several prominent positions within the financial and corporate sectors. He serves as a member of the Statutory Accounting Standards Committee and the Statutory Auditing Standards Committee of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), contributing to the development and oversight of accounting and auditing practices. Additionally, he is an active Member of the Financial Reporting Standards Implementation and Interpretation Committee (FRSIICS) and plays a regional role as the Chair of the Accounting Standards Committee of the South Asian Federation of Accountants (SAFA).

His governance experience extends further, as he is a Member of the Audit Committee of the Sri Lanka Institute of Marketing (SLIM) and sits on the Governing Board of the Central Bank of Sri Lanka. Mr. Jayesinghe currently serves as an Non-Executive Director at Diesel & Motor Engineering PLC, John Keels Holdings PLC, C W Mackie PLC, Lanka Milk Foods (CWE) PLC, Lanka IOC PLC, Vallibel One PLC, Royal Ceramics PLC, Lanka Walltiles PLC, Lanka Ceramic PLC and Lanka Dairies Ltd.

DURDANS MEDICAL AND SURGICAL HOSPITAL (PRIVATE) LIMITED

AJITH TUDAWE

Executive Chairman

Refer page 27 for the profile.

UPUL TUDAWE

Director/ Executive Vice President

Refer page 27 for the profile.

DR. PREETHIRAJ WIJEGOONEWARDENE

Director/ Senior Vice President - Medical

Refer page 27 for the profile.

PROF. JANAKA DE SILVA

Independent, Non-Executive Director

Prof. Janaka de Silva is a Consultant Physician, and Professor Emeritus of Medicine at the University of Kelaniya. He was educated at Royal College, obtained his MBBS and MD degrees from the University of Colombo and D.Phil. from the University of Oxford. He was awarded Fellowships from the Royal College of Physicians of London, Ceylon College of Physicians, National Academy of Sciences of Sri Lanka, and Honorary Fellowships from the Royal Australasian College of Physicians, the Royal College of Physicians of Thailand and the Royal College of Physicians and Surgeons of Glasgow. De Silva was conferred an honorary DSc by his university, and the national titular honour Vidya Jyothi - Sri Lanka's highest honor for science.

DILHAN FERNANDO

Non-Executive Director

Dilhan Fernando is the CEO of Dilmah Tea. His efforts have focused on bringing tea to a new generation with innovations such as tea gastronomy, tea lounges (branded as t-Lounges) and by enhancing peoples' knowledge in tea through the Dilmah School of Tea. Dilhan also nurtures his father's pledge to make business a matter of human service through the work of the MJF Charitable Foundation and Dilmah Conservation. Dilhan currently chairs the Biodiversity Sri Lanka Platform which was pioneered by Dilmah Conservation together with the Ceylon Chamber of Commerce and IUCN (International Union for Conservation of Nature). Dilhan is the Chairman of the United Nations Global Compact in Sri Lanka, a corporate sustainability initiative by the UN.

ARJUN FERNANDO

Independent, Non-Executive Director

Arjun Fernando is currently a chairman of Central Finance PLC and Director of Nations Trust Bank PLC. He also serves on the Boards of NDB Capital Holdings, NDB Securities (Pvt) Ltd and NDB Zephyr Partners Ltd for and on behalf of the NDB Capital Group of Companies. He has functioned as the CEO/ Director of DFCC Bank and as Director of several of DFCC Bank's subsidiaries, joint ventures and associates. Prior to joining DFCC Bank, Mr. Fernando had a long and illustrious career overseas and at HSBC Sri Lanka. He holds an M.Sc. (Management) from Clemson University, USA and a B.Sc. (Engineering) from Southern Illinois University, USA. He is also an Associate of the Chartered Institute of Bankers (ACIB), UK

AMINDA TUDAWE

Executive Director

Refer page 27 for the profile.

RAKSHITHA TUDAWE

Executive Director

Rakshitha Tudawe oversees the development and execution of strategic initiatives for the Group. A dynamic leader in healthcare innovation, he spearheaded the successful repositioning of the Durdans Hospital brand in 2017 and operationally managed the Business Development department through 2020, revitalising the long-standing brand. He is currently driving the hospital's digital evolution.

As part of the Durdans Vision 2022 Project, Rakshitha was instrumental in establishing two key strategic business units, including the launch of 'Revive by Durdans'—Sri Lanka's first dedicated rehabilitation and wellness clinic. Furthering his commitment to healthcare education, he co-founded the Amrak Institute of Medical Sciences (Pvt) Ltd in February 2019, where he serves as Managing Director.

He holds a BSc (Hons) in Business Economics from the University of East Anglia, UK, and an MSc in Management from Loughborough University, UK

ARJUNA HERATH

Independent, Non-Executive Director

Arjuna Herath retired from Ernst & Young (EY) few years ago as a Senior Partner and Head of Consulting for Sri Lanka and Maldives. In his career preceding Ernst & Young, he was Marketing Development Manager at Ceylon Tobacco Company and Director Corporate Finance at Merchant Bank of Sri Lanka.

He served as a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board and as a Commissioner of the Securities and Exchange Commission of Sri Lanka. Arjuna was the first Chair of the Data Protection Authority of Sri Lanka and recently relinquished his position as the Chairman of the Board of Investment of Sri Lanka. He also Served as a member of the Company Law Advisory Commission. At present he is a Director of the Colombo Stock Exchange and several other public listed and private companies.

Arjuna is a distinguished senior Chartered Accountant and is a Past President of The Institute of Chartered Accountants of Sri Lanka. He was actively involved in the international fora in the field of accounting and is a Past President of the South Asian Federation of Accountants and was a Board Member of the Confederation of Asia Pacific Accountants and is the first Sri Lankan to Chair a Committee of the International Federation of Accountants (IFAC), the apex body of the accounting profession, and was the Chair of the Professional Accountancy Organisation Development Committee of the IFAC.

He is a fellow member of the Institute of Chartered Accountants of Sri Lanka with a Bachelor of Science degree from the University of Colombo, MBA from the University of Strathclyde in the United Kingdom and a Master of Arts in Financial Economics from the University of Colombo.

MALIK J. FERNANDO

Non-Executive Director

Malik J Fernando is the founder of Resplendent Ceylon, Sri Lanka's leading experiential luxury hospitality brand, and Co-Chair of MJF Holdings, parent company of Dilmah Tea. A Babson College graduate, he spent over two decades working in the tea business alongside his brother Dilhan and under his father, Merrill J. Fernando, helping build Dilmah into a globally respected, producer-owned brand. Malik pioneered Sri Lanka's luxury tourism sector with Ceylon Tea Trails, later launching Cape Weligama and Wild Coast Tented Lodge. His work champions sustainable tourism, conservation and purpose-driven enterprise.

ANJALI PIYASENA

Non-Executive Director

Dr. Anjali Piyasena is attached to the Cardiothoracic Intensive Care Unit (ICU) at Sri Jayawardanapura General Hospital (SJGH) with 12 years of experience and expertise in providing advanced medical care to post-surgery patients, managing a range of complex medical conditions and following through comprehensive treatment plans.

She is a committed healthcare professional in both the public (non-profit) and corporate sectors and represents a unique bridge between the large-scale clinical demands of the public sector (SJGH) and the strategic management of the private healthcare sector (Durdans) providing a Public-Private synergy.

BOSHAN DAYARATNE

Non-Executive Director

Boshan Dayaratne has over 23 years of experience in senior management in various industries such as sports, garments, diversified business conglomerates, and education. He holds a MBA in Marketing from University of Colombo, and Bachelor of Commerce (Special) degree, also from the University of Colombo. Boshan is an Associate Member of the Chartered Institute of Marketing (CIM-UK) and has a Diploma in Sports Science from the Hungarian University of Physical Education.

Currently, he is the Group Director / CEO of CICRA Holdings, a diversified group that specialised in cyber security training, consultation, and software development. He is recognised as a renowned keynote speaker in the field of cyber security. Since, 2013, he has been invited by the United States Pacific Command to address the Pacific Senior Communicators annual event, which attracts senior military officials from 28 nations in Asia and the Pacific region. His focus has been on responding to cyber security and disaster recovery.

Under Boshan's leaderships, CICRA conducts cyber security training at the annual Cyber Endeavour Program of the Multinational Communication Interoperability Program (MCIP) of the US Pacific Command.

Boshan was also appointed as a Board Member on Cyber Security for the US – Malaysia Command and Control Interoperability Board for bilateral discussions.

Boshan is a Non-Executive Director of Durdans Medical and Surgical Hospital (DMSH) from January 2026 and was a Non-Executive Director Regional Development Bank (RDB) and sit in the Board Integrated Risk Management Committee and Board Audit Committee.

Boshan is also actively involved in various professional organisations. He serves as the Board Member of the International Chamber of Commerce (ICC- Sri Lanka), past Chairman of the Digital Economy Sub-Committee of ICC Sri Lanka, the Founder Chair of the Cyber Security Center of Excellence of SLASSCOM, Board Member of Inaugural Cloud Security Alliance (CSA) – Sri Lanka Chapter and past Board Member of Sri Lanka Association of Software and Service Companies (SLASSCOM). He was the past President of the MBA Alumni Association, University of Colombo and past Chairman of the Royal College Union Skills and Career Guidance Centre.

Boshan has been appointed as member of the Thematic group – Cyber Security and Privacy on designing the National Digital Strategy 2030 for the Government of Sri Lanka.

Furthermore, Boshan has shared his knowledge and expertise as a visiting faculty member of the Executive MBA Program of the Management & Finance Faculty of the University of Colombo.

Boshan is also Sri Lanka ranked # 1 tennis player in year 1993/94.

SENIOR MANAGEMENT TEAM

DR. LASANTHA KARUNASEKARA

Chief Executive Officer and Director of Medical Services

Dr. Karunasekara, with a professional career spanning over 22 years joined Ceylon Hospitals PLC as Group CEO/ Director Medical Services from 1st January 2025, after having served two major hospitals groups with over a decade of C-suite experience. His last appointment was as Deputy CEO/Director Medical Services of Lanka Hospitals PLC, encompassed a duel role of leading medical operations as well as driving strategic initiatives. He has also served as the Director General Manager of Hemas Hospitals.

Dr. Karunasekara is recognised as an exceptionally passionate strategic business leader with a track record of leading organisations to the next level of growth, turning around businesses, presenting and managing innovative new business solutions, strategic service and implementing change.

An alumnus of St. Thomas' College, Mount Lavinia He holds a Doctor of Medicine (MD) from Russian state medical university and advanced diversified qualifications across many areas to include an MBA (UK), CMA (Aus.), Lean Practitioner (ILM), and Certified Professional Coach (ICF)."

MAHANIL PERERA

Chief Operating Officer

With over two decades of experience in business development and marketing, complemented by more than a decade of senior management in healthcare operations, he has consistently demonstrated the ability to translate strategic vision into measurable operational outcomes. As the most tenured member of the Senior Management Team, his leadership has been instrumental in developing and expanding the Durdans laboratory network, which today spans over 130 branches islandwide, establishing Durdans as a dominant force in laboratory services across Sri Lanka. His dedication and commitment reflect his enduring contribution to the advancement of Sri Lanka's healthcare sector.

His pursuit of professional excellence is further reflected in strong academic credentials, holding a Postgraduate Diploma in Marketing from the Sri Lanka Institute of Marketing and a Master of Business Administration from Cardiff Metropolitan University, United Kingdom. He is a Life Member of the Sri Lanka Institute of Marketing.

Beyond his operational responsibilities, he serves as Durdans Hospital's representative on several prominent industry bodies. He is a Council Member of the Private Health Services Regulatory Council (PHSRC) and serves as Vice President of the Association of Private Hospitals & Nursing Homes (APHNH). He further represents the institution in the healthcare sector of the Tertiary and Vocational Education Commission (TVEC), represents the APHNH in the Ceylon Chamber of Commerce (CCC) and is a Founder Member of the Private Medical Laboratory Association (PMLA).

AMILA MAPITIYA

Chief Financial Officer

Amila Mapitiya is a member of CA Sri Lanka and ACCA (UK), holding an MBA from the Postgraduate Institute of Management (PIM) and a Bachelor's degree from the University of Sri Jayewardenepura (USJP). He brings over 16 years of post-qualifying experience to the role, including over 14 years of specialised expertise in hospital financial management. His professional background spans strategic financial planning, cost optimisation, treasury operations, and corporate governance. Prior to his current leadership role, he successfully managed complex financial frameworks and driven financial performance within large-scale operations across both the healthcare and hospitality industries.

CLIFFORD MARTIN

Head of Laboratory Operations

Clifford Martin is the Head of Laboratory Operations and has been with Durdans for over 8 1/2 years. He holds a Diploma in Business Management as well as a certification in Leadership Management from the Post Graduate Institute of Management, University of Sri Jayewardenepura. His experience entails more than 25 years spent in a senior managerial capacity at renowned Richard Pieris Distributors Ltd, Jay Kay Marketing Services constituent of conglomerate John Keells Holdings PLC and at Jacks of Fiji Ltd in the Fiji Islands. Clifford brings to the table experience in Customer Service, Care and Quality Management practices among many other areas.

SANDUN PERERA

Senior Manager- Business Development

Sandun Perera brings over 18 years of experience in the healthcare industry and holds a B.Com in Marketing Management from the University of Sri Jayewardenepura. At Durdans Hospital, he is responsible for driving the company's sales revenue and developing new revenue streams, both locally and internationally, while also overseeing primary care services and general practitioner engagement.

He plays a key role in consultant relationship management, particularly in the surgical and cardiac sectors. Sandun also contributes to strengthening the hospital's Centers of Excellence by introducing the right mix of consultants across Strategic Business Units. His leadership in strategic sales planning, marketing campaign execution, and tailored client solutions continues to support the hospital's growth and enhance its market presence.

SANKHA WILBAGEDARA

Senior Manager –Business Development

Dr Sankha Wilbagedara serves as Senior Manager – Business Development at Durdans Hospital, leading Corporate Business Development, International Business, and Marketing Communications. He holds a Doctorate in Business Administration (DBA – USA) and is a distinguished postgraduate of the Sri Lanka Institute of Marketing (PG.Dip. Mkt(SL)), where he was awarded Best Student and Gold Medalist for his exceptional academic achievement.

Dr Wilbagedara is a Professional Marketer of the Chartered Institute of Marketing UK (MCIM – UK), a Certified Professional Marketer (Asia Pacific), a Professional Marketer of the American Marketing Association (AMA – USA), and an Associate Chartered Professional Manager (ACPM). He is also a professional member of the Sri Lanka Institute of Marketing (SLIM).

With over 17 years' experience across healthcare, FMCG, finance, and printing sectors, he brings extensive strategic expertise in sales, marketing, branding, and business development. His leadership continues to enhance Durdans Hospital's growth and profile, establishing it as a trusted partner among corporate and international healthcare clients. Dr Wilbagedara is an award-winning marketer committed to driving excellence and innovation in healthcare business strategy.

ANJI RATWATTE

Head of Human Resources

Anji Ratwatte holds an LLB (Hons) from the University of London and an MBA (UK) from the University of Bedfordshire specialised in Human Resources Management. She counts well over 16 years in Industrial Relations, Training and Development, Grievance handling and HR strategies for groups such as Hayleys PLC, John Keells PLC, Brandix Apparel and Hirdramani. She has over 11 years of experience holding managerial positions in Human Resources in the Apparel and Hospitality Industry prior to joining Durdans Healthcare Group.

DR. SEWWANDHI DASANAYAKA

Senior Manager – Quality Assurance

Dr. Sewwandhi Dasanayaka is a healthcare professional with over 13 years of experience in the Sri Lankan private healthcare sector, having served in both clinical and managerial capacities. She holds an MBBS from the University of Sri Jayewardenepura and is a Member of the College of General Practitioners of Sri Lanka (MCGP). She also holds an MBA in Hospital and Health Service Management from the University of Bedfordshire UK.

With a strong background in healthcare operations, clinical governance, and quality improvement, she has contributed extensively to enhancing patient care standards and organisational performance within the private healthcare sector. Her experience spans multidisciplinary coordination, patient safety initiatives, healthcare quality practices, and operational management, enabling effective collaboration across clinical and administrative teams.

She has been actively involved in driving service excellence, supporting quality assurance initiatives, and promoting patient-centred care through continuous process improvement and staff engagement. Her combined clinical expertise and management training have strengthened her ability to contribute strategically to healthcare delivery while fostering a culture of professionalism, accountability, and continuous improvement

THILINA WANIGASEKARA

Deputy Director Medical Services

Dr. Thilina Wanigasekera. currently serves as the Deputy Director Medical Services. She has experience in both Public Sector and private sector as a Medical Administrator.

She served as Medical Superintendent of Base Hospital Puttalam, and as Director – Organisation Development Unit, at the ,Management Development and Planning Unit, Ministry of Health. Also served as Director to District General Hospital Negombo and Research Unit at the Education Training and Research Unit, Ministry of Health. Worked as a Deputy Director, in the National Institute of Mental Health (NIMH), Angoda and National Institute of Health Sciences (NIHS) Kalutara.

Dr. Wanigasekera holds multiple academic and professional qualifications including:

- MBBS from the University of Kelaniya
- MSc in Clinical Genetics from the Faculty of Medicine, University of Colombo in collaboration with the Oslo University, Norway
- MBA from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura
- Master of Public Administration (MPA) from the University of Colombo
- Masters in Medical Administration from the Postgraduate Institute of Medicine, University of Colombo
- Postgraduate Diploma in Diplomacy & World Affairs from the University of Colombo in collaboration with the Bandaranaike International Diplomatic Training Institute
- Advanced training in Public Policy Management from the London School of Economics and Political Science, (LSE) UK

DHARANI JAYASINGHE

Senior Manager - Medical Services

Dr. Dharani Jayasinghe is a duly registered medical practitioner with the Sri Lankan Medical Council, possessing over a decade of progressive experience in surgical services, clinical care, and management. She holds a Bachelor of Medicine and Bachelor of Surgery (MBBS) degree from the University of Science and Technology, Chittagong, Bangladesh, and a Master of Business Administration (MBA) in Hospital and Health Administration from the University of Bedfordshire.

In her current capacity as Senior Manager Medical Services she heads the surgical department at Durdans Hospital providing both clinical oversight and administrative leadership for surgical operations. Her responsibilities encompass governance of surgical services, quality assurance, resource allocation, and multidisciplinary team coordination to ensure optimal patient outcomes and adherence to regulatory standards.

Dr. Jayasinghe has been instrumental in the planning, establishment, and operationalisation of several specialised outpatient service units, including the Day Cases Centre, Urology Clinic, and Vascular Clinic. Her role extends to strategic service development, performance management, and process optimisation within the surgical division, contributing to enhanced clinical efficiency, patient safety, and institutional growth.

RANGAJEEWA ABEYWICKRAMA

Head of Information Communication Technology

Rangajeewa Abeywickrama is an accomplished IT leader with over 23 years of experience across the healthcare, finance and logistics sectors. He currently serves as the Head of IT and Communications Technology at Durdans Hospital, a role he assumed in 2024. In this capacity, he oversees Digital Transformation, Project Consulting, IT Infrastructure, IT Security, Software Development, and 24/7 IT Operations, reporting directly to the Chief Executive Director.

Prior to joining Durdans, Mr. Abeywickrama held the position of Head of IT at First Capital Holdings PLC and has worked with MicroNet Information Systems (Pvt) Ltd, HS Cargo, and Hayleys Advantis Limited.

His technical and strategic expertise spans IT Project Consulting, Core Application and ERP Development, Software Development Consulting, IT Infrastructure, Data Center Migration to Cloud, Disaster Recovery Planning, and Risk Management.

Mr. Abeywickrama holds a Bachelor of Science (BSc) in Information Technology from IIC University of Technology, a Master of Business Administration (MBA) from the University of Bedfordshire (UK), and a Master of Science (MSc) in Cyber Security from the University of Gloucestershire (UK).

HISHAM ADHIL

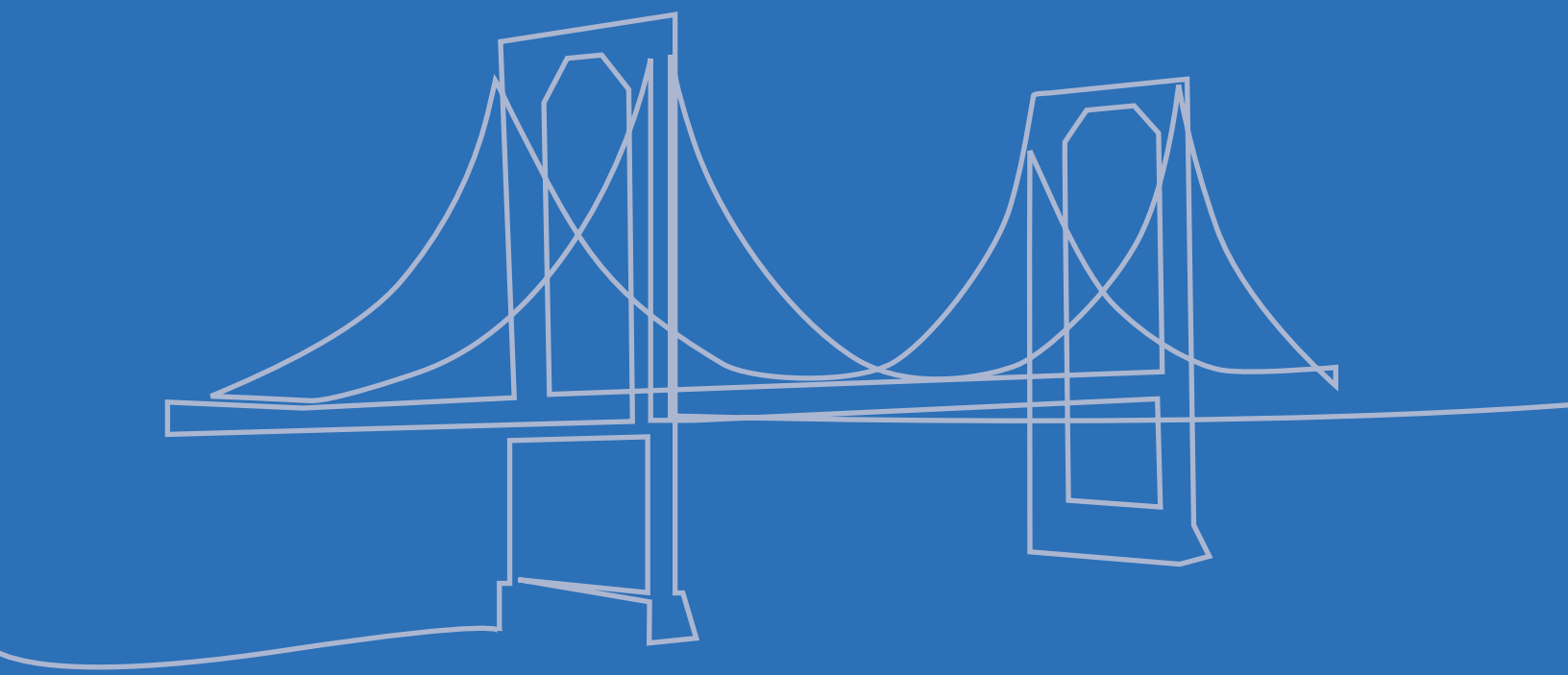
Head of Business Development

Adhil is a business development and marketing professional with over 15 years of experience across the healthcare, technology, and consumer sectors. He holds a Master of Business Administration from Cardiff Metropolitan University and a Postgraduate Diploma in Marketing from the Sri Lanka Institute of Marketing (SLIM).

Over the course of his career, he has gained extensive experience in business development, marketing, customer experience, and commercial operations, contributing to growth and transformation initiatives across several leading organisations. His areas of interest include revenue growth, brand development, stakeholder engagement, and process improvement.

As Head of Business Development at Durdans Hospital, Adhil supports the Hospital's growth agenda through strategic partnerships, service development initiatives, and market-facing activities aimed at strengthening the organisation's presence and expanding business opportunities. He works closely with internal stakeholders to identify opportunities for growth.

Senior managers who were active as at 31 March 2026 have been updated in the above section.



How We Create Value

Value is created at Durdans through the convergence of people, purpose, innovation and care. With advanced medical capacity, cohesive teamwork and diversified healthcare infrastructure, we turn progress into better outcomes for patients and lasting impact for the nation.

OUR VALUE CREATION MODEL

GRI 2-6

INPUTS

Financial Capital

- Equity: **Rs. 12.8 Bn**
- Debt: **Rs. 1.4 Bn**

Human Capital

- **2,072** Employees
- **Rs. 42.8 Mn** Training & Development
- HR Policies, Process & System
- Strong Clinical Governance & Leadership

Manufactured Capital

- **133** Laboratory Centers
- Advanced Medical Equipment
- **Rs. 755 Mn** Investment in PPE
- **Rs. 100+ Mn** IT Investment

Intellectual Capital

- **450+** Specialty Consultants
- **5** Clinical Governance Committees
- Advanced Hospital Information Systems

Social & Relationship Capital

- **230,000+** Patients Served in the hospital
- **100+** Corporate Clients
- **15+** Insurance Partners
- University & Medical Partnerships

Natural Capital

- Electricity: **76.61 GWh**
- Water: **107,971 m³**
- **4,404.76 sq.m.** Hospital Premises

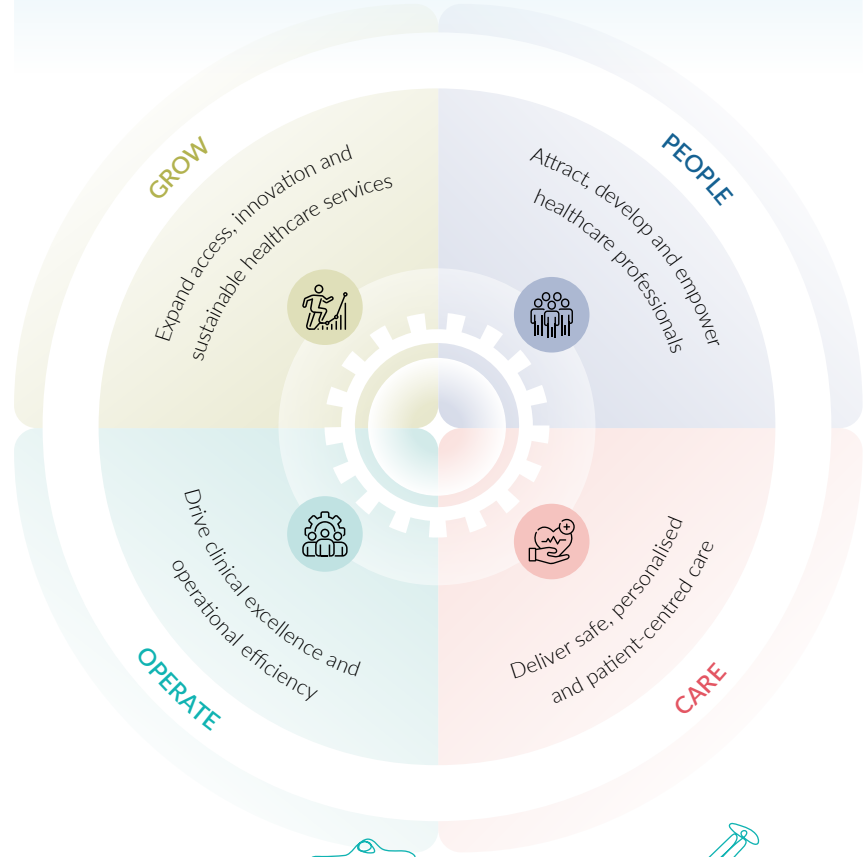
OUR VISION

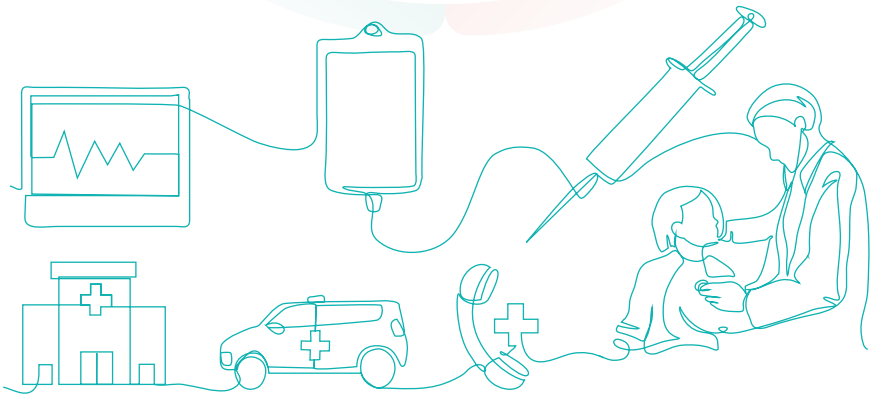
To be acclaimed as the most trusted healthcare provider

MISSION

To integrate advanced technology with empowered healthcare teams to deliver exceptional patient-centric care.

HOW WE MAKE IT HAPPEN





OUTPUTS

Financial Capital

- **Rs. 10.9 Bn** Group Revenue
- **Rs. 1.4 Bn** Group PBT

Human Capital

- **802** New Employees Recruited
- **33,302** Training hours delivered
- **30:70** Male: Female Staff Ratio

Manufactured Capital

- **10** Added Collection Centers
- **1** Medical Air Planned Installed
- Launched a Specialised Rehabilitation and Wellness Centre.(Revive)

Intellectual Capital

- Awards, Accreditations & Recognitions
- JCI **8th** Edition Maintained
- **ISO 15189** Accreditation Renewed
- LMD's **2nd** Most Loved Hospital Brand

Social & Relationship Capital

- **Rs. 2.5 Mn** Community Development
- **Rs. 4 Bn** Payment to Suppliers
- **42** New Suppliers
- **5+** Health Camps

Natural Capital

- Medical Waste: **96.6 MT**
- **40%+** Reduction in Paper Consumption
- **2** Environmental Licenses Maintained

OUTCOMES

Financial Outcomes

- Revenue Increased by **17% YoY**
- Earnings Per Share: **5.68**
- Strong Financial Stability

Human Outcomes

- **Rs. 4.1 Mn** Revenue per Employee
- Employee Retention Rate: **70%**
- High Calibre Team

Operational Outcomes

- Faster & More Accurate Diagnostic Testing
- High-Quality Patient Care & Clinical Outcomes
- Enhanced Digital Healthcare Systems

Innovation Outcomes

- Strengthened Innovation & Healthcare Technology Adoption
- Greater Patient Confidence and Trust
- Continuous Improvement in Clinical Standards

Community Outcomes

- Loyal Customer Base
- Sustainable Supply Chain
- Empowered Communities
- 70% Local Procurement

Environmental Outcomes

- Reliable & Uninterrupted Healthcare Services
- Reduced Environmental Impact
- Responsible Resource Management
- Climate Readiness and Future Sustainability

SGDs IMPACT

STRATEGIC PRIORITIES AND RESOURCE ALLOCATION

Clinical Excellence & Service Expansion	Patient Care	Laboratory & Diagnostics Network	Innovation & Digital Transformation	Education & Workforce Development (AMRAK)	
Strengthened specialised clinical services including cardiac care, neurosciences, urology,Vascular and critical care	Achieved over 70% patient satisfaction with a target to reach 90% within the next five years.	Expanded islandwide laboratory footprint with 130+ diagnostic access points	Initiating New ERP System(Microsoft Dynamic 365) and upgraded Hospital Information Systems (HIS, LIS, EMR)	Strengthened Amrak Institute of Medical Sciences as a key talent pipeline for healthcare education	
Commissioned dedicated Urology Clinic, Vascular Clinic, Neurosurgery theatres, ICU, and Day Care Centre	Improved patient experience through transparent pricing and personalised care models	Achieved 23% year on year growth in laboratory segment	Introduced patient mobile app, CRM systems, and digital communication platforms	Expanded allied health programmes with international partnerships (UK, Australia, Cyprus,Malaysia institutions)	
Maintained high standards of patient safety aligned with JCI accreditation and global healthcare benchmarks	Enhanced outpatient and day-case services with increased patient volumes	Introduced automation and digital reporting for faster turnaround and improved accuracy	Implemented automation, AI, and robotic process improvements to enhance efficiency	Integrated academic learning with clinical exposure within Durdans network	
Expanded hospital capacity and infrastructure under the Vision 2022 redevelopment project	Strengthened feedback systems with 100% complaint resolution and continuous service improvement	Expanded services into underserved regions, including Galle and Kurunegala regions.	Strengthened cybersecurity and data protection frameworks for patient information		
		Measurement of Progress (KPIs)			
Bed capacity utilisation rate 44(%)	Patient satisfaction rate 70%+	Revenue growth of lab segment 23%	New ERP Go Live Date June 1st	Number of enrolled students 1000+	
JCI standards compliance 100% Compliance		Number of lab locations 130+		Graduation rates 95+ %	
		Number of tests conducted per year 3Mn +		Total Courses	
				Nursing Courses	
				Science Courses	
				Other Seasonal Courses	

	People & Human Capital	Sustainability & Community Health	Operational Excellence & Financial Performance	Future Focus
	Continued investment in staff training, employee engagement, and leadership development	Implemented waste management systems and environmental sustainability initiatives	Achieved Rs. 10.9 Bn (17% growth)	Expansion of digital health platforms and automation
	Strengthened retention strategies amid skilled workforce migration challenges	Conducted health camps, free screenings, and community outreach programmes	Profit after tax increased to Rs. 325million (45% YoY growth)	Commissioning of Wellness & Rehabilitation Centre
	Conducted extensive training and development programmes across clinical and support staff	Focus on preventive healthcare and long-term community wellbeing	Improved operational efficiency through cost optimisation and supply chain management	Further expansion of laboratory and diagnostic network
				Continued focus on patient safety, sustainability, and innovation
		Measurement of Progress (KPIs)		
	Employee retention rate 70%	Number of CSR beneficiaries 5000+	Gross Profit Margins 61.7%	Increase in patient volumes 19%
	Staff turnover rate 30%	Number of health camps conducted 5 +	Net Profit Margin 9.6%	
	Training hours per employee 33,000 +	Environmental compliance - 100%	Return on Assets (ROA) 5.7%	
			Return on Equity (ROE) 8.2%	


DURDANS
HOSPITAL
DURDANS
HOSPITAL
DURDANS
HOSPITAL
NURSE

OUR STAKEHOLDERS

GRI 2-26, 2-29

At Durdans Hospitals, stakeholder engagement plays a critical role in delivering high-quality, patient-centric care while navigating an increasingly complex healthcare landscape. During the year, evolving patient expectations, rising cost pressures, workforce constraints, and accelerated digital adoption reshaped how the hospital engages with its key stakeholders.

In response, Durdans strengthened its engagement approach by enhancing patient experience, investing in digital capabilities, supporting and retaining talent, and reinforcing quality, governance, and compliance frameworks. These efforts enabled the hospital to remain responsive, resilient, and aligned with stakeholder expectations, while continuing to deliver meaningful outcomes.

Durdans Hospitals defines stakeholders as individuals or groups that influence the organisation, or are impacted by its activities. The following stakeholder groups are therefore considered central to the hospital's engagement approach.

Customers

Employees

Business Partners

Investors

Society

Regulatory Bodies

OUR STAKEHOLDERS

Stakeholder Engagement Strategy
The hospital relied on the diverse strategies and engagement methodologies listed on the following pages to ensure it remained aligned with evolving stakeholder needs and expectations, while achieving exceptional, impactful outcomes across the board.

Stakeholders	Needs and Expectations	Our Response	Method and Frequency of Engagement
Customers  Patients and Relatives	• High-quality clinical outcomes and patient safety • Accessible, timely, and affordable healthcare • Personalised, compassionate care experience • Access to advanced diagnostics and specialised services • Convenient, digitally enabled healthcare interactions	• Delivering patient-centric care supported by strong clinical governance and quality standards • Enhancing patient journey through streamlined processes and reduced waiting times • Expanding specialised services and preventive healthcare offerings • Strengthening digital touchpoints including appointment systems and communication platforms • Continuous investment in advanced medical equipment and diagnostic capabilities	Patient feedback surveys and satisfaction tracking O CRM systems and complaint management processes O AR Digital platforms (website, mobile app, social media) O Direct patient interactions across clinical and support touchpoints O Awareness campaigns and health education initiatives P
Employees  Executive and Non-Executive Staff	• Career growth and continuous professional development • Safe, supportive, and inclusive working environment • Competitive remuneration and recognition • Work-life balance and employee wellbeing • Clear communication and engagement	• Embedding a people-first HR philosophy aligned with patient care excellence • Strengthening recruitment pipelines and retention strategies amid talent shortages • Delivering structured training, leadership development, and performance management systems • Promoting employee wellbeing through counselling, engagement initiatives, and welfare support • Leveraging HR digital systems to enhance efficiency and employee experience	Performance appraisals and continuous feedback mechanisms A O Training programmes and development initiatives M P Town halls, internal communication platforms, and engagement events O Q Employee surveys, grievance handling, and whistleblowing mechanisms Q AR O Regular team interactions and recognition programmes M P

Value Created	Progress in 2025/26	Reference
Improved patient satisfaction and experience levels Growth in patient volumes across OPD, IPD, and diagnostics Increased utilisation of digital channels and services Strengthened patient trust and brand loyalty Continuous improvement in clinical outcomes and service delivery 	Patients served: 198,133 Net Promoter Score (NPS): IP-76 OP 48.4 Complaints resolved: 94.1% OPD visits: 24,248 Admissions: 21,639 Procedures: 9,832 Investment in medical equipment: Rs. 400+ Mn	Intellectual Capital (pages 89 -97) Social & Relationship Capital (pages 98-113) Manufactured Capital (pages 72 - 79)
Skilled and motivated workforce supporting clinical excellence Improved training hours, employee engagement, and capability development Strengthened retention strategies in response to industry-wide talent migration Enhanced workplace safety and employee wellbeing Strong alignment between workforce performance and organisational objectives 	Total workforce: 2,072 Gender diversity: 70% Female | 30% Male Recruitment: 413 hires Retention rate: 70% Turnover rate: 30% Training hours delivered: 6,231.5 hours Workplace incidents: 09	Human Capital (pages 80-88)

OUR STAKEHOLDERS

Stakeholders	Needs and Expectations	Our Response	Method and Frequency of Engagement
Business Partners  Suppliers of Pharmaceuticals, Medical Devices, and Medical Consumables	• Fair and timely payments • Transparent procurement processes • Long-term partnerships and business continuity • Clear quality and compliance requirements • Opportunities for collaboration and growth	• Maintaining structured procurement and vendor evaluation processes • Strengthening supplier relationships and expanding vendor base • Ensuring quality assurance through audits, certifications, and performance monitoring • Enhancing procurement efficiency through digital systems and planning • Promoting ethical sourcing and compliance with regulatory and environmental standards	Supplier evaluations, audits, and performance reviews P Q Procurement interactions and contract management processes O Supplier meetings, site visits, and coordination forums P AR Supplier onboarding and vendor registration processes AR Grievance handling and feedback mechanisms O AR
Investors  Shareholders	• Sustainable financial performance and returns • Transparency, accountability, and governance • Effective risk management and regulatory compliance • Long-term value creation and growth	• Delivering consistent financial performance supported by operational efficiency • Maintaining strong governance and compliance frameworks • Enhancing disclosures through timely and transparent communication • Investing in infrastructure, technology, and service expansion • Driving cost optimisation and resource efficiency initiatives	Annual General Meeting (AGM) A Annual Report and financial disclosures A Interim financial reporting and updates Q Investor communication and engagement O AR Shareholder feedback and inquiries AR

	Value Created	Progress in 2025/26	Reference
	Improved supply chain resilience and continuity Strengthened supplier relationships and service reliability Better cost management and procurement efficiency Enhanced compliance with quality and regulatory requirements Increased diversification of supplier base 	Total procurement spend: Rs. 4 Bn Supplier base: 585 suppliers New suppliers onboarded: 42 Supplier payments within agreed terms: ≥90% Supplier audits / evaluations conducted: 1	Social & Relationship Capital (pages 98- 113)
	Sustained revenue growth and profitability Improved operational efficiency and cost management Strengthened investor confidence and market positioning Long-term value creation through strategic investments Strong governance and compliance track record 	Revenue: Rs. 10.98 Bn YoY revenue growth: 17% EBITDA: 2.4 Bn Operating profit: 1.6 Bn PAT: 1 Bn Dividends declared: Rs. 196 Mn Capital investment (IT, medical equipment, upgrades): 755 Mn Instances of non-compliance: 0	Financial Capital (pages 66-71) Manufactured Capital (pages 72-79) Corporate Governance (pages 126-132) Risk Management (pages 133-138)

OUR STAKEHOLDERS

Stakeholders	Needs and Expectations	Our Response	Method and Frequency of Engagement
Society  Underprivileged Communities Medical Fraternity, and the General Public	• Access to affordable and quality healthcare • Preventive healthcare awareness and education • Community support and outreach initiatives • Contribution to social and economic wellbeing	• Delivering community outreach programmes focused on preventive healthcare • Conducting health awareness, screening, and education initiatives • Expanding access through laboratory networks and healthcare services • Supporting community wellbeing through CSR initiatives and partnerships • Promoting public health awareness and early detection practices	Medical camps and free healthcare programmes P Health awareness and education initiatives P Q Community engagement and outreach programmes P Partnerships with community organisations O P Digital and public communication platforms O
Regulatory Bodies  Private Health Services Regulatory Council, Central Environment Authority, Atomic Energy Authority, Colombo Municipal Council, Colombo Stock Exchange, CASL, SLAASMB	• Compliance with laws, regulations, and standards • Environmental responsibility and safe waste management • Ethical practices and governance • Timely reporting and transparency	• Ensuring full compliance with healthcare, environmental, and regulatory requirements • Strengthening data protection, cybersecurity, and governance frameworks • Maintaining certifications and adherence to industry standards • Implementing structured monitoring, reporting, and audit processes	Regulatory filings, licenses, and certifications A AR Compliance reporting and statutory submissions Q A Audits, inspections, and regulatory reviews P AR Ongoing engagement with regulatory authorities O Environmental and safety compliance monitoring O P

	Value Created	Progress in 2025/26	Reference
	Increased access to healthcare services and screenings Improved public awareness of preventive healthcare practices Strengthened community relationships and trust Contribution to improved long-term health outcomes Enhanced brand reputation as a responsible healthcare provider 	Community programmes conducted: 10 + CSR investment: Rs. 2.5 Mn Health education sessions conducted: 5 + New community initiatives launched : 5 +	Social & Relationship Capital (pages 98-113) Manufactured Capital (pages 72-79)
	Strong compliance track record with minimal/ non instances of non-compliance Enhanced governance and risk management practices Improved environmental and safety performance Strengthened institutional credibility and trust 	Instances of regulatory non-compliance: 0 Certifications / licenses maintained: 15 Regulatory audits conducted: 1 Taxes and statutory payments: Rs. 477 Mn	Natural Capital (pages 114-120) Intellectual Capital (pages 89-97) Corporate Governance (pages 126-132)

Frequency:

O Ongoing A Annual BA Biannual AR As Required

Q Quarterly P Periodic M Monthly

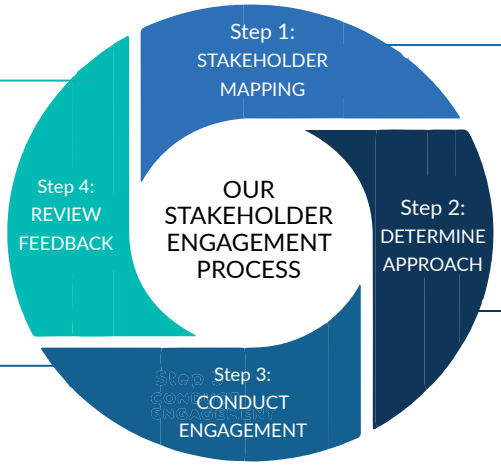
RESPONDING TO OUR STAKEHOLDERS

GRI 2-29

We value strong relationships with diverse stakeholders, essential partners in our value creation process. Through ongoing dialogue, we understand their evolving expectations and address them proactively. Stakeholder prioritisation considers both their influence on our business and their potential impact on our operations. An overview of the Group's stakeholder engagement activities for the year is provided below.

Step 4:
Review feedback
Identify risks/ opportunities from feedback and determine actions

Step 3:
Conduct engagement
Determine approach
Determine the engagement approach and mechanisms, including the required intensity, frequency, and logistics



Step 1:
Stakeholder mapping
Criteria for identifying and prioritising stakeholders

Step 2:
Determine approach
Determine the engagement approach and mechanisms, including the required intensity, frequency, and logistics

Investors & Shareholders			Performance Indicator
Engagement channel and Frequency	Key concerns raised	Our response	
Annual General Meeting (annually)	Strength of corporate governance and risk management practices	Strong corporate governance	level of engagement
Annual Report (annually)	Resilience and effectiveness of the strategy	Proactive risk management practices	High
Interim financial statements (quarterly)	Effective allocation of capital	Prudent financial management	
Announcements to the Colombo Stock Exchange (ongoing)	Opportunities for growth	Focus on preserving balance sheet strength and liquidity	Return on Equity
Corporate website (ongoing)	Delivering ESG commitments	Effective implementation of our strategy, which led to strong earnings growth	
Press releases (when required)	Share price performance	Capacity expansion to cater to emerging demand	
One-to-one engagement (when required)	Implications of macroeconomic stress on performance	Exploring opportunities in new markets	
	Clear, accurate and timely communication		

Customers			Performance Indicator
Engagement channel and Frequency	Key concerns raised	Our response	
Customer Satisfaction Surveys (annual)	Superior product quality	Ongoing investments in innovation and value addition	level of engagement
Customer Relationship Management (ongoing)	Uninterrupted availability of products	Investment in enhancing distribution efficiencies	
Corporate website (ongoing)	Price competitiveness	Embedding sustainable practices into processes and decision-making	
Customer grievance mechanism (ongoing)	Assurance of processes, systems, and products	Ongoing compliance with quality, safety, and environmental certifications	Customer Satisfaction Rate
Press releases (when required)	Ease of transactions		
One-to-one engagement (when required)	Responsible and sustainable business practices	Sustained focus on product and process sustainability	
	Social and environmental consciousness		

Employees			Performance Indicator
Engagement channel and Frequency	Key concerns raised	Our response	
Performance appraisals (annual)	Adequacy of remuneration given	Significant investments in training and development	
Staff meetings (ongoing)	Safe and conducive work environment	Invested in improving employee facilities	level of engagement
Work-life balance initiatives (ongoing)	Attractive reward schemes including medical benefits	Provided financial and non-financial support	
Grievance mechanism (ongoing)	Physical and mental well-being	Continued emphasis on health, safety, and well-being	
	Opportunities for skill development and career progression		Employee Retention Rate

Suppliers & Business Partners			Performance Indicator
Engagement channel and Frequency	Key concerns raised	Our response	
Relationship managers (ongoing)	Ethical business conduct	Timely payment of all dues to ensure continuity of supplier operations	
Corporate website (ongoing)	Fair and transparent pricing mechanisms		level of engagement
Press releases (when required)	Payment on time	Increased visibility of future demand	
One-to-one engagement (when required)	Consistent demand for produce	Supplier development programmes	
	Ease of transaction	Focus on ensuring commercial sustainability of suppliers through financial and other forms of support	585 + Total Suppliers
	Financial support in addressing import restrictions		
	Competency development and capacity building		

RESPONDING TO OUR STAKEHOLDERS

Communities			Performance Indicator
Engagement channel and Frequency	Key concerns raised	Our response	
CSR and community development initiatives (ongoing)	Community employment generation	Recruiting from local communities	
Press releases (when required)	Community development and corporate philanthropy	Focus on reducing environmental implications of operations	level of engagement
	Minimising adverse environmental impacts	Ongoing investment in community engagement initiatives	High
			5,000+ CSR Beneficiaries

Government & Regulators			Performance Indicator
Engagement channel and Frequency	Key concerns raised	Our response	
Engagement at industry forums and corporate engagement platforms (ongoing)	Generation of export income and conversion of proceeds	Compliance with all government regulations and guidelines	
Written communications (ongoing)	Tax payments	Maintaining close and transparent relationships with all relevant regulators	High
Regulatory reporting (ongoing)	Support the achievement of national economic objectives	Timely payment of taxes	
Announcements to the Colombo Stock Exchange (ongoing)	Compliance with relevant regulations	Employment generation and community development	100% compliance with government regulations and guidelines
One-to-one engagement (when required)	Contribute positively to society and environment		

Managing Our Trade-offs

At Ceylon Hospitals PLC, we operate in a complex healthcare environment where delivering high-quality patient care requires balancing multiple and often competing priorities. Our approach to managing trade-offs is guided by a long-term value creation perspective across all six capitals.

Financial Capital

We carefully balance the need to maintain financial sustainability and profitability with our commitment to affordable healthcare delivery. Rising costs of medical equipment, pharmaceuticals, and utilities place pressure on margins. However, we continue to adopt prudent pricing strategies while selectively absorbing cost increases to ensure accessibility for patients.

Additionally, we manage the trade-off between short-term financial performance and long-term investments in infrastructure, digital transformation, and advanced medical technologies. Capital is allocated based on disciplined evaluation to ensure sustainable returns while enhancing clinical capabilities.

Human Capital

A key trade-off exists between containing employee costs and retaining skilled healthcare professionals in a highly competitive labour market. Given the ongoing migration of medical talent, we prioritise investments in staff development, training, and engagement while maintaining overall cost efficiency.

We also balance operational efficiency with employee well-being, ensuring adequate staffing levels, safe working conditions, and continuous professional development through initiatives such as collaborations with the Amrak Institute of Medical Sciences.

Intellectual Capital

We manage the balance between investing in digital innovation and maintaining cost discipline. Significant investments in ERP systems, Hospital Information Systems (HIS), Laboratory Information Systems (LIS), and electronic medical records improve operational efficiency and patient care but require substantial upfront capital.

At the same time, we ensure that process standardisation and quality assurance systems, including JCI-aligned protocols, are continuously strengthened to safeguard service quality across our expanding network.

Manufactured Capital

The Group continually invests in expanding and upgrading hospital infrastructure, diagnostic facilities, and laboratory networks, while ensuring efficient utilisation of existing assets. The trade-off lies in balancing capacity expansion with operational efficiency and cost control.

As we expand our physical presence across Sri Lanka, we maintain strict quality controls and operational standards to ensure consistency in patient care across all facilities.

Natural Capital

In delivering healthcare services, we balance operational demands with environmental responsibility. Hospital operations require significant use of energy, water, and medical consumables, while also generating clinical waste.

We manage this trade-off by investing in waste management systems, resource efficiency initiatives, and environmentally responsible practices, ensuring compliance with regulatory standards while minimising our environmental footprint.

Social & Relationship Capital

We balance the expectations of multiple stakeholders including patients, regulators, communities, and partners while maintaining high standards of care and governance. A key trade-off exists between cost efficiency and delivering superior patient experience and community impact.

Through community health programmes, outreach initiatives, and transparent stakeholder engagement, we aim to strengthen trust while ensuring sustainable business operations. Additionally, we balance network expansion with quality assurance, ensuring that our brand reputation and service excellence are consistently upheld.

OUR APPROACH

Overall, Ceylon hospitals plc adopts a balanced and integrated approach to managing trade-offs, ensuring that decisions are aligned with long-term sustainability, patient care excellence, and stakeholder value creation. By carefully allocating resources across capitals, we strive to maintain resilience while delivering accessible, high-quality healthcare services.

SWOT ANALYSIS

Strengths	Opportunities
Strong brand reputation and legacy with long-standing trust in healthcare delivery	Growing demand for quality private healthcare services
High-quality clinical standards supported by international accreditations (JCI)	Expansion of laboratory and diagnostic services across regions
Comprehensive service offering (hospital care, diagnostics, specialised treatments)	Digital transformation (telemedicine, EMR, mobile apps) enhancing efficiency and patient experience
Extensive laboratory network providing islandwide accessibility and convenience	Medical education and training expansion (AMRAK) to build future workforce
High patient satisfaction and loyalty, reflecting strong service quality	Increase in health awareness and preventive care demand
Skilled medical professionals and consultants with specialised expertise	Potential for medical tourism and international patient services
Established training platform (AMRAK) supporting workforce development	Strategic partnerships and service diversification

Weakness	Threats
High operating costs, including medical equipment, utilities, and staff expenses	Migration of skilled healthcare professionals locally and internationally
Capital-intensive nature of healthcare investments (infrastructure, technology)	Rising costs of imported medical supplies and equipment
Dependence on skilled workforce, which increases vulnerability to staff shortages	Government regulations and pricing controls impacting profitability
Limited pricing flexibility due to need to maintain affordability for patients	Increasing competition from private hospitals and healthcare providers
Complex operational management across hospital, labs, and multiple locations	Economic conditions affecting patient affordability and demand
Pressure on margins due to rising finance costs and input prices	Supply chain disruptions affecting availability of drugs and equipment
	Rapid technological changes requiring continuous investment

ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We believe that we have an obligation to incorporate sustainability into our value-creation procedures in a way that tackles significant global sustainability issues and advances a fair and just future for all. We actively contributed towards accelerating progress on achieving all 17 of the United Nations' Sustainable Development Goals. Summary of 25/26 contribution is highlighted in the below table.

UN SDG Goal	UN SDG Goals' Targets	DPL Actions & Impact on Key Stakeholders	Capital reference for details
No Poverty	1.2 1.4 1.5	Durdans Hospital's flagship Corporate Social Responsibility (CSR) initiatives focus on improving community health and wellbeing by supporting underserved populations through healthcare outreach programmes, health awareness campaigns, and sustainable community engagement initiatives.	Social and Relationship Capital
Zero Hunger	2.1 2.2	During the recent cyclone and flood situation, Durdans Hospital extended humanitarian assistance to affected communities by distributing dry ration packs and essential supplies to families impacted by the disaster, demonstrating the Hospital's continued commitment to community welfare and emergency relief support.	Social and Relationship Capital
Good Health and Well-being	3.4 3.8 3.9	Durdans Hospital continues to invest in enhancing workplace wellbeing by improving working conditions, promoting employee health and safety, and providing comprehensive healthcare benefits and support services for employees and their families.	Human Capital
Quality Education	4.1 to 4.5 4.7	Durdans Hospital promotes a culture of continuous learning and professional development through regular training programmes, skill enhancement initiatives, and educational opportunities for employees across all levels of the organisation. The Hospital also remains committed to community empowerment through Corporate Social Responsibility (CSR) initiatives, including educational assistance programmes, school supply donations, scholarships, and health awareness activities that support the wellbeing and development of underserved communities.	Social and Social and Relationship Capital Human Capital
Gender Equality	5.1 5.2 5.4 5.5	Durdans Hospital is committed to promoting diversity, equity, and inclusion through policies and practices that foster a safe, respectful, and inclusive workplace for all employees. The Hospital maintains a zero-tolerance approach towards discrimination and harassment while encouraging equal opportunities, employee wellbeing, and professional growth across all levels of the organisation. Through its people-focused culture and community initiatives, the Hospital continues to support gender equality, inclusivity, and equitable access to healthcare and development opportunities, contributing to a more compassionate and socially responsible healthcare environment.	Social and Social and Relationship Capital Human Capital
Clean Water and Sanitation	6.2 6.3 6.4 6.5	Durdans Hospital is committed to responsible environmental stewardship through the efficient use and conservation of water resources. The Hospital implements measures to ensure safe water usage, improved sanitation standards, and appropriate wastewater management within its facilities, supported by regular environmental and ESG awareness training for employees.	Natural Capital

ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

UN SDG Goal	UN SDG Goals' Targets	DPL Actions & Impact on Key Stakeholders	Capital reference for details
Affordable and Clean Energy	7.1 7.2 7.3	Durdans Hospital is committed to advancing environmental sustainability and reducing its carbon footprint through improved energy efficiency and responsible resource management. The Hospital continues to strengthen its use of cleaner and more sustainable energy practices, supported by ongoing monitoring of energy consumption and greenhouse gas emissions.	Natural Capital
Decent Work and Economic Growth	8.2 to 8.8	Durdans Hospital promotes inclusive and sustainable growth through the use of modern healthcare technologies, responsible procurement, and continuous quality improvement. The Hospital supports ethical sourcing and maintains strict compliance with labour standards across all operations. A zero-tolerance policy is upheld against child labour, forced labour, and modern slavery within its services and supply chain, while fostering inclusive employment opportunities for all.	Natural Capital
Industry, Innovation, and Infrastructure	9.1 to 9.5	Durdans Hospital strengthens operational resilience and service quality through continuous process improvements, adoption of modern healthcare technologies, and efficient resource management systems. The Hospital promotes responsible procurement practices and works closely with suppliers to ensure compliance with environmental, safety, and ethical standards while maintaining high-quality healthcare delivery.	Natural Capital and Social Relationship Capital
Reduced Inequalities	10.1 to 10.4	Durdans Hospital promotes equitable workforce development by providing fair employment opportunities, supporting employee wellbeing, and fostering an inclusive workplace culture. The Hospital upholds strict non-discrimination policies and ensures equal opportunity across all levels of employment, while continuously enhancing employee welfare through structured benefits, family-friendly practices, and professional development initiatives.	Human Capital and Social and relationship capital
Sustainable Cities and Communities	11.1 11.2 11.4 to 11.7	Durdans Hospital strengthens community wellbeing and resilience through patient-centred care, health awareness programmes, and community outreach initiatives that support preventive healthcare. The Hospital also contributes to public wellbeing by improving access to quality medical services, supporting health education activities, and engaging with local communities to promote healthier lifestyles and stronger healthcare resilience.	Human Capital and Social and relationship capital
Responsible Consumption and Production	12.2 12.4 to 12.8	Durdans Hospital advances environmental stewardship through efficient resource utilisation, effective waste management, and responsible handling of hazardous materials within its operations. The Hospital promotes sustainable procurement practices, strengthens environmental awareness among staff and stakeholders, and continuously improves its sustainability performance through structured reporting and ongoing education initiatives.	Natural Capital

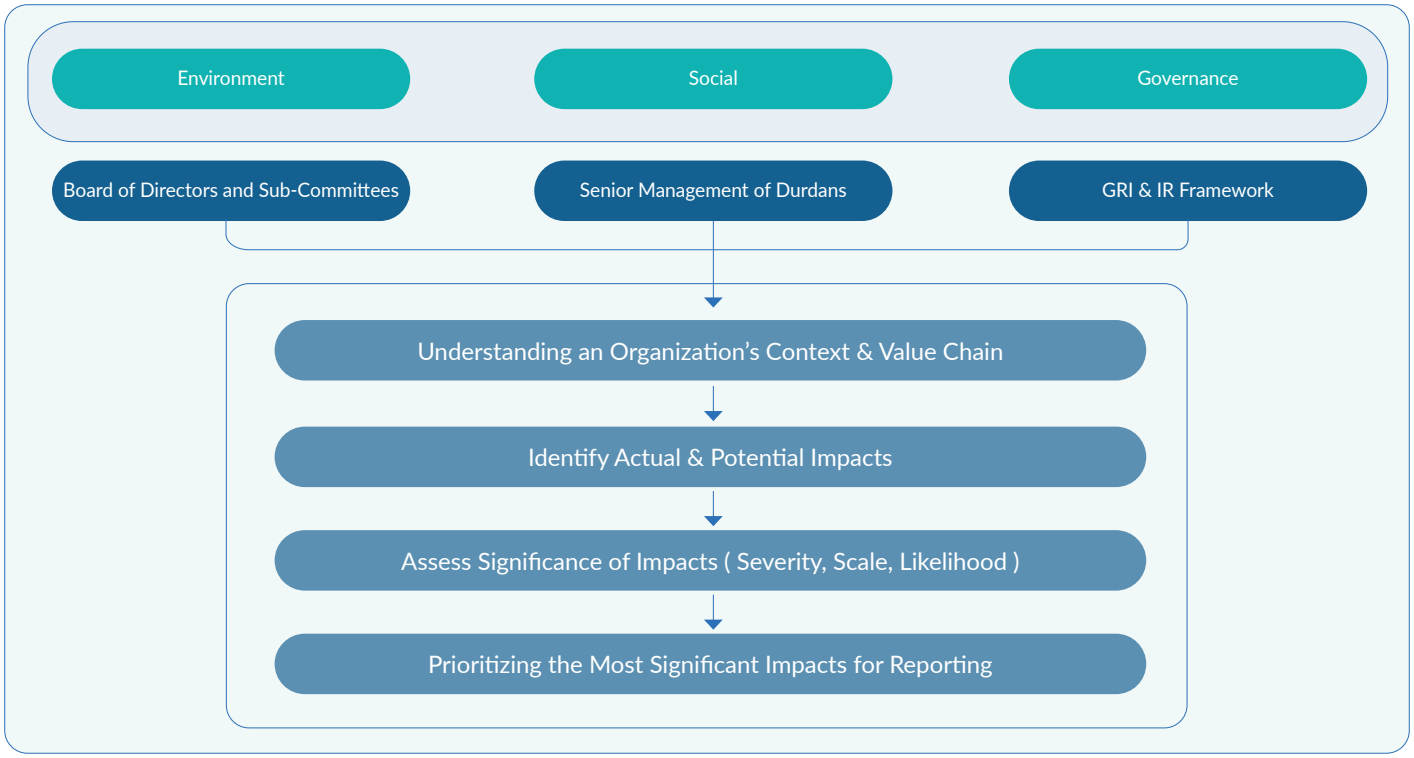
UN SDG Goal	UN SDG Goals' Targets	DPL Actions & Impact on Key Stakeholders	Capital reference for details
Climate Action	13.1 13.2 13.3	Durdans Hospital integrates climate resilience considerations into its operational and strategic planning by promoting efficient resource use, strengthening environmental management practices, and supporting initiatives that reduce its overall environmental footprint. The Hospital is committed to continuous improvement in sustainability performance through responsible operations, awareness building, and alignment with relevant environmental and reporting standards.	Natural Capital
Life Below Water	14.1 14.2	Durdans Hospital is committed to environmental responsibility through improved waste management practices, responsible resource use, and initiatives that help reduce pollution and environmental impact. The Hospital promotes awareness among employees and communities on sustainable practices that contribute to protecting natural ecosystems and supporting long-term environmental wellbeing.	Natural Capital and Social and relationship capital
Life on Land	15.5 15.9	Durdans Hospital supports environmental sustainability by integrating responsible resource management practices into its operations and promoting awareness of ecological conservation. The Hospital is committed to reducing its environmental impact through efficient use of resources, compliance with applicable environmental standards, and continuous improvement of its environmental management systems to ensure more sustainable healthcare delivery	Natural Capital and Social and relationship capital
Peace, Justice, and Strong Institutions	16.2 16.5 to 16.7 16.10	Durdans Hospital enforces a zero-tolerance approach to corruption through its Code of Conduct, ethics policies, and established reporting mechanisms, including whistleblowing channels. The Hospital strengthens accountability through robust governance practices, regular compliance audits, continuous employee training, and transparent operational standards to uphold integrity across all levels of service delivery and stakeholder engagement.	Intellectual Capital
Partnerships for the Goals	17.10 17.11 17.16 17.17	Durdans Hospital advances ethical and responsible operations by aligning with relevant international standards, strengthening stakeholder partnerships, and engaging with global networks to promote best practices in governance and sustainability. The Hospital supports transparency, accountability, and continuous improvement while collaborating with key partners to enhance healthcare quality, strengthen community wellbeing, and promote sustainable development outcomes	Social and Relationship capital

MATERIAL MATTERS

GRI 3-1, 3-2, 3-3

Material topics represent the key economic, environmental, and social issues that are most significant to the organization and its stakeholders. These topics reflect areas where the hospital has the greatest impacts, as well as issues that can influence its long-term performance, reputation, and sustainability.

MATERIALITY ASSESSMENT PROCESS



In line with the Global Reporting Initiative GRI Standards and the International Integrated Reporting Council Integrated Reporting Framework, the presentation of connected financial and non-financial information adopts an impact-focused approach from an investor perspective.

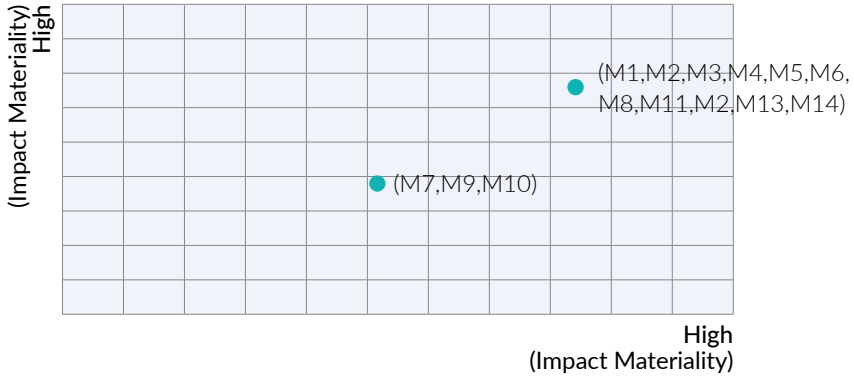
The determination of material matters involves the Board of Directors and its sub-committees, as well as the Durdans Senior Management Team, in accordance with GRI and IR governance principles.

Material matters are identified through a four step materiality process framework, which includes the identification, assessment, and prioritisation of impacts.

Thereafter, all material matters are evaluated under the principle of double materiality, which considers both,

* Impact materiality (the organization's impacts on the economy, environment, and people)

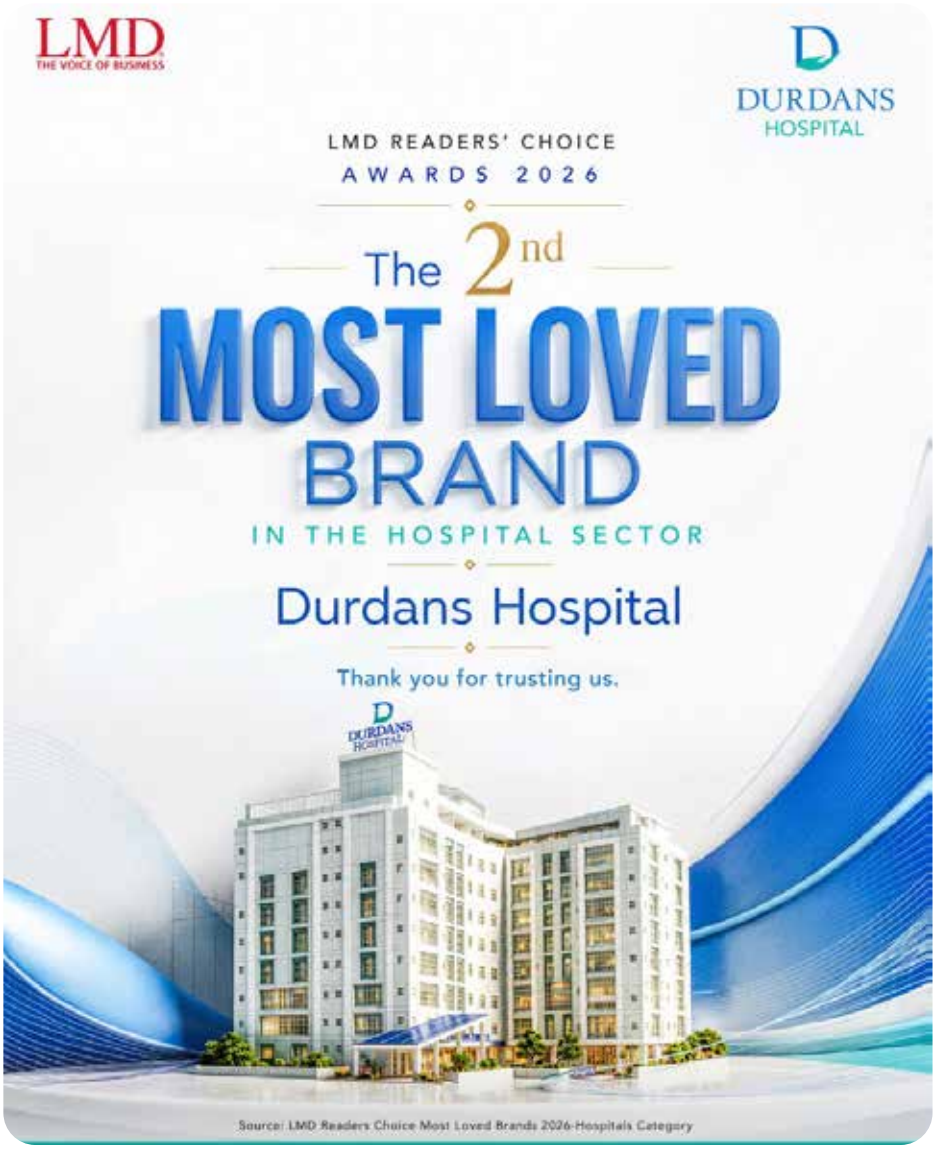
* Financial materiality (the effects of an organization's financial performance and value creation).



	Topic	Category	Materiality	Relevant Standards	SDGs	Impacted Strategic Pillar:	6 Capitals
M1	Patient Safety & Quality of Care		High	GRI 416, 417, 418		Service Excellence / Patient-Centric Care	
M2	Clinical Excellence & Specialised Services		High	GRI 416		Innovation & Excellence	
M3	Digital Transformation & Health Technology		High	(GRI 418 – Data Privacy)		Innovation & Excellence	
M4	Infrastructure & Capacity Expansion		High	N/A		Growth	
M5	Employee Health, Safety & Wellbeing		High	GRI 403		People Excellence	
M6	Talent Management & Workforce Development		High	GRI 401, 404		People Excellence	
M7	Diversity, Equity & Inclusion		Medium	GRI 405, 406		People Excellence	
M8	Ethical Labour Practices & Human Rights		High	GRI 402, 407, 408, 409		Governance & Sustainability	
M9	Environmental Sustainability (Energy, Waste & Emissions)		Medium	GRI 302, 303, 305, 306		Sustainability	
M10	Responsible Supply Chain & Procurement		Medium	GRI 308, 414		Sustainability	
M11	Financial Performance & Sustainability		High	GRI 207		Growth	
M12	Liquidity & Financial Resilience		High	N/A		Stability & Growth	
M13	Governance, Compliance & Risk Management		High	GRI 2, GRI 205, GRI 207		Governance Excellence	
M14	Brand Reputation & Market Leadership		High	N/A		Growth & Innovation	

SEGMENTAL REVIEW

HOSPITAL



HOSPITAL PERFORMANCE OVERVIEW – FY 2025/26

Durdans Hospital delivered a strong performance during FY 2025/26, supported by increased patient volumes, higher clinical activity, and improved operational efficiency. Growth was recorded across inpatient, outpatient, surgical, and day-care services, reflecting continued trust placed in the Hospital by patients and healthcare professionals.

The Hospital experienced notable growth in admissions and overall patient activity during the year. Increased inpatient admissions, day-care procedures, and surgical interventions contributed to higher utilisation of hospital facilities and strengthened service delivery. Occupancy levels improved compared to the previous year, reflecting better utilisation of available capacity and healthcare resources.

Clinical services continued to expand across multiple specialties, driven by strong demand for both surgical and medical care. Surgical activity recorded significant growth, while medical services maintained steady performance, supporting a balanced and diversified clinical service portfolio.

Key Highlights

- Strong growth in patient admissions and clinical activities while improving hospital facilities and resources.
- Enhanced operational efficiency and service productivity.
- Strengthened patient safety, quality of care, and clinical excellence.
- Improved governance structure and enhanced compliance framework.
- Sustained revenue growth and improved financial performance.
- Ongoing investments in infrastructure, technology, and people.
- Well-positioned for future growth and long-term value creation.

Financial performance remained robust, underpinned by growth in both inpatient and outpatient services. Revenue growth was driven by increased patient volumes, expanded service offerings, and improved operational productivity. Profitability improved during the year, supported by disciplined cost management, enhanced efficiency, and better resource utilisation.

The Hospital further strengthened its focus on patient experience, clinical excellence, and operational effectiveness. Investments in healthcare infrastructure, medical technology, digital capabilities, and human capital enabled the delivery of safe, reliable, and patient-centred care. In addition, governance structures and compliance frameworks were further enhanced, reinforcing adherence to regulatory requirements and strengthening institutional oversight.

Looking ahead, Durdans Hospital remains committed to advancing clinical capabilities, expanding specialised services, improving operational efficiency, and investing in innovative healthcare solutions. These initiatives will support the Hospital's ability to meet evolving healthcare needs while creating sustainable value for patients, employees, stakeholders, and the wider community.

OUTER LABS

OUTER LABORATORY NETWORK PERFORMANCE – OVERVIEW

The Outer Laboratory Network of Durdans continued to deliver a strong performance during FY 2025/26, reinforcing its position as one of Sri Lanka's leading diagnostic service providers. The business remained focused on expanding access to high-quality diagnostic services, enhancing customer convenience, and supporting healthcare professionals with reliable and timely laboratory information. Growing demand for preventive healthcare, increased health awareness, and the continued expansion of the diagnostic network contributed positively to the year's performance.

During the year, the network expanded its footprint with the addition of 10 new locations, increasing its presence to 133 locations island-wide. The newly established centres demonstrated encouraging performance and further strengthened access to diagnostic services across both urban and regional communities.

The laboratory network processed approximately 3 million tests during the year, reflecting growing patient confidence in the quality, reliability, and accessibility of Durdans laboratory services. Increased testing volumes were supported by stronger referral relationships, improved service accessibility, enhanced turnaround times, and rising demand for preventive health screening services.

Several regional locations delivered notable growth during the year, highlighting the increasing demand for quality diagnostic services across the country. The broad-based performance of the network demonstrates the strength of Durdans' brand, service standards, and regional presence.

Operational excellence remained a key priority throughout the year. Continuous investments in laboratory systems, quality assurance processes, workflow optimisation, and service delivery enhancements enabled the network to effectively manage increasing volumes while maintaining high standards of accuracy, reliability, and patient care.

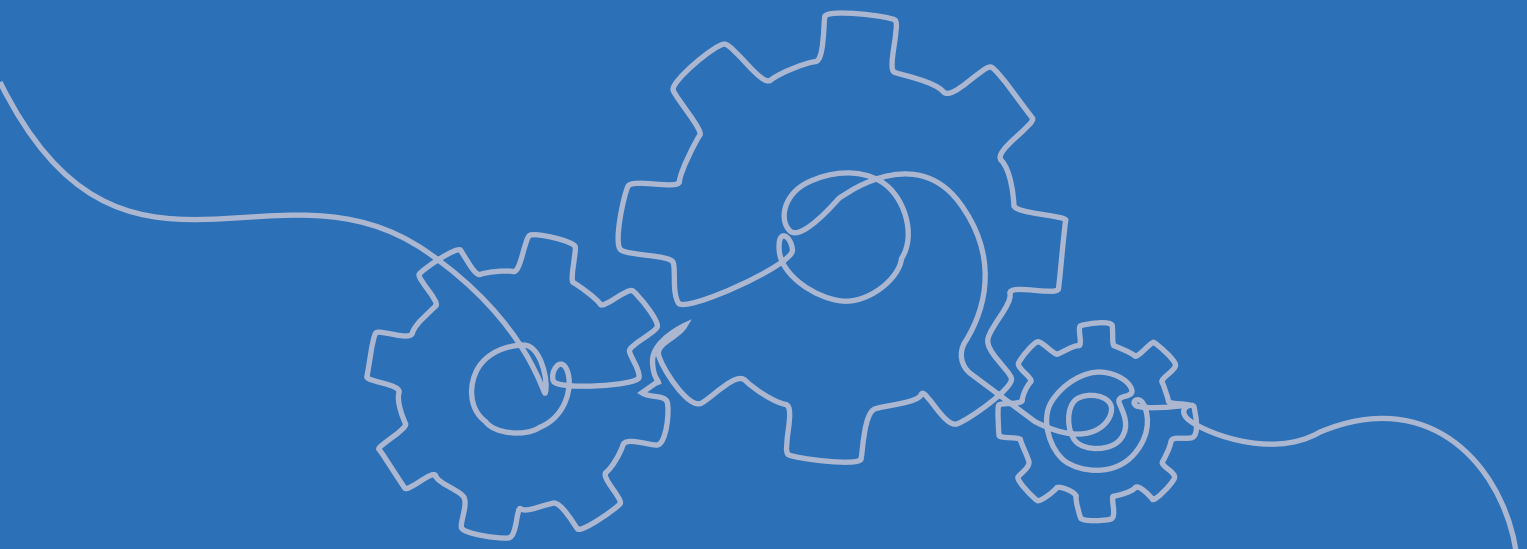
Looking ahead, Durdans remains committed to further strengthening its laboratory business through strategic network expansion, technology investments, service innovation, and enhanced digital healthcare capabilities. With an established nationwide presence and a strong reputation for quality, the Outer Laboratory Network is well-positioned to support the evolving healthcare needs of patients and healthcare providers across Sri Lanka.

OUTER LABORATORY NETWORK

No	Status	Province	Main lab	Type	Location
1	Active	North Western	Kurunegala	Medical Center	Kurunegala
2	Active	Southern	Galle	Medical Center	Galle
3	Active	Central	Kandy	Collection Centre	Kandy - Keppetipola Mw
4	Active	Western	Norris Canal	Laboratory	Norris Canal
5	Active	Western	Kalubowila	Laboratory	Kalubowila
6	Active	Northern	Jaffna	Laboratory	Jaffna
7	Active	North Western	Kurunegala	Mini Lab	Dambulla
8	Active	Western	Norris Canal	Mini Lab	Castle Street
9	Active	North Central	Anuradhapura	Collection Centre	Kekirawa
10	Active	Southern	Galle	Mini Lab	Karapitiya
11	Active	Central	Kandy	Collection Centre	Kandy - Wadugodapitiya Mw
12	Active	Central	Kandy	Collection Centre	Kandy Nursing Home
13	Active	Western	Negombo	Medical Center	Negombo
14	Active	Western	Ragama	Collection Centre	Wattala
15	Active	Western	Ragama	Collection Centre	Hendala
16	Active	Sabaragamuwa	Rathnapura	Laboratory	Rathnapura
17	Active	Central	Kandy	Collection Centre	Kegalle
18	Active	Western	Negombo	Collection Centre	Wennappuwa
19	Active	Western	Ragama	Mini Lab	Wathupitiwala
20	Active	North Central	Anuradhapura	Collection Centre	Kahatagasdigiliya
21	Active	North Central	Anuradhapura	Collection Centre	Anuradhapura - Bank Town
22	Active	North Central	Anuradhapura	Collection Centre	Kebatigollawa
23	Active	North Central	Anuradhapura	Medical Center	Anuradhapura
24	Active	Southern	Galle	Mini Lab	Udugama
25	Active	Western	Ragama	Collection Centre	Gampaha
26	Active	North Central	Anuradhapura	Mini Lab	Thambuttegama
27	Active	Western	Kalubowila	Mini Lab	Nagoda
28	Active	North Western	Kurunegala	Mini Lab	Nawinna Hospital Branch
29	Active	Western	Negombo	Collection Centre	Chilaw
30	Active	Western	Norris Canal	Collection Centre	Sri Jayawardanapura
31	Active	Western	Kalubowila	Mini Lab	Homagama
32	Active	North Western	Kurunegala	Collection Centre	Nawinna Medical Center
33	Active	Western	Ragama	Collection Centre	Kiribathgoda
34	Active	Eastern	Trincomalee	Collection Centre	Trincomalee - Dyke Street
35	Active	Eastern	Trincomalee	Laboratory	Trincomalee
36	Active	Western	Bambalapitiya	Collection Centre	Bambalapitiya
37	Active	Western	Kalubowila	Collection Centre	Mount Lavinia
38	Active	Central	Kandy	Mini Lab	Nawalapitiya
39	Active	Western	Negombo	Collection Centre	Divulapitiya
40	Active	Southern	Galle	Mini Lab	Ambalangoda
41	Active	Western	Kalubowila	Collection Centre	Dharga Town
42	Active	North Western	Kurunegala	Collection Centre	Paragahadeniya
43	Active	Western	Negombo	Collection Centre	Kochchikade
44	Active	Western	Ragama	Collection Centre	Kandana
45	Active	Eastern	Trincomalee	Collection Centre	Kantale

No	Status	Province	Main lab	Type	Location
46	Active	North Central	Anuradhapura	Collection Centre	Vavuniya
47	Active	Southern	Galle	Collection Centre	Akurassa
48	Active	Western	Kalubowila	Collection Centre	Kottawa
49	Active	Central	Kandy	Mini Lab	Katugastota
50	Active	Central	Kandy	Collection Centre	Gampola
51	Active	Central	Kandy	Medical Center	Kandy new
52	Active	North Western	Kurunegala	Collection Centre	Galagedara
53	Active	Southern	Matara	Mini Lab	Thangalla
54	Active	Western	Negombo	Collection Centre	Marawila
55	Active	Western	Norris Canal	Collection Centre	Kaduwela
56	Active	Western	Norris Canal	Collection Centre	Malabe
57	Active	Sabaragamuwa	Ratnapura	Collection Centre	Kahawatta
58	Active	North Central	Anuradhapura	Collection Centre	Horawpathana
59	Active	North Central	Anuradhapura	Collection Centre	Galgamuwa
60	Active	Eastern	Batticaloa	Laboratory	Batticaloa
61	Active	Southern	Galle	Collection Centre	Neluwa
62	Active	Southern	Galle	Collection Centre	Karapitiya Collecting
63	Active	Southern	Galle	Collection Centre	Baddegama
64	Active	Western	Kalubowila	Medical Center	Dilma
65	Active	Western	Kalubowila	Collection Centre	Piliyandala
66	Active	Western	Kalubowila	Collection Centre	Aluthgama
67	Active	Western	Kalubowila	Collection Centre	Mathugama
68	Active	Central	Kandy	Mini Lab	Matale
69	Active	Central	Kandy	Mini Lab	Monaragala
70	Active	North Western	Kurunegala	Collection Centre	Malsiripura
71	Active	North Western	Kurunegala	Collection Centre	Mawathagama
72	Active	North Western	Kurunegala	Collection Centre	Narammala
73	Active	Southern	Matara	Collection Centre	Channel 25 Medical Centre
74	Active	Western	Norris Canal	Collection Centre	Maligawatta
75	Active	Western	Norris Canal	Collection Centre	Golden key Hospital Boralla
76	Active	Western	Norris Canal	Collection Centre	Grandpass
77	Active	Western	Ragama	Collection Centre	Veyangoda
78	Active	Sabaragamuwa	Ratnapura	Mini Lab	Balangoda
79	Active	North Central	Anuradhapura	Collection Centre	Madawachchiya
80	Active	North Central	Anuradhapura	Mini Lab	Polonnaruwa
81	Active	Nothern	Jaffna	Collection Centre	Kilinochchiya
82	Active	Western	Kalubowila	Collection Centre	Bandaragama
83	Active	Western	Kalubowila	Collection Centre	Maharagama
84	Active	Western	Kalubowila	Collection Centre	Panadura 2
85	Active	Central	Kandy	Collection Centre	Mahiyawa
86	Active	Southern	Matara	Collection Centre	Embilipitiya
87	Active	Western	Norris Canal	Collection Centre	Narahenpita
88	Active	Western	Norris Canal	Collection Centre	Kolonnawa
89	Active	Western	Ragama	Collection Centre	Mawaramandiya
90	Active	Sabaragamuwa	Ratnapura	Mini Lab	Awissawella
91	Active	Eastern	Batticaloa	Mini Lab	kalmunai

No	Status	Province	Main lab	Type	Location
92	Active	Southern	Galle	Collection Centre	Ahangama
93	Active	Central	Kandy	Collection Centre	Mawanalla
94	Active	Central	Kandy	Mini Lab	Hatton
95	Active	North Western	Kurunegala	Collection Centre	Wariyapola
96	Active	Southern	Matara	Laboratory	Matara
97	Active	Southern	Matara	Collection Centre	Walasmulla
98	Active	Southern	Matara	Collection Centre	Ambalantota
99	Active	Western	Ragama	Laboratory	Ragama
100	Active	Western	Ragama	Collection Centre	Kandana2
101	Active	Western	Ragama	Collection Centre	Kadawatha
102	Active	Western	Kalubowila	Mini Lab	Wadduwa
103	Active	Western	Kalubowila	Collection Centre	Ratmalana
104	Active	Western	Kalubowila	Collection Centre	Padukka
105	Active	North Western	Kurunegala	Mini Lab	Kuliyapitiya
106	Active	Southern	Matara	Collection Centre	kamburupitiya
107	Active	Southern	Matara	Collection Centre	Deiyandara
108	Active	Southern	Matara	Collection Centre	Uyanwatta
109	Active	Western	Norris Canal	Collection Centre	Boralla
110	Active	Western	Ragama	Collection Centre	Ganemulla
111	Active	Western	Ragama	Collection Centre	Mahabage
112	Active	Western	Ragama	Collection Centre	Rilaulla
113	Active	Western	Kalubowila	Collection Centre	Beruwala
114	Active	Western	Kalubowila	Collection Centre	Panadura 3
115	Active	Central	Kandy	Collection Centre	Mahiyanganaya 2
116	Active	Central	Kandy	Collection Centre	Badulla CC
117	Active	Central	Kandy	Mini Lab	Badulla Mini lab
118	Active	Southern	Matara	Collection Centre	Kekunadara
119	Active	Western	Norris Canal	Collection Centre	Battaramulla
120	Active	Southern	Galle	Collection Centre	Imaduwa
121	Active	North Western	Kurunegala	Mini Lab	Polgahawela
122	Active	Southern	Matara	Mini Lab	Debarawewa
123	Active	Western	Norris Canal	Collection Centre	Maradana
124	Active	Western	Negombo	Collection Centre	Katana
125	Active	Southern	Matara	Mini Lab	Beliatta
126	Active	North Western	Kurunegala	Collection Centre	Galewela
127	Active	Western	Kalubowila	Collection Centre	Kalutara
128	Active	Southern	Galle	Collection Centre	Morawaka
129	Active	Western	Kalubowila	Collection Centre	Homagama
130	Active	Sabaragamuwa	Ratnapura	Collection Centre	Ruwanwella
131	Active	Western	Norris Canal	Collection Centre	Athurugiriya
132	Active	Western	Mainlab	Collection Centre	Wellawatta Urology
133	Active	Western	Kalubowila	Laboratory	Dehiwala



Our Capitals

Across every capital, our momentum grows; from the expertise of our people and the precision of our technologies to the trust of our stakeholders, each resource at Durdans works in collaboration to make healing safer, faster and more meaningful.

INTRODUCTION TO CAPITAL

How We Create Value

At Durdans Hospitals, value creation is driven through the effective stewardship, utilisation, and integration of six key capitals. These capitals represent the resources and relationships that underpin our ability to deliver high-quality, patient-centric healthcare while ensuring long-term sustainability and resilience.

 Financial Capital	Represents the funds available to sustain and grow operations, including revenue generation, profitability, and access to capital.	• Enables investment in advanced medical technologies, infrastructure expansion, and service innovation • Supports operational continuity, cost optimisation, and financial resilience in a dynamic healthcare environment • Drives shareholder returns while balancing affordability and accessibility of care
 Manufactured Capital	Comprises the hospital's physical infrastructure and medical equipment.	• Includes the hospital premises, physical infrastructure, specialised clinical units, advanced medical equipment, and emergency transport services that enable timely, accessible, and high-quality patient care • Continuous upgrades and expansions enhance patient experience and clinical outcomes
 Intellectual Capital	Encompasses clinical expertise, systems, processes, and innovation capabilities.	• Includes clinical protocols, accreditations, digital systems, and specialised knowledge • Drives innovation in treatment, diagnostics, and patient care pathways • Strengthens operational efficiency and evidence-based decision-making
 Human Capital	Represents the skills, experience, and commitment of healthcare professionals and staff.	• Includes doctors, nurses, specialists, and support teams and their unique capabilities • Continuous training and development ensure high clinical standards and patient safety • Employee engagement and well-well-being directly influence service quality and patient outcomes
 Social and Relationship Capital	Refers to relationships with patients, communities, regulators, partners, and suppliers.	• Builds trust through quality care, ethical practices, and transparency • Strengthens patient loyalty and brand reputation • Enables partnerships that enhance service delivery and expand healthcare access
 Natural Capital	Constitutes environmental resources and the hospital's ecological footprint.	• Includes the responsible use of resources, including energy, fuel, and water, and the management of waste, emissions, and effluents to minimise environmental impact • Supports long-term operational sustainability and regulatory compliance

Managing Capital Trade-offs

Delivering high-quality, patient-centred healthcare requires careful allocation of resources across our capitals. Strengthening one area may create pressures in another, requiring informed and balanced decision-making.

Managing trade-offs involves considering both the benefits and associated challenges of each decision to ensure the delivery of safe, accessible, and high-quality care, while supporting financial stability and long-term value creation.

The table below outlines how these trade-offs are managed across key areas.

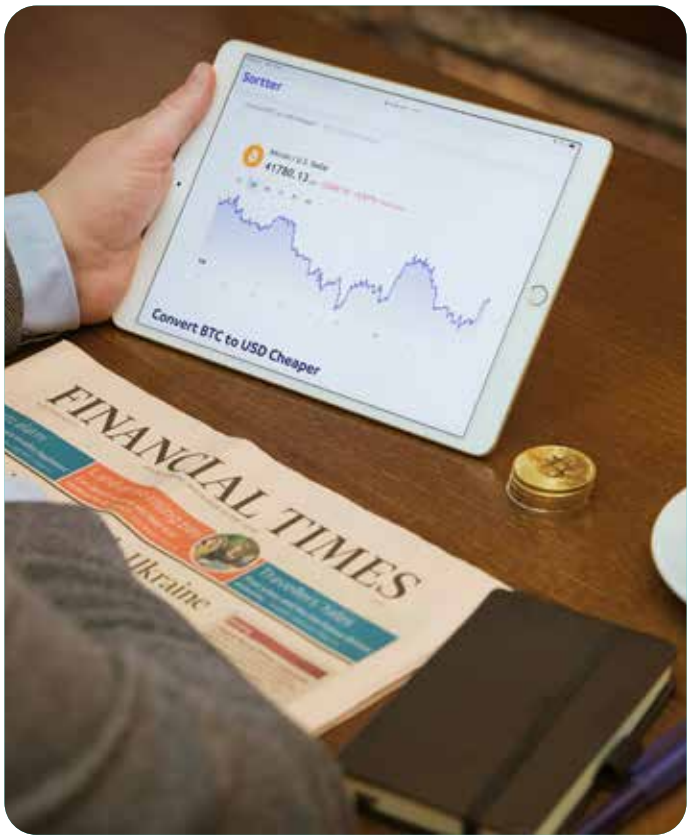
Priorities	Capital Strengthened (Positive Impact)	Capital Impacted (Related Challenge)	Management Strategy
Clinical Excellence	Strengthens medical expertise, improves treatment quality, leading to better patient outcomes. Higher revenue generation due to demand and value proposition MT–LT	Higher costs incurred by hiring specialists and investing in advanced treatments and technology, Increased pressure on specialised staff capacity ST	Focus on key specialisations, improve efficiency in operations, and ensure resources are used where they create the most value
Infrastructure Expansion	Expands facilities, increases capacity, and improves access to healthcare services Supports revenue growth through increased patient volumes and service availability LT	Requires significant investment, which can affect cash flow and short-term returns, while causing potential disruptions to activities Increased resource use during construction activities ST	Plan phased expansion, prioritise high-need areas, and align investments with patient demand
Digital Transformation	Improves systems, streamlines processes, and enhances patient experience Improves cost efficiency over time and supports better financial performance Reduces impact on natural resources through improved resource utilisation MT–LT	Requires upfront investment and staff capability building, impacting short-term financial performance and placing pressures on employees ST	Introduce systems gradually, provide staff training, and focus on long-term improvements in efficiency
Patient Accessibility	Improves affordability, access to care, and builds patient trust Supports long-term patient retention and revenue stability LT	Lower pricing or absorbed costs can reduce margins and increase pressure on service delivery due to higher patient volumes Requires additional human resources to address increased demand and capacity ST	Balance pricing with cost control, while maintaining quality and accessibility
Talent Retention	Builds a skilled and experienced workforce, supporting consistent quality of care Improves service reliability and long-term operational performance MT–LT	Higher costs for salaries, benefits, and staff development ST	Invest in retention and training, while improving productivity and workforce planning
Environmental Responsibility	Reduces environmental impact and supports responsible operations Improves resource efficiency and supports cost savings over time LT	Sustainability initiatives may increase costs in the short term and require changes to existing processes and infrastructure ST	Focus on driving targeted improvements that reduce waste and improve efficiency over time

FINANCIAL CAPITAL

GRI 2-6

STRENGTHENING FINANCIAL RESILIENCE AND SUSTAINABLE VALUE CREATION

Financial Capital provides the foundation for Durdans' ability to invest in quality healthcare, strengthen service capacity and deliver sustainable returns. During the year, disciplined cost management, improved profitability, stronger liquidity and a more conservative capital structure supported the Group's financial resilience, while enabling continued investment in clinical services, diagnostic capability, laboratory expansion and patient-centred growth.



Our Approach to Human Capital Management:

Our approach focuses on maintaining financial strength while supporting long-term healthcare growth. This is achieved through disciplined cost management, prudent capital allocation, active debt reduction, working capital optimisation and targeted investment in high-value clinical, diagnostic and service areas. By balancing profitability, liquidity, reinvestment and shareholder returns, Durdans aims to sustain financial resilience while strengthening its capacity to deliver quality healthcare.

HOW FINANCIAL CAPITAL SUPPORTS VALUE CREATION:

Customers

Strong financial performance enables continued investment in clinical services, diagnostic capability, infrastructure, technology and service improvements that support accessible, reliable and quality healthcare.

Employees

Financial stability supports employment continuity, training, welfare initiatives, performance-linked rewards and the resources required to maintain a skilled and motivated healthcare workforce.

Consultants and clinical teams

Prudent capital allocation enables investment in specialised medical disciplines, advanced diagnostic equipment, clinical support systems and service platforms that strengthen care delivery and multidisciplinary coordination.

Business Partners

A stronger balance sheet, improved liquidity and disciplined financial management support timely commitments, supplier confidence, partnership continuity and long-term business relationships.

Investors

Revenue growth, margin expansion, improved returns, reduced gearing and stronger profitability support shareholder value creation and provide a stable platform for future growth.

Society

Sustainable financial performance enables Durdans to continue investing in healthcare access, laboratory reach, emergency readiness and specialised services that contribute to broader community wellbeing.

FINANCIAL CAPITAL AT A GLANCE

OPERATING LANDSCAPE

The healthcare sector continued to operate in a cost-sensitive environment shaped by inflationary pressures, rising labour and utility costs, medical equipment costs, evolving patient expectations and the need for continued investment in specialised care and diagnostics. Against this backdrop, financial discipline, strong liquidity, cost optimisation and effective capital allocation remained critical to sustaining growth, protecting margins and supporting long-term service expansion.

STRATEGIC FOCUS AREAS

1	2	3	4	5	6
Revenue Growth and Service Expansion	Profitability and Margin Improvement	Capital Structure and Debt Management	Liquidity and Working Capital Management	Capital Allocation and Reinvestment	Shareholder Value Creation
Driving sustainable revenue growth through higher patient volumes, specialised clinical services, laboratory network expansion and continued development of high-demand healthcare verticals.	Strengthening gross, operating and net margins through disciplined cost management, improved service mix, procurement efficiency and better utilisation of existing infrastructure and capacity.	Maintaining a more conservative funding profile through active debt reduction, lower finance costs and stronger debt-servicing capacity.	Improving liquidity, collections efficiency and working capital discipline to support day-to-day operational stability and financial flexibility.	Directing financial resources towards high-value clinical services, diagnostic capability, digital health, laboratory expansion and other investments that support long-term growth.	Delivering sustainable returns through improved profitability, stronger earnings, higher return metrics, disciplined reinvestment and dividend distribution.

Financial Performance

Rs. 10,979 Mn	17%	Rs. 2,950 Mn	22%
Group revenue	Revenue growth	Total Employee Expenses	EBITDA Margin

Interrelated Capitals:

Financial Position

Rs. 14.2 Bn	4.4%	Rs. 12,802 Mn	0.11
Total Capital Employeed	Asset growth	Total equity	Debt-to-equity ratio

Impacted SDGs:

Shareholder Value

Rs. 5.68	Rs. 70.94	Rs. 196 Mn	8.22%
Earnings per share	Net assets per share	Dividends declared	Return on equity

PROGRESS IN 2025/26

Financial Performance

Ceylon Hospitals PLC delivered a landmark financial performance in the year ended 31 March 2026, recording its highest-ever revenue and profit after tax. This performance reflects the strength of the Group's healthcare platform, the growing relevance of its hospital and laboratory services, and its disciplined approach to cost, capital and operational management.

Group revenue grew by 16.7% to Rs. 10,979 Mn from Rs. 9,405 Mn in the prior year, driven by sustained volume growth across both hospital and laboratory services. Profit after tax increased by 44.9% to Rs. 1,052 Mn, while all key return metrics improved materially, reflecting disciplined cost management, improved operating leverage and stronger conversion of revenue growth into earnings.

The Group also strengthened its balance sheet during the year. Total equity expanded to Rs. 12,802 Mn, representing a 7.1% increase, while interest-bearing debt reduced by 33.0%, resulting in a significantly healthier gearing profile. Return on capital employed improved to 9.80% from 7.70%, and interest cover rose sharply to 8.26 times from 4.82 times, demonstrating the Group's stronger debt-servicing capacity and improved financial flexibility.

Financial Results – Group (Rs. Mn unless stated)

Indicator	2023/24	2024/25	2025/26	Growth YoY
Revenue (Rs. Mn)	9,153	9,405	10,979	+16.7%
Gross Profit (Rs. Mn)	5,139	5,477	6,769	+23.6%
Gross Profit Margin	56.1%	58.2%	61.7%	+3.5pp
Operating Profit (Rs. Mn)	940	1,157	1,558	+34.6%
Operating Profit Margin	10.3%	12.3%	14.2%	+1.9pp
Profit Before Tax (Rs. Mn)	659	958	1,402	+46.4%
Profit After Tax (Rs. Mn)	454	726	1,052	+44.9%
Net Profit Margin	5.0%	7.7%	9.6%	+1.9pp

Consistent growth was recorded across all key profitability margins during the year, reflecting stronger revenue conversion, improved service mix and disciplined cost management.

61.7%
Gross profit margin
(FY 2024/25: 58.2%)

14.2%
Operating profit margin
(FY 2024/25: 12.3%)

9.6%
Net profit margin
(FY 2024/25: 7.7%)

Revenue Performance

Group revenue crossed the Rs. 10 Bn milestone for the first time, reaching Rs. 10,979 Mn in FY 2025/26, a 16.7% year-on-year increase. This performance was underpinned by the continued expansion of the out-laboratory network across 13 locations islandwide, sustained growth in inpatient admissions, particularly across cardiac and surgical specialties, and healthy outpatient channelling and diagnostic volumes.

Over the past six years, the Group's revenue base has grown at a compound annual growth rate of approximately 13%, from FY 2020/21 to FY 2025/26. This reflects the Group's deliberate and structured approach to clinical programme development, capacity expansion and service diversification, while continuing to strengthen its position as one of Sri Lanka's leading private healthcare providers.

Gross Profitability

Gross profit expanded to Rs. 6,769 Mn, recording a 23.6% improvement over the prior year. The gross profit margin widened to 61.7% from 58.2% in FY 2024/25, reflecting the Group's continued focus on optimising its service portfolio.

This sustained margin expansion was supported by a favourable shift towards higher-margin specialist and surgical care, disciplined procurement and consumable management, and growing scale efficiencies within the out-laboratory network. As a result, the cost of services rendered as a proportion of revenue improved to 38.3% from 41.8%, underscoring the Group's ability to grow revenue while maintaining strong cost discipline.

Operating Performance

Operating profit increased by 34.6% to Rs. 1,558 Mn, while the operating margin improved from 12.3% to 14.2%. This reflects the Group's continued ability to convert revenue growth into sustainable bottom-line gains, supported by stronger operating leverage and careful cost management.

Administration expenses grew by 20.4% to Rs. 4,427 Mn, largely attributable to employee cost growth in line with business expansion and inflationary pressures. Finance costs declined materially by 23.0% to Rs. 193 Mn, compared to Rs. 251 Mn in FY 2024/25, reflecting the Group's active deleveraging over the past two years, with loan repayments totalling Rs. 485 Mn during the current year.

This significant reduction in debt-servicing obligations contributed to a sharp improvement in interest cover, which rose to 8.26 times from 4.82 times in the prior year. This provides the Group with greater financial flexibility as it continues to pursue its growth agenda.

Net Profitability

Profit before tax increased by 46.4% to Rs. 1,402 Mn, compared to Rs. 958 Mn in FY 2024/25. Tax expense increased to Rs. 350 Mn at an effective tax rate of approximately 25%. Profit after tax attributable to equity holders of the parent amounted to Rs. 951 Mn, compared to Rs. 653 Mn in the prior year, representing a 45.8% increase.

Group earnings per share, on a post-rights adjusted basis, increased to Rs. 5.68 from Rs. 3.89 in FY 2024/25. Net profit margin improved to 9.6% from 7.7%, marking the strongest level in the Group's recent history. This reflects the combined effect of revenue growth, margin expansion, improved operating efficiency and reduced finance costs.

Profitability Ratios & Returns – Group

Ratio / Metric	2023/24	2024/25	2025/26	Change
Earnings Per Share (Rs.) *	2.9	3.89	5.68	+45.8%
Net Assets Per Share (Rs.)	56.29	66.30	70.94	+7.0%
Return on Equity (%)	5.15%	6.07%	8.22%	+2.1pp
Return on Assets (%)	3.02%	4.38%	5.69%	+1.3pp
Return on Capital Employed (%)	6.9%	8.8%	11.2%	+2.1pp
Interest Cover (Times)	5.55x	4.82x	8.26x	+3.44x
Current Ratio (Times)	1.18x	1.29x	1.47x	+0.18x
Quick Ratio (Times)	0.83x	0.97x	1.12x	+0.15x
Debt to Equity Ratio	0.28	0.16	0.11	-0.05

** EPS figures for FY 2024/25 and FY 2025/26 restated per LKAS 33 to reflect the rights issue in 24/25 and share subdivision 25/26. Net Assets Per Share reflects the enlarged share base post-rights issue.*

FINANCIAL POSITION AND CAPITAL STRUCTURE

Assets and Equity

Total assets grew to Rs. 18,882 Mn from Rs. 18,083 Mn, representing a 4.4% increase, with growth concentrated in financial investments. Property, plant and equipment remained stable at Rs. 14,290 Mn, as the major capital expansion cycle normalised. Net capital expenditure for the year amounted to Rs. 755 Mn.

Total equity strengthened to Rs. 12,802 Mn from Rs. 11,952 Mn, driven by retained profit for the year of Rs. 755 Mn after dividends paid of Rs. 196 Mn. Equity attributable to shareholders of the parent stood at Rs. 11,889 Mn, further strengthening the Group's capital base and supporting its capacity for future investment.

Financial Position Summary – Group (Rs. Mn)

Balance Sheet Item	2023/24	2024/25	2025/26	YoY Change
Total Assets (Rs. Mn)	15,043	18,083	18,882	+4.4%
Property, Plant & Equipment (Rs. Mn)	11,582	14,259	14,290	+0.2%
Total Equity (Rs. Mn)	8,836	11,952	12,802	+7.1%
Capital Employed (Rs. Mn)	11,713	13,809	14,214	+2.9%
Interest-Bearing Borrowings (Rs. Mn)	2,478	1,470	985	-33.0%

Liquidity and Working Capital

The Group's liquidity position improved materially during FY 2025/26. The current ratio strengthened to 1.47 times from 1.29 times in FY 2024/25, while the quick ratio improved to 1.12 times from 0.97 times. Current assets of Rs. 3,827 Mn remained comfortably in excess of current liabilities of Rs. 2,604 Mn, supporting day-to-day operational stability.

Inventory increased to Rs. 901 Mn from Rs. 769 Mn, broadly in line with revenue growth. Trade and other receivables declined to Rs. 296 Mn from Rs. 377 Mn, indicating improved collections efficiency. Together, these movements reflect stronger working capital discipline and support the Group's ability to generate more consistent operating cash flows.

Debt Profile and Gearing

The Group continued its deleveraging trajectory in FY 2025/26. Interest-bearing borrowings reduced to Rs. 985 Mn from Rs. 1,470 Mn, representing a 33.0% reduction. Long-term borrowings decreased to Rs. 614 Mn from Rs. 964 Mn.

The debt-to-equity ratio improved to 0.11 from 0.16, reflecting a significantly more conservative capital structure. The Group's stronger operating cash generation provides ample capacity for continued debt service, while creating room for strategic reinvestment in clinical services, diagnostics, digital health capabilities and future growth opportunities.

Dividend and Shareholder Value

The Board declared a total dividend of Rs. 196 Mn for FY 2025/26, compared to Rs. 120 Mn in FY 2024/25. On a post-rights adjusted basis, Group earnings per share increased to Rs. 5.68 from Rs. 3.89 in the prior year, representing a 45.8% increase.

Net assets per share attributable to equity holders of the parent stood at Rs. 70.94 as at 31 March 2026, compared to Rs. 66.30 as at 31 March 2025, reflecting the enlarged share base following the rights issue. Return on equity improved to 8.22% from 6.07%, while return on capital employed increased to 11.2% from 8.75%, both surpassing prior-year levels and reflecting stronger value creation from the Group's capital base.

Ten Year Financial Summary

The table below presents key financial indicators over eleven years, illustrating the Group's consistent growth trajectory in revenue and profitability.

Year	Revenue (Rs. Mn)	PAT (Rs. Mn)	EPS (Rs.)
2015/16	4,728	500	3.17
2016/17	5,289	389	2.42
2017/18	5,733	488	2.97
2018/19	5,806	376	2.37
2019/20	5,976	467	2.98
2020/21	5,546	600	4.14
2021/22	7,840	1,110	7.25
2022/23	7,905	652	4.22
2023/24	9,153	454	2.9
2024/25	9,405	726	3.89
2025/26	10,979	1,052	5.68

EPS has been restated for the rights issue and share subdivision in accordance with LKAS 33.

Over the past decade, the Group has delivered consistent revenue growth, with a compound annual growth rate of approximately 10% since FY 2015/16. Profitability now stands at its highest level in the Group's history, reflecting the strength of its healthcare platform, disciplined financial management and the continued growth of its hospital and laboratory services.

Outlook

Ceylon Hospitals PLC enters FY 2026/27 from a position of financial strength. The Group's balance sheet is well-capitalised, with reduced debt, expanding margins and stronger operating cash flows. Continued investment in clinical services, digital health capabilities and laboratory network expansion is expected to sustain revenue momentum.

The management's ongoing focus on cost optimisation, patient volume growth, capital discipline and service diversification provides a firm foundation for sustained shareholder value creation. This financial strength will also support the Group's ability to reinvest in healthcare quality, patient access, people, technology and infrastructure, ensuring that growth remains both financially sound and aligned with Durdans' broader purpose of delivering trusted healthcare.

Looking Ahead: Financial Capital Priorities

Optimising Capital Ratios Through Enhanced Asset Utilisation

Building on prior infrastructure investments, the Group's immediate priority is to optimise its capital ratios by driving higher throughput across the asset base established in previous years. Rather than committing heavy capital expenditure to physical expansion, Durdans will focus on maximising Return on Capital Employed by optimising existing capacities through targeted clinical and marketing strategies designed to accelerate patient footfall and strengthen utilisation across hospital and laboratory services.

This approach will enable the Group to extract greater value from investments already made, while ensuring that existing infrastructure, equipment and service platforms continue to support quality healthcare delivery, patient access and long-term financial efficiency.

Prudent Investments in Diverse Specialties and High-Margin Verticals

Prudent investments in high-demand, specialised medical disciplines will accelerate the Group's revenue verticals towards high-margin revenue streams, while insulating top-line growth from overdependence on routine treatments. By strategically allocating funds into premium, lower-overhead clinical verticals, the Group is capturing high-value market segments and differentiating its healthcare portfolio.

This focus will support both financial performance and clinical relevance, enabling Durdans to deepen its specialist care proposition, enhance diagnostic capability and create long-term value for patients, consultants and shareholders.

Robust Financial Governance and Operational Sustainability

Following the successful restructuring of interest-bearing liabilities, the Group is institutionalising robust financial governance by transitioning from isolated cost-cutting to permanent, automated budgetary controls across all departments. This strict oversight ensures transparent pricing integrity, minimises cost leakages and enforces fiscal discipline, ensuring that operational growth does not compromise financial health.

By optimising the working capital cycle, Durdans aims to ensure that daily hospital operations generate consistent and predictable cash flows, resilient against macroeconomic fluctuations. Ultimately, this framework supports a disciplined capital allocation model that balances ongoing profitability with strategic reinvestment priorities to deliver sustainable, long-term shareholder value.

MANUFACTURED CAPITAL

GRI 2-6

BUILDING A SKILLED, SUPPORTED AND PATIENT-CENTRED WORKFORCE

Behind every patient journey at Durdans is a network of facilities, technology and support systems that enables safe, timely and coordinated care. From specialised clinical spaces and diagnostic infrastructure to medical equipment, utilities and emergency systems, this foundation supports service reliability, patient access and the overall care environment.

Our Approach to Manufactured Capital Management:

Our approach focuses on keeping healthcare infrastructure ready, reliable and responsive. This is supported through planned asset upkeep, equipment availability, infrastructure monitoring, safety controls and timely capital investment, ensuring that Durdans' physical facilities continue to support quality care and future service needs.

HOW MANUFACTURED CAPITAL SUPPORTS VALUE CREATION:

Customers

Safe facilities, specialised centres, advanced equipment and diagnostic access support timely, comfortable and reliable care across patient and laboratory touchpoints.

Employees

Reliable equipment, upgraded workspaces, staff facilities and safety systems help clinical, laboratory, operational and support teams work efficiently and safely.

Business Partners

Strong infrastructure, equipment readiness and service continuity support suppliers, referral partners, insurers and other partners involved in healthcare delivery.

Investors

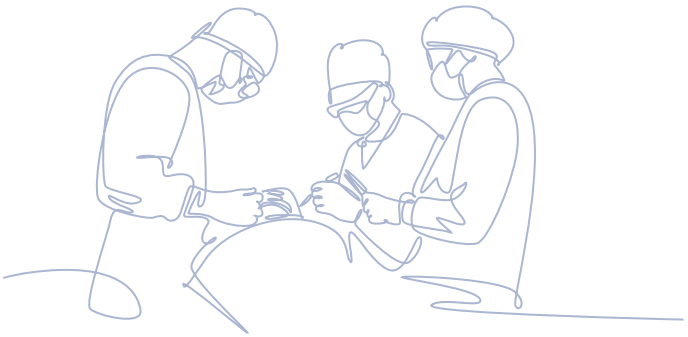
Specialised care capacity, diagnostic reach, equipment readiness and infrastructure resilience support long-term growth, asset productivity and service reliability.

Society

Expanded laboratory reach, emergency transport and specialised care facilities improve access to diagnostics, rehabilitation and quality healthcare services.

Regulatory Bodies

Accredited laboratories, safe premises, fire systems, maintenance records and emergency preparedness support compliance, assurance and institutional credibility.



MANUFACTURED CAPITAL AT A GLANCE

OPERATING LANDSCAPE

Healthcare delivery continues to depend on reliable infrastructure, specialised facilities, advanced medical equipment and strong diagnostic access. During the year, rising demand for timely care, faster diagnostics, patient convenience and specialised services required continued investment in Durdans' physical and technological base. At the same time, rising costs of medical equipment, utilities, maintenance and compliance reinforced the need for disciplined asset management, resilient infrastructure and well-planned capital investment.

STRATEGIC FOCUS AREAS

1	2	3	4
Specialised Care Infrastructure	**Medical Technology and Equipment Readiness**	**Diagnostic Infrastructure and Laboratory Reach**	**Infrastructure Reliability, Safety and Continuity**
Developing clinical spaces, patient-facing areas and specialised centres, including Revive Rehabilitation & Wellness Centre, to enhance access, comfort and the quality of care environments.	Sustaining the availability and performance of advanced medical machinery, diagnostic equipment and clinical support systems, while progressing future high-value investments such as the landmark MRI machine.	Extending diagnostic access through Durdans' physical laboratory network, comprising medical centres, mini labs, satellite labs, collection centres and third-party/referral points across Sri Lanka.	Keeping core hospital systems dependable through preventive maintenance, utility readiness, backup arrangements, fire protection, security infrastructure and emergency preparedness.

Infrastructure and Diagnostic Reach

133 — Own laboratory centres

1,500+ — Third-party and referral points

3.4 Mn+ — Laboratory tests conducted

Medical Technology

Rs. 449 Mn — Invested in equipment upgrades

500+ — Advanced diagnostic technologies

360 Mn — Invested in Revive Rehabilitation & Wellness Centre

Care Infrastructure

42,512 sq. m. — Hospital premises

52 — Critical care beds

269 — Total Beds

9 — General Operating Theatres

Infrastructure Reliability and Safety

1 — Fire drill

100% — Preventive maintenance completed

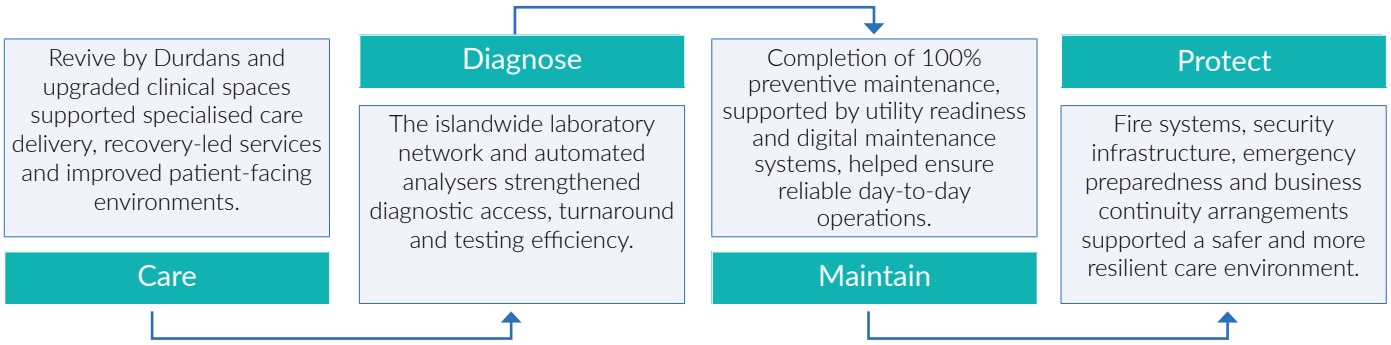
9 — Specialised care units

3 — Ambulances

Interrelated Capitals:

Impacted SDGs:

MANUFACTURED CAPITAL IN ACTION



PROGRESS IN 2025/26

Focus Area

1

SPECIALISED CARE INFRASTRUCTURE

Durdans' investment in specialised care infrastructure is focused on creating spaces that support the full patient journey, from consultation and diagnosis to recovery, rehabilitation and follow-up care. During 2025/26, the Hospital's physical care environment was further enhanced through upgrades to key clinical, patient-facing and support areas, strengthening the comfort, accessibility and functionality of the Hospital.

The official launch of Revive by Durdans was a key milestone during the year, extending the Hospital's care proposition into rehabilitation, wellness and recovery-led services. The centre adds a dedicated space for patients who require structured rehabilitation and multidisciplinary support following illness, injury, surgery or long-term health conditions.

The year also saw further improvements across the vascular unit, consultation areas, doctors' lounge, staff facilities, loading bay and public washrooms. These upgrades built on the infrastructure platform created through the Vision 2022 redevelopment, which continues to add value by supporting better patient flow, improved service areas, stronger clinical adjacencies and a more modern hospital environment.

2025/26 Infrastructure Progress

Recovery and wellness-led care
Revive by Durdans was officially launched as a dedicated rehabilitation and wellness centre, extending the Hospital's care environment beyond treatment into recovery, mobility and long-term wellbeing.
Specialised clinical infrastructure
Upgrades to clinical areas, including the vascular unit, strengthened the Hospital's ability to support more focused and specialised care delivery.
Patient-facing environments
Improvements to consultation areas and public amenities enhanced patient flow, comfort, accessibility and the overall experience within the Hospital.
Consultant and staff support spaces
Enhancements to the doctors' lounge and staff facilities improved the functionality and convenience of spaces used by consultants, clinical teams and operational employees.
Operational support infrastructure
Upgrades to back-end areas, including the loading bay, supported smoother internal movement, service coordination and day-to-day operational efficiency.

Refer Social and Relationship Capital for patient experience, access and stakeholder engagement – pages 98-113

Vision 2022: Value Still Unfolding

The Vision 2022 redevelopment created an upgraded physical platform for Durdans' next stage of service growth. The benefits of this investment continued to be realised in 2025/26, supporting improved patient movement, better service zoning, enhanced patient-facing spaces and the launch of specialised facilities such as Revive. Rather than being a one-off infrastructure project, Vision 2022 continues to strengthen the Hospital's ability to introduce new services, improve patient experience and support more efficient clinical operations.

REVIVE BY DURDANS

A dedicated space for recovery, rehabilitation and wellness

Revive by Durdans was officially launched during the year as a specialised rehabilitation and wellness centre designed to support patients beyond acute treatment. The centre provides a more structured environment for recovery, helping patients rebuild strength, mobility and confidence following medical conditions, injuries or surgical procedures.

Positioned within Durdans' broader care continuum, Revive supports rehabilitation-led care across areas such as cardiac, neurological and orthopaedic recovery, while also responding to the growing need for wellness, mobility support and healthy ageing services. Its purpose-designed setting enables patients to access recovery-focused support within a hospital environment, supported by Durdans' wider clinical and diagnostic infrastructure.

From		To
Treatment-focused care	→	Recovery and rehabilitation-led care
Episodic patient visits	→	Continued support beyond discharge
Acute clinical intervention	→	Mobility, strength and wellbeing support
Hospital-based treatment	→	A broader continuum of care

Focus Area

2

MEDICAL TECHNOLOGY AND EQUIPMENT READINESS

Advanced medical equipment remains central to Durdans' ability to deliver accurate, timely and high-quality care. During the year, the Hospital continued to maintain and strengthen the equipment base that supports diagnosis, treatment, monitoring and clinical decision-making across specialties.

The year's progress included investment in automated laboratory analysers and critical medical support infrastructure. New automated analysers introduced to the laboratory network included Beckman AU-480, Sysmex XNL-330, Sysmex CA 104 coagulation analyser and Autolumo Serology Analyser, strengthening diagnostic speed, consistency and cost efficiency.

Durdans also completed important medical support system upgrades, including the installation of a medical air plant to reduce dependency on external supply and the relocation of the medical gas manifold system with a new VIE panel installation. Looking ahead, the Hospital plans to progress a landmark investment in an MRI machine, further enhancing its diagnostic capability.

Rs 449 Mn
Invested in equipment upgrades

01
Medical air plant installed

01
Medical gas manifold system relocated with new VIE panel

01
Landmark MRI

Equipment and technology highlights for 2025/26

Equipment / System	Value to care delivery
Beckman AU-480	Supports automated chemistry testing and faster diagnostic processing
Sysmex XNL-330	Supports haematology testing within the laboratory network
Sysmex CA 104 coagulation analyser	Strengthens coagulation testing capability
Autolumo Serology Analyser	Supports automated serology testing
Medical air plant	Reduces dependency on external supply and improves service continuity
Medical gas manifold system with VIE panel	Enhances reliability of clinical support infrastructure
Planned MRI machine	Future landmark investment to strengthen advanced diagnostic capability

Focus Area

3

DIAGNOSTIC INFRASTRUCTURE AND LABORATORY REACH

Durdans' laboratory infrastructure remained a key access platform during the year, connecting patients, clinicians, corporates and communities to timely diagnostic services. The network operates through a centrally coordinated model, with a main reference laboratory supported by satellite laboratories, medical centres and sample collection points islandwide. Samples are collected multiple times daily, with urgent specimens prioritised to support faster clinical decision-making.

During 2025/26, Durdans expanded and refined its physical diagnostic footprint. The network added 10 new collection centres, converted 02 collection centres into mini labs, and converted 01 mini lab into a collection centre, allowing the laboratory business to better align service formats with local demand and patient convenience.

The laboratory network now includes 06 medical centres, 25 mini labs, 08 satellite labs, 94 collection centres, 133 own centres and 1,500+ third-party/referral points, strengthening Durdans' diagnostic presence across Sri Lanka.

Refer Intellectual Capital for laboratory quality systems, digital process improvements and diagnostic workflow enhancements – pages 89-97.

Refer Social and Relationship Capital for diagnostic partnerships and access expansion – pages 98-113

Refer Human Capital for laboratory training and competency development – pages 80-88.

Refer Natural Capital for laboratory waste management and environmental controls – pages 114-120.

A SNAPSHOT OF OUR LAB NETWORK

133 total own centres

Comprising Durdans' directly operated medical centres, mini labs, satellite laboratories and collection centres.

6 Medical Centres

Comprehensive service points offering ECG, health packages, laboratory services, X-ray, ultrasound, echocardiography, channelled consultations, and mobile/home visit services.

8 Satellite Laboratories

Convenient diagnostic sites supporting laboratory services, ECG, health packages, OPD services, and mobile/home visit services.

25 Mini Laboratories

Community-based diagnostic points providing laboratory services, ECG, health packages, OPD services, and mobile/home visit services.

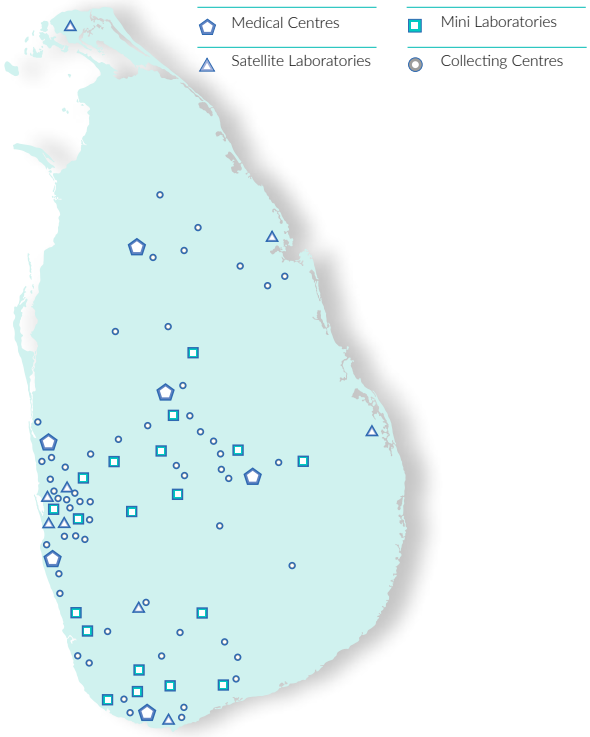
94 Collection Centres

Accessible collection points dedicated to sample collection for laboratory investigations, while also supporting ECG, health packages and home visit services.

1,500+

third-party and referral partnerships

Extending access to a wide range of diagnostic tests across the island through an established referral and partner network.



2025/26 Lab Network Movement and Highlights

10
New collection centres added

02
Collection centres converted to mini labs

01
Mini lab converted to collection centre

3.4 Mn+
Laboratory tests conducted

925+
Employees in the laboratory network

Focus Area

4

INFRASTRUCTURE RELIABILITY, SAFETY AND CONTINUITY

Reliable infrastructure is essential to uninterrupted healthcare delivery. During the year, Durdans strengthened maintenance, utility readiness, fire protection, security infrastructure and emergency preparedness to support a safer and more dependable care environment.

The Hospital completed 100% preventive maintenance, digitalised maintenance checklists, upgraded the job-card system and developed a dashboard to monitor day-to-day maintenance activity. Key infrastructure works included water sump cleaning, water quality testing, renovation of the 12th Floor DMSH chiller cooling tower system and installation of a VFD control panel for the fire hydrant and sprinkler system.

Service continuity was further supported through emergency generator connectivity to the main distribution panel, integration of the new building water sump with the main water supply system, and backup systems for power, water and fuel. Fire safety initiatives included annual fire drills, firefighter and fire warden training, IRT training, fire induction, reinstallation of foot valves in fire protection pumps, and disposal of defective fire extinguishers and hoses.

Durdans also maintained CCTV surveillance, access control systems and a modern ambulance fleet equipped with GPS tracking and life-support systems, supported by regular maintenance and driver training.

Preventive maintenance and maintenance systems

100% preventive maintenance was completed during the year, supported by digital checklists, job-card upgrades and a maintenance dashboard to strengthen monitoring and response.

Utilities

Generator connectivity and water supply integration were strengthened to support service continuity.

Fire protection

A VFD control panel was installed for the fire hydrant and sprinkler system, while foot valves were reinstalled to improve system reliability.

Safety infrastructure

Handrails and safety bars were installed in high-risk areas to improve patient and visitor safety.

Security

CCTV and access control systems were maintained and upgraded to support a secure hospital environment.

Emergency transport

The GPS-enabled ambulance fleet was maintained to support timely emergency response.

Business continuity

Backup systems for power, water and fuel were maintained to support operational resilience.

Refer Natural Capital for energy, water, waste and emissions management – pages 114-120

OUTLOOK

Looking ahead, Durdans will place continued emphasis on building a care environment that is more specialised, reliable and responsive to future healthcare needs. Planned investments in diagnostic technology, core infrastructure, equipment upgrades and service facilities will support the Hospital's ability to expand access, improve clinical readiness and maintain uninterrupted operations. The focus will be on ensuring that Durdans' physical assets remain fit-for-purpose, resilient and capable of supporting evolving patient expectations, new service opportunities and long-term growth.

KEY PRIORITIES

Expanding advanced diagnostics

Progressing investment in high-value diagnostic capability, including the planned MRI machine, while ensuring existing medical equipment remains reliable and service-ready.

Deepening rehabilitation and wellness capacity

Building on the launch of Revive by Durdans to further support recovery, mobility, rehabilitation and wellness-led care.

Modernising core hospital systems

Carrying out planned upgrades to utility and support infrastructure, including hot water systems, generator panels, capacitor banks, cooling towers and chiller systems.

Strengthening laboratory access

Further optimising the laboratory network through collection centres, mini labs, specialised testing capacity and referral partnerships.

Improving equipment performance

Maintaining the availability and dependability of medical machinery, automated laboratory analysers and clinical support systems.

Reinforcing safety and preparedness

Sustaining fire certification, TRC certification, annual fire drills, emergency readiness, backup systems and preventive maintenance.

HUMAN CAPITAL

BUILDING A SKILLED, SUPPORTED AND PATIENT-CENTRED WORKFORCE

In healthcare, the quality of care is inseparable from the people who deliver it. At Durdans Hospital, our Human Capital strategy focuses on building a skilled, supported and patient-centred workforce that strengthens care delivery, service continuity and long-term institutional resilience.

Our Approach to Human Capital Management:

We are guided by a people-first philosophy that balances patient care excellence with employee wellbeing. Through structured HR processes, training and development, employee engagement, welfare support, performance management and digital HR systems, we continued to create an environment where employees are equipped to perform, grow and contribute meaningfully to the Hospital's long-term progress.

HOW HUMAN CAPITAL SUPPORTS VALUE CREATION:

Customers

Skilled, motivated and supported employees contribute to safer care, better communication, improved patient experience and greater continuity of service.

Employees

Training, welfare support, counselling, career progression, recognition and fair performance management help create a more supportive and empowering work environment.

Consultants and clinical teams

A capable workforce, particularly across nursing and clinical support functions, strengthens multidisciplinary coordination, documentation, emergency readiness and day-to-day patient care.

Investors and regulatory bodies

Labour law compliance, health and safety practices, ethical policies, whistleblowing mechanisms and anti-discrimination practices support responsible employment and institutional accountability.

Investors

Retention, productivity, service quality, digital HR adoption and stronger workforce planning support operational efficiency, resilience and long-term competitiveness.

GRI 2-7, 405-1

HUMAN CAPITAL AT A GLANCE

OPERATING LANDSCAPE

The healthcare sector continued to experience workforce-related pressures during the year, particularly due to shortages of specialised healthcare professionals, migration of medical talent, rising labour costs and increasing compliance requirements. At the same time, rising demand for patient-centred care and wellness services created opportunities for Durdans to strengthen its people practices, build internal capability and position itself as a preferred healthcare workplace.

STRATEGIC FOCUS AREAS

1	2	3	4	5	6	7
Diversity and inclusion	Recruitment and retention	Performance management	Learning and capability development	Health and Safety	Engagement, welfare and wellbeing	Governance, ethics and human rights
Maintaining an inclusive and respectful workplace supported by equal opportunity, anti-discrimination practices and engagement activities that promote unity across diverse employee groups.	Strengthening recruitment pipelines, including partnerships with NAITA, government and private universities, medical universities and nursing schools, while supporting retention through bonuses, career progression pathways, performance-linked incentives and employer branding.	Embedding measurable KPIs, annual appraisals, transparent rating approval and appeal mechanisms to strengthen fairness, accountability and performance-led progression.	Investing in clinical, technical, leadership and service-related training, including dedicated nursing programmes in areas such as infection control, emergency response, basic life support, wound care, incident reporting and customer service.	Maintaining safe working conditions through workplace safety training, fire and evacuation preparedness, infection control, incident reporting and health and safety monitoring.	Supporting employees through communication channels, engagement activities, medical insurance, subsidised meals, accommodation facilities, counselling services and work-life balance practices where operationally feasible.	Maintaining policies on zero tolerance for child and forced labour, equal opportunity, diversity, whistleblowing, disciplinary procedures, anti-discrimination and alignment with Sri Lankan labour law

Workforce Strength

2,072
Total workforce

70% / 30%
Female / Male representation

100
Outsourced staff

Talent Movement

413
Recruitments in 2025/26

70%
Retention rate

30%
Turnover rate

Capability and Care Delivery

6,231.5
Training hours delivered

227
Nursing staff

118
Nurse Assistants and Channel Aides

Safety

09
Workplace accidents recorded

Interrelated Capitals:

Impacted SDGs:

PROGRESS IN 2025/26

Focus Area

1

DIVERSITY AND INCLUSION

Durdans Hospitals continued to promote an inclusive workplace culture that supports equal opportunity, diversity and non-discrimination. Female employees represented 70% of the total workforce as at FY 2025/26, reflecting the significant contribution of women across the Hospital's clinical, nursing, administrative and operational functions.

Furthermore, the Hospital's workforce is representative of diverse age groups and geographies. Employees are recruited from multiple provinces, while the age profile includes both early-career employees and experienced professionals. This mix in turn constitutes a well-balanced formula of youthful dynamism, technical capability, institutional knowledge and supervisory experience across the organisation.

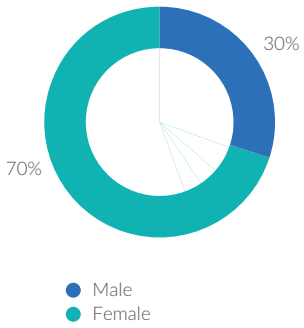
In a healthcare environment, workforce diversity plays a vital role in strengthening teamwork, communication and responsiveness to patient needs. By bringing together people from different backgrounds, disciplines and experience levels, we believe that Durdans Hospitals is better positioned to deliver care that is coordinated, respectful and patient-centred.

Beyond representation, Durdans Hospitals seeks to foster inclusion through day-to-day workplace practices that encourage participation, respect and belonging. Employee engagement activities, including multi-faith initiatives that bring people together across backgrounds, further support this culture. This is further reinforced by HR governance policies and practices encompassing equal opportunity, diversity and non-discrimination, discussed later in this report.

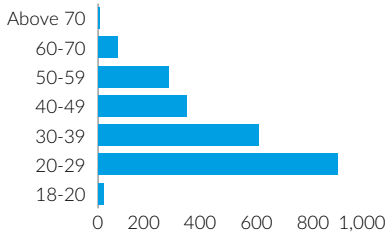
Refer Governance, Ethics and Human Rights, page 88

Refer Engagement, Welfare and Well-being, page 86

Employees By Gender



Employees By Age



Key Insights:

Women represented 70% of the total workforce, reflecting their significant contribution across the Hospital's care delivery, operational and administrative functions.

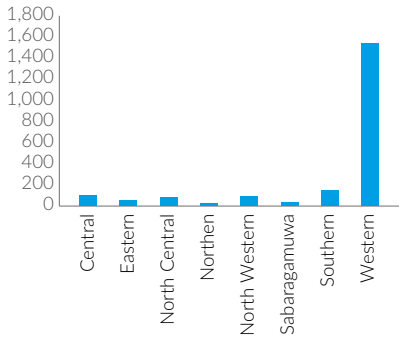
1%
increase in female representation

The workforce is led by a dynamic employee base, with 20–39-year-olds accounting for the largest share of employees, supported by experienced employees across senior age categories.

68%
of employees below 40 years of age

While the majority of employees are based in the Western Province, Durdans Hospital's workforce includes employees from all provinces, supporting broader geographic representation across the organisation.

Employees By Region



Focus Area

2

GRI 401-1

RECRUITMENT AND RETENTION

Sdk Recruitment and retention remained a key focus area during the year, particularly in the context of continued shortages of specialised healthcare professionals and the migration of medical talent overseas. To address these pressures, Durdans Hospitals strengthened its recruitment pipelines through partnerships with NAITA, government and private universities, medical universities and nursing schools, while also identifying critical positions and building more structured pathways to attract and retain the required healthcare workforce.

During FY 2025/26, the Hospital recorded 413 recruitments, while the retention rate stood at 70% and turnover was recorded at 23% as at year end. While total workforce strength increased year-on-year, new recruitments moderated compared to the previous year, reflecting a more stabilised recruitment cycle alongside continued focus on workforce planning, targeted recruitment and retention of critical talent.

Retention initiatives included bonuses, career progression pathways, performance-linked incentives and employer branding initiatives aimed at positioning Durdans Hospitals as a preferred healthcare workplace. The Hospital also continued to monitor turnover through formal exit interviews, with feedback analysed to identify internal concerns and support corrective action.

Within the Nursing Division, active recruitment drives, temporary locum staff, shift scheduling reviews, professional development sessions, clinical skills workshops and annual competency assessments helped address critical staffing needs and support continuity of care. The Hospital also focused on strengthening future nursing capacity through the Nursing Training School, while an MoU with Amritha Group of Hospitals, India, was signed to support rotational training for critical nursing specialties in response to high attrition in specialised critical care nursing.

4.5%
growth in the workforce year-on-yea

70%
retention rate

413
new recruits

30%
turnover rate

Focus Area

3

GRI 401-2, 404-3

PERFORMANCE MANAGEMENT

Our performance management framework is designed to promote fairness, accountability and performance-led progression. Employees are assigned measurable KPIs, with performance evaluated through an annual appraisal process applied across the Group.

The process includes employee acknowledgement of evaluations and comments, with final approval of ratings provided by an Executive Committee chaired by the CEO. Employees also have access to an appeal mechanism through the Head of HR, allowing appraisal outcomes or increments to be reviewed where necessary. This facilitates transparency in performance evaluation while linking employee contribution to rewards, increments and career progression. It also reinforces shared accountability among people managers, including the assignment of retention-related KPIs to employees with reporting lines.

Digital HR Enablement
Durdans continued to use digital HR systems to support more efficient workforce administration and employee development. HRIS adoption strengthened attendance management and access to e-learning, while broader enterprise systems, including HR and Payroll Systems, supported more structured people management. Digital workflows also helped reduce administrative burden, improve access to real-time information and enhance employee productivity.

PROGRESS 2025/26:

In support of a more performance-driven culture, KPIs were streamlined during the year, while a Board-approved performance bonus scheme was launched for staff with clear guidelines and deliverables. This strengthened the link between performance, accountability and reward, while supporting greater consistency across the performance management process.

Focus Area

4

GRI 404-1, 404-2, 404-3

LEARNING AND CAPABILITY DEVELOPMENT

Continuous learning remained central to Durdans Hospital's people strategy during the year. Training needs are assessed annually, with employees expected to complete a minimum of two man-days of training during the financial year. Training focus areas included patient safety, leadership, soft skills and customer service.

During 2025/26, the Hospital delivered 6,231.5 training hours, supporting the development of clinical, operational, leadership and service capabilities across the organisation.

Leadership development also formed an important part of the year's learning agenda, with emphasis placed on developing the second line of leaders as part of succession planning. In-house programmes such as Finance for Non-Finance were rolled out, while next-generation leaders participated in workshops and networking events to strengthen exposure, confidence and cross-functional understanding.

Nursing Capability Development

Nursing capability development remained a particular priority given the direct role of nursing teams in care delivery and patient experience. During the year, the Nursing Leadership Programme was finalised with the Postgraduate Institute of Management to train 25 next-level nursing managers, further strengthening the nursing leadership pipeline.

Training programmes conducted for nursing staff included IV cannulation, wound care and dressing techniques, PPE usage, prevention of hospital-acquired infections, basic life support, emergency response and Code Blue drills, disaster management and fire drills, incident reporting procedures, customer service and mortality and morbidity discussions.

The Nursing Division also continued mandatory annual competency assessments, clinical skills workshops, leadership development and continuing professional education. These initiatives supported improved nursing documentation accuracy, stronger medication administration protocols, reduced hospital-acquired infections, reduced patient falls and medication errors, and improved communication through bedside shift handover.

Rs. 4.3 Mn
invested in training and development

6,231.5 Hours
Training hours delivered during FY 2025/26

2 man-days
Minimum annual training expectation per employee

227
Nursing staff covered under nursing capability development initiatives

118
Nurse Assistants and Channel Aides supported within the broader nursing care delivery structure

Core employee training focus areas	Nursing clinical skills development	Nursing quality and patient safety training	Nursing professional development	Leadership and succession development
• Patient safety • Leadership development • Soft skills • Customer service • Digital HR and e-learning adoption support	• IV cannulation • Wound care and dressing techniques • PPE usage • Prevention of hospital-acquired infections • Basic Life Support training • Emergency response and Code Blue drills • Disaster management and fire drill training	• Incident reporting procedures • Medication administration protocols • Mortality and morbidity discussions • Bedside shift handover practices • Nursing documentation accuracy	• Mandatory annual competency assessments • Clinical skills workshops • Continuing professional education • Leadership development for nursing teams • Customer service training for patient-facing care teams	• Second-line leadership development • Succession planning for critical roles • Finance for Non-Finance programme • Workshops and networking events for next-generation leaders • Nursing Leadership Programme finalised with the Postgraduate Institute of Management • Training planned for 25 next-level nursing managers • Rotational training for critical nursing specialties through Amritha Group of Hospitals, India

Focus Area

5

GRI 403-9

HEALTH AND SAFETY

Durdans Hospitals continued to strengthen health and safety as an essential part of employee wellbeing, patient care, service continuity and operational resilience. In a hospital environment, safety extends beyond workplace practices to include fire preparedness, infection control, emergency readiness, preventive maintenance, infrastructure reliability and hygiene standards.

Safety in Practice			
People safety	**Patient safety**	**Infrastructure safety**	**Emergency readiness**
Training, PPE handling, fire preparedness and incident reporting.	Handrails, safety bars, accessibility improvements and infection control.	Preventive maintenance, digital job cards, generator connectivity and fire system upgrades.	Fire drills, disaster management, backup systems and business continuity planning.

During FY 2025/26, the Hospital recorded 09 workplace accidents, while continuing to implement training, monitoring and infrastructure-related improvements to support a safer environment for employees, patients, visitors and outsourced service providers.

22

Workplace accidents recorded Employee injuries sustained on during FY 2025/26

15

Employee injuries sustained on during FY 2025/26hospital premises while on duty

07

Employee injuries sustained In reported workplace while commuting to or from duty

10% reduction

In reported workplace while commuting to or from duty accidents year-on-year

Key initiatives during the year					
Workplace safety and training	Fire safety and emergency preparedness	Infrastructure and patient safety improvements	Preventive maintenance and monitoring	Hygiene, infection control and environmental safety	Business continuity and disaster management
• Basic fire and safety training • Annual IRT training • Firefighter and fire warden training • Evacuation preparedness and fire drill briefings • PPE handling training • Incident reporting and quality control tools • Staff training and adherence to safety protocols	• Annual fire drills conducted • Fire safety training expanded across relevant staff groups • Training conducted with the Fire Service, Sri Lanka Air Force and fire safety consultants • Reinstallation of foot valves in fire protection pumps to improve system reliability • Installation of VFD control panel for the fire hydrant and sprinkler system • Disposal of defective fire extinguishers and hoses through proper procedures	• Installation of safety bars and handrails in high-risk areas • Enhancement of emergency generator connectivity to support uninterrupted services • Backup systems maintained for power, water and fuel • Ongoing renovation and upgrading of key areas to improve safety, accessibility and patient comfort • Clear navigation and accessibility support for patients, including elderly and differently-abled individuals	• 100% preventive maintenance completed • Digitalisation of maintenance checklists • Upgrades to the job card system • Dashboard developed to monitor day-to-day maintenance activities • Corrective maintenance carried out as required • HVAC monitoring implemented through building management systems • CCTV surveillance and access control systems maintained and upgraded	• Infection control training and practices • Water sump cleaning carried out to enhance patient hygiene • Water quality testing conducted to ensure required standards are met • Wastewater treatment processes streamlined in line with environmental standards • Safe disposal and waste management practices supported across operations	• Business continuity and disaster management frameworks maintained • Risk assessments and contingency planning carried out • Emergency preparedness training conducted • Modern ambulance fleet maintained with GPS tracking and life-support systems • Regular ambulance maintenance and driver training carried out

Focus Area

6

GRI 417-1, 417-2,417-3

ENGAGEMENT, WELFARE, AND WELLBEING

Durdans Hospitals continued to strengthen engagement, welfare and wellbeing as key enablers of morale, resilience and continuity in a demanding healthcare environment. During the year, the Hospital focused on building stronger communication, supporting employee voice, improving access to welfare benefits and creating opportunities for employees across different levels of the organisation to connect, participate and feel recognised.

Employee communication and voice
• Intranet and hospital app used for internal communication
• Suggestion boxes maintained as employee feedback channels
• Quarterly town halls conducted to share company performance and updates
• Open forums with higher management provided opportunities for direct engagement
• Tell the CEO initiative supported employee voice and escalation
• Staff survey feedback used to introduce initiatives focused on openness, fairness and equality

Welfare and Wellbeing Support

Durdans continued to support employees through a range of welfare and wellbeing initiatives designed to ease day-to-day pressures, improve access to care, and create a more supportive working environment. These benefits are particularly important in a healthcare setting, where employees often work in demanding, shift-based and emotionally intensive roles.

Welfare support	Wellbeing and work-life support	Nursing wellbeing
• Medical insurance for employees and dependents	• Flexible shifts where operationally feasible	• Safe and secure hostel accommodation within and near hospital premises
• Subsidised meals	• Counselling services and access to free counselling for nursing staff	• Insurance coverage for nurses and dependents
• Accommodation facilities for nurses, nursing students and operational staff	• Safe and secure hostel accommodation for nursing staff	• Maternity benefits
• OPD medical facilities	• 24/7 security for hostel accommodation	• Free counselling services and confidential sessions
• Discounted laboratory and pharmacy services	• Maternity benefits	• Support for stress management
• Priority medical attention where required	• Attendance monitoring and controls to ensure alignment with Company policy	• Staff feedback surveys
• Death benefits and donation support	• Stress management support within nursing wellbeing initiatives	• Recognition through Nurse of the Quarter awards
		• International Nurses' Day celebrations

Compensation and Benefits

Rs. 2.9 Bn

Total Employee cost

Durdans Hospitals recognises fair compensation and meaningful benefits as important elements of employee wellbeing, motivation and retention. In addition to remuneration, the Hospital provides employees and their immediate family members, including spouses, children, parents and parents-in-law, access to hospital services at discounted rates. Non-Executive employees are also provided meals and accommodation facilities at subsidised rates, while employees on night duty receive a night snack.

These benefits form part of the Hospital's broader approach to supporting employees' financial, physical and emotional wellbeing, while creating a more supportive and rewarding work environment.

Engagement and Belonging

15

Events conducted

Employee engagement remained active during the year, with initiatives designed to strengthen connection, participation and shared identity across the organisation. Several activities also marked Durdans' 80 years of excellence and service to the nation, bringing together employees from different levels and functions in a spirit of unity, appreciation and belonging.

GRI 2-25, 2-26, 2-30, 402-1

Key engagement activities included:

Focus Area

7

GRI 403-1,403-2, 403-4, 403-5,403-6, 403-7,403-8,405-2, 408-1

GOVERNANCE, ETHICS AND HUMAN RIGHTS

Our principles of human capital governance are anchored in fairness, accountability, compliance and respect for people. Aligned with these dimensions, the Hospital's HR governance framework supports responsible employment practices, strengthens employee protection, and promotes a respectful workplace culture aligned with Sri Lankan labour law.

Policies and safeguards

Durdans maintains policies and procedures that support fair, ethical and inclusive employment practices across the organisation. These include:

- Equal opportunity and diversity policy
- Anti-discrimination commitments
- Disciplinary policy
- Whistleblowing policy
- Sexual harassment policy
- Zero tolerance for child labour and forced labour
- HR governance aligned with Sri Lankan labour law

Training and awareness

Durdans supports a respectful and compliant workplace through training and awareness initiatives, including anti-discrimination training and policy communication. These efforts help employees better understand expected standards of conduct, workplace rights and available reporting channels.

Freedom of Association and Collective Bargaining

While no unions are currently present at Durdans, the Hospital respects employees' legal right to form associations in accordance with Sri Lankan law. This reflects Durdans' commitment to maintaining an open, inclusive and collaborative work environment where employees are able to voice their views and contribute to organisational progress.

Employee voice and escalation

Employee voice is supported through formal and informal channels that allow employees to raise concerns, provide feedback and escalate issues where required. These include grievance handling mechanisms, whistleblowing channels and direct engagement platforms with management.

Refer Engagement, Welfare and Wellbeing, page 86

OUTLOOK

Looking ahead, Durdans will continue to strengthen its human capital agenda in response to specialised talent shortages, migration pressures, rising labour costs, regulatory changes and increasing expectations around employee wellbeing. The focus will be on building a skilled, supported and future-ready workforce that can sustain safe, patient-centred care and support the Hospital's long-term growth.

KEY PRIORITIES

Strengthening critical talent pipelines

Continued focus on recruitment partnerships, retention strategies and succession planning for specialised and high-demand roles.

Building nursing capability

Further strengthening nursing output through the Nursing Training School, specialised critical care training and leadership development for next-level nursing managers.

Enhancing performance and recognition

Continued focus on streamlined KPIs, performance-linked rewards, fair evaluation and recognition of high performers.

Advancing digital HR

Greater use of digital HR systems to improve attendance monitoring, workforce administration, e-learning access and decision-making.

Supporting wellbeing and engagement

Continued emphasis on employee voice, counselling, welfare support, stress management, communication and belonging.

Maintaining high levels of safety and governance

Ongoing focus on health and safety, ethical employment practices, inclusive HR governance and compliance with labour requirements.

INTELLECTUAL CAPITAL

GRI 2-28

STRENGTHENING CARE THROUGH KNOWLEDGE, SYSTEMS AND CLINICAL GOVERNANCE

In a healthcare environment, intellectual capital is reflected in the systems, standards, knowledge frameworks, clinical protocols, digital platforms and quality disciplines that support safe and consistent care. At Durdans Hospital, this capital brings together the Hospital's digital transformation agenda, quality management framework, clinical governance structures, diagnostic processes and data-driven improvement mechanisms.

Our Approach to Intellectual Capital Management:

Durdans' approach to intellectual capital management is centred on strengthening the systems, processes and knowledge structures that enable safe, consistent and future-ready healthcare delivery. This includes maintaining hospital-wide policies and protocols, monitoring clinical and operational indicators, investing in digital platforms, safeguarding data, strengthening cybersecurity and embedding continuous improvement across service lines. Together, these practices support a more integrated, accountable and patient-centred healthcare model.

HOW INTELLECTUAL CAPITAL SUPPORTS VALUE CREATION:

Customers / Patients

Digital systems, quality protocols, clinical governance, patient safety monitoring and feedback-based improvements support safer, faster and more reliable care, while enhancing convenience, confidence and continuity across the patient journey.

Employees and Clinical Teams

ERP, HIS, LIS, digital workflows, dashboards, clinical protocols and quality tools improve access to information, reduce manual processes and support consistent care delivery across clinical, operational and support functions.

Consultants

Integrated systems, diagnostic information, clinical governance structures and quality indicators support timely decision-making, better coordination and continuity of care, enabling consultants to deliver specialised services more efficiently.

Business Partners

Secure data exchange, stronger system integration, digital platforms and process controls support more efficient engagement with suppliers, referral partners, insurers, corporates and other service providers involved in healthcare delivery.

Regulators and Investors

JCI-aligned quality frameworks, clinical governance, audit structures, cybersecurity controls and PDPA-aligned practices support accountability, compliance, institutional resilience and long-term confidence in the Hospital's operating model.

Society

Stronger healthcare systems, safer care processes, digital access and continuous quality improvement contribute to better health outcomes, improved public trust in healthcare delivery and a more resilient healthcare ecosystem.

INTELLECTUAL CAPITAL AT A GLANCE

OPERATING LANDSCAPE

The healthcare landscape continued to be shaped by rising patient expectations, increasing digital adoption, growing cybersecurity risks and the need for strong data governance. Patients increasingly expect seamless access, faster service delivery, secure handling of information and high standards of care across all touchpoints. At the same time, hospitals are required to maintain consistency across complex clinical and support functions, strengthen regulatory compliance, safeguard patient data and improve operational efficiency. These developments reinforced the importance of Durdans' continued investment in digital systems, quality governance, clinical protocols, patient safety indicators and data-driven decision-making.

STRATEGIC FOCUS AREAS

1	2	3	4
Digital Transformation and IT Enablement	**Quality Assurance and Clinical Governance**	**Data Governance, Privacy and Cybersecurity**	**Diagnostic and Process Intelligence**
Strengthening ERP, HIS, LIS, OPD systems, mobile application development, website revamp, digital imaging, cybersecurity, data governance and future digital healthcare platforms.	Maintaining JCI-aligned policies, clinical pathways, operational protocols, quality indicators, audits, patient safety monitoring and multidisciplinary governance structures.	Protecting patient and organisational information through access controls, authentication, monitoring, endpoint security, backup procedures and PDPA-aligned practices.	Using digital reporting, laboratory systems, quality indicators, automation and secure platforms to support timely diagnostic decision-making and process reliability.

Digital Enablement

Rs. 12.5 Mn
Invested in digitalisation and process improvements

01
ERP platform implemented

03
Core clinical systems in place

40%+
Reduction in administrative paper usage

Zero
Major data breaches reported

PDPA-aligned
Data governance practices strengthened

Quality and Governance

JCI 8th Edition
Quality framework aligned to international standards

05
Clinical governance committees

05
Key audit areas covered

ISO 15189
Laboratory accreditation renewed

04
Automated analysers introduced

Interrelated Capitals:

Impacted SDGs:

PROGRESS IN 2025/26
Focus Area

1

DIGITAL TRANSFORMATION AND IT ENABLEMENT

Digital Capabilities

Enterprise systems | Clinical systems | Digital imaging | Patient-facing platforms | Data and analytics | Cybersecurity

What They Improve

Information access | Workflow efficiency | Reporting visibility | Patient convenience | Diagnostic access | Data protection

Stakeholder Value

Faster service | Better decisions | Reduced manual work | Stronger controls | Improved trust | Future-ready care

Durdans' IT function continued to support the Hospital's transition towards more connected, efficient and patient-centred healthcare delivery. During the year, digitalisation focused on improving how information moves across the Hospital, how quickly teams can access reliable data, and how conveniently patients can engage with services.

A key milestone was the implementation of Microsoft Dynamics 365 Business Central Enterprise Resource Planning (ERP) system across Finance and Supply Chain. This strengthened financial visibility, procurement control, inventory management and reporting discipline, while reducing reliance on manual processes. The Hospital also continued to maintain and strengthen core clinical systems, including the Hospital Information System (HIS), Laboratory Information System (LIS) and Outpatient Department (OPD) systems, which support patient registration, laboratory information, outpatient services and clinical coordination.

Digital imaging capabilities were also enhanced through Digital Imaging and Communications in Medicine (DICOM) Image Management, while the Picture Archiving and Communication System (PACS) and radiology data storage initiatives supported improved access to diagnostic images and reduced reliance on film printing. Patient-facing digital channels were further strengthened through mobile application development and website revamping, supporting easier access to information, services and communication.

The Hospital also continued to build the foundation for future digital healthcare through Data Lake development, centralised data platforms, advanced analytics and Artificial Intelligence (AI)-related opportunities. These capabilities are expected to support better reporting, faster decision-making, improved service responsiveness and more data-driven healthcare delivery over time.

Digitalisation also contributed to operational efficiency and sustainability. E-Bill and ERP initiatives helped reduce administrative paper usage by over 40%, while automated workflows improved internal coordination, reduced duplication and strengthened process discipline across the Hospital.

Our Digital Systems and Capabilities at a Glance

System or Capability	Core Purpose	Value Created
ERP – Enterprise Resource Planning	Connects key business functions such as finance, procurement and supply chain.	Improves financial visibility, procurement control, reporting discipline and cost monitoring.
HIS – Hospital Information System	Supports patient and clinical workflows across hospital operations.	Helps teams access patient information more efficiently and coordinate care better.
LIS – Laboratory Information System	Manages laboratory test processing and reporting.	Supports timely testing, accurate reporting and faster diagnostic information.
OPD System – Outpatient Department System	Supports outpatient registration, consultation and service workflows.	Improves patient flow, service coordination and outpatient convenience.
DICOM Image Management – Digital Imaging and Communications in Medicine	Manages and shares radiology images digitally.	Reduces film printing and supports faster access to diagnostic images.
PACS – Picture Archiving and Communication System	Stores, retrieves and manages medical images digitally.	Improves image availability, continuity of care and radiology workflow efficiency.
Data Lake	Stores data from different hospital systems in one central platform for reporting and analysis.	Supports better visibility, performance monitoring, analytics and future AI-enabled decision-making.
Mobile Application	Provides a patient-facing digital platform for easier access to hospital services and information.	Enhances patient convenience, accessibility and digital engagement.
Website Revamp	Improves the Hospital's online information and service access platform.	Strengthens patient communication, service visibility and digital access.
Artificial Intelligence	Supports advanced analysis, automation and future clinical or operational insights.	Creates opportunities for faster decisions, smarter workflows and future-ready healthcare delivery.
Cybersecurity Controls	Protects patient and organisational information through access controls, monitoring and backup systems.	Strengthens data protection, compliance and stakeholder trust.

Focus Area

2

GRI 418-1

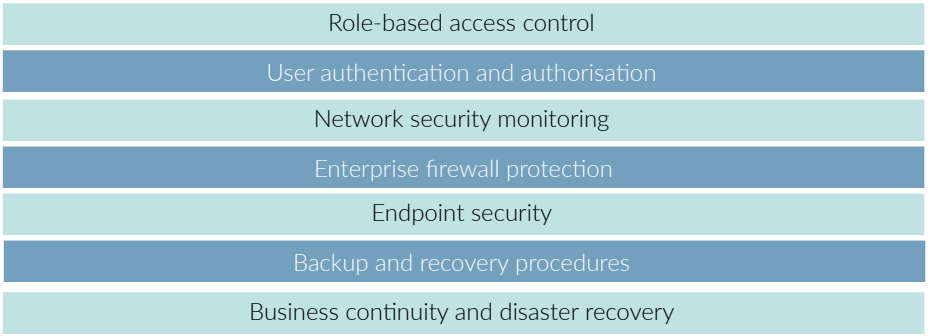
DATA GOVERNANCE, PRIVACY AND CYBERSECURITY

As digital healthcare adoption continues to accelerate, the protection of patient and organisational information remains a critical priority. Given the sensitive nature of healthcare data, Durdans maintained a structured cybersecurity and data governance approach focused on confidentiality, integrity, availability and regulatory compliance.

During the year, the Hospital continued to strengthen data protection practices in alignment with the Personal Data Protection Act (PDPA). Key controls included role-based access control, user authentication and authorisation, network security monitoring, enterprise firewall protection, endpoint security, system patching, vulnerability management, data backup and recovery procedures. These controls supported secure information management and helped safeguard patient and organisational data.

No major data breaches or significant cybersecurity incidents were reported during the year. Business continuity and disaster recovery arrangements remained in place, supported by regular system backups, disaster recovery procedures, infrastructure redundancy and continuity planning to help ensure uninterrupted hospital operations.

Cybersecurity and Data Protection Shield



Durdans' cybersecurity and data governance framework protects patient and organisational information through layered controls, monitoring, continuity planning and data protection practices aligned with the Personal Data Protection Act (PDPA).

Focus Area

3

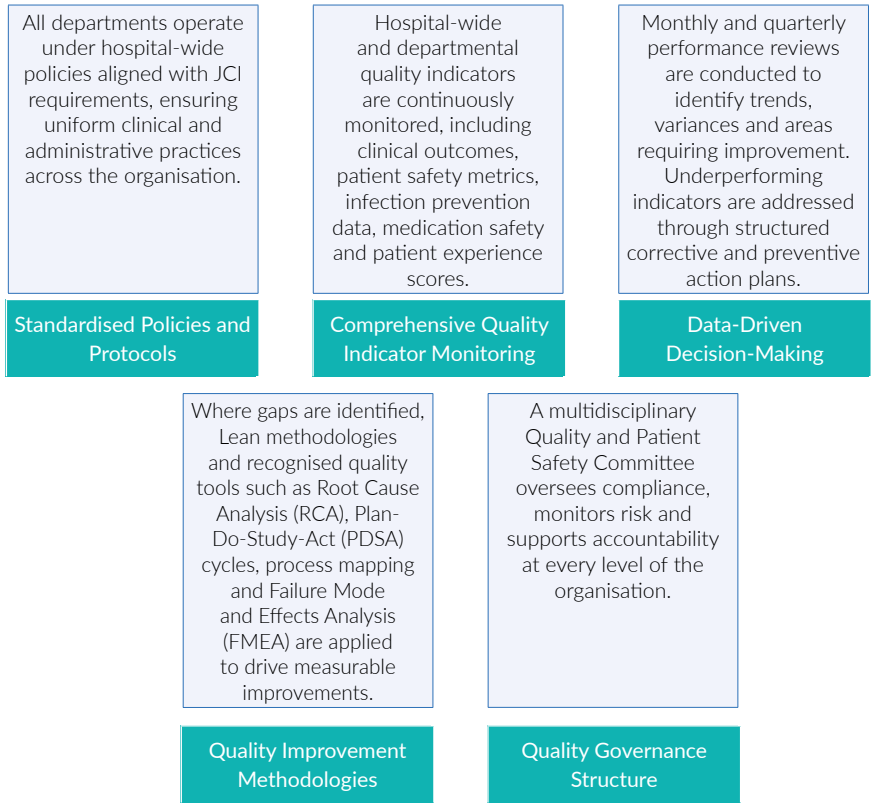
PERFORMANCE MANAGEMENT

Durdans Hospital maintains a robust and integrated Quality Management Framework aligned with the 8th Edition standards of Joint Commission International (JCI). The Hospital's policies, clinical pathways and operational protocols are structured in accordance with JCI's internationally recognised, data-driven standards to ensure consistency, safety and high standards of care across all business units.

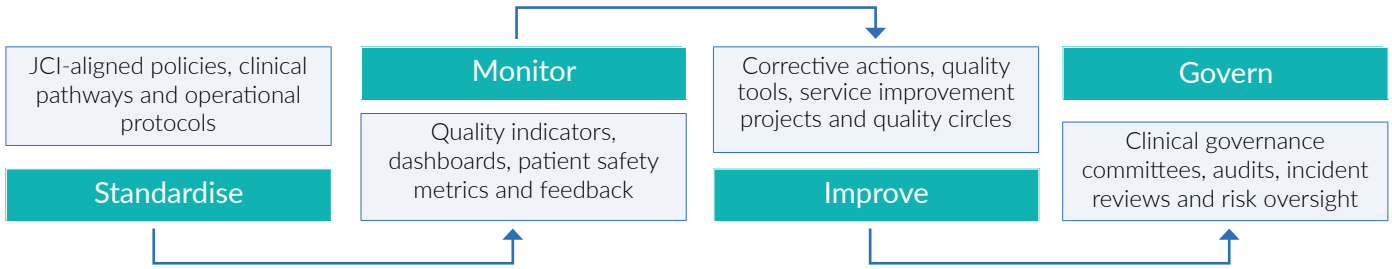
Through this framework, Durdans continued to strengthen quality assurance, clinical governance, patient safety monitoring and continuous improvement during the year, ensuring that quality remained embedded across both clinical and support functions.

Ensuring Consistency, Quality and Standards

Quality consistency is supported through a structured and data-driven approach:



Our Approach to Maintaining Quality



Outcome:
Consistent, safe and high-quality care across service lines and support functions

GRI 416-1, 416-2

Maintaining Quality During Operational Challenges

Despite operational and healthcare industry challenges during the year, Durdans remained steadfast in its commitment to quality and patient safety. The Hospital adopted a proactive strategy focused on resource optimisation, workforce development and stronger accountability mechanisms.

Resources were carefully prioritised to safeguard critical clinical services, patient safety initiatives and quality monitoring systems. Investments were directed towards essential equipment, infection prevention measures and digital systems to support uninterrupted delivery of safe care.

Recognising that quality care begins with competent and confident staff, the Hospital intensified training initiatives during the year. Mandatory training programmes were conducted across staff categories, including Basic Life Support (BLS), fire safety and emergency preparedness, incident reporting and patient safety practices, infection prevention and control, and the use of quality improvement tools and methodologies.

Departmental leaders were also empowered with clearly defined quality targets linked to measurable indicators. Regular performance reviews fostered transparency and accountability, ensuring that each unit took ownership of its outcomes.

Quality circles were reactivated and strengthened, encouraging multidisciplinary teams to identify operational inefficiencies and propose practical solutions. This participatory approach improved problem-solving at department level and supported a stronger culture of continuous improvement.

The Hospital also strengthened its incident reporting framework to promote a non-punitive culture of safety. Reported events were systematically analysed, and lessons learned were shared organisation-wide to prevent recurrence.

QUALITY RESILIENCE IN ACTION

Prioritised critical care delivery
Resources were directed towards essential clinical services, patient safety initiatives and quality monitoring systems to support uninterrupted care.

Strengthened staff readiness
Mandatory training in Basic Life Support, fire safety, infection prevention, incident reporting and quality tools reinforced staff capability and emergency preparedness.

Embedded accountability
Departmental leaders were assigned measurable quality targets, supported by regular performance reviews and corrective action planning.

Reactivated quality circles
Multidisciplinary teams were encouraged to identify operational inefficiencies and develop practical, department-level solutions.

Quality Monitoring and Improvements

During the year, Durdans introduced several targeted initiatives to further strengthen the quality and safety of patient care.

Medication Administration Audits	Antibiotic Stewardship Programme	Strengthening Clinical Indicator Monitoring
A structured medication administration audit programme was enhanced to monitor compliance with the "five rights" of medication safety, documentation accuracy and adherence to high-alert medication protocols. Audit findings were reviewed at departmental quality meetings, and corrective actions were implemented promptly to reduce medication errors and strengthen safe practices	The Hospital reinforced its Antibiotic Stewardship Programme to promote rational antibiotic prescribing and combat antimicrobial resistance. This included regular review of antibiotic usage patterns, monitoring of culture sensitivity data and multidisciplinary review of broad-spectrum antibiotic prescriptions. Education sessions were conducted for clinicians to align prescribing practices with evidence-based guidelines.	Quality dashboards were further refined to provide real-time performance tracking of clinical outcomes, infection rates, patient safety indicators and compliance with International Patient Safety Goals (IPSG). These initiatives reflect the Hospital's commitment to proactive, data-driven quality enhancement.

Quality and Trust

Durdans' quality assurance practices play an important role in strengthening patient confidence. Patient feedback continues to serve as a key quality input, with survey results analysed and shared with clinical and operational teams to identify trends, guide corrective action and improve service processes. Together with safety monitoring, audits and incident learning, this supports care that is consistent, responsive and trusted by patients, consultants and the wider healthcare community.

Refer Social and Relationship Capital for patient experience and feedback-led service improvements – pages 98-113.

Nursing and Patient Experience

Nurses are among the most visible and trusted touchpoints in the patient journey. Their role in bedside communication, medication safety, infection control, documentation, handover and compassionate care helps shape the overall patient experience and reinforces Durdans' commitment to safe, attentive and patient-centred care.

Refer Social and Relationship Capital for nursing and patient experience – pages 98-113.

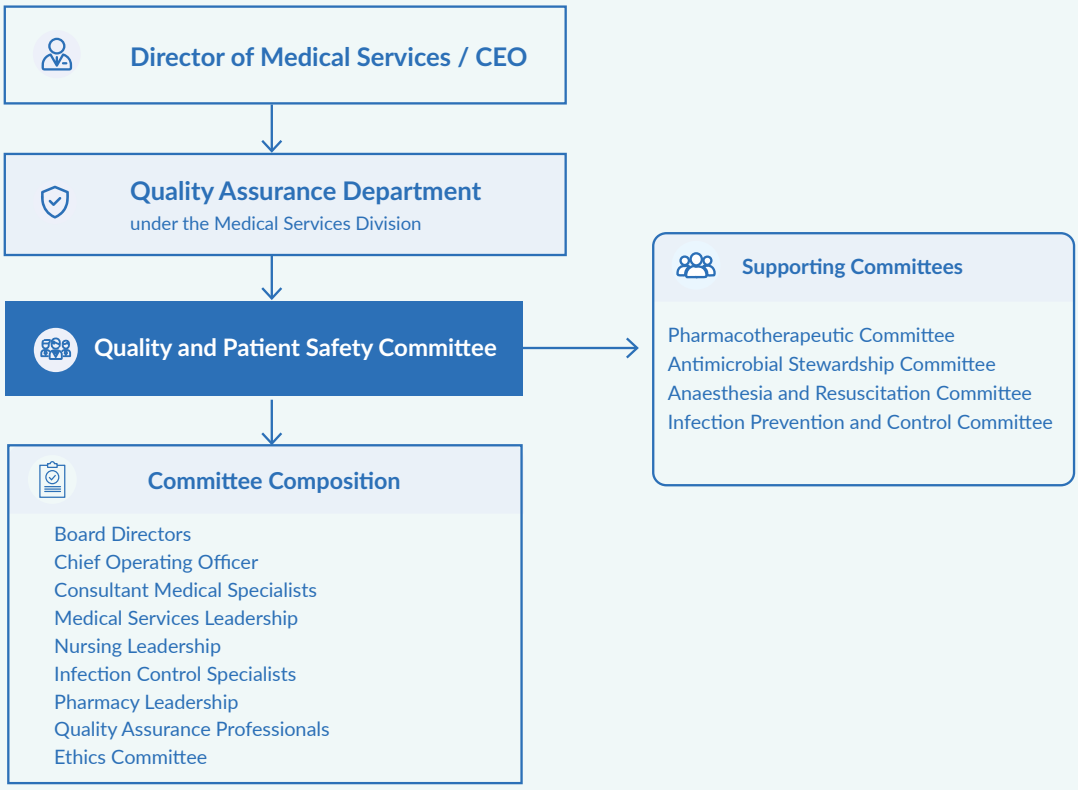
Audits and Clinical Governance

A comprehensive annual audit schedule was implemented during the year, covering International Patient Safety Goals (IPSG) audits, Bed Head Ticket (BHT) documentation audits, facility and environmental safety audits, infection prevention and control audits, and medication administration audits. Audit findings were reported to the Clinical Governance Committee, and corrective action plans were developed for identified gaps.

The Quality Assurance Department functions under the Medical Services Division and reports directly to the Director of Medical Services and the Chief Executive Officer. The Clinical Governance Committee includes the Director of Medical Services / Chief Executive Officer, Board directors, Chief Operating Officer, consultant medical specialists, medical services leadership, nursing leadership, infection control specialists, pharmacy leadership and quality assurance professionals.

This multidisciplinary structure ensures balanced oversight of clinical performance, patient safety, regulatory compliance and quality improvement initiatives. The Clinical Governance Committee is further supported by the Quality and Patient Safety Committee, Pharmacotherapeutic Committee, Antimicrobial Stewardship Committee, Anaesthesia and Resuscitation Committee, and Infection Prevention and Control Committee. These committees meet regularly to review performance indicators, audit findings, incident reports and risk assessments, strengthening governance and accountability across the Hospital.

CLINICAL GOVERNANCE AND QUALITY ASSURANCE STRUCTURE



QUALITY REVIEW AND IMPROVEMENT PROCESS

Focus Area

4

DIAGNOSTIC QUALITY AND PROCESS INTELLIGENCE

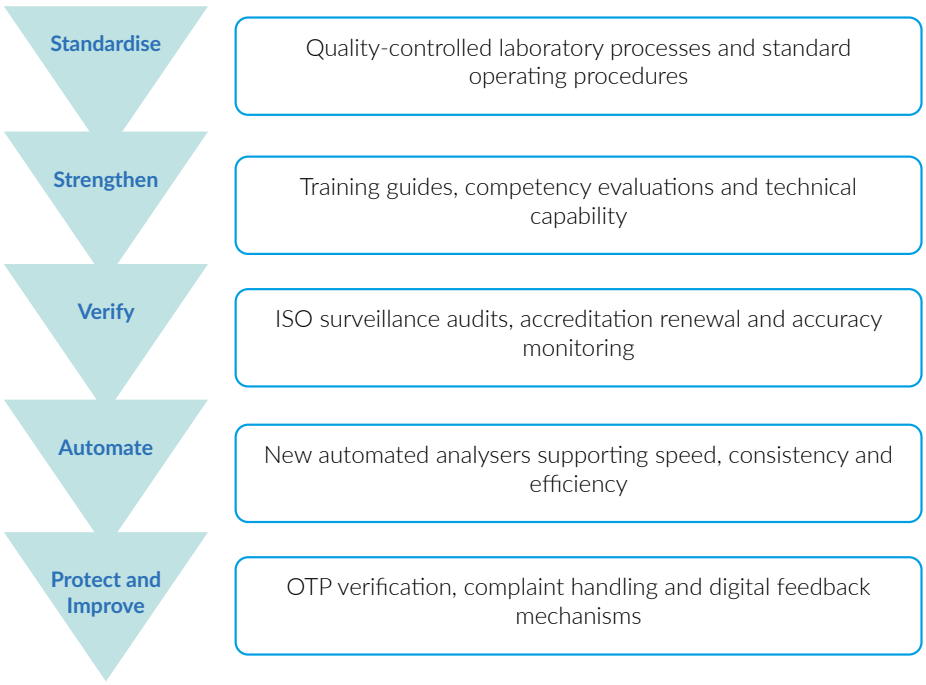
Durdans' laboratory services are supported by a strong base of diagnostic expertise, quality-controlled processes, digital reporting systems and automation. As diagnostics play a critical role in clinical decision-making, the Hospital continued to strengthen the systems and standards that support timely, accurate and reliable test results across its laboratory operations.

During the year, the laboratory function focused on improving quality, consistency and technical capability. A training and evaluation guide was introduced for Satellite Laboratories to strengthen the training and competency evaluation of Medical Laboratory Technologists. A new "Accuracy Rate" quality indicator was also introduced for Satellite Laboratories, reinforcing the importance of result accuracy and process discipline across the network.

The laboratory maintained its focus on accreditation and quality standards during the year. The ISO surveillance audit was conducted at the main laboratory, and ISO 15189 accreditation status was renewed following the assessment. This continued to strengthen the credibility of Durdans' diagnostic processes and reinforce confidence in the reliability of laboratory outputs.

Automation and process efficiency were further strengthened through the verification and introduction of new automated analysers, including Beckman AU-480, Sysmex XNL-330, Sysmex CA 104 coagulation analyser and Autolumo Serology Analyser. These additions supported faster processing, improved consistency and more cost-effective diagnostic capability.

Customer care, confidentiality and feedback mechanisms were also enhanced through process improvements. A complaint recording and handling procedure was introduced for Satellite Laboratories, while One-Time Password (OTP) verification was introduced at sample billing points to strengthen confidentiality. A digitalised customer feedback survey was also introduced across laboratories through the customer care unit, supporting more structured service monitoring and improvement.



HIGHLIGHTS FOR 2025/26

ISO 15189 accreditation renewed
Reinforcing the reliability and credibility of Durdans' laboratory quality systems.

Accuracy Rate indicator introduced
Strengthening result accuracy and process discipline across Satellite Laboratories.

04 automated analysers introduced
Enhancing diagnostic speed, consistency and cost efficiency.

Competency evaluation strengthened
Training and evaluation guides supported greater consistency in technical capability.

Confidentiality controls enhanced
OTP verification at sample billing points strengthened protection of patient information.

OUTCOME

Timely, accurate and reliable diagnostic decision-making

Refer Manufactured Capital for laboratory network reach, physical diagnostic infrastructure and equipment readiness – pages 72-79.

Refer Social and Relationship Capital for patient convenience, laboratory customer care and diagnostic access – pages 98-113.

Refer Human Capital for laboratory training and competency development – pages 80-88.

OUTLOOK

Looking ahead, Durdans will continue to strengthen its intellectual capital agenda by advancing digital healthcare systems, clinical governance, cybersecurity, diagnostic quality and data-driven decision-making. The focus will be on building a more connected, secure and future-ready healthcare ecosystem that supports faster access to information, improved patient convenience, stronger process discipline and consistent standards of care across the Hospital.

Future priorities will include modernising hospital information systems, strengthening data protection practices, expanding digital patient platforms, embedding quality and clinical governance, improving diagnostic automation and using analytics and emerging technologies to support more responsive healthcare delivery.

KEY PRIORITIES

Modernising hospital information systems

Progressing investment in high-value diagnostic capability, including the planned MRI machine, while ensuring existing medical equipment remains reliable and service-ready.

Strengthening cybersecurity and data governance

Continuing to enhance access controls, monitoring, backup systems and Personal Data Protection Act (PDPA)-aligned practices to safeguard patient and organisational information.

Advancing digital patient platforms

Enhancing mobile applications, website functionality, digital communication and patient-facing tools to improve convenience, accessibility and engagement.

Embedding quality and clinical governance

Strengthening risk registers, clinical handover processes, documentation, quality indicators and continuous improvement mechanisms.

Improving diagnostic quality and automation

Maintaining accreditation, strengthening laboratory automation, improving accuracy monitoring and supporting reliable diagnostic decision-making.

Supporting data-driven healthcare innovation

Exploring analytics, artificial intelligence-enabled opportunities, clinical mobility and smart hospital capabilities to support faster decision-making and future-ready care.

Enhancing process efficiency

Using enterprise systems, digital workflows, process controls and reporting tools to reduce duplication, improve visibility and strengthen operational discipline.

SOCIAL & RELATIONSHIP CAPITAL

BUILDING TRUST THROUGH CARE, ACCESS AND COMMUNITY CONNECTION

In the context of healthcare, relationships are built through trust, responsiveness and the quality of every interaction. At Durdans Hospital, Social and Relationship Capital reflects the strength of the Hospital's relationships with patients, consultants, communities, students, suppliers, business partners and the wider healthcare ecosystem.





Our Approach to Social and Relationship Capital Management:

Durdans' approach to Social and Relationship Capital is centred on building trust, improving access and strengthening the relationships that support quality healthcare delivery. This includes patient engagement, service excellence, consultant collaboration, responsible supplier management, preventive health outreach, community education and healthcare workforce development.

The Hospital manages these relationships through structured customer service processes, patient feedback systems, complaint handling mechanisms, targeted communication, community programmes, supplier governance practices, and education-focused partnerships. Together, these practices help Durdans extend care beyond treatment and contribute to a more connected, informed and resilient healthcare ecosystem.

HOW SOCIAL AND RELATIONSHIP CAPITAL SUPPORTS VALUE CREATION:

Patients and Families

Personalised care, improved access, nursing responsiveness, customer service support, feedback mechanisms and digital touchpoints help create a more seamless, trusted and patient-centred experience.

Consultants and Clinical Partners

Strengthened consultant engagement, improved channelling coordination and integrated care pathways support better service availability, cross-referrals and continuity of care.

Communities

Preventive healthcare programmes, awareness sessions, screenings, mother and baby education, women's health initiatives and rehabilitation awareness support health literacy, early detection and long-term community wellbeing.

Students and Future Healthcare Professionals

Through Amrak, Durdans contributes to healthcare workforce development by supporting industry-led allied health education, clinical exposure, global pathways and workplace-ready graduates.

Suppliers and Business Partners

Structured procurement practices, supplier screening, performance monitoring, quality checks and long-term supplier relationships support continuity of healthcare delivery and responsible business

Investors

Stronger relationships with patients, communities, consultants, suppliers and students reinforce brand trust, patient loyalty, service resilience and Durdans' position as a trusted healthcare provider.

SOCIAL AND RELATIONSHIP CAPITAL AT A GLANCE

OPERATING LANDSCAPE

During the year, Durdans operated within a healthcare environment shaped by economic pressures, rising costs, increasing competition and evolving patient expectations. Patients became more price-sensitive while also expecting timely access, convenience, transparency, high-quality care and personalised service. At the same time, demand for specialised care, preventive healthcare, digital access and integrated healthcare services continued to grow. These developments reinforced the importance of maintaining strong patient relationships, consultant engagement, responsive customer service, community outreach and reliable partnerships across the healthcare value chain.

STRATEGIC FOCUS AREAS

1	2	3	4
Patient Experience and Service Excellence	Community Health and Preventive Outreach	Supplier and Business Partner Relationships	Healthcare Education and Ecosystem Development
Improving the patient journey through streamlined channelling, reduced waiting times, strengthened front-line service, complaint handling, digital touchpoints and continuous feedback mechanisms.	Extending healthcare beyond the Hospital through preventive health consultations, screenings, awareness sessions, women's health initiatives, mother and baby education and rehabilitation	Strengthening responsible procurement, supplier screening, performance monitoring, compliance checks, payment discipline and long-term partnerships to support continuity of care.	Supporting the development of Sri Lanka's healthcare workforce through Amrak's allied health education programmes, clinical exposure, international partnerships and global mobility pathways.

Patient Engagement

230,000+
Patients served during the year

24,248
Outpatient visits

14,708
Inpatient admissions

Consultant Engagement

450+
Consultants engaged

35+
Specialties / service areas supported

Supplier and Community Partnerships

585
Registered suppliers / vendors

03
Community health programmes conducted

Healthcare Education through Amrak

452
Active students

07
Programmes offered

86+
Graduates / certificate recipients

Interrelated Capitals:

Impacted SDGs:

PROGRESS IN 2025/26

Focus Area

1

PATIENT EXPERIENCE AND SERVICE EXCELLENCE

Durdans continued to strengthen patient experience and service excellence in response to evolving patient expectations, rising demand for convenience and increased competition within the private healthcare sector. During the year, patients increasingly sought timely access, transparent communication, personalised care and convenient digital healthcare experiences.

The Hospital's response focused on improving the patient journey, strengthening front-line support, enhancing digital access, enabling integrated care and using feedback to guide service improvements. These initiatives reinforced Durdans' commitment to delivering care that is clinically reliable, responsive and patient-centred.

Patient Experience Value Chain

Access
- Online appointments
- Channelling
- Teleconsultation

Care
- Consultants
- Nursing
- Diagnostics
- Treatment

Support
- Front-office
- Patient relations
- Complaint handling

Feedback
- Surveys
- Testimonials
- Service reviews

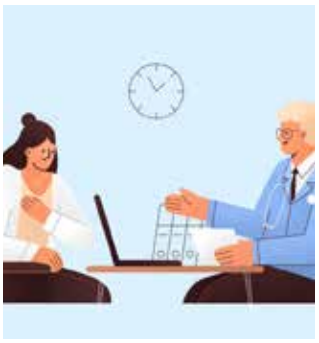
Improvement
- Training
- Process redesign
- Corrective action

Outcome
Convenient, coordinated and trusted patient experience

Patient Expectations in a Changing Healthcare Landscape

Patients today expect healthcare to be accessible, transparent, coordinated and convenient. During the year, economic pressures and rising healthcare costs also increased price sensitivity, while greater digital awareness encouraged patients to seek faster and more flexible ways to access care.

Timely Access
Reduced waiting times and improved channelling coordination



Transparent Communication
Clearer patient guidance and improved service communication

Personalised Care
Clinical expertise supported by compassionate patient interaction

Digital Convenience
Online appointments, teleconsultations and digital communication channels

Enhancing the Patient Value Proposition: Revive by Durdans

Revive by Durdans strengthened the Hospital's continuum of care by supporting patients beyond acute treatment and into recovery, rehabilitation, wellness and long-term independence. Positioned as a one-of-a-kind rehabilitation and wellness offering within Sri Lanka's private healthcare sector, Revive combines medical expertise with compassionate, multidisciplinary care to address both the physical and mental aspects of recovery.

The centre supports patients recovering from injury, surgery or illness, as well as individuals managing chronic conditions or seeking to improve mobility, function, confidence and overall wellbeing. Its integrated model brings together orthopaedic care, physiotherapy, occupational therapy, speech therapy, psychology, diabetes and weight management, wellness services and therapeutic studio-based activities under one recovery-focused platform.

Through tailored treatment plans and evidence-based interventions, Revive supports patients in rebuilding strength, restoring mobility, managing pain, improving communication and cognitive function, enhancing emotional wellbeing and regaining independence in daily life. This strengthens Durdans' patient value proposition by connecting treatment, rehabilitation and long-term wellness through a more holistic care pathway.

What We Offer:
Rebuild, recover and regain independence Supporting patients beyond treatment through structured rehabilitation and recovery-focused care.
One-of-a-kind private sector offering Positioned as a differentiated rehabilitation and wellness centre within Sri Lanka's private healthcare sector.
Multidisciplinary care model Brings together orthopaedic care, physiotherapy, occupational therapy, speech therapy, psychology, wellness and chronic disease support.
Physical and mental recovery Addresses mobility, pain management, communication, cognitive skills, emotional wellbeing and daily independence.
Continuum of care strengthened Connects diagnosis, treatment, rehabilitation, recovery and long-term wellness.

Revive Care Model: A Holistic Approach

Orthopaedic Care
Consultations | Minor procedures | PRP therapy | Mobility restoration
Physiotherapy
Musculoskeletal | Neurological | Orthopaedic | Cardiac rehabilitation
Occupational Therapy
Daily living skills | Paediatric therapy | Sensory and cognitive development | Occupational kitchen
Speech Therapy
Communication | Speech | Language support for children and adults
Psychology and Wellness
Clinical psychology | Stress management | Mental wellbeing | Personal growth
Lifestyle and Preventive Support
Diabetes management | Weight management | Wellness packages | Lifestyle guidance
Therapeutic Studio
Movement therapy | Yoga | Tai Chi | Art therapy | Meditation and mindfulness

https://www.durdans.com/revive-by-durdans/

Establishing the Continuum of Patient Care

Refer Manufactured Capital for further details on Revive by Durdans' specialised rehabilitation and wellness infrastructure – pages 72 -79

Enhancing the Patient Journey

Focused efforts were undertaken to improve the overall patient journey through reduced waiting times, streamlined channelling processes and stronger front-line customer service. Dedicated front-office and patient relations teams continued to support patients across key touchpoints, from appointment scheduling and arrival to discharge and follow-up.

A structured complaint handling mechanism also supported timely resolution of patient concerns, with defined escalation pathways and continuous monitoring to ensure that issues were addressed and used as inputs for service improvement.

KEY FOCUS AREAS:

Reduced waiting times
Focused improvements helped support smoother patient movement across key service points.

Streamlined channelling processes
Channelling coordination was strengthened to improve access to consultants and reduce friction in appointment management.

Front-line service strengthened
Front-office and patient relations teams supported patients across appointment scheduling, registration, admission, discharge and follow-up.

Complaint handling formalised
Defined escalation pathways helped ensure that patient concerns were addressed in a timely and structured manner.

Patient Journey Touchpoints:

- Appointment Scheduling
- Registration / Admission
- Consultation / Diagnostics
- Treatment / Care Delivery
- Discharge / Follow-up
- Feedback and Service Improvement

SOCIAL & RELATIONSHIP CAPITAL

Digital Access and Convenience

The Hospital continued to invest in strengthening digital access through enhancements to online appointment systems, teleconsultation services and digital communication platforms. These initiatives improved convenience and accessibility for patients, while supporting faster communication and easier engagement with hospital services.

Digital platforms and social media channels were also used to share health information, service updates and wellness-related content, helping to maintain ongoing engagement with patients beyond the physical hospital environment.

Integrated Care and Consultant Coordination

Service integration remained an important part of the patient experience. Durdans continued to strengthen coordination across specialties, diagnostics and support services, enabling patients to access comprehensive care under one roof.

Cross-referral practices among consultants, together with integrated diagnostic, surgical and follow-up care pathways, supported continuity of care and enhanced patient convenience. These efforts helped improve the overall value of the patient experience while supporting timely clinical decision-making.

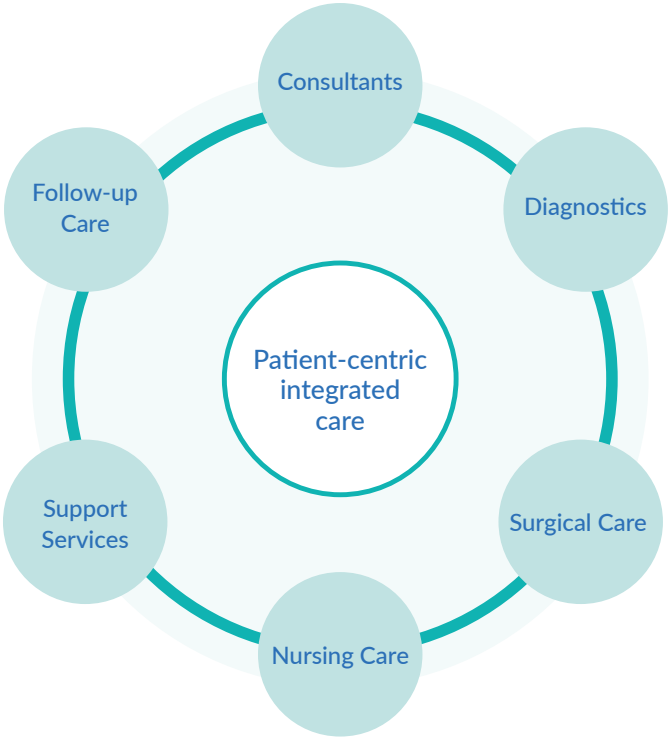
KEY FOCUS AREAS:

Online appointment booking
Improved ease of access to hospital services and consultant appointments.

Teleconsultation services
Supported more flexible access to care and specialist advice.

Digital communication platforms
Enabled faster information sharing and patient communication.

Health information and updates
Digital and social media channels supported awareness, education and continued patient engagement.



Feedback-Led Service Improvement

Patient feedback remained central to service improvement. Patient satisfaction surveys and structured feedback tools were used to capture insights across treatment outcomes, admission, discharge, staff professionalism, facilities and the overall patient experience.

Feedback results were analysed and shared with clinical and operational teams to support transparency, accountability and corrective action. This enabled the Hospital to identify trends, address service gaps and strengthen the patient experience through structured improvement initiatives.

Corrective Actions Based on Feedback

Service excellence training

Staff received behavioural and service training through the Platinum 7 customer service framework and the SOS Service Orientation Standards process to strengthen empathy, communication and professionalism.

Admission process improvement

A multidisciplinary review helped streamline registration workflows, reduce waiting times and improve patient guidance on arrival.

Discharge process improvement

Standardised discharge planning protocols were implemented to minimise delays, improve documentation completeness and strengthen patient education prior to discharge.

Team-level accountability

Feedback results were shared with clinical and operational teams to support transparency and ownership of service outcomes.

Nursing as a Key Patient Experience Touchpoint

Nursing teams remain among the most visible and trusted touchpoints in the patient journey. Through bedside communication, patient monitoring, medication safety, infection control, documentation and handover practices, nurses play a direct role in shaping patient confidence and comfort.

During the year, nursing-related improvements supported stronger patient care and service experience, including improved documentation accuracy, strengthened medication administration protocols, reduced patient falls and medication errors, and the introduction of bedside shift handover to improve communication.

Nursing and Patient Trust

Compassionate bedside care

Nurses support patients and families during some of the most sensitive moments in the care journey.

Improved communication

Bedside shift handover strengthened information sharing and continuity of care.

Patient safety focus

Medication checks, patient identification protocols, infection control and incident reporting supported safer care.

Over 80%

Patient satisfaction score achieved for nursing care during the year.

Refer Human Capital for nursing training, capability development and workforce support – pages 80-88.

Focus Area

2

COMMUNITY HEALTH AND PREVENTIVE CARE

Durdans continued to extend its healthcare impact beyond the hospital environment through community health initiatives focused on preventive care, early detection, health education and wellness awareness. These initiatives reflected the Hospital's belief that accessible healthcare knowledge and timely medical guidance can help individuals and families make more informed decisions about their health.

During the year, community engagement activities focused on women's health and wellness, maternal and child health education, preventive consultations, health screenings and specialist-led awareness sessions. Through these programmes, Durdans strengthened its relationship with the wider public while contributing to improved health literacy, early detection and proactive healthcare practices.

Extending Care Beyond the Hospital

Durdans' approach to community engagement is grounded in the view that healthcare is not limited to treatment within hospital walls. By extending medical expertise into public-facing platforms, the Hospital continued to support early detection, health awareness and preventive action among the communities it serves.

These initiatives aligned with Durdans' broader purpose of building healthier communities by improving access to healthcare services, promoting preventive healthcare and strengthening public trust in healthcare providers.

Community Health Priorities

Preventive Healthcare
Encouraging proactive health management and timely medical guidance

Early Detection
Supporting identification of potential health concerns through screenings

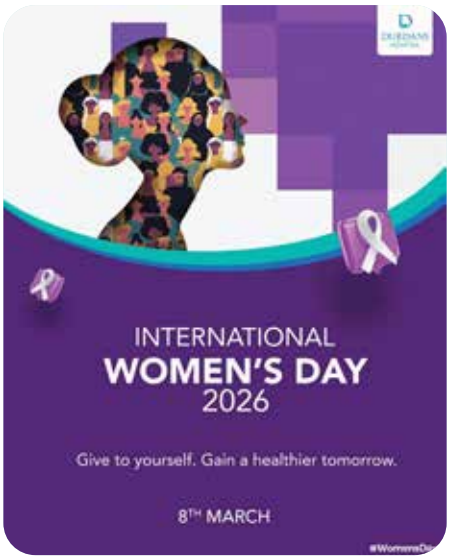
Health Education
Improving public awareness on key health and lifestyle topics

Family Wellbeing
Supporting women, expecting parents, new parents and families through targeted initiatives

Women's Health and Wellness

To mark International Women's Day, Durdans hosted the International Women's Open Day Event, encouraging women to prioritise their health and wellbeing through preventive care and health education. The event brought together healthcare professionals and members of the public for a day dedicated to health awareness, consultations, screenings and wellness guidance.

The programme included free consultations with healthcare professionals, free eye screening services, specialist-led health education sessions and awareness programmes focused on preventive healthcare and lifestyle management. It also provided women from Colombo and surrounding areas with access to essential health information and professional medical guidance.



International Women's Open Day

Preventive consultations
Free consultations were offered by doctors, physiotherapists, dieticians, counsellors and occupational therapists.

Health screenings
Free eye screening services supported early detection and access to care.

Specialist-led education
Health education sessions conducted by specialist doctors helped improve awareness on women's health, preventive care and lifestyle management.

Wellness guidance
Participants received practical guidance to support healthier everyday choices and long-term wellbeing.

Maternal and Child Health Education

Durdans conducted Mother and Baby Health Education Sessions to support expecting and new parents with essential knowledge on maternal and infant health. These sessions were facilitated by healthcare professionals including gynaecologists, paediatricians, lactation consultants and nursing professionals.

The sessions covered pregnancy health, childbirth preparation, breastfeeding, newborn nutrition, infant care and early childhood development. By combining specialist guidance with interactive discussions, the programme helped parents gain practical knowledge to support improved maternal and infant health outcomes.

Mother and Baby Health Education

Pregnancy and childbirth preparation

Sessions provided guidance on pregnancy health and preparation for childbirth.

Breastfeeding and newborn nutrition

Parents received practical advice on breastfeeding and infant nutrition.

Infant care and development

The programme covered newborn care and early childhood development.

Specialist-led discussions

Interactive sessions with healthcare professionals helped address parent concerns and questions.

IMPACT HIGHLIGHTS

Improved access to healthcare guidance

Participants were able to engage with healthcare professionals through consultations, screenings and specialist-led education.

Greater preventive health awareness

Programmes encouraged participants to prioritise early detection, lifestyle management and timely medical advice.

Support for family wellbeing

Mother and Baby sessions helped expecting and new parents gain practical knowledge on pregnancy, childbirth, newborn care and infant development.

Strengthened public trust

Community engagement reinforced Durdans' role as a trusted healthcare partner beyond the hospital environment.

Focus Area

3

SUPPLIER AND BUSINESS PARTNER RELATIONSHIPS

Durdans' supplier and business partner relationships play a critical role in supporting uninterrupted healthcare delivery, clinical quality, patient safety and service continuity. The Hospital works with a diverse supplier base covering medical and surgical supplies, laboratory supplies, food and beverage, general supplies, service contractors, maintenance partners and other business partners that support daily hospital operations.

During the year, supplier engagement remained a key factor, particularly within the context of price fluctuations, import-related constraints, extended lead times and the limited availability of specialised suppliers in the local market. In response, Durdans continued to strengthen procurement planning, supplier coordination, quality checks and vendor relationship management to support continuity of supply and reliable service delivery.

Supplier Base and Spend Profile

Durdans' vendor base reflects the complexity of the Hospital's operations and the wide range of goods and services required to support healthcare delivery. Suppliers support critical areas of the Hospital's value chain, from medical and surgical supplies to laboratory requirements, food and beverage, general supplies and other operational services.

585
Vendors

Rs. 7 Bn
Supplier payments

Supplier Composition		
Category	Number of Suppliers	% of Total Suppliers
Medical and Surgical	239	41%
Food and Beverage (F&B)	89	15%
General Suppliers	208	36%
Laboratory Suppliers	49	8%
Total	**585**	**100%**

Supplier Expenditure		
Expenditure Category	Spend (Rs. Mn)	% of Total Spend
Inventory	4,000	58%
Capital Expenditure (Capex)	755	11%
Other expenditure categories	2,200	32%
Total Supplier Payments	**6,955**	**100%**

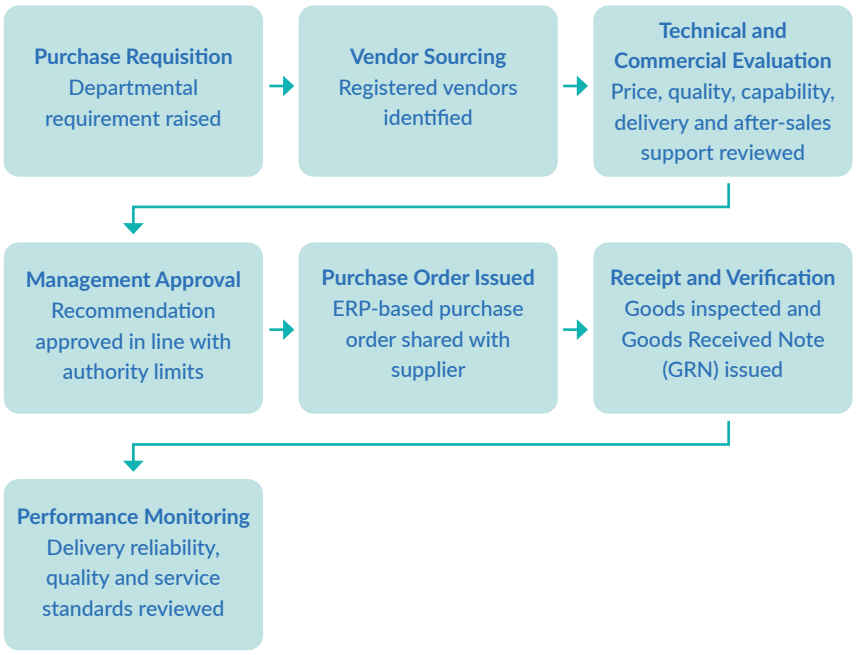
Responsible Procurement Practices

Durdans maintained structured procurement practices to support transparency, value, quality and accountability across the supply chain. Procurement is initiated through purchase requisitions raised by departments based on operational requirements, followed by sourcing from registered vendors where applicable.

New vendors are required to complete a formal registration process with supporting documentation, including business registration details, tax documents and relevant certifications. Suppliers are evaluated based on price, capability, compliance, past performance, delivery timelines, warranty terms and after-sales support. Technical and commercial evaluations are conducted with user departments, supported by comparative analysis and approval in line with the delegation of authority matrix.

Approved purchase orders are generated through the Enterprise Resource Planning (ERP) system, with terms and conditions clearly stating item descriptions, prices, specifications, delivery timelines and payment terms. Goods are received and inspected by the relevant stores, while quantity and quality verification is completed prior to Goods Received Note (GRN) issuance.

How We Approach Responsible Procurement



Supplier Quality and Compliance

Supplier quality assurance remained a key priority given the direct link between supply chain performance and patient care. Suppliers are screened through regulatory compliance checks, quality certification reviews, financial stability assessments, trial evaluations and performance monitoring prior to engagement.

Ongoing supplier monitoring includes audits, performance evaluations, compliance checks, feedback from clinical and non-clinical teams, and continuous tracking of delivery reliability, product quality and service standards. These processes help ensure that suppliers meet Durdans' expectations for quality, safety, reliability and ethical conduct.

The Hospital also monitors supplier compliance with applicable legal, ethical, labour, health and safety, and environmental requirements through documentation reviews, certifications, audits and ongoing engagement.

SUPPLIER QUALITY CONTROLS

- **Regulatory compliance checks**
  Suppliers are screened for relevant approvals, certifications and regulatory requirements.
- **Quality certification reviews**
  Certifications and quality credentials are reviewed where applicable.
- **Performance monitoring**
  Delivery reliability, product quality and service standards are tracked over time.
- **Clinical and operational feedback**
  Feedback from user departments supports supplier performance reviews and corrective action.
- **Compliance monitoring**
  Supplier practices are reviewed in relation to legal, ethical, labour, health and safety, and environmental expectations.

Strengthening Supply Chain Resilience

During the year, Durdans continued to manage supply chain pressures arising from price movements, import constraints, extended lead times and limited availability of specialised suppliers. The Hospital responded by strengthening procurement planning, negotiating with key suppliers, exploring alternative sourcing options, monitoring market trends and planning purchases in advance.

For critical and fast-moving supplies, procurement planning was supported through early ordering, buffer stock maintenance and closer follow-up with suppliers. In areas affected by contractor performance challenges, Durdans used stronger contractual controls and considered alternative contractors where required to support project continuity.

The Hospital also continued to expand its supplier base through active vendor sourcing, market research and new vendor registrations, while strengthening relationships with reliable suppliers to support priority service and continuity of care.

Building Supply Resilience

Early procurement planning
Critical items were planned and ordered in advance to reduce supply risk.

Buffer stocks maintained
Fast-moving and essential supplies were supported through buffer stock arrangements.

Alternative sourcing explored
Local and alternative supplier options were assessed where feasible.

Supplier coordination strengthened
Closer follow-up with suppliers supported improved delivery reliability.

Reliable partnerships prioritised
Long-term relationships with dependable vendors supported continuity of healthcare delivery.

Supplier Engagement and Feedback

Durdans maintains supplier engagement through formal communication channels, supplier performance reviews, periodic meetings and structured feedback mechanisms. These channels help address supplier concerns, resolve issues, improve collaboration and maintain compliance with hospital standards.

Supplier relationships are managed not only as transactional procurement arrangements, but as partnerships that support clinical reliability, operational efficiency and patient care. By strengthening communication and performance monitoring, the Hospital aims to build a more responsive, accountable and resilient supplier ecosystem.

Partnering for Continuity of Care

Suppliers support healthcare continuity
Reliable suppliers help maintain availability of medicines, consumables, equipment, food services, facilities support and essential services.

Partnerships support patient care
Supplier quality and delivery reliability directly influence service continuity and patient experience.

Performance reviews support accountability
Regular monitoring helps identify issues, improve standards and strengthen collaboration.

Focus Area

4

HEALTHCARE EDUCATION AND ECOSYSTEM DEVELOPMENT

Amrak Institute of Medical Sciences supports Durdans' wider contribution to healthcare education and workforce development. As an industry-led allied health education institute operating in partnership with Durdans Hospital, Amrak helps bridge academic learning with practical clinical exposure, preparing students for careers in healthcare locally and internationally.

During the year, Amrak continued to offer programmes across Certificate, Higher Diploma and BSc levels, supported by structured learning, simulation-based training, clinical placements and international academic partnerships. Students gained exposure through Durdans Hospital, Ministry of Health clinics and selected partner institutions, helping them build practical competencies within real healthcare settings.

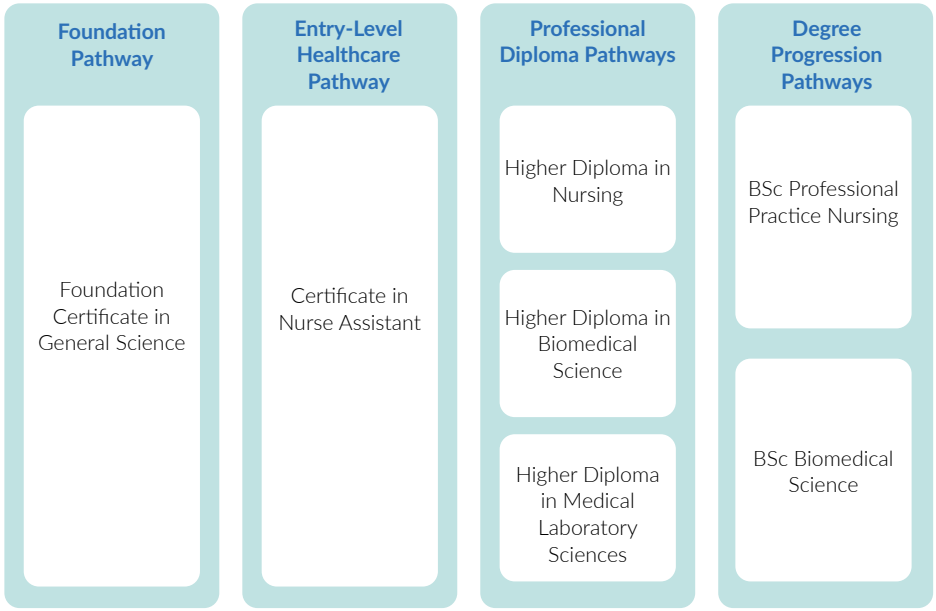
Amrak at a Glance

452
Active students

07
Programmes offered

86+
Graduates / certificate recipients

95%
Estimated graduate employment rate



Supported by:

International Partnerships and Global Mobility

Amrak's international partnerships support academic benchmarking, global learning pathways and international progression opportunities for students. The Institute maintains links with leading international universities, including Birmingham City University, University of Technology Sydney, Flinders University, International Medical University Malaysia, Deakin University and Philips University Cyprus.

A key milestone during the year was the launch of the Deakin University partnership, introducing a 3+1 BSc Nursing pathway and providing students with a direct international progression route to Australia. These partnerships strengthen Amrak's role as a platform for global access and mobility, while supporting the development of healthcare professionals who can contribute across local and international healthcare systems.

OUR PARTNERS: FACILITATING GLOBAL PATHWAYS

06 international university partners
Supporting academic benchmarking, student progression and global learning opportunities.

Deakin University partnership launched
The 3+1 BSc Nursing pathway provides a direct international progression route to Australia.

Internationally competitive graduates
Programmes help prepare students for healthcare opportunities locally and overseas.

Global healthcare workforce contribution
Amrak supports healthcare talent development beyond Sri Lanka's domestic requirements.

Bridging Education and Clinical Practice

Amrak's education model is built around the integration of academic learning, simulation-based training, clinical exposure and expert mentorship. Students undertake structured clinical placements at Durdans Hospital and partner healthcare institutions, enabling them to gain hands-on experience in hospital, community and specialist care environments.

Nursing students complete up to 1,450 hours of structured clinical training across ward-based care, intensive care environments and community health settings. Students also gain exposure to primary and community healthcare through affiliations with Ministry of Health clinics, while clinical training is further supported through partner institutions such as Ayathi Centre, VIDA Medical Clinic and the Indira Cancer Trust.

Practical Learning and Exposure

Academic learning	Classroom-based knowledge supported by structured curricula across nursing, biomedical science and allied health disciplines.
Simulation-based training	Clinical skills laboratories help students practise procedures in a controlled environment before entering live clinical placements.
Hospital-based exposure	Supervised placements at Durdans Hospital connect students with real-world clinical settings and patient care standards.
Community and partner placements	Exposure through Ministry of Health clinics and partner institutions broadens practical healthcare learning.
Expert mentorship	Students are guided by Durdans consultants, senior clinical staff and experienced academic faculty.

Student Outcomes and Workforce Contribution

During 2025/26, Amrak maintained an active student population of 452 students, with seven active programmes and a total faculty strength of 27 full-time and visiting lecturers. The Institute recorded an overall average pass rate of 85% and an estimated graduate employment rate of approximately 95%, reflecting its focus on employability and workplace-ready education.

The Institute also recognised 86+ graduates and certificate recipients across the December 2025 and February 2026 ceremonies. Graduates have progressed into hospitals, diagnostic and laboratory sectors, international employment pathways and further education opportunities locally and internationally.

Research, Skills and Future-Ready Learning

Amrak continued to strengthen its academic environment through research involvement, digital learning and investment in learning infrastructure. A formal Research Committee was established to oversee and promote academic research, while active liaison with the Durdans Hospital Ethics Review Committee supported ethically approved student and staff research projects.

Biomedical Science and Medical Laboratory Science students continued to gain exposure to wet laboratory and research environments, including access to Durdans' biomedical infrastructure and collaborative research with external university supervisors. The Institute also continued to use the UniCloud 360 Student Management System and Learning Management System, while integrating Virtual Reality (VR) technology into selected programme modules to support experiential learning.

FUTURE-READY LEARNING

Research Committee established
Supporting academic research across programmes.

Ethics-linked research pathway
Liaison with the Durdans Hospital Ethics Review Committee supports ethically approved projects.

Wet laboratory exposure
Biomedical Science and Medical Laboratory Science students gain practical research and laboratory experience.

Digital learning systems
UniCloud 360 and the Learning Management System support blended and online learning.

Virtual Reality-enabled learning
VR technology enhances selected clinical learning modules.

Strengthening Healthcare Workforce Development

Amrak contributes to healthcare workforce development by producing graduates with theoretical knowledge, practical competencies and exposure to patient-centred care. By combining academic delivery with hospital-based learning, community exposure, simulation and expert mentorship, the Institute helps develop professionals who are better prepared for the realities of modern healthcare delivery.

This contribution supports Durdans' role in strengthening the wider healthcare ecosystem, addressing human resource gaps and creating pathways for students to access local and global healthcare careers.

Contribution to the Healthcare Ecosystem

Industry-led education	Clinical exposure	Global pathways	Workforce development
Programmes are aligned with healthcare sector needs and workplace expectations.	Students gain practical experience through hospital, community and partner placements.	International partnerships support student progression and mobility.	Amrak contributes to the development of future healthcare professionals for local and global markets.

OUTLOOK

Looking ahead, Durdans will focus on enhancing its Social and Relationship Capital by deepening trust-based relationships with patients, consultants, communities, suppliers, business partners and the wider healthcare ecosystem. The focus will be on improving patient experience and convenience, expanding preventive health outreach, strengthening continuity of care, building resilient and responsible partnerships across the supply chain, and supporting healthcare education and workforce development through Amrak.

Future priorities will include enhancing feedback-led service improvements, expanding digital and patient-facing engagement, strengthening consultant coordination and community health initiatives, reinforcing supplier and business partner collaboration, and advancing Amrak's contribution to healthcare education, clinical exposure and global progression pathways.

KEY PRIORITIES

Enhancing patient experience and convenience
Continued focus on improving access, reducing waiting times, strengthening front-line service and enhancing support across the patient journey.

Strengthening feedback-led service improvement
Using patient feedback, complaint handling and satisfaction monitoring to guide corrective action and improve service responsiveness.

Deepening continuity of care and patient trust
Strengthening integrated care pathways, nursing-led patient support and recovery-focused services to reinforce confidence in the Durdans care experience.

Expanding community health and preventive outreach
Building on women's health, maternal and child health education, screenings and awareness programmes to promote early detection and proactive wellbeing.

Strengthening consultant engagement and care coordination
Supporting closer coordination across specialties, diagnostics, treatment and follow-up care to improve service integration and continuity.

Building resilient supplier and business partner relationships
Strengthening procurement discipline, supplier quality assurance, responsible sourcing and long-term partnerships to support uninterrupted healthcare delivery.

Advancing healthcare education and ecosystem development through Amrak
Continuing to support industry-led healthcare education, clinical exposure and international progression pathways to strengthen workforce development locally and globally

NATURAL CAPITAL

GRI 302-1 302-3, 302-4

EMBEDDING ENVIRONMENTAL STEWARDSHIP INTO HEALTHCARE DELIVERY

At Durdans, environmental stewardship is closely connected to the way care is delivered. The energy, water, fuel, materials and waste systems that support hospital operations are managed with a focus on patient safety, service continuity and responsible environmental impact.

Our Approach to Natural Capital Management:

Our approach is centred on reducing environmental impact without compromising healthcare quality, safety or continuity. Durdans manages natural capital through energy-saving initiatives, utility monitoring, responsible water management, waste segregation, safe handling of clinical and hazardous waste, paper reduction and compliance with environmental regulations. These actions are supported by digital monitoring tools, staff awareness, approved third-party service providers and ongoing coordination between Engineering, Operations, Fire Safety, Customer Care, IT and Quality functions.

HOW NATURAL CAPITAL SUPPORTS VALUE CREATION:

Customers

Responsible waste management, hygiene standards, clean facilities and safe environmental practices support patient safety, comfort and trust.

Employees

Training on waste disposal, fire safety, resource conservation and environmental procedures helps employees contribute to safer, cleaner and more responsible operations.

Business Partners

Environmentally responsible procurement, approved recyclers, waste handlers and service providers support compliant and sustainable operating practices.

Investors

Energy efficiency, resource optimisation, waste controls and compliance reduce operational risk and support long-term cost discipline.

Society

Safe disposal of healthcare waste, emissions monitoring and responsible water and energy use help reduce environmental and public health impacts.

Regulatory Bodies

Environmental Protection Licences, Scheduled Waste Management Licences, audits, air quality monitoring and compliance processes support regulatory assurance and institutional credibility.

NATURAL CAPITAL AT A GLANCE

OPERATING LANDSCAPE

Healthcare operations require continuous energy, water, fuel and material inputs to support patient care, diagnostics, sterilisation, laboratory work, catering, air conditioning, emergency systems and facility hygiene. During the year, rising utility costs, regulatory expectations, waste management requirements and increasing awareness of climate-related risks reinforced the need for disciplined resource management.

STRATEGIC FOCUS AREAS

1	2	3	4
Responsible Resource Consumption	Waste and Hazardous Material Management	Environmental Monitoring and Compliance	Climate Readiness and Future Sustainability
Optimising energy, water, fuel and paper use through monitoring, awareness, digitalisation and efficiency-led infrastructure practices	Managing clinical, laboratory, general, food, plastic, glass, paper and sharps waste through segregation, safe handling, approved recyclers and specialised disposal processes.	Maintaining environmental licences, air quality monitoring, CO_2 controls, scheduled waste processes and audit readiness in line with regulatory requirements.	Identifying emission sources, monitoring energy demand, strengthening preparedness and progressing plans for Go Green Durdans 2030.

Resource Efficiency

7,661,100 kWh
Electricity consumption

66,399 L
Diesel consumption

107,971 m³
Water consumption

40%+
paper reduction

Waste and Materials

96,652 Kg
Clinical waste generated

2
Waste categories segregated

Environmental Compliance

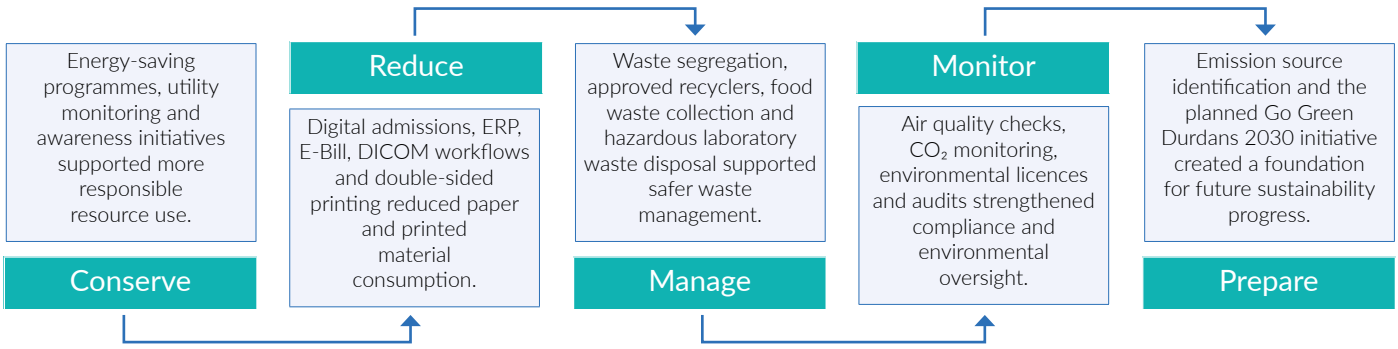
02
Environmental licenses maintained

100%
Compliance with environmental regulations

Interrelated Capitals:

Impacted SDGs:

NATURAL CAPITAL IN ACTION



PROGRESS IN 2025/26

Focus Area

1

RESPONSIBLE RESOURCE CONSUMPTION

Durdans continued to strengthen resource efficiency across energy, water, paper and fuel use during the year.

ENERGY AND FUEL CONSUMPTION

The Hospital implemented an energy-saving programme across the premises, supported by awareness programmes and energy conservation signage to encourage responsible consumption among employees and users of the facility. Utility systems and daily consumption were also monitored through digital forms and dashboards, enabling better visibility over usage patterns.

The energy-saving project was initiated in August 2025 and contributed to improved process and cost efficiencies. Generator testing durations were also optimised, helping reduce unnecessary fuel use while maintaining emergency readiness. In parallel, continuous monitoring and analysis of energy demand were carried out within the Hospital premises.

Digitalisation also played a key role in resource reduction. Staff roster arrangements, maintenance checklists, scheduled maintenance tracking, breakdown reporting and job-card monitoring were digitalised, reducing paper-based processes. Digital inpatient admission and double-sided printing further supported paper reduction. Digital transformation complemented these initiatives, with E-Bill facilities and ERP implementation reducing paper usage by over 40% in administrative processes, while the DICOM image workstation for Visa Medicals helped reduce film printing.

Refer Intellectual Capital for ERP, digital workflows, DICOM imaging and other digital process improvements – pages 89-97.

Energy management

Energy-saving programmes, awareness initiatives, signage and utility monitoring supported more disciplined energy use.

Fuel optimisation

Generator testing durations were optimised while maintaining emergency backup readiness.

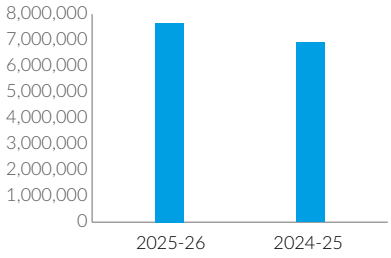
Paper reduction

Digital admissions, ERP, E-Bill, digital maintenance tools, digital rosters and DICOM imaging workflows reduced reliance on paper and printed material.

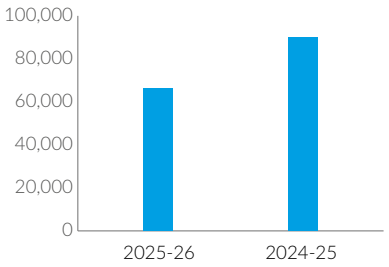
Utility monitoring

Digital forms and dashboards improved visibility over consumption and supported better operational control.

Electricity consumption



Diesel consumption



GRI 303-1, 303-2

WATER MANAGEMENT AND WASTEWATER CONTROLS

Water management remained a priority due to the Hospital's reliance on water for patient care, sanitation, sterilisation, laboratory processes, catering and facility hygiene. During the year, Durdans strengthened water-related infrastructure and monitoring through water sump cleaning, water quality testing and integration of the new building water sump with the main water supply system. These initiatives supported both hygiene standards and continuity of operations.

The Hospital also maintained fire protection systems with a focus on efficient water management. Repairs were carried out to address water leakages in fire hydrants and hose reels, while routine checks were conducted to prevent wastage and maintain system reliability.

In addition, a wastewater treatment plant was designed and related processes were streamlined in compliance with environmental standards. This supports safe effluent management and reinforces the Hospital's commitment to hygiene, environmental protection and regulatory compliance.

Water Stewardship in practice

Water quality and hygiene	Water sump cleaning and water quality testing supported patient hygiene and compliance with required standards.
Leak prevention	Fire hydrant and hose reel repairs reduced water wastage and improved system reliability.
Water supply continuity	Integration of the new building water sump with the main water supply system strengthened operational resilience.
Wastewater management	Wastewater treatment processes were streamlined in line with environmental standards.

Focus Area

2

GRI 306-1, 306-2

WASTE AND HAZARDOUS MATERIAL MANAGEMENT

Healthcare operations generate a wide range of waste streams, requiring meticulous and responsible segregation, safe handling and compliant disposal. During the year, employees were trained to dispose of waste in an environmentally responsible manner, supported by a structured waste disposal system. Waste was segregated by category, including clinical and laboratory materials, paper, food, glass, plastic and sharps, with colour-coded bins provided to each unit.

Solid waste such as plastic cans, cardboard and paper was segregated at source and sent to third-party recyclers approved by the Central Environmental Authority. Food waste was collected daily for farm use, supporting better diversion of biodegradable waste from conventional disposal streams. Fire safety inspections also contributed to timely waste removal and the maintenance of a clean environment.

The laboratory network also strengthened its approach to hazardous and chemical waste management, with processes implemented for the safe disposal of Xylene and Methanol waste. Reagent use was further supported through inventory management, consumption monitoring and re-ordering systems, contributing to safer handling practices and reduced material wastage.

Waste Management Framework

Clinical and laboratory waste	Sharps waste	Recyclable materials	Food waste	Hazardous laboratory waste
Segregated and handled through defined procedures to reduce contamination and safety risks.	Managed through dedicated disposal practices to protect employees, patients and waste handlers.	Paper, cardboard and plastic cans are segregated at source and sent to approved recyclers.	Collected daily for farm use.	Safe disposal processes were implemented for Xylene and Methanol waste.

Clinical

- General
- Food
- Plastic
- Glass
- Paper
- Sharps
- Hazardous laboratory waste

Focus Area

3

ENVIRONMENTAL MONITORING AND COMPLIANCE

Durdans maintained compliance with national environmental regulations during the year, including Environmental Protection and Scheduled Waste Management Licences. Regular air quality monitoring was conducted, while CO_2 emission levels in the car park building were maintained within acceptable limits.

The Hospital also monitored its environmental impact through audits and assessments, with continued focus on responsible waste management, energy use and water conservation. Operations were carried out in accordance with existing regulations and standards, supported by relevant internal procedures and compliance requirements.

Preparedness and awareness also formed part of the Hospital's environmental and safety governance approach, with fire induction programmes, Fire JCI training and ongoing staff knowledge enhancement supporting controlled and compliant operations.

Environmental licences	Air quality monitoring	Audits and assessments	Regulatory alignment
Environmental Protection and Scheduled Waste Management Licences maintained.	Regular monitoring conducted, with CO_2 emission levels maintained within acceptable limits in the car park building.	Environmental impact was monitored through audits, assessments and compliance checks.	Operations were carried out in line with relevant regulations, QAD SOPs, CIDA and ICTAD requirements.

Focus Area

4

GRI 305-1,305-2, 305-4, 305-5

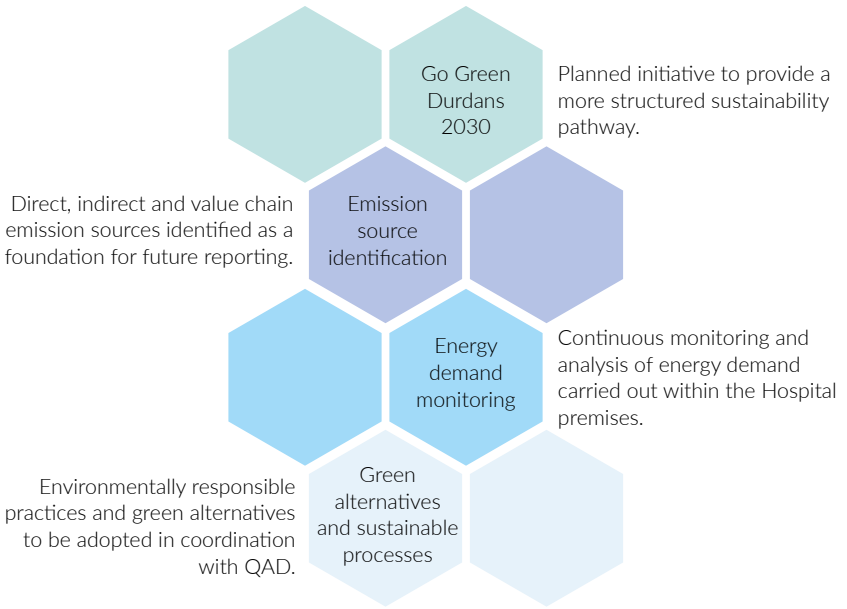
CLIMATE READINESS AND FUTURE SUSTAINABILITY

Durdans began laying the groundwork for a more structured environmental sustainability agenda through plans to introduce the Go Green Durdans 2030 initiative. This provides an opportunity to consolidate the Hospital's energy, water, waste, paper reduction and emissions-related efforts under a clearer long-term direction.

During the year, the Hospital commenced the identification of emission sources. This included direct emissions, including diesel, company vehicles and boilers, and indirect emissions from purchased energy. The Hospital also focused on identifying value chain emissions including transport, logistics, purchased goods and services, and employee commuting. This creates a foundation for more systematic emissions measurement, management and reporting in future periods.

The Hospital also continued to monitor energy demand, enhance staff awareness and adopt environmentally responsible practices, green alternatives and sustainable processes. These measures are expected to support better preparedness for future regulatory expectations, climate-related operating pressures and stakeholder expectations around responsible healthcare.

Future sustainability building blocks



OUTLOOK

Looking ahead, Durdans will continue to strengthen its environmental stewardship through more structured resource management, stronger monitoring and continued investment in sustainable operating practices. The Hospital's priorities will include improving energy efficiency, reducing paper use, enhancing waste segregation, strengthening water and wastewater management, maintaining environmental compliance and progressing the planned Go Green Durdans 2030 initiative.

As healthcare delivery continues to depend on uninterrupted infrastructure and high standards of safety and hygiene, Durdans will focus on reducing environmental impact in ways that support operational continuity, patient care and long-term resilience. Future work will also include more systematic tracking of emission sources, greater use of digital tools and closer coordination across Engineering, Operations, IT, Quality and Fire Safety functions.

KEY PRIORITIES

Advancing energy efficiency	Strengthening water stewardship	Enhancing waste and hazardous material controls	Reducing paper and material use	Improving environmental monitoring	Progressing Go Green Durdans 2030
Expanding energy-saving initiatives, utility monitoring and awareness programmes to reduce consumption and improve cost efficiency.	Continuing water quality testing, sump maintenance, leak prevention and wastewater treatment improvements.	Improving segregation, safe disposal, approved recycling and laboratory hazardous waste management, including Xylene and Methanol handling.	Building on digital admissions, ERP, E-Bill, DICOM workflows and digital maintenance tools to further reduce paper-based processes.	Maintaining environmental licences, air quality checks, CO_2 monitoring, audits and compliance reporting.	Developing a more structured sustainability roadmap covering energy, water, waste, emissions and environmentally responsible practices.

Sustainability & Climate

At Durdans Hospital, our growth is strengthened by the responsibility with which it is pursued. As we deepen capabilities and advance our model of care, we continue focusing on building a more sustainable healthcare ecosystem that protects resources, supports resilience, and enables healing to thrive.

SLFRS S1 & S2 DISCLOSURES

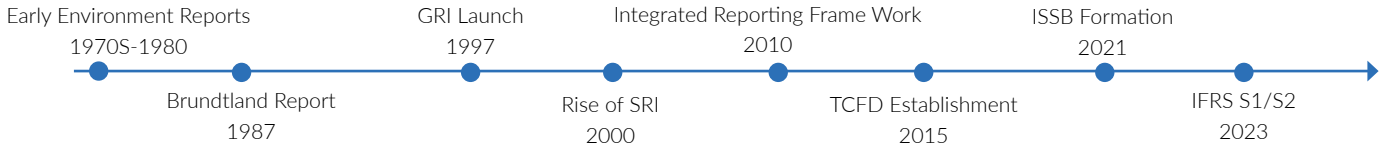
SUSTAINABILITY REPORTING

Sustainability reporting refers to the process of disclosing how the organisation's activities impact the economy, environment, and society, as well as how sustainability-related factors influence its performance and long-term prospects.

As a leading healthcare provider in Sri Lanka, Ceylon Hospitals PLC fully supports the adoption of SLFRS S1 and S2 standards introduced by the Institute of Chartered Accountants of Sri Lanka. These standards mark a significant step forward in enhancing transparency, consistency, and accountability in corporate sustainability reporting, while aligning with global best practices and evolving stakeholder expectations.

In preparation for the mandatory adoption of these standards, effective on or after 1 January 2026 for all listed entities on the Main Board of the Colombo Stock Exchange, Ceylon Hospitals PLC has initiated key measures to embed their core principles within its operations. For the financial year 2025/26, the Group has included voluntary disclosures in alignment with these standards.

Evaluation of Sustainability Reporting



Reporting Scope and Standards

These sustainability and climate related disclosures have been prepared in accordance with the SLFRS Sustainability Disclosure Standards comprising SLFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 Climate related Disclosures. Sustainability and climate-related financial disclosures for FY 2025/26 are aligned with the SLFRS S1 and S2 standards, covering the same period as the audited financial statements.

This disclosure is prepared aligning with our existing skills, capabilities, and resources based on all reasonable and supportable information available at the reporting date, without incurring undue cost or effort for any external resources.

Durdans Transition Timeline

FY 25/26	FY 26/27	FY 27/28
Early Adoption	Qualitative and Quantitative Analysis for all SRROs and CRROs in Sri Lanka	Expand the SRROs and CRROs disclosures with Comparative Figures
Climate First Approach (CRRO)	Broader identification and analysis of SRROs and CRROs	Obtain external assurance on IFRS Sustainability Reporting Disclosure Standards.
Qualitative & Quantitative Analysis of Climate Risks Only	Begin quantifying financial effects of SRRO & CRRO disclosures.	
Voluntary Adoption	Mandatory Adoption	

S1 & S2 Related Disclosures,

Climate-related disclosures reflect our commitment to transparency and sustainability. We have embraced the Task Force on Climate-related Financial Disclosure (TCFD) framework as a comprehensive tool for assessing and communicating climate-related risks and opportunities.

In accordance with SLFRS 1 and 2, entities are required to provide disclosures relating to governance, strategy, risk management, and metrics and targets. As an early adopter, we have disclosed our existing practices and strategies. Once these requirements become mandatory, we expect to provide broader disclosures supported by the establishment of a Sustainability Steering Committee.

GOVERNANCE

A comprehensive ESG governance framework ensures effective oversight by both the Board and Management, enabling the proper management of climate-related risks and opportunities. At Durdans, the Board actively discusses these matters in every meeting for example, flooding impacts on laboratory operations and inventory storage,ensuring timely decisions on issues such as insurance coverage, safer facility locations, and energy efficiency initiatives.

STRATEGY

Hospitals are increasingly impacted by climate related challenges. To address this, risks and opportunities are regularly identified and included in strategic planning to ensure resilient operations, uninterrupted patient care, and effective responses to issues such as flooding and supply chain disruptions.

RISK MANAGEMENT

Flooding and climate change create risks such as service disruptions, higher costs, and supply shortages. These can be managed by improving disaster preparedness, protecting key facilities from floods, and having backup systems and alternative service options. Investing in strong and energy efficient infrastructure will reduce future risks and costs. Maintaining extra stock and reliable suppliers helps avoid shortages. Regular staff training, proper planning, and suitable insurance coverage will also support continuous operations, protect finances, and ensure better patient care during unexpected events.

METRICS AND TARGETS

Hospitals regularly monitor their emission reduction targets to track progress and ensure accountability. Key performance indicators (KPIs) are set and reviewed to measure results, support decision-making, and promote continuous improvement in reducing environmental impact while maintaining efficient operations.

IDENTIFIED CRROS, IMPACT ASSESSMENT & STRATEGIC RESPONSE

CRRO 01	Extreme Weather Impact on Hospital Operations	Physical risk - Acute

Effect on Business Model

Recent flooding (Ditwah cyclone-2025 November) disrupted hospital operations by forcing the temporary shutdown of several labs, as well as some inventory storage locations, which reduced diagnostic services and caused delays in patient care. This led to a loss of revenue, increased costs for repairs and outsourcing, and affected overall service efficiency and patient satisfaction.

Impact on Company's Capital

Time Horizon	Impact on Financial Performance	Impact on Balance Sheet	Impact on Cash Flows
Short Term	28 Mn ↓	33 Mn ↓	50 Mn ↓
Medium Term	Nil	Nil	Nil
Long Term	Nil	Nil	Nil

Methodology

The revenue and profit impact was calculated by identifying the period during which the labs were closed, estimating the expected revenue based on past daily averages, and comparing it with the actual revenue during that time. The difference represented the revenue loss, and after adding extra costs such as repairs and damaged items, the overall profit and balance sheet impact was determined and verified against financial records.

Management, Mitigation and Adaption to Climate-Related Risks and Opportunities

The hospital conducts feasibility analyses before opening new labs and storage locations to ensure they are situated in low-risk areas and designed with climate resilience in mind. Adaptation efforts focus on strengthening emergency response and business continuity plans to maintain services during extreme weather events, while also supporting long-term sustainability and operational stability.

CRRO 02	Weather Impact on Energy Efficiency Initiatives	Transition/Physical risk

Effect on Business Model

Climate change presents increasing operational and financial risks to the Group. Extreme weather events may result in higher energy costs for example, dry weather conditions lead to power cuts in Sri Lanka, requiring the use of generators and increasing diesel consumption, which adds to operational expenses. In addition, evolving environmental regulations may lead to higher compliance, reporting, and sustainability related costs. Supply chain disruptions caused by adverse weather conditions may also impact the availability and cost of certain medical supplies and services. The Board and Management remain committed to mitigating these risks through proactive planning, sustainable operational practices, and continuous investment in resilient healthcare infrastructure.

Impact on Company's Capital

Climate-related risks may increase the Group's operating and capital expenditure through higher energy consumption, insurance premiums, infrastructure resilience investments, and compliance-related costs. Adverse weather conditions may also affect supply chain efficiency, potentially increasing procurement costs and placing pressure on margins. The Group continues to monitor emerging climate-related risks and incorporate appropriate mitigation measures into its financial and operational planning processes.

Management, Mitigation and Adaption to Climate-Related Risks and Opportunities

Management continues to monitor climate related risks and integrate appropriate mitigation measures into operational and strategic planning. Key initiatives include enhancing facility resilience, improving energy efficiency, strengthening emergency preparedness and business continuity plans, and monitoring regulatory developments to ensure ongoing compliance. These measures are intended to support the continuity of healthcare services and reduce potential financial impacts arising from climate-related events.

Governance and Stewardship

Our purpose – to save every life that is entrusted in our care – drives us forward. With compassion at our core, our instinct to heal governs our business, defines our progress and grows our influence across the country.

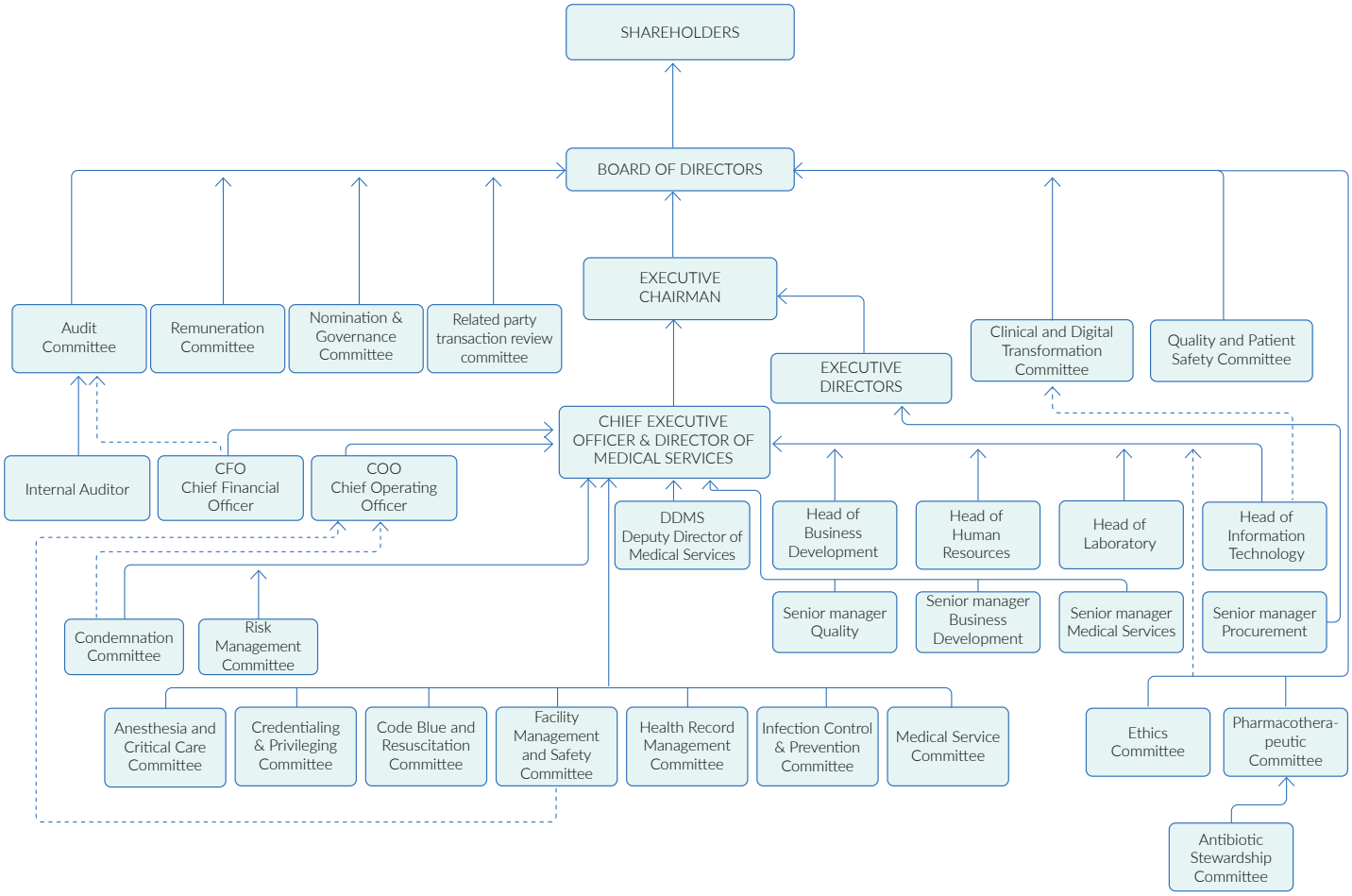
CORPORATE GOVERNANCE

GRI 2-17

1. EXECUTIVE SUMMARY

The Company has in place a structured corporate governance framework which serves to maintain and enhance sustainable shareholder value. In addition to compliance with mandatory requirement under section 9, the Company follows its own internal benchmarks and processes in order to meet best practices in governance. Detailed below in detail are the compliance rules and standards adhered to by the Company in terms of mandatory provisions included under the Companies Act, Listing Rules of the Colombo Stock Exchange ("CSE") and the Securities and Exchange Commission of Sri Lanka ("SEC") in addition to all other rules and regulations and legislations relevant to the business of the Company. Further, where relevant and appropriate the Company has ensured that it practices the Revised Code of Best Practices on Corporate Governance issued in 2017, jointly advocated by the SEC and the Institute of Chartered Accountants of Sri Lanka ("CASL").

2. GOVERNANCE STRUCTURE



*Director Medical Services role aligned with Chief Executive Officer

** The Procurement committee has a direct reporting line to an Executive Director

GRI 2-12, 2-14, 2-10

2.1 The Board of Directors

2.1.1 Board Responsibilities

The key responsibilities of the Board include the following.

- Appointing and reviewing the performance of the Executive Chairman
- Reviewing and approving annual plans and long-term business plans
- Providing direction and guidance to formulate medium and long-term strategies aimed at promoting the long-term success of the Company
- Overseeing systems of internal control and risk management functions
- Reviewing and approving strategic investments and capital expenditure
- Ensuring all related party transactions are in compliance with statutory obligations
- Monitoring systems of governance and compliance
- Approving any amendments to constitutional documents

GRI 2-11

2.1.2 Board Composition

As at the date of reporting the Board comprised nine Directors of whom three served in the capacity of Non-Executive, Independent Directors. In keeping with the applicable rules and codes the Company continues to maintain the right balance between Executive, Non-Executive and Independent Directors. The composition of Executive and Non-Executive, Independent Directors brings the right mix of knowledge required to operate the business sustainably. The Executive Directors bring in extensive knowledge of the business through experience while the Non-Executive, Independent Directors bring in the required experience, objectivity and independent oversight to the business.

Board composition as at 31st March 2026

	1	2	3	4	5	6	7	8	9
Age Group	< 40	40-70					> 70		
Board Tenure	> 5 years							<5 years	
Designation	Executive			Non-Executive, Non-Independent			Non-Executive, Independent		
Gender	Male								

2.1.3 Board Appointments

Board appointments follow a formal and structured process under the purview of the Nominations and Governance Committee.

New Director appointments are made known to shareholders via public announcements and are declared in the quarterly interim releases as well as in the Annual Report.

Prior to appointment, prospective candidates for Directorship are required to report their business affiliations and any changes in their professional responsibilities and business associations to the Nominations and Governance Committee which will examine such facts and make recommendations to the Board accordingly.

2.1.4 Board Skills

The Board brings in diverse exposure from the fields of Management, Medical Administration, Banking, Finance, Economics, Marketing and Human Resources. All Directors possess skills, expertise and knowledge complemented with integrity and independent professional judgment.

Details of their qualifications and experience are provided under the Board profile section of this Annual Report.

The Board, through a regular review of its composition ensures that the skill representation is in place with current and future needs of the Company.

Individual Directors are also encouraged to seek expert opinion and professional advice on subject matters of which they do not possess full knowledge or expertise, which enables better decision making.

2.1.5 Re-election

All Directors are subject to election by shareholders at the first Annual General Meeting after their appointments. One-third of the Non-Executive Directors come-up for re-election at every Annual General Meeting. The Board discusses the possibility of any impairment of its Directors independence due to extended Board tenures and collectively evaluates the re-election of such Board members.

2.1.6 Board Meetings

2.1.6.1 Regularity of Meetings

During the year under review four Board meetings and one special Board meeting were held. All Board meetings were pre-scheduled. Details of the Board meeting dates and the Director participation at each meeting is provided below.

	05th June 2025	Board Meeting Date				Eligible to Attend
		28th August 2025	27th November 2025	06th January 2026 (Special meeting)	26th February 2026	
Executive						
Mr. A. E. Tudawe	✓	✓	✓	✓	✓	5
Mr. U. D. Tudawe	✓	✓	✓	✓	✓	5
Mr. A. S. Tudawe	✓	✓	✓	✓	✓	5
Non-Executive, Non Independent						
Dr. A. D. P. A. Wijegoonewardene	✓	✓	✓	✓	✓	5
Mr. Y. N. R. Piyasena	✓	✓	✓	✓	✓	5
Mr. A. D. B. Talwatte	✓	✓	✓	✓	✓	5
Non-Executive, Independent						
Mr. A. V. R. De S. Jayatilleke	✓	✓	✓	✓	✓	5
Mr. S. Renganathan	✓	✓	✓	✓	✓	5
Mr. H. M. A . Jayesinghe	✓	✓	✓	✓	✓	5

2.1.6.2 Timely Information to Board

Directors were provided with necessary information well in advance by way of board papers and proposals for all five Board meetings held during the year to help extensive discussion, informed deliberations and effective decision making.

Members of the Senior Management team made presentations to the Board on important issues relating to strategy, risk management, investment proposals, re-structuring and system procedures where necessary.

2.1.6.3 Board Agenda

The Executive Chairman ensures that all Board proceedings are conducted smoothly and effectively approving the agenda for each meeting prepared by the Company Secretaries. The typical Board Agenda in 2025/26 took the following form.

- Confirmation of previous meeting minutes
- Matters arising from previous meeting minutes
- Ratification of circular resolutions passed between two meeting.
- Board sub-committee reports and other matters exclusive to the Board
- Status updates on major projects
- Review of performance – in summary and in detail
- Approval of quarterly and annual financial statements
- New resolutions
- Tabling of compliance reports

2.1.6.4 Company Secretaries

A representative from the Company Secretaries Nexia Corporate Consultants (Pvt) Ltd functions as the Secretary to the Company. In addition to maintaining board minutes and board records, the Company Secretaries provides support to ensure the Board receives timely and accurate information. The Company Secretaries also provides advice relating to Corporate Governance matters, board procedures and applicable rules and regulations.

2.1.6.5 Non-Executive Directors' Time Dedication

In addition to attending Board Meetings, the Non-Executive Directors have attended respective sub-committee meetings and have contributed to decision making via circular resolutions and one-on-one meetings with key management personnel where necessary.

GRI 2-15

2.1.6.6 Ensuring Independence and Managing Conflict of Interest

Directors make general disclosures of interest every financial year as required. Potential conflicts if any are reviewed by the Board from time to time to ensure the integrity of the Board's independence.

During the Board Meetings, Directors who have an interest in a matter under discussion excuse themselves and abstain from voting on the subject matter.

All Directors once appointed to the Board will obtain Board clearance prior to;

- Engaging in any transaction that could create or potentially create a conflict
- Accepting a new position
- Any changes to their current Board representation or interest

Criteria for defining "Independence"

Criteria		Status of Non-Executive Independent Directors
1.	Employed by the Company during the period of two years immediately preceding appointment as Director	None of the Independent, Non-Executive Directors are employed or have been employed by the Company previously
2.	Currently, has/had during the two years preceding appointment as a Director has directly or indirectly engaged in material business relationships with the Company	None of the Independent, Non-Executive Directors has/had a material business relationship with the Company
3.	Has a close family member who is a Director, CEO (and/ or equivalent) position in the Company	No family member of the Independent, Non-Executive Directors, is a Director or CEO of the Company
4.	Has a Significant Shareholding (carrying not less than 10% of the voting rights) in the Company	None of the Independent, Non-Executive Directors shareholding exceeds 1% of voting rights
5.	Has served on the Board continuously for a period exceeding nine years from the date of first appointment	None of the independence has served more than nine years continuously on the Board as at 31st March 2026.
6.	Has a relationship resulting in income/ non-cash benefits equivalent to 20% of the Director's annual income	Independent, Non-Executive Directors income/ non-cash benefits are less than 20% of individual Director's income
7.	Is a director or an employee of another company in which a majority of other directors of the Company are employed or are Directors or have a significant shareholding or have a material business relationship	None of the Independent, Non-Executive Directors are Directors of another company as defined

(a) 2.1.6.7 Director Remuneration

(a) Executive Director Remuneration

The Remuneration Committee is responsible for determining the compensation of the Executive Chairman and the Executive Directors of the Company.

Refer page 89 of this Annual Report for the detailed Remunerations Committee Report.

Executive Director Remuneration is a combination of fixed and variable components. The variable component is linked to the Business Value Growth based on the Group's bottom line and expected returns on shareholder funds. Further, the Remuneration Committee consults the Executive Chairman about any proposal relating to the Executive Director Remuneration other than that of the Executive Chairman.

(b) Non-Executive Director Remuneration

The compensation of Non-Executive Directors is determined in reference to the fees paid to Non-Executive Directors of comparable companies. Non-Executive Directors were paid additional fees for either chairing or being a member of a sub-committee. Non-Executive Directors are not paid any performance incentive payments.

GRI 2-13, 2-24

2.2 Board Sub Committees

The Board has delegated some of its functions to Board Sub-Committees while retaining final decision rights.

The four Board Sub-Committees set up in view of delegating Board functions are listed below.

1. Audit Committee ("AC")
2. Nominations and Governance Committee ("NGC")
3. Remuneration Committee ("RC")
4. Related Party Transactions Review Committee ("RPTRC")

The Board Sub-Committee comprise of principally Independent Non-Executive Directors. The membership of the four Board Sub Committees for the year under consideration was as follows

Committee Membership	STATES	Board Sub-Committees			
		AC	RC	N G C	RPTRC
Mr. A. E. Tudawe	Executive Chairman			△	
Mr. U. D. Tudawe	Executive Vice President			△	
Mr. A. D. B. Talwatte	Non-Executive Director	O	O	O	O
Mr. A. V. R. De S. Jayatilleke	Independent, Non-Executive	O	□	O	O
Mr. S. Renganathan	Independent, Non-Executive	O	O	□	O
Mr. H. M. A . Jayesinghe	Independent, Non-Executive	□		O	□

□ - Chairman O - Committee Member

△ - Mr. Ajith Tudawe and Mr. Upul Tudawe attend the meeting by invitation as they have industry expertise. There contribution enhances the succession and nomination process.

Considering the above, the Company confirms that it has complied with the mandatory disclosure requirements of Section 7.6 of the Listing Rules of the Colombo Stock Exchange ("CSE") in relation to the contents of the Annual Report and Accounts of a listed entity.

The table on this page provides reference to the relevant sections of this Annual Report where specified information is disclosed together with page references for the convenience of the reader.

Rule No.	Disclosure Requirements	Section/ Reference	Page(s)
7.6 (i)	Names of persons who held the position of Director during the financial year	Our Leadership section to this Annual Report	20
7.6 (ii)	Principal activities of the Company and its subsidiaries during the financial year and any changes thereon	Note 1.2 to the Financial Statements Group Structure	166
7.6 (iii)	The names and the number of shares held by the 20 largest shareholders of voting and non-voting shares and the percentage of such shares held as at financial year end	Share Information	220
7.6 (iv)	The public holding percentage	Share Information	219
7.6 (v)	Directors and Chief Executive Officer's holding in shares at the beginning and end of the financial year	Annual Report of the Board of Directors	151
7.6 (vi)	Information pertaining to material and foreseeable risk factors	Enterprise Risk	133
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	Note 31 to the Financial Statements	207
7.6 (viii)	Extents, locations, valuations and the number of buildings on the Company's land holdings and investment properties as at the end of the financial year	Note 20.12 to the Financial Statements	197
7.6 (ix)	Number of shares representing the stated capital as at the financial year end	Share Information	218
7.6 (x)	A distribution schedule stipulating the number of shareholders in each class of equity and the percentage of their total holdings as at the financial year end	Share Information	218
7.6 (xi)	Ratios and market price information (Equity, dividend per share, dividend payout ratio, net assets value per share, market value per share)	Share Information	219

Rule No.	Disclosure Requirements	Section/ Reference	Page(s)
7.6 (xii)	Significant changes in the entity or its subsidiaries fixed assets and the market value of land, if the value differs substantially from the book value	Note 20.10 to the Financial Statements on 'Property, Plant and Equipment'	193
7.6 (xiii)	Details of funds raised through public issues, rights issues and private placements during the financial year	Not applicable	
7.6 (xiv)	Information in respect of Employee Share Option Schemes	Not applicable	
7.6 (xv)	Disclosures pertaining to Corporate Governance Practices in terms of Rules 7.10.3, 7.10.5 (c), 7.10.6 (c), of Section 7 of the Listing Rules	Corporate Governance	126
7.6 (xvi)	Disclosures on Related Party Transactions exceeding 10% of the Equity or 5% of the total assets of the entity as per audited financial statements, whichever is lower	Related Party Transaction Review Committee Report Note 33 to the Financial Statements	209

The Company also confirms that it is in compliance with the Corporate Governance requirements of Section 09 of the Listing Rules of the CSE and disclosure of compliance with the said rules as given below.

Rule No.	Area Covered	Requirement	Compliance Status	Details
9.19.1	Non-Executive Directors	Two or such number of Non-Executive Directors equivalent to one third (1/3) of the total number of Directors whichever is higher.	Compliant	6 out of 9 Directors are Non-Executive Directors
9.19.2	Independent Directors	Two or one-third of Non-Executive Directors, whichever is higher, should be Independent	Compliant	3 out of 6 Non-Executive Directors are Independent
9.19.2 (b)	Non-Executive Directors	Each Non-Executive Director should submit a declaration of independence/ non-independence	Compliant	All Non-Executive Directors have submitted the declaration in the prescribed format
9.19.3 (a)	Disclosures relating to Directors	The names of the Directors determined to be Independent will be set out in the Annual Report	Compliant	Corporate Governance section to the Annual Report
9.19.3 (b)	Disclosures relating to Directors	A determination has to be made by the Board as to the independence or the non-independence of Non-Executive Directors	Compliant	Corporate Governance section 2.1.6.6 to this Annual Report
9.19.3 (c)	Disclosures relating to Directors	Brief resume of each Independent Director should be disclosed in the Annual Report	Compliant	Our Leadership section in this Annual Report
9.19.5	Remuneration Committee	A listed company shall have a Remuneration Committee	Compliant	Board Sub-Committees under Corporate Governance report in this Annual Report
9.19.5 (a)	Remuneration Committee Composition	i) Remuneration committee shall comprise of a minimum of two Directors One (01) of whom shall be independent	Compliant	The Remuneration Committee report under Board Sub Committees
		ii) The Chairman of the Committee is an Independent Director	Compliant	

Rule No.	Area Covered	Requirement	Compliance Status	Details
9.19.5 (b)	Remuneration Committee	The Remuneration Committee shall recommend the remuneration of the Chief Executive Officer and the Executive Directors	Compliant	Corporate Governance report section 2.1.6.7 in this Annual Report
	Remuneration Committee	The Annual Report shall set out: i) Names of Directors comprising the Remuneration Committee	Compliant	The Remuneration Committee report under Board Sub-Committees
		ii) Statement of the Remuneration Policy	Compliant	
		iii) Aggregate remuneration paid to Executive and Non-Executive Directors	Compliant	Note 32.5.1 to the Financial Statements
9.19.6	Audit Committee	A listed company shall have an Audit Committee	Compliant	Audit Committee Report under Board Sub-Committees
9.19.6 (a)	Audit Committee	The Audit Committee shall comprise of a minimum of two Directors One (01) of whom shall be independent The Chairman of an Audit Committee is an Independent Director	Compliant	Audit Committee Report under Board Sub-Committees
		The chairman of the Audit Committee shall be a member of a recognised professional accounting body	Compliant	
	Audit Committee	Audit Committee shall have functions as set out in section 7.10.6 of the listing rules	Compliant	Audit Committee Report under Board Sub-Committees
	Audit Committee	The Annual Report shall: i) set out the names of Directors that comprises the Audit Committee	Compliant	Audit Committee Report under Board Sub-Committees
		ii) determine the independence of the Auditors and disclose the basis for such determination	Compliant	
		iii) contain a report of the Audit Committee setting out the manner of its functional compliance	Compliant	

ENTERPRISE RISK MANAGEMENT

GRI 2-23, 2-24, 2-27, 2-26

In a healthcare environment shaped by rising patient expectations, regulatory change, cost pressures, digital transformation, and evolving clinical risks, Enterprise Risk Management lies at the core of Durdans Hospital's approach to safeguarding patient safety, service continuity, compliance, and long-term resilience.

At Durdans Hospital, this is supported through a structured framework for identifying, assessing, managing, and monitoring risks across clinical, operational, financial, regulatory, and administrative dimensions. The Hospital's risk management activities are integrated into governance, clinical quality, internal controls, and day-to-day operations, ensuring that risk considerations are embedded across both strategic and operational decision-making.

While patient safety and quality of care are primary considerations, the Hospital's risk landscape also extends to diverse themes spanning operational resilience, cybersecurity, data privacy, regulatory compliance, supply chain continuity, financial stability, environmental safety, and reputation. Underscored by this enterprise-wide approach, Durdans Hospital continuously monitors its exposure to potential risks, thereby maintaining a consistent risk culture that enables emerging and existing risks to be identified, assessed, and addressed against an ever-changing landscape.

The Risk Assessment Matrix is used to evaluate both inherent and residual risks by considering two key dimensions: Likelihood, which reflects the probability of occurrence, and Impact, which reflects the severity of potential consequences. The combination of these factors determines the overall risk rating, enabling risks to be prioritised and appropriate mitigation actions to be identified.

Risks rated as High or Extreme are escalated to the Audit Committee, Board, and Senior Management, and are reviewed on a quarterly basis to agree on suitable risk treatment strategies. Risks rated as Low or Moderate are managed at departmental level, with Heads of Departments responsible for implementing agreed actions within defined timelines.

	Impact				
Likelihood	**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Almost Certain	Moderate	Moderate	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

RISK MANAGEMENT PROCESS AT DURDANS

The ERM process at Durdans Hospital follows a structured and continuous approach to effectively identify, assess, and manage risks while supporting the Hospital's strategic objectives. Management is responsible for implementing an effective risk management framework, with oversight of internal controls supported by the Internal Audit and Compliance functions through regular audits and compliance reporting.

The Hospital adopts a systematic risk management approach involving the minimisation, acceptance, and/or transfer

DIMENSIONS OF RISK MANAGEMENT AT DURDANS

- **Structured risk identification** across clinical, operational, financial, and administrative areas
- **JCI-aligned assessments** focused on patient safety, staff well-being, and service delivery
- **Diverse risk treatment strategies**, including minimisation, acceptance, and transfer
- **Clearly assigned accountability,** with risks allocated to responsible departmental heads
- **Ongoing monitoring** through internal audits, QAD reviews, compliance reporting, and management meetings
- **Escalation and oversight** of significant matters by Senior Management and the Board

of risks. Appropriate operational controls and mitigation plans are established and are periodically reviewed by the Internal Audit and Quality Assurance to ensure effectiveness.

Risk assessments are conducted across both clinical and operational areas in line with Joint Commission International (JCI) standards, focusing on patient safety, staff well-being, and service delivery. Risks are identified through multiple sources including departmental assessments, internal audits, compliance reviews, incident reporting systems, and management reviews.

Identified risks are evaluated based on likelihood and impact, enabling prioritisation and effective resource allocation. Mitigation measures such as strengthening controls, implementing policies, staff training, process improvements and technology enhancements are applied accordingly.

Each risk is assigned to responsible departmental heads, with continuous monitoring carried out through internal audits, QAD reviews, compliance reporting, and management meetings. Significant risks and progress on mitigation actions are regularly reported to senior management and the Board.

Through this structured approach, Durdans Hospital reinforces its commitment to proactive risk management, ensuring the delivery of safe, high-quality healthcare services while maintaining operational resilience.

During 2025-2026, Durdans Hospital strengthened its commitment to quality and patient safety through a structured, data-driven approach in alignment with the Joint Commission International (JCI) 8th Edition standards. Risk data was systematically utilised to guide Quality Improvement Projects (QIPs), ensuring measurable improvements and fostering a culture of continuous learning, accountability, and system-wide safety awareness.

THE BOARD'S RESPONSIBILITY FOR ENTERPRISE RISK MANAGEMENT.

The Board of Directors of Durdans Hospital oversees the Enterprise Risk Management (ERM) framework, ensuring that risks are identified, assessed, and managed across the organisation. The Board sets the risk appetite, reviews significant risks, and ensures effective mitigation and internal controls.

The Audit Committee supports the Board by reviewing audit and compliance reports, while Internal Audit and Compliance provide independent assurance on risk management effectiveness. This governance framework fosters accountability and risk awareness, integrating ERM into strategic and operational decisions to safeguard patient safety, financial stability, and the organisation's reputation.

The table below summarises key risk areas and the mitigation measures in place.

Risk Category	Description / Potential Impact	Mitigating Actions / Controls	Impacted Capitals	Impacted Stakeholders
Patient Safety and Clinical Risks	Patient safety remains a top priority. Risks include clinical incidents, sentinel events, and near misses which could affect patient outcomes, quality of care, and hospital reputation.	• Adherence to clinical guidelines & JCI standards • Clinical Risk Management (CRM): Robust processes for credentialing and privileging of healthcare professionals, alongside continuous monitoring of incidents, complaints, and patient feedback to drive improvements. • Implementation of stringent infection control practices aligned with international standards, including surveillance of healthcare-associated infections (HAIs). • Staff vaccinations (e.g., Hepatitis B) and routine health screening • Awareness and patient safety training programs • Secure and confidential medical records management • Continuous monitoring through clinical quality indicators	Human Capital, Intellectual Capital, Social & Relationship Capital	Customers, Employees, Regulatory Bodies

Risk Category	Description / Potential Impact	Mitigating Actions / Controls	Impacted Capitals	Impacted Stakeholders
Strategic Risks	Risks to achieving short- and long-term strategic goals arising from unclear roles and responsibilities, inefficient implementation of strategies, lack of performance monitoring, ineffective change management, and absence of standardised risk oversight processes.	• Clearly defined organisational structure with assigned roles and responsibilities • Use of transparent, repeatable processes to guide strategic implementation • Strong change management practices to drive acceptance and continuity • Development and application of risk metrics for regular monitoring and performance reporting • Regular executive oversight and alignment of strategy with enterprise risk assessments	Financial Capital, Manufactured Capital, Intellectual Capital	Investors, Employees, Customers, Regulatory Bodies
Financial Risks	Risks related to funding availability, rising interest rates, poor liquidity management, cost inflation, credit exposure to corporate clients and insurers, and potential shortages in essential medical supplies.	• Prudent management of borrowings with constant monitoring of gearing levels • Daily cash flow planning and close liquidity monitoring • Conducting feasibility studies for all major investments to ensure ROI and cash flow sustainability • Close monitoring of receivables from corporate clients, insurers, and related parties to mitigate credit risk • Stockpiling of essential drugs, consumables, and supplies to pre-empt shortages • Strong internal control environment and internal audits to ensure financial discipline, fraud minimisation, and compliance with SOPs and regulatory requirements • Foreign exchange risk management policies to mitigate currency exposure	Financial Capital, Manufactured Capital	Investors, Business Partners, Employees, Customers
Operational and Energy Supply Risks	Errors arising from people, processes, equipment failures, and supply chain inefficiencies. Also, fuel shortages, supply disruptions, and price volatility	• Execution of a Board-approved, risk-based internal audit plan • Regular review, calibration, and preventive maintenance of medical devices by Bio-Medical Engineering • Robust supply chain processes with strict inventory controls to prevent stock outs and minimise wastage and expiry • Comprehensive complaint management systems to address grievances and enhance patient experience • Continuous improvement initiatives based on stakeholder feedback to strengthen operational efficiency • Regular monitoring of fuel consumption and stock levels • Maintain adequate insurance coverage and Periodic evaluation of coverage limits.	Manufactured Capital, Financial Capital, Natural Capital	Customers, Employees, Business Partners, Regulatory Bodies

Risk Category	Description / Potential Impact	Mitigating Actions / Controls	Impacted Capitals	Impacted Stakeholders
Human Resource Risks	Risks arising from staff turnover, low engagement, skills gaps, and poor internal communication that can impact the continuity and quality of patient care, service standards, and organisational culture.	• HRM framework with structured recruitment, training, and staff development programs • Promotion of a performance-driven culture to improve employee engagement and retention • Organisational culture transformation to foster team cohesion and collaboration • Improved internal communication across all staff levels and departments • Ongoing training and professional development programs • Competitive benefits and career progression to reduce attrition rates	Human Capital, Social & Relationship Capital	Employees, Customers, Investors
Hazards: Catastrophic Events & Pandemics	External risks arising from pandemics, natural disasters, or unforeseen catastrophic events leading to infection outbreaks, disruptions in operations, increased costs, and potential health risks to staff and patients.	• Establishment of dedicated isolation wards and intensive care units (ICUs) • Implementation of strict safety and infection control protocols for zero-contact exposure • Ensuring staff vaccinations, regular health monitoring, and safe deployment of essential clinical personnel during high-risk situations. • Continuous assessment of environmental risks and infectious disease trends to enable timely interventions. • Development and regular updating of disaster management plans, including pandemic preparedness strategies aligned with JCI standards. • Periodic revision of SOPs to incorporate lessons learned from previous events and ensure readiness for future outbreaks and emergencies.	Human Capital, Manufactured Capital, Social & Relationship Capital	Customers, Employees, Society, Regulatory Bodies
IT & Cybersecurity Risks	Risks arising from system downtime, data loss, cybersecurity threats, privacy breaches, and loss of sensitive patient information.	• Robust in-house developed ERP, HIS (Health Information system), LIS (Laboratory Information System), and EMR (Electronic Medical Records) systems to manage core operations • IT system backups and enhanced data security protocols • High availability platform via VMware to prevent system downtime • Multi-layered data protection with encryption, access control, network segmentation • Cloud backup and off-site Disaster Recovery Site (DRS) for data resilience • Secure network with corporate Wi-Fi and SDWAN (Software Defined Wide Area Network) across external labs and collection centers • Alignment with JCI IT standards and practices for healthcare IT quality and security • Enhance internal cybersecurity and Data Privacy capabilities. • Employee Training and Awareness on cyber security and data privacy.	Intellectual Capital, Social & Relationship Capital, Financial Capital	Customers, Employees, Investors, Regulatory Bodies

Risk Category	Description / Potential Impact	Mitigating Actions / Controls	Impacted Capitals	Impacted Stakeholders
Regulatory and Legal Compliance Risks	Failure to comply with applicable healthcare regulations and standards could lead to penalties, reputational harm, or disruption to operations. Regulatory risks are intensified by evolving legislation and requirements from local and international bodies.	• Regular compliance reviews and audits to ensure adherence to applicable laws and standards. • Alignment with SLMC (Sri Lanka Medical Council) for medical practitioner licensing and ethical practice • Alignment with PHSRC (Private Health Services Regulatory Council) for institutional licensing and operational standards • Compliance with CEA (Central Environmental Authority) for waste management and environmental protection • Implementation of PDPA (Personal Data Protection Act) for patient data privacy • Staff training on data privacy and confidentiality • Ongoing alignment with Joint Commission International (JCI) standards to maintain international accreditation and quality benchmarks • Active participation and representation in healthcare policy forums to stay informed of regulatory changes and influence decision-making	Intellectual Capital, Social & Relationship Capital, Financial Capital, Natural Capital	Regulatory Bodies, Investors, Customers, Society
Fraud and Corruption Risk	Internal or external fraud such as financial misappropriation, procurement fraud, billing irregularities, or unethical collaborations with third parties.	• In house internal audit function with regular and surprise audits • Well-structured annual audit plan • Established whistleblower mechanisms to report unethical behaviour confidentially • Clear policies and training on ethics and anti-bribery and corruption	Financial Capital, Intellectual Capital, Social & Relationship Capital	Investors, Employees, Business Partners, Regulatory Bodies
Environmental & Safety Risks	Risks arising from improper medical waste disposal, emissions, energy use, or non-compliance with environmental laws (e.g., CEA). May lead to fines, health hazards, reputational damage, or operational restrictions.	• Compliance with Central Environmental Authority (CEA) guidelines on clinical waste segregation, storage, and disposal • Contracted licensed third-party waste handlers for hazardous and clinical waste disposal • Regular training of staff on biomedical waste handling • Energy-efficient technologies and green practices in infrastructure (e.g., LED lighting, HVAC management) • Water and energy usage monitoring to improve efficiency • Strong Fire safety systems and drills	Natural Capital, Human Capital, Manufactured Capital	Employees, Society, Regulatory Bodies, Customers

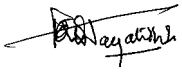
Risk Category	Description / Potential Impact	Mitigating Actions / Controls	Impacted Capitals	Impacted Stakeholders
Social Risks	Risks stemming from failure to engage with community needs, employee wellbeing, patient rights, or social responsibility expectations. Poor stakeholder relationships may affect reputation, staff retention, and regulatory perception.	• Implementation of Corporate Social Responsibility (CSR) programs focused on health education, screenings, and underserved communities • Commitment to patient rights, informed consent, and grievance mechanisms • Employee welfare initiatives including fair wages, health benefits, training, and development • Transparent stakeholder communication and community engagement • Internal patient satisfaction monitoring and service recovery initiatives • Alignment with JCI and local healthcare quality standards promoting equity and respect for persons	Social & Relationship Capital, Human Capital	Society, Customers, Employees, Regulatory Bodies
Reputational Risk	Negative publicity, patient dissatisfaction, and service failures	• Complaint Management process and immediate corrective action for the complaint • Patient feedbacks and Patient satisfaction monitoring	Social & Relationship Capital, Financial Capital	Customers, Investors, Employees, Society, Regulatory Bodies
Supply Chain & Vendor Risks	Disruptions in the supply of pharmaceuticals, consumables, and critical supplies due to vendor dependency, import restrictions, or supplier failures	• Develop and maintain an approved vendor list with periodic evaluations • Establish multiple suppliers / alternate sourcing strategies • Maintain minimum stock levels and buffer inventory for critical items • Enter into long-term agreements with key suppliers • Clearly defined Service Level Agreements (SLAs)	Manufactured Capital, Financial Capital, Social & Relationship Capital	Business Partners, Customers, Employees, Investors

SENIOR INDEPENDENT DIRECTOR'S STATEMENT

The Board established the position of Senior Independent Director (SID) in November 2023, in line with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange. At that time, this was considered necessary because the Chairman was carrying out executive functions and there was no designated Chief Executive Officer (CEO) in place.

With the appointment of a CEO effective 1 January 2025, the separation of leadership responsibilities between the Chairman and the CEO has become more clearly defined. However, given the Chairman ongoing involvement in executive matters, together with that of certain Executive Directors, the Board continues to believe that the SID role provides a valuable additional layer of independent oversight and support within the Company's governance framework.

During the reporting period, in fulfilling my responsibilities as SID, I have worked closely with the Chairman on governance matters, acted as an independent point of contact for Non-Executive Directors where confidential discussion or guidance was required, and led deliberations with the Independent Directors through meetings convened exclusively for that purpose. I also oversaw the annual Board evaluation process, in line with established governance requirements and best practices. I remain committed to maintaining high standards of corporate governance, strengthening independent oversight, and enhancing the overall effectiveness of the Board.



A. V. R. De S. Jayatilleke
Senior Independent Director

Ceylon Hospitals PLC
25 May 2026

REPORT OF THE AUDIT COMMITTEE

ROLE OF THE COMMITTEE

The Audit Committee assist the Board in fulfilling its responsibilities in relation to the integrity of the Financial Statements of the Company and the Group, the internal control and risk management systems of the Group and its compliance with legal and regulatory requirements, the External Auditors' performance, qualifications and independence, the adequacy and performance of the Internal Audit function.

The scope and responsibilities of the Committee are set out in the terms of reference of the Committee, which is approved by the Board and reviewed annually. The Committee's responsibilities relate to the Group as a whole, and in discharging its responsibilities the Committee places reliance on the work carried out by internal and external auditors to the Company and its subsidiaries. An interactive forum with the participation of members of the Audit Committee and the Senior Management team is also held to discuss ways and means of improvement and exchange information on best practices in effective internal controls.

The effectiveness of the Committee is evaluated annually by its members and feedback on same communicated to the Board of Directors at each year end.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. H. M. A . Jayesinghe
Chairman (Independent, Non-Executive Director)

Mr. A.V.R. De S. Jayatilleke
Member (Senior Independent, Non-Executive Director)

Mr. A. D. B. Talwatte
Member (Non-Executive Director)

Mr. S. Renganathan
Member (Independent, Non-Executive Director)

Profiles of the Committee Chairman and the Members are given on Pages 27 and 28 of this report.

The Committee held eleven meetings during the financial year ended 31st March 2026. Attendance of the Committee members is given below;

Name	Attended/ Eligibility to Attend
Mr. H. M. A . Jayesinghe Chairman (Independent, Non Executive Director	11
Mr. A.V.R. De S. Jayatilleke Member (Senior Independent, Non Executive Director)	11
Mr. A. D. B. Talwatte - Member (Non Executive Director)	8
Mr. S. Renganathan Member (Independent, Non Executive Director)	11

The Executive Chairman, the Executive Director, the Chief Financial Officer, the External Auditors and Internal Auditors attended meetings by invitation as required. Other Senior Management team members of the Company also attended the meetings on a need basis. The Committee engaged with the management to review the key risks faced by the Group with a view to obtaining assurance that appropriate and effective risk mitigation strategies were in place. The activities and views of the Committee were communicated to the Board of Directors quarterly through verbal briefings.

FINANCIAL REPORTING

The Audit Committee has reviewed and discussed the Group's quarterly and annual Financial Statements prior to publication, with the support of the management and External Auditors. The review included ascertaining compliance of the statements and disclosures with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters.

The Committee also discussed with the External Auditors and management any matters communicated to the Committee by the External Auditors in their reports to the Committee on the audit for the year.

The Committee received assurance from the Chief Executive Officer and Chief Financial Officer of the Company that financial information provides a true and fair view of the Group's operations and finances, complying with applicable laws and regulations.

The Committee obtained independent input from the External Auditors on the impact of several new Sri Lanka Accounting Standards that would come into effect in the current financial year and in the future and satisfied themselves that the necessary preparatory work was being undertaken to enable the Company and the Group to adopt them.

The Committee is of the opinion that the Company is in compliance with the relevant legal and regulatory requirements including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting-related regulations and requirements.

INTERNAL AUDIT, RISKS AND CONTROLS

The Committee reviewed the adequacy of the Internal Audit coverage for the Group and the Internal Audit Plans for the Group with the Executive Chairman and the Senior Management team. The Internal Auditors regularly reported to the Committee on the adequacy and effectiveness of internal controls in the Group and compliance with laws and regulations and established policies and procedures of the Group. Reports from the Internal Auditors on the operations of the Company and its subsidiaries were also reviewed by the Committee. Follow-up action taken on the recommendations of the Internal Auditors and any other significant follow-up matters are documented and presented to the Committee as an update to the matters arising from previous meeting minutes every quarter.

The committee is in the process of developing comprehensive report on the process of identification, evaluation and management of all significant risks faced by the Group companies to identify all significant risks with possible mitigating actions proposed by the management.

EXTERNAL AUDIT

The External Auditors' Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and the management prior to the commencement of the audit.

The External Auditors kept the Committee advised regarding matters of significance that were pending resolution. Prior to the conclusion of the Audit, the Committee met with the External Auditors and Management to discuss all audit issues and to agree on their treatment. This included the discussion of formal reports from the External Auditors to the Committee. The Committee also met the External Auditors before finalisation of the financial statements in order to obtain their input on specific issues and to ascertain whether they had any areas of concern relating to their work. The External Auditors' final management reports on the audit of the Company and Group financial statements for the year 2025/26 were discussed with the management and the auditors.

The Committee was satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration was given to the nature of the services provided by the Auditors and the level of audit and non-audit fees received by the Auditors from the Group. The Committee also reviewed the arrangements made by the Auditors to maintain their independence and confirmation was obtained from the Auditors on their compliance with the independence guidance given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated and the Committee has recommended to the Board that Messrs. B. R. De Silva & Co. Chartered Accountants be re-appointed as the Auditors of the Company for the financial year ending 31st March 2027, subject to approval by the shareholders at the Annual General Meeting.

Chairman - Audit Committee
H. M. A . Jayesinghe

25 May 2026

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

COMPOSITION OF THE NOMINATIONS AND GOVERNANCE COMMITTEE.

The Nominations and Governance Committee comprises four Non-Executive Directors, of whom three including the Chairman are Independent Directors. The following are the Directors served on the Committee as of 31st March 2026 in conformity with the listing rules of Colombo Stock Exchange.

Mr. S. Renganathan
Chairman (Independent, Non-Executive Director)

Mr. A. V. R. De S. Jayatilleke
Member (Senior Independent, Non-Executive Director)

Mr. H. M. A . Jayesinghe
Member (Independent, Non-Executive Director)

Mr. A. D. B. Talwatte
Member (Non-Executive Director)

CHARTER OF THE NOMINATION AND GOVERNANCE COMMITTEE

The function of the Committee is mandated by Terms of Reference approved by the Board of Directors which have been developed in line with Rule 9.11.5 of the Listing Rules.

DUTIES AND FUNCTIONS OF THE NOMINATIONS AND GOVERNANCE COMMITTEE.

The Committee is delegated with the authority by the Board to review the Board's composition and diversity, formulate and implement the policy for nominating Directors to the Board for election by Shareholders, make recommendations to the Board on the appointment of Directors to the Board and sub committees of the Board. Assess Non Executive Directors Independence and commitment. The Committee is also responsible for succession planning for Directors, CEO and senior executives, leadership training and development, and oversight of matters relating to corporate governance.

The Committee performs its duties with responsibility, ethics, and independence. The Nominations and Governance Committee ensures that the nomination and remuneration procedures are transparent and fair in accordance with corporate governance rules. As part of its responsibilities, the Committee has examined the fitness and propriety of the directors to ensure they meet the required standards.

Additionally, the Committee enhances the efficiency of the Board of Directors in steering the Company's operations forward in line with new strategies and strengthens confidence among shareholders, investors, and all stakeholders.

MEETINGS OF THE NOMINATION & GOVERNANCE COMMITTEE

The committee met two times during the year under review. The Minutes of the Nominations & Governance Committee approved by the said committee is circulated and affirmed by the Board of Directors.

Attendance at the meetings is as follows

Members	Status	Date of appointment as member	Attendance at meetings during the year
Mr. S. Renganathan	Chairman Independent, Non Executive Director	01.11.2022	2/2
Mr. A. V. R. De S. Jayatilleke	Senior Independent, Non Executive Director	01.12.2019	2/2
Mr. H. M. A . Jayesinghe	Independent, Non-Executive Director	01.11.2023	2/2
Mr. A. D. B. Talwatte	Non Independent, Non-Executive Director	03.05.2016	2/2

In terms of the Articles of Association of the Company, one-third of the Non-Executive Directors of the Board retires by rotation at each Annual General Meeting and, being eligible, offer themselves for re-election. Accordingly, the Committee has recommended the re-election of Mr. S. Renganathan to the Board at the forthcoming Annual General Meeting to be held on 09th July 2026, in recognition of his performance and valuable contribution towards achieving the Board's objectives.

Mr. Renganathan was initially appointed to the Board on 01st November 2022 and did not come up for re-election previously. He is the Chairman of the Nominations and Governance Committee and serves as a member of Audit Committee , Related Party Transaction Review Committee and Remuneration Committee.

In addition to CHPLC Mr. Renganathan serves on the Boards of the following listed companies at present.

Sunshine Holdings PLC,

Hatton National Bank PLC

Janashakthi Insurance PLC

Lanka IOC PLC

The Committee has also recommended the re-appointment of Mr. A.E. Tudawe, Dr. A.D.P.A. Wijegoonewardene, Mr. Y.N.R. Piyasena and Mr. A.D.B.Talwatte a, in terms of Section 210 of the Companies Act No. 07 of 2007.

The Committee further affirms that it has complied with the Corporate Governance requirements stipulated in the Listing Rules of the Colombo Stock Exchange.

The Company Secretary functions as the Secretary of the Nominations and Governance Committee.

On behalf of the Nominations & Governance Com

Mr. S. Renganathan
Chairman - Nominations and Governance Committee

25 May 2026

REPORT OF THE REMUNERATION COMMITTEE

SCOPE OF THE COMMITTEE

Scope of the Committee is to review and recommend overall remuneration policy and performance-based pay plans for the Company and agree with the Board a framework to remunerate the Executive Chairman, Executive Director(s) and key Manangement Personnel based on performance targets, benchmark principles, performance related pay schemes, industry trends and past remuneration and succession planning of Key Management Personnel.

Determining compensation of Non-Executive Directors is not under the scope of this Committee.

REMUNERATION POLICY

The remuneration policy is designed to reward, motivate and retain the Company's Key Management Personnel and the executive team with market competitive remuneration and benefits to support the creation of shareholder value. Accordingly, salaries and other benefits are reviewed periodically taking into account the performance of the individuals and industry standards.

THE RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- to make recommendations to the Board on the Company's policy and structure for all executive directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy.
- to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives.
- to make recommendations to the Board on the remuneration packages of all executive directors and senior management, including benefits in kind and compensation payments, including any compensation payable for loss or termination of their office or appointment.
- to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company.
- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.
- to ensure that no executive director or any of his associates is involved in deciding his own remuneration.
- to seek advice from the Executive Chairman about remuneration proposals for other executive directors and senior management team.

The Remuneration Committee will seek the assistance of external agencies/ independent professionals to carry out salary surveys and other remuneration related advice, if and when necessary, to consider salaries paid by comparable companies, time commitment, responsibilities and employment conditions in the Group.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. A. V. R. De S. Jayatilleke
Chairperson (Senior Independent, Non-Executive Director)

Mr. A. D. B. Talwatte
Member (Non-Executive Director)

Mr. S. Renganathan
Member (Independent, Non Executive Director)

The Committee held one meeting during the year under review.

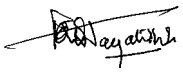
Attendance at meeting

Name	Attended/ Eligibility to Attend
Mr. A. V. R. De S. Jayatilleke	1
Mr. A. D. B. Talwatte	1
Mr. S. Renganathan	1

ACTIVITIES OF THE COMMITTEE FOR THE YEAR 2025/26

The Committee continued to report on its activities and recommended to the Board for approval the matters discussed at its meetings.

The Aggregate remuneration paid to Executive and Non-Executive Directors as required by Section 9.12.8 to the Listing Rules of the Colombo Stock Exchange is given in Note 17 to the Financial Statements.



A. V. R. De S. Jayatilleke
Chairperson - Remuneration Committee

25 May 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (RPTRC)

OBJECTIVE

The objective of the Committee is to exercise oversight on behalf of the Board of Ceylon Hospitals PLC and its subsidiaries that all Related Party Transactions ("RPTs") are in compliance with Section 9 of the listing rules of the Colombo Stock Exchange ("CSE"), the Code as issued by the Securities Exchange Commission of Sri Lanka and also the best practices as recommended by CA Sri Lanka.

RESPONSIBILITY

The responsibility of the Committee is to ensure that the interests of the shareholders are collectively considered by the Company when entering into a RPT and fairness and transparency is maintained at all times.

Considering the foregoing the Committee conducts its meetings in compliance with the policy guidelines developed for the Company in this respect which is in line with Section 9 of the listing rules of CSE.

As per the policy the RPTRC has identified the RPTs' in terms of institutions as well as individuals. Under individuals, in addition to Directors, all Senior Management personnel of the Company have been identified as Key Management Personnel ("KMPs") to improve transparency and enhance good governance.

COMPOSITION OF THE COMMITTEE

The Committee comprise of the following Directors;

Mr. H. M. A . Jayesinghe
Chairman (Independent, Non-Executive Director)

Mr. A. D. B. Talwatte
Member (Non-Executive Director)

Mr. A.V.R. De S. Jayatilleke
Member (Senior Independent, Non-Executive Director)

Mr. S. Renganathan
Member (Independent, Non-Executive Director)

CONDUCT OF MEETINGS

The Committee meets at least once every quarter.

During the financial year ended 31st March 2026 the Committee held four meetings. The meeting attendance was as follows

Name	Attended/ Eligibility to Attend
Mr. H. M. A . Jayesinghe - Chairman	4
Mr. A. D. B. Talwatte	4
Mr. A.V.R. De S. Jayatilleke	4
Mr. S. Renganathan	4

At the quarterly RPTRC meeting, all recurrent transactions carried out with subsidiaries and associates are reported. The Committee reviewed and pre approved all proposed non current Related Party Transactions (RPTs) of the parent Ceylon Hospitals PLC and related parties. At quarterly RPTRC meetings, all recurrent transactions carried out with subsidiaries and other affiliates are reviewed and reported.

Mechanisms are in place for the KMPs' to declare RPTs, if any, that they are connected with as per the Company RPT policy guidelines.

ACTIVITIES DURING THE YEAR

The activities and the views of the committee has been communicated to the Board on a quarterly basis through verbal briefings and by tabling minutes of the Committees' meetings along with the detail reports of RPTs' carried out with subsidiaries and associates of the Company.

There were related party transactions involving KMPs' during the year. These were duly declared to the RPTRC, tabled for review, and appropriately disclosed.

The RPT Review Committee was satisfied that there were no other transactions to be reported in the Annual Report for the year ended 31st March 2026 other than those disclosed in the report under the Financial Statements Note 33. RPT disclosures are made in the Financial Statements as required by the Sri Lanka Accounting Standard (LKAS 24) on Related Party Disclosures.

H. M. A . Jayesinghe
Chairman - Related Party Transactions Review Committee

25 May 2026

Financial Performance

The Financial Year 2025/26 speaks to significant growth, positive change and to the success of new initiatives all of which create a compounding effect on performance. With revenue growth of 17% exceeding the industry average and with 46% growth in profit before tax, our future of healing, is growing and thriving.

INDEX TO FINANCIAL INFORMATION

ANNUAL REPORT OF THE BOARD OF DIRECTORS

GENERAL

The Directors have pleasure in presenting their report and the audited Financial Statements of the Company and the Group for the year ended 31st March 2026 and the auditor's report on the Consolidated Financial Statements.

This report provides the information as required by the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange and recommended best practices on Corporate Governance. This report was approved by the Board of Directors on 29th May 2026.

1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Ceylon Hospitals PLC is the holding company of Durdans Medical and Surgical Hospital (Pvt) Ltd, Amrak Institute of Medical Sciences (Pvt) Ltd and Ceygen Biotech (Pvt) Ltd constituting the Durdans Healthcare Group.

The Chairman's Review and Management Discussion and Analysis sections are incorporated into this report by reference. They contain details of development and performance of the Group's businesses during the year, an indication of the key performance indicators and information regarding principal risks and uncertainties together with information equivalent to that, required for a business review.

The measures taken by the Company to manage its risks are detailed in the report titled Enterprise Risk Management on Pages from 133 to 138 of this report.

2. FUTURE DEVELOPMENTS

Over the past few years, the Company has undertaken a series of carefully considered investments aimed at strengthening our operational capabilities, expanding our service portfolio, and positioning ourselves for long-term sustainable growth. These initiatives reflect our ongoing commitment to delivering high-quality healthcare while creating lasting value for our stakeholders.

As we move forward, the Board is confident that the investments made to date-across infrastructure development, technological advancement, and capacity building-will begin to yield measurable returns. These efforts have laid a solid foundation for improved efficiency, enhanced patient care, and increased market reach.

Looking ahead, our future investment plans are strategically aligned with emerging industry trends and evolving patient needs. These initiatives are expected to unlock new growth opportunities, enhance service excellence, and drive shareholder value. The Board remains focused on ensuring that all current and future investments are guided by strong governance principles, risk management practices, and a clear vision for long-term value creation.

3. FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP

The Financial Statements of both the Company and the Group duly certified by the Chief Financial Officer and approved by two directors in compliance with sections 152, 153 and 168 of the Companies Act No. 07 of 2007 are given on Page 161 of the Annual Report.

4. AUDITORS REPORT

The Company's external auditors, Messrs. B. R. De Silva & Co. Chartered Accountants performed the audit on the financial statements for the year ended 31st March 2026. The Auditor's report on the Financial Statements is given on Pages from 155 to 157 of the Annual Report as required by Section 168 (I) (c) of the Statutes.

5. ACCOUNTING POLICIES

A summary of the significant accounting policies adopted in the preparation of the Financial Statements is given on Pages from 166 to 214 of the Annual Report as required by Section 168 (I) (d) of the Companies Act No. 07 of 2007. The policies adopted are consistent with those adopted in the previous financial year.

6. RESULTS AND DIVIDENDS

6.1 Gross Revenue

The total revenue of the Group for the year ended 31st March 2026 was Rs.10.98 Bn (2024/25-Rs 9.41 Bn). An analysis of the income is given in Note 14 to the Financial Statements on Page 185 to this Annual Report.

6.2 Profit and Appropriations

The profit before income tax of the Group for the year ended 31st March 2026 was Rs.1,402 Mn (2024/25 - Rs. 958 Mn) and the profit after tax for the year ended 31st March 2026 was Rs. 1,052 Mn (2024/25 – Rs. 726 Mn). The details of the Group profits are given on Page 187 to this report.

6.3 Dividend on Ordinary Shares

The Board recommended an interim dividend of Rs.1.10/- per share for the year ended 31st March 2026 Prior to recommending the dividend, in accordance with Section 56 (2) and (3) of the Companies Act No. 07 of 2007, the Board of Directors signed a certificate stating that,

in their opinion and based on the available information, the Company will satisfy the solvency test immediately after the distribution is made. The Company has obtained a certificate from the Auditors for the said solvency statement in terms of Section 57 of the Companies Act.

6.4 Provision for Taxation

Income tax for 2025/26 has been provided on taxable income arising from the operations of the Group and has been disclosed in accordance with Sri Lanka Accounting Standards. The Group has also provided deferred tax on all known temporary differences using the liability method as permitted by the Sri Lanka Accounting Standard (LKAS 12) on Income Tax.

Information on income tax expenses and deferred taxes is given in the Notes to the Financial Statements on Page 188 of this Annual Report.

6.5 Reserves

The Group's total reserves as at 31st March 2026 amounted to Rs. 10.1 Bn (2024/25-Rs. 9.3 Bn). The movement of the reserves are given on Page 162 under 'Statement of Changes in Equity' and in the Notes to the Financial Statements of this Annual Report.

6.6 Property, Plant and Equipment, Investments Properties, Leasehold Properties and Intangible Assets

Details of capital expenditure incurred on property plant and equipment are given in the Notes to the Financial Statements from Pages from 193 to 197.

7. CREDITOR PAYMENT

For all trade creditors, it is the Group policy to:

- Agree and confirm the terms of payment at the commencement of business with the supplier.
- Pay in accordance with any contract agreed upon with the supplier or as required by law.
- Continuously review payment procedures and liaise with suppliers as a means of eliminating difficulties and maintaining good working relationships.

8. DIRECTORS

8.1 List of Directors

The Board of Directors of the Company as at the date of this report comprise of nine members having extensive Medical, Financial and Commercial knowledge and expertise. The qualifications and experience of the Directors are given in the 'Board of Directors' section from Pages 27 to 28 of this Annual Report.

Names of the persons who held office as Directors of the Company as at 31st March 2026 and the names of the persons who ceased to hold office as Directors (if any) of the Company at any time during the year 2025/26, as required by Section 168 (l) (h) of the Companies Act No. 07 of 2007 are given below.

Mr. A. E. Tudawe
Executive Chairman

Mr. U. D. Tudawe
Executive Director

Dr. A. D. P. A. Wijegoonewardene
Non Independent, Non-Executive Director

Mr. Y. N. R. Piyasena
Non Independent, Non-Executive Director

Mr. A. D. B. Talwatte
Non-Executive Director

Mr. A. S. Tudawe
Non Independent, Executive Director

Mr. A. V. R. De S. Jayatilleke
Senior Independent, Non-Executive Director

Mr. S. Renganathan
Independent, Non-Executive Director

Mr. H. M. A . Jayesinghe
Independent, Non-Executive Director

8.2 Independence of Directors

The Board has decided as to the independence of each non-executive director and confirms that three non-executive directors meet the criteria of independence in terms of Rule 9.19.2 of Listing Rules. Each of the independent directors have submitted a signed and dated declaration of his independence against the specified criteria.

8.3 Re-election of Directors

In Accordance with the Article No. 78 of the Articles of Association of the Company and the Corporate Governance Code Mr. S. Renganathan will retire by rotation at the Annual General Meeting on, 09th July 2026 and being eligible, will offer himself for re-election with the unanimous consent of the Directors.

8.4 Recommendation for Re- appointment

Mr. A.E. Tudawe, Dr. A. D. P. A. Wijegoonewardene, Mr. Y. N. R. Piyasena and Mr. A.D.B. Talwatte shall vacate their offices as per the requirements of Section 210 of the Companies Act No. 07 of 2007 and four separate resolutions will be tabled at the forthcoming Annual General Meeting to obtain the sanction of the shareholders to re-appoint them as Directors to the Board as per Section 211 of the Companies Act No. 07 of 2007.

8.5 Disclosure of Directors Dealings in Shares

Directors' Interest in Ordinary Shares of the Company are depicted in the table below;

	31st March 2026		31st March 2025	
	No. of Shares		No. of Shares	
	Voting	Non-Voting	Voting	Non-Voting
Mr. A. E. Tudawe	1,820,648	-	455,162	-
Dr. A. D. P. A. Wijegoonewardene	1,107,324	-	276,831	-
Mr. U. D. Tudawe	1,540,052	-	385,013	-
Mr. Y. N. R. Piyasena	2,325,960	-	581,490	-
Mr. A. D. B. Talwatte	4,852	-	1,213	-
Mr. A. S. Tudawe	3,220	4,248	805	1,062
Mr. A. V. R. De S. Jayatilleke	484	-	121	-
Mr. S. Renganathan	-	-	-	-
Mr. H.M.A. Jayesinghe	-	-	-	-

8.6 Remuneration and Other Benefits

Directors' remuneration and other benefits, in respect of the Company for the financial year ended 31st March 2026 is given in Note 6 to the Financial Statements on Page 213 of this Annual Report as required by Section 168 (I) (f) of the Companies Act No. 07 of 2007.

8.7 Directors' Interests in Contracts or Proposed Contracts

Directors have no direct or indirect interest in any contract or proposed contract with the Company for the year ended 31st March 2026 other than those disclosed on Page 212 of this Annual Report.

The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested. They have also disclosed their interest in other companies to ensure that they refrain from voting on a matter in which they have an interest.

8.8 Related Party Transaction

The Company's transactions with Related Parties given in Notes 15 and 32 to the Financial Statements, have complied with Colombo Stock Exchange Listing Rule 9.3.2 and the Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13 (c) of the Securities and Exchange Commission Act.

9. STATED CAPITAL

The stated capital of the Company as at 31st March 2026 was Rs. 1,778 Mn comprising 127,050,892 ordinary voting shares and 40,535,060 ordinary non-voting shares Details of the stated capital are given in Note 28 to the Financial Statements on Page 203 of this Annual Report. The rights and obligations attached to the ordinary shares are set out in the Articles of Association of the Company, a copy of which can be obtained from the Secretaries upon request.

The issued ordinary voting shares and ordinary non-voting shares of the Company were increased by way of a share subdivision, whereby each existing ordinary voting share and each existing ordinary non-voting share was subdivided into four (4) ordinary voting shares and four (4) ordinary non-voting shares, respectively

10. SHARE INFORMATION

Details of share-related information are given on Page 218 to this Annual Report and information relating to earnings, dividends and net assets per share is given in the Management Discussions and Analysis on Page 70 of this Annual Report.

11. PUBLIC HOLDING OF SHARES IN THE COMPANY

The public shareholding as at 31st March 2026 for voting and non-voting shares was 21.52% and 50.16% respectively.

12. SUBSTANTIAL SHAREHOLDING OF DIRECTORS

Non of the Directors serve on the board at present holds more than 10% of the shares in their individual capacity. The Twenty Largest Shareholders of the Company as at 31st March 2026 are indicated on Page 218 of this Annual Report.

13. EQUITABLE TREATMENT TO SHAREHOLDERS

The Company has always ensured that all Shareholders are treated equitably.

14. CORPORATE DONATIONS

During the year, the Company made donations to charity amounting to Rs. 113,000/- (2024/25 - Rs. 87,000/-) The information given above on donations form an integral part of the Report of the Board of Directors as required by the Section 168 (l) (g) of the Companies Act No. 07 of 2007

15. ENVIRONMENTAL PROTECTION

The Group and the Company have not, to the best of their knowledge engaged in any activity, which was detrimental to the environment.

16. STATUTORY PAYMENTS

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

17. COMPLIANCE WITH LAWS AND REGULATIONS

To the best of knowledge and belief of the Directors the Company and the Group have not engaged in any activity, which contravenes laws and regulations of the country

18. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Balance Sheet date that would require adjustments to or disclosure in the Financial Statements other than as disclosed in Note 29 to the Financial Statements on Page 169 to this Annual Report.

19. GOING CONCERN

The Board of Directors has reviewed the Company's business plans and is satisfied that the Company has adequate resources to continue its operation in the foreseeable future. After considering the financial position, operating conditions, regulatory and other factors and such other matters required to be addressed in the Corporate Governance code, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, the Group of Companies continues to adopt the Going Concern basis in preparing the Financial Statements.

Details of the adoption by the Group and the Company of the going concern basis in preparing the Financial Statements are set out in the financial review within the business review section and are incorporated into this report by reference

20. RISK MANAGEMENT AND SYSTEM OF INTERNAL CONTROL

20.1 Risk Management

Specific steps that have been taken by the Company are detailed on Pages from 133 to 138 this Annual Report.

20.2 System of Internal Control

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

The Audit Committee reviews the reports, policies and procedures on a regular basis, to ensure that a comprehensive internal control framework is in place. More detail in this regard can be seen on Page 140 of this Annual Report.

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

20.3 Audit Committee

The composition of the Audit Committee and their Report is given on Page 140 of this Annual Report.

21. CORPORATE GOVERNANCE

The Corporate Governance practices of the Company are set out from Pages from 126 to 132 of this Annual Report. The Directors acknowledge their responsibility for the Group's corporate governance and the system of internal control.

22. OPERATIONAL EXCELLENCE

To increase efficiency and reduce operating cost the Company has ongoing initiatives to drive policy and process standardisation and to optimise the use of existing technology platforms.

23. APPOINTMENT OF AUDITORS

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

24. AUDITOR'S REMUNERATION AND INTEREST IN CONTRACTS WITH THE COMPANY

The Group audit fees paid for the year 2025/26 amounted to Rs. 1.5 Mn. Apart from that, the Company has engaged Messrs. B. R. De Silva & Co. Chartered Accountants, the external auditors to advice on accounting matters arising from the introduction of new Accounting Standards for the year under consideration. As far as the Directors are aware, the Auditors do not have any other relationship or interest in contracts with the Company.

25. ANNUAL GENERAL MEETING

The 80th Annual General Meeting of the Company will be held on 09th July 2026.

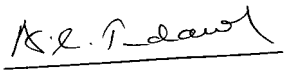
26. NOTICE OF MEETING

Details of the Annual General Meeting are given in the Notice of Meeting.

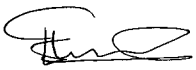
27. ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

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

For and on behalf of the Board.



A. E. Tudawe
Director



U. D. Tudawe
Director
25 May 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

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

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

In preparing the Financial Statements as disclosed on Pages from 166 to 214, the Directors consider that the Company and its subsidiaries have used appropriate accounting policies that have been applied consistently and supported by reasonable and prudent judgment and estimates, while all accounting standards considered to be applicable and relevant have been followed.

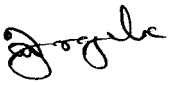
The Directors are responsible for ensuring that the Company and its subsidiaries maintain accounting records which disclose with reasonable accuracy, the financial position of the Company and its subsidiaries while complying with the provisions of the Companies Act No. 07 of 2007.

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

COMPLIANCE REPORT

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

By Order of the Board



Nexia Corporate Consultants (Pvt) Ltd
Secretaries

25 May 2026

INDEPENDENT AUDITOR'S REPORT

B.R.DE SILVA & CO.
Chartered Accountants

A member of Nexia International

Private & Confidential

TO THE SHAREHOLDERS OF CEYLON HOSPITALS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Hospitals PLC ("the Company") and the consolidated financial statement of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026 and the statement of profit or 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 a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2026, and of their financial performance and its 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

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

Key Audit Matter	How the matter was addressed
1. Recognition of Revenue The Company and the Group have recognised revenue of Rs. 8,000,874,932 and Rs. 10,978,995,523 respectively for the year ended 31st March 2026. Revenue is a key performance indicator used to evaluate the performance of the Group and the Company. Given the significance of the total value, the number of transactions, judgement involved in the timing of recognition and the reliance on Information Technology (IT) systems for revenue recognition, the recognition of revenue was considered as a key area of focus.	• Our audit procedures in relation to revenue recognition included both tests of controls as well as substantive procedures. • Our testing of the company's manual and automated controls focused on controls around the timely & accurate recording of sales transactions. • We reviewed the group's accounting policies in respect of revenue recognition and found them to be in compliance with Sri Lanka Accounting Standards. • We performed analytical review procedures to assess whether the recognised revenue was in line with the expected level. • Checked a sample of invoices raised to patients, to ensure revenue is recognised and measured in accordance with the contractual terms of the contracts and the Group's accounting policies. • Discussed with the Management regarding the contractual arrangements where consultant medical personnel are involved, and tested the appropriateness of the recognition of revenue on a gross or net basis. • Performed substantive test in respect of cut off at the end of the year. • Assessed the adequacy of the disclosures in the financial statements.

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

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Web : www.brdesilva.com

Key Audit Matter	How the matter was addressed
2. Transactions held with Related Parties Related party balances and disclosure of the group are disclosed in note (33) to the financial statements. The group is engaged in related party transactions during the ordinary course of business. A considerable part of revenue, recurring expenditure of the company have taken place through related companies.	• Evaluated the process established by the Management in identifying and reporting related party transactions. • Reviewed the reports of related party transaction review committee. • Reviewed a sample of transactions and ensured that transactions are taken place on arm's length basis. • Critically examined the accuracy of intercompany reconciliations carried out by the Management on a quarterly basis. • Checked the adequacy of disclosures made in the financial statements in accordance with Sri Lanka Accounting Standards.

Other Information

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

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

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

Responsibilities of The Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the 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 the 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 Sri Lanka Auditing Standards 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year 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 the independent auditor's report is FCA 2122.

B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

29 May 2026
(LW/ST/IS)

STATEMENT OF PROFIT OR LOSS

For the Year Ended 31 March		Group		Company	
In Rs. '000s	Notes	2026	2025	2026	2025
Revenue from contracts with customers	14	**10,978,996**	9,405,370	**8,000,875**	6,738,374
Cost of services rendered and goods sold		**(4,210,048)**	(3,928,274)	**(3,332,361)**	(3,016,601)
Gross profit		**6,768,948**	5,477,096	**4,668,514**	3,721,773
Other operating income	15.1	**232,826**	285,468	**114,266**	117,525
Less: Expenses					
Administration expenses		**(4,426,577)**	(3,675,321)	**(3,268,817)**	(2,620,281)
Other operating expenses	15.2	**(1,017,188)**	(929,789)	**(717,063)**	(670,972)
Results from operating activities		**1,558,009**	1,157,454	**796,900**	548,045
Finance costs	16.1	**(193,050)**	(250,668)	**(227,415)**	(291,924)
Finance income	16.2	**37,239**	51,135	**159,924**	160,733
Profit/(loss) before tax	17	**1,402,198**	957,921	**729,409**	416,854
Less: Tax expense	18.2	**(350,390)**	(231,910)	**(200,418)**	(144,148)
Profit/(loss) after tax		**1,051,808**	726,011	**528,991**	272,706
Attributable to:					
Equity holders of the parent		**951,149**	652,599	**528,991**	272,706
Non-controlling interest		**100,659**	73,412	**-**	-
		1,051,808	726,011	**528,991**	272,706
Earnings/(Loss) per share - Basic/Diluted (Rs.)	19.1	**5.68**	3.89	**3.16**	1.63
Dividend per share (Rs.)	19.2			**1.00**	0.43

Figures in brackets indicate deductions.
The significant accounting policies and notes, as set out on pages 166 to 214, form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March		Group		Company	
In Rs. '000s	Notes	2026	2025	2026	2025
Profit/(loss) for the period		**1,051,808**	726,011	**528,991**	272,706
Other comprehensive income/(loss)					
Other comprehensive income/(loss) that will not be reclassified to statement of profit or loss in subsequent periods:					
Net gain/(loss) on equity instruments at fair value through other comprehensive income		**387**	570	**387**	570
Actuarial gain/(loss) on gratuity valuation	31.2	**(7,561)**	(110,007)	**(6,757)**	(109,600)
Gain/(loss) on revaluation of property, plant and equipment		**-**	2,540,259	**-**	974,863
Net other comprehensive income/(loss) that will not be reclassified to statement of profit or loss in subsequent periods		**(7,174)**	2,430,822	**(6,370)**	865,833
Tax expense/(reversal) on other comprehensive income	18.2	**2,148**	(657,003)	**2,027**	(259,579)
Other comprehensive income/(loss) for the period, net of tax		**(5,026)**	1,773,819	**(4,343)**	606,254
Total comprehensive income/(loss) for the period, net of tax		**1,046,782**	2,499,830	**524,648**	878,960
Attributable to:					
Equity holders of the parent		**946,219**	2,261,441	**524,648**	878,960
Non-controlling interest		**100,563**	238,389	**-**	-
		1,046,782	2,499,830	**524,648**	878,960

Figures in brackets indicate deductions.
The significant accounting policies and notes, as set out on pages 166 to 214, form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March		Group		Company	
In Rs. '000s	Notes	2026	2025	2026	2025
ASSETS					
Non-current assets					
Property, plant and equipment	20	**14,289,618**	14,259,333	**9,587,278**	9,559,126
Right of use assets	21.1	**395,095**	362,657	**395,095**	362,657
Intangible assets	22.4	**738**	1,057	**-**	-
Investments in subsidiaries	23	**-**	-	**1,508,956**	1,508,956
Other financial assets	25.1	**369,336**	363,371	**165,012**	140,772
Total non-current assets		**15,054,787**	14,986,418	**11,656,341**	11,571,511
Current assets					
Inventories	26	**901,323**	768,764	**793,010**	666,885
Trade and other receivables	27	**295,827**	377,095	**150,107**	307,303
Advances and prepayments	27.1	**329,407**	251,999	**195,995**	138,409
Amounts due from related parties	33.6	**1,022**	1,022	**98,660**	53,396
Other financial assets	25.2	**2,151,748**	1,450,958	**62,401**	353,590
Cash and cash equivalents		**147,971**	246,369	**104,918**	131,086
Total current assets		**3,827,298**	3,096,207	**1,405,091**	1,650,669
Total assets		**18,882,085**	18,082,625	**13,061,432**	13,222,180
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated capital	28.1	**1,778,802**	1,778,802	**1,778,802**	1,778,802
Other components of equity	28.2	**4,037,642**	4,037,255	**2,463,232**	2,462,845
Accumulated profit		**6,072,393**	5,294,147	**3,565,297**	3,208,621
		11,888,837	11,110,204	**7,807,331**	7,450,268
Non-controlling interests	29	**913,254**	841,400	**-**	-
Total equity		**12,802,091**	11,951,604	**7,807,331**	7,450,268

As at 31 March		Group		Company	
In Rs. '000s	Notes	2026	2025	2026	2025
Non-current liabilities					
Interest bearing loans and borrowings	30.1	**614,093**	964,242	**555,673**	904,262
Lease liability	21.2	**302,948**	279,131	**302,948**	279,131
Retirement benefit obligations	31.1	**422,409**	366,203	**404,502**	351,047
Deferred tax liabilities	18.5	**2,136,074**	2,128,801	**1,431,456**	1,422,096
Amounts due to related parties	33.7	**-**	-	**403,750**	446,250
Total non-current liabilities		**3,475,524**	3,738,377	**3,098,329**	3,402,786
Current liabilities					
Interest bearing loans and borrowings	30.1	**371,149**	505,535	**348,589**	441,472
Lease liability	21.2	**123,871**	108,197	**123,871**	108,197
Trade and other payables	32	**1,146,349**	1,126,195	**693,989**	763,489
Income tax payable	18.4	**130,397**	50,197	**101,405**	50,152
Amounts due to related parties	33.7	**11,807**	37,760	**102,463**	553,722
Bank overdraft		**820,897**	564,760	**785,455**	452,094
Total current liabilities		**2,604,470**	2,392,644	**2,155,772**	2,369,126
Total equity and liabilities		**18,882,085**	18,082,625	**13,061,432**	13,222,180

Figures in brackets indicate deductions.
The significant accounting policies and notes, as set out on pages 166 to 214, form an integral part of these financial statements.

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

Amila Mapitiya
Chief Financial Officer

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

A E Tudawe
Chairman

A S Tudawe
Director

29 May 2026

STATEMENT OF CHANGES IN EQUITY - GROUP

In Rs. '000s	Attributable to Equity Holders of The Parent							
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Merger Reserve	Accumulated Profit	Total	Non-Controlling Interest	Total Equity
Balance as at 1 April 2024	**1,142,798**	**2,290,344**	**74,340**	**-**	**4,595,642**	**8,103,124**	**733,044**	**8,836,168**
Profit/(loss) for the period	-	-	-	-	652,599	652,599	73,412	726,011
Other comprehensive income	-	1,685,237	570	-	(76,965)	1,608,842	164,977	1,773,819
Total comprehensive income	-	1,685,237	570	-	575,634	2,261,441	238,389	2,499,830
Transactions with owners in their capacity as owners:								
Shares issued from merger reserve of DHC	86,098	-	-	(86,098)	-	-	-	-
Reserve transferred through merger	-	23,798	34,345	145,760	208,063	411,966	(103,932)	308,034
Withdrawal of shares of DHC	-	-	-	(950)	-	(950)	-	(950)
Settlement of investments in DHC	-	-	-	(130,091)	-	(130,091)	-	(130,091)
Effect of depreciation method adjustments	-	-	-	-	12,254	12,254	-	12,254
Right issue (Voting+Non-Voting)	549,906	-	-	-	-	549,906	-	549,906
Rights issue expenses	-	-	-	-	(3,053)	(3,053)	-	(3,053)
Dividend paid - ordinary shares	-	-	-	-	(94,393)	(94,393)	(26,101)	(120,494)
Balance as at 31 March 2025	**1,778,802**	**3,999,379**	**109,255**	**(71,379)**	**5,294,147**	**11,110,204**	**841,400**	**11,951,604**
Profit/(loss) for the period	-	-	-	-	951,149	951,149	100,659	1,051,808
Other comprehensive income	-	-	387	-	(5,317)	(4,930)	(96)	(5,026)
Total comprehensive income	-	-	387	-	945,832	946,219	100,563	1,046,782
Transactions with owners in their capacity as owners:								
Dividend paid - ordinary shares	-	-	-	-	(167,586)	(167,586)	(28,709)	(196,295)
Balance as at 31 March 2026	**1,778,802**	**3,999,379**	**109,642**	**(71,379)**	**6,072,393**	**11,888,837**	**913,254**	**12,802,091**

Figures in brackets indicate deductions.
The significant accounting policies and notes, as set out on pages 166 to 214, form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY

In Rs. '000s	Stated capital	Revaluation reserve	Fair Value reserve	Merger reserve	Accumulated profit	Total
Balance as at 1 April 2024	1,142,798	1,742,663	(658)	-	2,963,955	5,848,758
Profit/(loss) for the period	-	-	-	-	272,706	272,706
Other comprehensive income	-	682,404	570	-	(76,720)	606,254
Total comprehensive income	-	682,404	570	-	195,986	878,960
Transactions with owners in their capacity as owners:						
Shares issued from merger reserve of DHC	86,098	-	-	(86,098)	-	-
Reserve transferred through merger	-	-	109,245	145,760	111,460	366,465
Withdrawal of shares of DHC	-	-	-	(950)	-	(950)
Settlement of investments in DHC	-	-	-	(130,091)	-	(130,091)
Effect of depreciation method adjustments	-	-	-	-	12,254	12,254
Right Issue (Voting+Non-Voting)	549,906	-	-	-	-	549,906
Rights issue expenses	-	-	-	-	(3,053)	(3,053)
Dividend paid - ordinary shares	-	-	-	-	(71,980)	(71,980)
Balance as at 31 March 2025	**1,778,802**	**2,425,067**	**109,157**	**(71,379)**	**3,208,622**	**7,450,269**
Profit/(loss) for the period	-	-	-	-	528,991	528,991
Other comprehensive income	-	-	387	-	(4,730)	(4,343)
Total comprehensive income	-	-	387	-	524,261	524,648
Transactions with owners in their capacity as owners:						
Dividend paid - ordinary shares	-	-	-	-	(167,586)	(167,586)
Balance as at 31 March 2026	**1,778,802**	**2,425,067**	**109,544**	**(71,379)**	**3,565,297**	**7,807,331**

Figures in brackets indicate deductions.
The significant accounting policies and notes, as set out on pages 166 to 214, form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 March		Group		Company	
In Rs. '000s	Notes	2026	2025	2026	2025
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES					
Profit/(loss) before tax	17	**1,402,198**	957,921	**729,409**	416,854
Adjustments for:					
Inventory written-off/(write-in)		**-**	28,593	**-**	11,869
Provision/reversal for slow moving inventory		**(33,026)**	-	**(35,580)**	-
Provision for impairment of trade debtors		**41,072**	-	**28,478**	-
Depreciation charge for the year	20	**683,546**	535,255	**422,276**	369,560
Amortisation of intangible assets	22.4	**319**	319	**-**	-
Amortisation of right to use assets	21.1	**161,626**	139,434	**161,626**	139,434
Finance income	16.2	**(37,239)**	(51,135)	**(159,924)**	(160,733)
Finance costs	16.1	**193,050**	250,668	**227,415**	291,924
(Profit)/loss on disposal of property, plant and equipment		**(38,326)**	(36,101)	**(19,037)**	(36,101)
Fair value (gain)/loss on financial instruments		**(150,704)**	(189,474)	**(30,884)**	39,786
Provision for defined benefit plans	31.1	**72,304**	54,747	**67,497**	50,606
Operating profit before working capital changes		**2,294,820**	1,690,227	**1,391,276**	1,123,199
(Increase)/ decrease in inventories		**(99,533)**	45,547	**(90,545)**	41,877
(Increase)/ decrease in trade and other receivables		**(37,212)**	(45,207)	**71,132**	(3,402)
(Increase)/ decrease in dues from related parties		**-**	4,364	**(45,264)**	12,976
Increase/ (decrease) in trade and other payables		**20,154**	99,178	**(69,500)**	39,904
Increase/ (decrease) in dues to related parties		**(25,953)**	(105,033)	**(493,759)**	192,895
Cash generated from operations		**2,152,276**	1,689,076	**763,340**	1,407,449
Finance costs paid		**(193,050)**	(215,585)	**(227,415)**	(295,207)
Gratuity paid	31.1	**(23,659)**	(25,816)	**(20,799)**	(21,563)
Tax paid	18.4	**(260,770)**	(55,486)	**(137,778)**	(3,076)
Net cash from/ (used in) operating activities		**1,674,797**	1,392,189	**377,348**	1,087,603
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	20	**(755,238)**	(584,939)	**(458,193)**	(370,256)
Acquisition of intangible assets	22.4	**-**	(13)	**-**	-
Proceeds from disposal of property, plant and equipment		**79,734**	36,101	**26,803**	36,101
(Acquisition) / disposal of other financial assets (net)		**(555,664)**	(426,379)	**298,220**	24,943
Income from investments		**37,239**	51,135	**159,924**	160,733
Net cash flows from/ (used in) investing activities		**(1,193,929)**	(924,095)	26,754	(148,479)

For the year ended 31 March		Group		Company	
In Rs. '000s	Notes	2026	2025	2026	2025
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Receipts from Interest bearing loans and borrowings	30.1	-	30,000	-	-
Repayments of interest bearing loans and borrowings	30.1	**(484,535)**	(1,037,900)	**(441,472)**	(976,244)
Lease rent payment	21.2	**(154,573)**	(114,689)	**(154,573)**	(114,689)
Proceeds from the issue of shares (right issue and merger)		-	636,005	-	636,005
Adjustment due to merger - net reserves		-	-	-	(480,485)
Right issue expenses		-	(3,053)	-	(3,053)
Dividends paid		**(196,295)**	(120,494)	**(167,586)**	(71,980)
Net cash flows from/ (used in) financing activities		**(835,403)**	(610,131)	**(763,631)**	(1,010,446)
Net increase/ (decrease) in cash and cash equivalents		**(354,535)**	(142,037)	**(359,529)**	(71,322)
Cash and cash equivalents at the beginning of the year		**(318,391)**	(176,354)	**(321,008)**	(249,686)
Cash and cash equivalents at the end of the year		**(672,926)**	(318,391)	**(680,537)**	(321,008)
Analysis of cash & cash equivalents:					
Cash in hand and at bank		**147,971**	246,369	**104,918**	131,086
Bank overdraft		**(820,897)**	(564,760)	**(785,455)**	(452,094)
Total cash and cash equivalents		**(672,926)**	(318,391)	**(680,537)**	(321,008)

Figures in brackets indicate deductions.
The significant accounting policies and notes, as set out on pages 166 to 214, form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting Entity

Ceylon Hospitals PLC ("the Company") is a Public Limited Liability Company, incorporated and domiciled in Sri Lanka under the provisions of companies Act No. 07 of 2007 and listed on the Colombo Stock Exchange. The registered office and the principal place of business are located at No. 03, Alfred Place, Colombo 03.

The Company's ultimate parent undertaking is Durdans Management Services Ltd, which is a Company incorporated in Sri Lanka.

1.2 Principal Activities and Nature of Operations

The principal activities of the Company and the Group are to provide healthcare and laboratory services. There were no significant changes in the nature of principal activities of the Company and the Group during the financial year.

1.3 Consolidated Financial Statements

The financial statements for the year ended 31 March 2026 comprise "the Company" referring to Ceylon Hospitals PLC as the holding Company and "the Group" referring to the companies that have been consolidated therein.

1.4 Responsibility for Financial Statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility report in the Annual Report.

1.5 Approval of Financial Statements

The financial statements of the Company and the Group for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 29 May 2026.

2 GROUP INFORMATION

Subsidiaries

The companies within the Group are shown in the Group structure on page 7 of the Annual Report.

BASIS OF PREPARATION AND OTHER MATERIAL ACCOUNTING POLICIES

3 BASIS OF PREPARATION

3.1 Statements of Compliance

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

3.2 Accrual Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, whereby the effects of transactions and other events are recognised when they occur and are recorded in the accounting records and reported in the financial statements in the periods to which they relate, except for information on cash flows.

3.3 Basis of Measurement

The financial statements have been prepared on the historical cost convention except for the following material items:

- Freehold land and buildings, which are measured at revalued amounts in accordance with LKAS 16
- Financial instruments measured at fair value in accordance with SLFRS 9
- Defined benefit obligations measured at present value in accordance with LKAS 19

3.4 Going Concern

The Group has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group companies in determining the going concern basis for preparation of the financial statements.

The management has formed judgment that the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

3.5 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

3.6 Materiality and Aggregation

Each material class of similar items is presented cumulatively 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'.

3.7 Functional and Presentation Currency

The consolidated financial statements are presented in Sri Lankan Rupees (Rs), which is the primary economic environment in which the holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

All values are rounded to the nearest rupees thousand (Rs.'000s) except when otherwise indicated

3.8 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous year in the consolidated financial statements in order to enhance the understanding of the current year financial statements and to enhance the inter period comparability.

The presentation and classification of the financial statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year. Accordingly, in 2025, Rs. 345 million and Rs. 69 million of revenue-related expenses were reclassified from other operating expenses and offset against revenue in the consolidated and company statements of profit or loss, respectively. In addition to this, as at 31 March 2025, interest receivable on long-term fixed deposits amounting to Rs. 12 million, previously classified under Other Receivables, and refundable deposits of a long-term nature amounting to Rs. 8 million, previously classified under Advances and Prepayments, have been reclassified to Other Non-Current Financial Assets. Further, fixed deposits amounting to Rs. 20 million and refundable deposits amounting to Rs. 33 million, which were previously presented under Other Current Financial Assets, have been reclassified to Other Non-Current Financial Assets to reflect their underlying nature and expected realization beyond twelve months from the reporting date.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of the Group require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

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 to the financial statements. 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.

The items which have most significant effect on accounting, judgements, estimate and assumptions are as follows;

a) Going concern basis

b) Valuation of property, plant and equipment and investment property

c) Taxes

d) Employee benefit liability

e) Provision for expected credit losses of trade receivables and contract assets

f) Leases

Information about the significant judgements, estimates, and assumptions that have a material effect on the carrying amounts of assets and liabilities for the year ended 31 March 2026 is disclosed in the following notes:

Note 20 - Measurement of useful lifetime and revaluation of Property, Plant and Equipment

Note 21 - Recognition of Right of Use Asset and Lease Liability

Note 31 - Measurement of defined benefit obligations: Key actuarial assumptions

Note 18 - Recognition of deferred tax liability/(asset): availability of future taxable profit against which tax losses carried forward can be used

Note 34 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

5.1 Material Accounting Policies Disclosed with Individual Notes

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages. Those accounting policies have been applied consistently by the Group.

5.2 Other Material Accounting Policies not Disclosed with Individual Notes

Following accounting policies, which have been applied consistently by the Group, are considered to be material but not covered in any other sections.

Current versus Non-current Classification

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

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in 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 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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

Foreign Currency Translation, Foreign Currency Transactions and Balances

The consolidated financial statements are presented in Sri Lanka Rupees (Rs), which is the Company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entities of the Group operate. All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss on changing fair value of the item.

6 CHANGES IN ACCOUNTING STANDARDS

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

Amendments to LKAS 21: Lack of Exchangeability

7 STANDARDS ISSUED BUT NOT YET EFFECTIVE

SLFRS 18 - Presentation and Disclosure in Financial Statements

SLFRS 18, which will replace LKAS 1, introduces revised requirements on the presentation of financial performance, including the introduction of defined subtotals in the statement of profit or loss, categorisation of income and expenses, and enhanced disclosures relating to management-defined performance measures.

This standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

The Company is in the process of evaluating the potential impact of this standard. Based on the assessment performed to date, the adoption of SLFRS 18 is expected to primarily affect the presentation and disclosures of the financial statements and is not expected to have a material impact on the recognition and measurement of the Company's assets, liabilities, income and expenses.

The following amendments and improvements are not expected to have a significant impact on the Group's financial statements.

Amendments to SLFRS 9 & SLFRS 7: Classification and Measurement of Financial Instruments

SLFRS 19 - Subsidiaries without Public Accountability : Disclosures 8

8 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the end of reporting period. Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Control over an Investee

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies.

Transactions Eliminated on Consolidation

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Loss of Control

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the income statement. Any investment retained is recognised at fair value. The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and consolidated statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the consolidated statement of financial position.

Non-Controlling Interest (NCI)

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from equity attributable to the shareholders of the parent.

The consolidated statement of cash flow includes the cash flows of the Company and its subsidiaries.

9 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method of accounting. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

When the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquire is lower than the fair value of net assets acquired, a gain is recognised immediately in the income statement.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.
If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability, and which is a financial instrument and within the scope of SLFRS 9, is measured at fair value with changes in fair value either in the income statement or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of SLFRS 9, it is measured in accordance with the appropriate SLFRS/LKAS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value maybe impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation, goodwill disposed in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

10 FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

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** : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by 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.

The Group determines the policies and procedures for both recurring fair value measurement, such as unquoted equity instruments, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Involvement of external valuers are decided upon annually by the Group after discussion with and approval by the Company's Audit Committee. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Group decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets and liabilities.

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.

10.1 Fair Value Measurement Hierarchy - Group

The Group held the following assets carried at fair value in the statement of financial position:

As at 31 March	Level 1		Level 2		Level 3		Total	
In Rs. '000s	2026	2025	2026	2025	2026	2025	2026	2025
Financial Assets								
Quoted equity instruments	**776,037**	338,044	**-**	-	**-**	-	**776,037**	338,044
Unquoted equity instruments	**-**	-	**-**	-	**13,500**	13,500	**13,500**	13,500
Unit trusts and wealth management funds	**1,387,243**	1,055,584	**-**	-	**-**	-	**1,387,243**	1,055,584
Total	**2,163,280**	1,393,628	**-**	-	**13,500**	13,500	**2,176,780**	1,407,128
Non Financial Assets								
Lands	**-**	-	**-**	-	**4,636,600**	4,636,600	**4,636,600**	4,636,600
Buildings	**-**	-	**-**	-	**6,965,378**	7,120,216	**6,965,378**	7,120,216
Total	**-**	-	**-**	-	**11,601,978**	11,756,816	**11,601,978**	11,756,816

10.2 Fair Value Measurement Hierarchy - Company

The Company held the following assets carried at fair value in the statement of financial position:

As at 31 March	Level 1		Level 2		Level 3		Total	
In Rs. '000s	2026	2025	2026	2025	2026	2025	2026	2025
Financial Assets								
Quoted equity instruments	**45,053**	36,151	**-**	-	**-**	-	**45,053**	36,151
Unquoted equity instruments	**-**	-	**-**	-	**13,500**	13,500	**13,500**	13,500
Unit trusts and wealth management funds	**62,401**	291,471	**-**	-	**-**	-	**62,401**	291,471
Total	**107,454**	327,622	**-**	-	**13,500**	13,500	**120,954**	341,122
Non Financial Assets								
Lands	**-**	-	**-**	-	**3,438,880**	3,438,880	**3,438,880**	3,438,880
Buildings	**-**	-	**-**	-	**4,397,337**	4,452,957	**4,397,337**	4,452,957
Total	**-**	-	**-**	-	**7,836,217**	7,891,837	**7,836,217**	7,891,837

Cash and Cash Equivalents / Bank Overdraft

The carrying amount of the cash and cash equivalents and bank overdrafts approximates the fair value as at the reporting date as they are short-term in nature.

Trade and Other Receivables / Payables

Trade and other receivables / payables are expected to be settled within one year from the reporting date, hence the discounting impact would be immaterial. Therefore, carrying amount approximates the fair value as at the reporting date.

During the reporting periods ended 31 March in 2026 and 2025, there were no transfers between the 3 levels.

10.3 Reconciliation of Fair Value Measurements of level 3 Financial Instruments

The Group and Company carries unquoted equity shares are classified as Level 3 within the fair value hierarchy. A reconciliation of the beginning and closing balances including movements is summarised below:

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Balance at the beginning of the Year	**13,500**	13,500	**13,500**	13,500
Balance at the end of the Year	**13,500**	13,500	**13,500**	13,500

Summary of the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Unobservable inputs : Earning growth rate

: Risk adjusted discount factor

Relationship of unobservable input to fair value :Estimated fair value would increase/(decrease) if net cash inflow and discount rate increase/ decrease

Fair valuation done as at 31 March 2026 for all unquoted equity shares are classified as Level 3 within the fair value hierarchy using fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

11 FINANCIAL INSTRUMENTS AND RELATED POLICIES

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

11.1 Financial Assets

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables and quoted and unquoted financial instruments.

11.1.1 Initial Recognition and Measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The Group's financial assets at amortised cost includes trade receivables and short-term investments.

Financial Assets at Amortised Cost (Debt Instruments)

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through OCI (Debt Instruments)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI. The Group measures financial assets at fair value through OCI if both of the following conditions are met:

The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Financial Assets at Fair Value through Profit or Loss

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

This category includes derivative instruments and quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the income statement.

11.1.2 Subsequent Measurement

Financial Assets at Amortised Cost (Debt Instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

Financial Assets at Fair Value through OCI (Debt Instruments)

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statement.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Gains and losses on these financial assets are never recycled to the income statement. Dividends are recognised as finance income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial Assets at Fair Value through Profit or Loss

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

Dividends on quoted equity investments are also recognised as finance income in the income statement when the right of payment has been established.

11.1.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

11.1.4 Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

11.1.5 Financial Assets by Categories - Group

As at 31 March	Financial Assets at Amortised Cost		Financial Assets at Fair Value through OCI		Financial Assets at Fair Value through P/L		Total	
In Rs. '000s	2026	2025	2026	2025	2026	2025	2026	2025
Financial instruments in non-current assets								
Non-current financial assets	**309,918**	312,855	**59,418**	50,516	**-**	-	**369,336**	363,371
Financial instruments in current assets								
Trade and other receivables	**295,827**	377,095	**-**	-	**-**	-	**295,827**	377,095
Amounts due from related parties	**1,022**	1,022	**-**	-	**-**	-	**1,022**	1,022
Other current financial assets	**34,386**	94,346	**-**	-	**2,117,362**	1,356,612	**2,151,748**	1,450,958
Cash and cash equivalents	**147,971**	246,369	**-**	-	**-**	-	**147,971**	246,369
Total	**789,124**	1,031,687	**59,418**	50,516	**2,117,362**	1,356,612	**2,965,904**	2,438,815

11.1.6 Financial Assets by Categories - Company

As at 31 March	Financial Assets at Amortised Cost		Financial Assets at Fair Value through OCI		Financial Assets at Fair Value through P/L		Total	
In Rs. '000s	2026	2025	2026	2025	2026	2025	2026	2025
Financial instruments in non-current assets								
Non-current financial assets	**106,459**	91,121	**58,553**	49,651	**-**	-	**165,012**	140,772
Financial instruments in current assets								
Trade and other receivables	**150,107**	307,303	**-**	-	**-**	-	**150,107**	307,303
Amounts due from related parties	**98,660**	53,396	**-**	-	**-**	-	**98,660**	53,396
Other current financial assets	**-**	62,119	**-**	-	**62,401**	291,471	**62,401**	353,590
Cash and cash equivalents	**104,918**	131,086	**-**	-	**-**	-	**104,918**	131,086
Total	**460,144**	645,025	**58,553**	49,651	**62,401**	291,471	**581,098**	986,147

11.2 Financial Liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

11.2.1 Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Loans and Borrowings (Financial Assets at Amortised Cost)

Loans and borrowings include bank loans, overdrafts and other interest-bearing liabilities of the Group.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Transaction costs of financial assets carried at FVPL are expensed in the income statement.

11.2.2 Subsequent Measurement

Financial Liabilities at Fair Value through Profit or Loss

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

For financial liabilities designated at fair value through profit or loss, the portion of the fair value change attributable to changes in the Group's own credit risk is recognised in OCI, unless this creates or enlarges an accounting mismatch. The remaining changes in fair value are recognised in profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of the cost of a qualifying asset in accordance with LKAS 23.

Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process.

11.2.3 Derecognition

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

11.2.4 Financial Liabilities by Categories - Group

As at 31 March	Financial Assets at Amortised Cost		Total	
In Rs. '000s	2026	2025	2026	2025
Financial instruments in non-current liabilities				
Interest-bearing loans and borrowings	**614,093**	964,242	**614,093**	964,242
Lease liabilities	**302,948**	279,131	**302,948**	279,131
Financial instruments in current assets				
Interest-bearing loans and borrowings	**371,149**	505,535	**371,149**	505,535
Lease liabilities	**123,871**	108,197	**123,871**	108,197
Trade and other payables	**1,146,349**	1,126,195	**1,146,349**	1,126,195
Amounts due to related parties	**11,807**	37,760	**11,807**	37,760
Bank overdrafts	**820,897**	564,760	**820,897**	564,760
Total	**3,391,114**	3,585,820	**3,391,114**	3,585,820

11.2.5 Financial Liabilities by Categories - Company

As at 31 March	Financial Assets at Amortised Cost		Total	
In Rs. '000s	2026	2025	2026	2025
Financial instruments in non-current liabilities				
Interest-bearing loans and borrowings	**555,673**	904,262	**555,673**	904,262
Lease liabilities	**302,948**	279,131	**302,948**	279,131
Financial instruments in current assets				
Interest-bearing loans and borrowings	**348,589**	441,472	**348,589**	441,472
Lease liabilities	**123,871**	108,197	**123,871**	108,197
Trade and other payables	**693,989**	763,489	**693,989**	763,489
Amounts due to related parties	**102,463**	553,722	**102,463**	553,722
Bank overdrafts	**785,455**	452,094	**785,455**	452,094
Total	**2,912,988**	3,502,367	**2,912,988**	3,502,367

11.3 Offsetting of Financial Instruments

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

11.4 Fair Value of Financial Instruments

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 following methods and assumptions were used to estimate the fair values:

- Fair value of quoted instruments is based on price quotations in an active market at the reporting date.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- Fair value of the unquoted ordinary shares has been estimated using a discounted cash flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible.

Where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investments in debt and equity instruments and enters into derivative transactions. The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables.

The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group. These financial instruments are exposed to credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk).

The Board of Directors have the overall responsibility for establishment and oversight of the Group Risk Management Framework.

The financial risk management framework provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial acumen team that advises on financial risks and the appropriate financial risk governance framework for the Group. The finance team provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and group activities. The Group through its training and management standards and procedures, aim to develop a discipline and constructive environment in which all employee understand their roles and obligations.

12.1 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum credit risk of the Group and the Company is limited to the carrying value of these financial assets as at the reporting date.

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group treasury manages the risk arising from investments made in financial institutions in accordance with the policy direction provided by the Board. The transactions are carried out only with a limited number of institutions, all of which have stable credit ratings from internationally recognised rating providers. The Group's exposures and credit ratings of counterparties are continuously monitored and the investment portfolio is diversified amongst several institutions to minimise the unsystematic risk.

12.1.1 Credit Risk Exposure

The maximum credit risk exposure of the Group and the Company is limited to the carrying value of these financial assets as at the reporting date.

As at 31 March	Group				Company			
	2026		2025		2026		2025	
	Rs. '000s	%	Rs. '000s	%	Rs. '000s	%	Rs. '000s	%
Trade and other receivables	**295,827**	**35%**	377,095	35%	**150,107**	**29%**	307,303	44%
Financial assets at amortised cost	**344,304**	**41%**	407,201	38%	**106,459**	**21%**	153,240	22%
Financial assets at fair value through OCI	**59,418**	**7%**	50,516	5%	**58,553**	**11%**	49,651	7%
Amounts due from related parties	**1,022**	**0.1%**	1,022	0.1%	**98,660**	**19%**	53,396	8%
Cash and cash equivalents	**147,971**	**17%**	246,369	23%	**104,918**	**20%**	131,086	19%
	848,542	**100%**	1,082,203	100%	**518,697**	**100%**	694,676	100%

12.1.2 Credit Risk exposure relating to Trade Receivables

As at 31 March	Group				Company			
	2026		2025		2026		2025	
	Exposure	ECL	Exposure	ECL	Exposure	ECL	Exposure	ECL
Neither past due nor impaired	**139,651**	**5,668**	107,152	4,034	**65,841**	**4,032**	78,239	2,805
Past due but not impaired:								
31–60 days	**106,160**	**18,539**	70,370	8,700	**38,555**	**4,089**	41,037	2,571
61–90 days	**22,657**	**4,145**	38,823	5,277	**16,856**	**3,332**	35,247	4,365
91–120 days	**21,727**	**6,437**	63,506	13,610	**19,728**	**5,969**	56,568	10,767
121–180 days	**29,586**	**12,127**	41,753	13,251	**26,298**	**10,877**	36,683	9,808
Over 180 days	**29,919**	**14,221**	71,645	26,514	**14,310**	**7,357**	60,990	17,618
Impaired	**61,713**	**61,713**	-	-	**48,465**	**48,465**	-	-
Gross carrying value	**411,413**	**122,850**	393,249	71,386	**230,053**	**84,121**	308,764	47,934
Less: Allowance for expected credit losses (ECL)	**(122,850)**		(71,386)		**(84,121)**		(47,934)	
Net carrying value	**288,563**		321,863		**145,932**		260,830	

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers various statistics of the Group's customer base including default risk, business relationship with due attention given to past performances, stability of industry and credit worthiness.

Customer credit risk is managed by each business unit subject to the Group's established policies, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit evaluation format and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and obtaining the Letter of Guarantees from patients who are admitted to the hospital through corporate customers.

Impairment Losses

The group applies the SLFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified a more relevant macroeconomic forward looking element of Sri Lanka, the country in which it sells its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

12.1.3 Credit Risk exposure relating to Other Financial Assets

The Group's other financial assets comprise equity investments, investments in unit trusts and deposits with financial institutions. All these investments are made after obtaining approval of the Board of Directors.

12.1.4 Credit Risk exposure relating to Amounts due from Related Parties

The Group's amounts due from related parties comprise balances receivable from the ultimate parent company, while the Company's amounts due from related parties comprise balances receivable from the ultimate parent company and subsidiary companies.

12.1.5 Credit Risk exposure relating to Cash and Cash Equivalents

In order to mitigate the concentration, settlement and operational risks associated with cash and cash equivalents, the Group actively manages its exposure to individual counterparties by considering, where relevant, the counterparty's credit rating and financial standing. Such exposures are reviewed periodically, taking into account the duration of the exposure and the nature of the underlying transactions and agreements governing the arrangements.

12.2 Liquidity Risk

An entity would require sufficient funds for a number of purposes such as operational requirements, debt servicing and investments. Additionally, a shortage of liquidity would have a negative impact on stakeholder confidence in a business entity.

Liquidity refers to the availability of cash or assets which can be converted to cash in a short period of time in order to meet future liabilities of a business. The Group has ensured that it maintains sufficient liquidity reserves to meet all its funding requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

12.2.1 Liquidity Risk Exposure

Management of working capital by shortening the working capital cycle is given a high priority by the Group.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Cash in hand and at bank	**147,971**	246,369	**104,918**	131,086
Unit trusts and wealth management funds	**1,387,243**	1,055,584	**62,401**	291,471
Fixed deposits	**111,917**	159,691	**38,755**	94,349
Quoted equity instruments	**776,037**	338,044	**45,053**	36,151
Total liquid assets	**2,423,168**	1,799,688	**251,127**	553,057
Interest-bearing loans and borrowings (Current)	**371,149**	505,535	**348,589**	441,472
Lease liabilities (Current)	**123,871**	108,197	**123,871**	108,197
Bank overdraft	**820,897**	564,760	**785,455**	452,094
Total demand liabilities	**1,315,917**	1,178,492	**1,257,915**	1,001,763
Excess / (short) liquidity through operating cycle	**1,107,251**	621,196	**(1,006,788)**	(448,706)

Maturity Analysis - Group

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 March In Rs. '000s	2026 On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Interest-bearing loans and borrowings	-	118,006	333,122	670,438	-	1,121,566
Lease liabilities	-	43,775	112,349	376,821	-	532,945
Trade and other payables	-	630,492	515,857	-	-	1,146,349
Amounts due to related parties	-	11,807	-	-	-	11,807
Bank overdrafts	820,897	-	-	-	-	820,897
Total	**820,897**	**804,080**	**961,328**	**1,047,259**	**-**	**3,633,564**

As at 31 March In Rs. '000s	2025 On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Interest-bearing loans and borrowings	-	155,930	443,214	1,114,901	-	1,714,045
Lease liabilities	-	37,244	105,418	353,419	-	496,081
Trade and other payables	-	619,407	506,788	-	-	1,126,195
Amounts due to related parties	-	37,760	-	-	-	37,760
Bank overdrafts	564,760	-	-	-	-	564,760
Total	**564,760**	**850,341**	**1,055,420**	**1,468,320**	**-**	**3,938,841**

Maturity Analysis - Company

The tables below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March In Rs. '000s	2026 On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Interest-bearing loans and borrowings	-	110,213	310,663	603,516	-	1,024,392
Lease liabilities	-	43,775	112,349	376,821	-	532,945
Trade and other payables	-	381,694	312,295	-	-	693,989
Amounts due to related parties	-	123,483	61,405	285,545	236,787	707,220
Bank overdrafts	785,455	-	-	-	-	785,455
Total	**785,455**	**659,165**	**796,712**	**1,265,882**	**236,787**	**3,744,001**

As at 31 March In Rs. '000s	2025 On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Interest-bearing loans and borrowings	-	141,766	404,078	1,019,213	-	1,565,057
Lease liabilities	-	37,244	105,418	353,419	-	496,081
Trade and other payables	-	419,919	343,570	-	-	763,489
Amounts due to related parties	-	574,740	61,556	290,388	295,025	1,221,709
Bank overdrafts	452,094	-	-	-	-	452,094
Total	**452,094**	**1,173,669**	**914,622**	**1,663,020**	**295,025**	**4,498,430**

12.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The sensitivity analysis in the following sections relate to the position as at 31 March in 2026 and 2025.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks.
- This is based on the financial assets and financial liabilities held at 31 March in 2026 and 2025.

12.3.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The interest rate risk of the group arises from financial instruments which are exposed to variable or fixed rate interest rates. Financial instruments with fixed interest rates are subject to variations in fair values due to market interest rate movements. The Group manages its interest rate risk by monitoring and managing cash flows, negotiating favourable rates on deposits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

For the year ended 31 March In Rs. '000s	Increase / Decrease In Basis Points	Effect on Profit/(Loss) Before Tax Group	 Company
2026	**+ 100 bps**	**(18,061)**	**(16,897)**
	- 100 bps	**18,061**	**16,897**
2025	+ 100 bps	(20,345)	(17,978)
	- 100 bps	20,345	17,978

12.3.2 Foreign Currency Risk

The Group being provided healthcare services to international patients exposed to foreign exchange risk, which is primarily in US Dollars. However, having lower value of debtor balances outstanding impact on financials is minimum.

12.3.3 Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. All equity investments are made after obtaining approval of the Group Executive Committee.

12.4 Capital Management

Capital includes ordinary shares and other equities attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares.

The Group monitors its capital using the gearing ratio, calculated as net debt divided by total capital. The Group's policy is to maintain the gearing ratio within the range of 25% to 40%. However, both the Group and the Company have maintained a conservative capital structure during the year, with the gearing ratio remaining below 20% as at the reporting date. Net debt comprises interest-bearing loans and borrowings, lease liabilities, and bank overdrafts, net of cash and cash equivalents.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Interest-bearing loans and borrowings	**985,242**	1,469,777	**904,262**	1,345,734
Lease liabilities	**426,819**	387,328	**426,819**	387,328
Bank overdrafts	**820,897**	564,760	**785,455**	452,094
Less: Cash and cash equivalents	**(147,971)**	(246,369)	**(104,918)**	(131,086)
Net debt	**2,084,987**	2,175,496	**2,011,618**	2,054,070
Equity	**12,802,091**	11,951,604	**7,807,331**	7,450,268
Total Capital	**16,972,065**	16,302,596	**11,830,567**	11,558,408
Gearing ratio	**12%**	13%	**17%**	18%

13 OPERATING SEGMENT INFORMATION

An operating segment is a component of the Group or the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group or the Company's other components.

All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business segment) or in providing products or services within a particular economic environment (Geographical segment), which is subject to risk and rewards that are different from those of other segments.

However, there are no distinguishable components to be identified as segments for the Group and the Company.

NOTES TO THE STATEMENTS OF PROFIT OR LOSS, COMPREHENSIVE INCOME AND FINANCIAL POSITION

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

14.1 Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are 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.

Under SLFRS 15, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

14.2 Performance Obligations and Significant Judgements

The Group provides healthcare services including inpatient care, outpatient consultations, diagnostic services and sale of pharmaceuticals. These services are delivered to patients, corporates and insurance providers.

Inpatient Services

Revenue from inpatient services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Outpatient and Channelling Services

Revenue from outpatient and channelling services is recognised at a point in time, when the service is rendered to the patient.

Diagnostic and Laboratory Services

Revenue from diagnostic and laboratory services is recognised at a point in time, upon completion of the tests and delivery of reports to patients.

Pharmacy Sales

Revenue from the sale of pharmaceuticals is recognised at a point in time, when control of the goods is transferred to the customer.

Others Healthcare Services

Other revenue represents revenue from other value added services provided by the hospital and is recognised at the time of provision of service and invoice is raised at the time of service is consumed.

Educational Service Revenue

Educational service revenue comprises income earned from nursing and other healthcare-related training programmes conducted by the Group and is recognised over time as the related training services are provided.

The Group applies the practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Group expects to recognise that amount as revenue for the year ended 31 March 2026.

14.3 Disaggregated Revenue Information

The Group derives revenue from the provision of healthcare services, which is disaggregated as follows:

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Timing of revenue recognition				
Services transferred over time	**4,025,555**	3,013,907	**1,570,406**	1,116,494
Services transferred or goods sold at a point in time	**6,953,441**	6,391,463	**6,430,469**	5,621,880
Total revenue from contracts with customers	**10,978,996**	9,405,370	**8,000,875**	6,738,374
Type of services				
Inpatient services	**3,884,983**	2,895,314	**1,570,406**	1,116,494
Outpatient and channelling services	**346,381**	321,424	**302,941**	255,908
Diagnostic and laboratory services	**5,629,035**	4,637,874	**5,366,000**	4,402,464
Pharmacy and other healthcare services	**978,025**	1,432,165	**761,528**	963,508
Educational service revenue	**140,572**	118,593	**-**	-
Total revenue from contracts with customers	**10,978,996**	9,405,370	**8,000,875**	6,738,374

14.4 Items Excluded from Revenue Recognition

Consultancy fees collected on behalf of the resident and visiting consultants by the Group do not form part of revenue are excluded from the revenue, as the Company acts as the agent for rendering healthcare consultancy services to its customers due to following reasons:

- Prime responsibility to provide consultation services to the customer or fulfilling the order rests with the respective consultant.
- Establishing the consultancy charges and other terms of the service transaction rests with the respective consultant.

14.5 Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Liabilities

Contract liabilities are Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include advance payments received from patients.

15 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

15.1 Other Operating Income

Other operating income represents income earned from activities incidental to the Group's principal healthcare operations and is recognised in profit or loss when the related services are performed or when the right to receive income is established.

The composition of other operating income is as follows:

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Profit on disposal of property, plant and equipment	**38,326**	36,101	**19,037**	36,101
Fair value gain on financial assets at FVTPL	**150,704**	218,824	**30,884**	24,767
Rent income	**22,225**	17,097	**22,150**	17,097
Foreign exchange gain	**2,333**	1,511	**2,209**	2,230
Sundry income	**19,238**	11,935	**39,986**	37,330
	232,826	285,468	**114,266**	117,525

15.2 Other Operating Expenses

Other operating expenses represent costs incurred in the course of operations that are not directly attributable to the provision of core healthcare services and is recognised in profit or loss as incurred.

The composition of other operating expenses is as follows:

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Repair and maintenance expenses	**336,149**	323,339	**211,742**	193,330
Advertising and business promotional expenses	**84,322**	98,053	**44,424**	59,215
Accreditation expenses	**13,341**	31,682	**12,223**	19,182
Waste disposal	**45,179**	35,039	**21,778**	21,368
Postage and courier expenses	**102,964**	96,163	**102,962**	96,159
Other overheads	**435,233**	345,513	**323,934**	281,718
	1,017,188	929,789	**717,063**	670,972

16 FINANCE INCOME AND FINANCE COSTS

16.1 Finance Cost

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, losses on disposal of fair value though OCI financial assets, impairment losses recognised on financial assets (other than trade receivables) that are recognised in the income statement.

Interest costs are recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

The composition of finance costs is as follows:

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Interest expense on bank borrowings	**114,651**	183,459	**150,690**	226,145
Interest expense on bank overdrafts	**26,749**	31,277	**25,075**	29,847
Finance charge on lease liabilities	**51,650**	35,932	**51,650**	35,932
	193,050	250,668	**227,415**	291,924

16.2 Finance Income

Finance income comprises interest income on funds invested and dividend income.

Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

The composition of finance income is as follows:

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Interest Income	**22,751**	25,862	**8,940**	10,303
Dividend Income	**14,488**	25,273	**150,984**	150,430
	37,239	51,135	**159,924**	160,733

17 PROFIT/(LOSS) BEFORE TAX

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's performance.

Profit/(loss) before tax is stated after charging all expenses including the following;

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Director's fees and remuneration	**106,866**	90,042	**90,131**	85,632
Salaries	**1,666,318**	1,381,732	**1,280,459**	1,173,765
Internal auditors' remunaration and other external assignment charges	**17,700**	8,480	**17,041**	8,480
External Auditors' Remuneration	**2,502**	3,068	**1,367**	2,000
Cost of defined employee benefits:				
Defined benefit plan cost (Gratuity)	**72,304**	55,154	**67,496**	50,606
Defined contribution plan cost (EPF and ETF)	**216,065**	182,730	**175,042**	148,270
Depreciation of property, plant and equipment	**683,546**	535,255	**422,276**	369,560
Amortisation of ROU assets	**161,626**	139,434	**161,626**	139,434

18 TAXES

The Group is subject to income tax and other taxes, including VAT/GST.

Current Tax

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 income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and for items recognised in other comprehensive income shall be recognised in other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act of Sri Lanka. The Group has complied with the arm's length principles relating to transfer pricing as prescribed in the Inland Revenue Act.

Additional taxes arising on the distribution of dividends by the Group are recognised at the time the related dividend liability is recognised. Such taxes are generally recognised in profit or loss, as they relate to income from transactions that were originally recognised in profit or loss.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, and unused tax credits, tax losses and other credits carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and tax losses carried forward can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of an assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that 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.

18.1 Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in Equity or in OCI.

Significant judgement is required to determine the total provision for current and deferred taxes due to uncertainties that exist with respect to the interpretation of the applicability of tax law at the time of the preparation of these financial statements. Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Where the final tax outcome of such matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax amounts in the period in which the determination is made.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

Applicable Rates of Income Tax

The income tax liability of resident companies is computed at the standard rate of 30%, except for the business income of Durdans Medical and Surgical Hospital (Pvt) Ltd, which is subject to a concessionary tax rate of 15% in accordance with the applicable provisions of the Inland Revenue Act.

18.2 Tax Expense / (Reversal)

For the year ended 31 March In Rs. '000s	Notes	Group 2026	 2025	Company 2026	 2025
Statement of Profit or Loss					
Current tax charge/(reversal)	18.6	**291,988**	149,939	**175,907**	89,327
Under/(over) provision of current tax of prior years		**23,938**	(22,074)	**13,124**	(11,986)
Withholding tax on inter-company dividends		**25,043**	22,073	**-**	-
Deferred tax charge/(reversal)	18.3	**9,421**	81,972	**11,387**	66,807
		350,390	231,910	**200,418**	144,148
Other Comprehensive Income					
Deferred tax charge/(reversal)	18.3	**(2,148)**	657,003	**(2,027)**	259,579
		(2,148)	657,003	**(2,027)**	259,579

18.3 Deferred Tax Charge/(Reversal)

For the year ended 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Deferred tax charged directly to statement of profit or loss				
Accelerated depreciation for tax purposes	**43,770**	106,877	**44,356**	107,943
Defined benefit obligations	**(14,301)**	(12,971)	**(14,009)**	(11,296)
Impairment of trade receivables	**(9,248)**	(4,296)	**(8,543)**	(4,296)
Right-of-use assets	**9,732**	(274)	**9,732**	(274)
Lease creditors	**(11,847)**	3,653	**(11,847)**	3,653
Benefit arising from tax losses	**-**	3,783	**-**	3,783
Other temporary changes on accounting provisions	**(8,685)**	(14,800)	**(8,302)**	(32,706)
	9,421	81,972	**11,387**	66,807
Deferred tax charged directly to other comprehensive income				
Defined benefit obligations	**(2,148)**	(33,002)	**(2,027)**	(32,880)
Revaluation of land and buildings to fair value	**-**	690,005	**-**	292,459
	(2,148)	657,003	**(2,027)**	259,579
Total deferred tax charge/(reversal) for the year	**7,273**	738,975	**9,360**	326,386

18.4 Income Tax Liabilities

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
At the beginning of the year	**50,197**	(44,255)	**50,152**	(24,113)
Charge for the year	**340,970**	149,938	**189,031**	77,341
Payments, set off against refunds and tax credits	**(260,770)**	(55,486)	**(137,778)**	(3,076)
At the end of the year	**130,397**	50,197	**101,405**	50,152

18.5 Deferred Tax Liabilities/(Assets)

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
At the beginning of the year	**2,128,801**	1,389,826	**1,422,096**	1,095,710
Charge/(release)	**7,273**	738,975	**9,360**	326,386
At the end of the year	**2,136,074**	2,128,801	**1,431,456**	1,422,096

18.5.1 Deferred Tax Assets

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
At the beginning of the year	**263,246**	205,613	**238,206**	164,464
Charge/(release)	**46,229**	57,633	**44,728**	73,742
Transfers	**-**	-	**-**	-
At the end of the year	**309,475**	263,246	**282,934**	238,206
The closing deferred tax asset balance relates to the following:				
Defined benefit obligations	**144,036**	127,587	**121,350**	105,315
Impairment of trade receivables	**28,709**	19,461	**25,236**	16,693
Lease creditors	**128,046**	116,198	**128,046**	116,198
Other temporary changes on accounting provisions	**8,684**	-	**8,302**	-
	309,475	263,246	**282,934**	238,206

18.5.2 Deferred Tax Liabilities

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
At the beginning of the year	**2,392,047**	1,595,439	**1,660,302**	1,260,174
Charge/(release)	**53,502**	796,608	**54,088**	400,128
Transfers	**-**	-	**-**	-
At the end of the year	**2,445,549**	2,392,047	**1,714,390**	1,660,302
The closing deferred tax liability balance relates to the following:				
Accelerated depreciation for tax purposes	**816,270**	772,500	**554,730**	510,374
Right-of-use assets	**118,529**	108,797	**118,529**	108,797
Revaluation of land and buildings to fair value	**1,510,750**	1,510,750	**1,041,131**	1,041,131
	2,445,549	2,392,047	**1,714,390**	1,660,302

18.6 Reconciliation between Current Tax Charge and the Accounting Profit / (Loss)

For the year ended 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Profit/(loss) before tax	**1,551,624**	1,102,287	**729,409**	416,854
Dividend income from group companies	**(149,426)**	(144,366)	**-**	-
Adjusted accounting profit chargeable to income taxes	**1,402,198**	957,921	**729,409**	416,854
Income that does not form part of taxable income	**(348,489)**	(365,336)	**(196,918)**	(206,037)
Disallowable expenses	**1,142,099**	874,865	**868,890**	712,051
Allowable expenses	**(899,560)**	(901,335)	**(815,024)**	(606,775)
Tax losses utilised in the current financial year	**-**	(18,335)	**-**	(18,335)
Taxable income	**1,296,248**	547,780	**586,357**	297,758
Current tax charged on business income				
- at standard rate of 30%	**172,029**	67,707	**172,029**	83,019
- at standard rate of 15%	**96,885**	54,635	**-**	-
Current tax charged on investment income				
- at standard rate of 30%	**23,074**	27,597	**3,878**	6,308
Current tax charge	**291,988**	149,939	**175,907**	89,327

19 EARNINGS PER SHARE AND DIVIDENDS PER SHARE

19.1 Earnings Per Share (EPS)

Basic earnings/(loss) per share (EPS) is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent (after adjusting outstanding share option scheme and warrants) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive ordinary shares outstanding at any time during the year /previous year.

For the year ended 31 March	Group		Company	
	2026	2025 (Restated)*	2026	2025 (Restated)*
Profit/(loss) attributable to equity holders of the parent (In Rs. '000s)	**951,149**	652,599	**528,991**	272,706
Weighted average number of ordinary shares (In '000s)	**167,586**	167,586	**167,586**	167,586
Basic/diluted earnings/(loss) per share (Rs.)	**5.68**	3.89	**3.16**	1.63

*In accordance with LKAS 33, the basic/diluted earnings per share calculations for the comparative periods presented have been adjusted retrospectively to reflect the share subdivision.

19.2 Dividend Per Share (DPS)

For the year ended 31 March	Company	
	2026	2025 (Restated)
Equity dividend on ordinary shares paid during the year (In Rs. '000s)	**167,586**	71,980
Weighted average number of ordinary shares (In '000s)	**167,586**	167,586
Dividend per share (Rs.)	**1.00**	0.43

20 PROPERTY, PLANT AND EQUIPMENT

20.1 Basis of Recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

20.2 Basis of Measurement

All items of property, plant and equipment are recognised initially at cost.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

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

This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.

Cost Model

The Group applies the Cost Model to all Property, Plant & Equipment except for freehold land and buildings on Leasehold land, and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

Revaluation Model

The Group applies revaluation model for the entire class of land and buildings in the statement of financial position. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and buildings do not change other than by an insignificant amount at each reporting period the Group will revalue such land and buildings every 3-5 years.

Any revaluation surplus arising on the revaluation of such land and buildings are recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation deficit for the same asset previously recognised in the income statement, in which case the surplus is credited to the income statement to the extent of the deficit previously expensed.

A decrease in the carrying amount arising on a revaluation of land and buildings are recognised in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same land and buildings.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

20.3 Significant Components of Property Plant and Equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

20.4 Subsequent Cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

20.5 De-Recognition

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

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised as required by Sri Lanka Accounting Standard – LKAS 16 on "Property, plant and equipment

20.6 Impairment of Property Plant and Equipment

The carrying value of Property, Plant and Equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount the assets are written-down to their recoverable amount. Impairment losses are recognised in the Profit or Loss unless it reverses a previous revaluation surplus for the same asset.

20.7 Capital Work-in-Progress

The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses hereon. Capital work-in progress is transferred to the respective asset accounts at the time of first utilisation or at the time the asset is commissioned.

20.8 Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset which takes a substantial period of time to get ready for its intended use or sale, are capitalised as a part of the asset. The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 - Borrowing Costs. Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss and Other Comprehensive Income.

No borrowing costs has been capitalised during the year ended 31 March 2026 (2025 - Nil) by the Group.

20.9 Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed.

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.

The estimated useful lives of property plant and equipment are as follows:

Assets	Years
Buildings on freehold land	up to 40
Medical and other equipment	up to 10
Furniture & fittings	up to 10
Motor Vehicles	up to 10
Computer Equipment	up to 5
Library books	up to 5
Linen	up to 2

20.10 Property, Plant And Equipment - Group

In Rs. '000s	Freehold Lands	Buildings & Fittings	Medical & Other Equipment	Furniture & Fittings	Computer Equipments	Motor Vehicles	Library Books	Capital Work-In Progress	Total
Cost / Valuation									
Balance as at 01 April 2024	**3,745,540**	**5,998,626**	**5,074,398**	**449,601**	**393,964**	**171,525**	**418**	**72,479**	**15,906,551**
Additions	-	88,577	341,653	63,255	28,554	22,483	51	40,366	584,939
Disposals	-	-	-	-	-	(24,427)	-	-	(24,427)
Transfers	-	(630,058)	-	-	-	-	-	-	(630,058)
Revaluation	891,060	1,663,709	-	-	-	-	-	-	2,554,769
Balance as at 31 March 2025	**4,636,600**	**7,120,854**	**5,416,051**	**512,856**	**422,518**	**169,581**	**469**	**112,845**	**18,391,774**
Additions	-	71,666	449,304	45,444	40,957	147,867	-	-	755,238
Disposals	-	-	(1,114,202)	(199,015)	(192,027)	(31,651)	-	-	(1,536,895)
Transfers	-	13,238	35,020			-	-	(48,258)	-
Balance as at 31 March 2026	**4,636,600**	**7,205,758**	**4,786,173**	**359,285**	**271,448**	**285,797**	**469**	**64,587**	**17,610,117**
Accumulated Depreciation									
Balance as at 01 April 2024	**-**	**466,182**	**3,130,125**	**233,984**	**324,855**	**96,486**	**57**	**-**	**4,251,689**
Charge for the year	-	164,514	296,797	30,249	33,075	10,532	88	-	535,255
Disposals	-	-	-	-	-	(24,427)	(18)	-	(24,445)
Transfers	-	(630,058)	-	-	-	-	-	-	(630,058)
Balance as at 31 March 2025	**-**	**638**	**3,426,922**	**264,233**	**357,930**	**82,591**	**127**	**-**	**4,132,441**
Charge for the year	-	239,742	346,877	30,405	44,017	22,393	112	-	683,546
Disposals	-	-	(1,112,222)	(133,085)	(227,589)	(22,592)	-	-	(1,495,488)
Balance as at 31 March 2026	**-**	**240,380**	**2,661,577**	**161,553**	**174,358**	**82,392**	**239**	**-**	**3,320,499**
Net Book Value									
Balance as at 31 March 2025	4,636,600	7,120,216	1,989,129	248,623	64,588	86,990	342	112,845	14,259,333
Balance as at 31 March 2026	**4,636,600**	**6,965,378**	**2,124,596**	**197,732**	**97,090**	**203,405**	**230**	**64,587**	**14,289,618**

Group property, plant and equipment includes fully depreciated assets having a gross carrying value of Rs. 538 Mn (2025 - Rs. 1,796 Mn)

20.11 Property, Plant And Equipment - Company

In Rs. '000s	Freehold Lands	Buildings & Fittings	Medical & Other Equipment	Furniture & Fittings	Computer Equipments	Motor Vehicles	Capital Work-In Progress	Total
Cost / Valuation								
Balance as at 01 April 2024	**2,814,040**	**4,435,705**	**2,559,983**	**295,680**	**330,509**	**99,639**	**66,091**	**10,601,647**
Assets transferred through merger	-	37,928	623,475	15,971	8,536	11,015	-	696,925
Additions	-	15,297	224,788	54,711	13,211	15,495	46,754	370,256
Disposals	-	-	-	-	-	(4,165)	-	(4,165)
Transfers	-	(385,996)	-	-	-	-	-	(385,996)
Revaluation	624,840	350,023	-	-	-	-	-	974,863
Balance as at 31 March 2025	**3,438,880**	**4,452,957**	**3,408,246**	**366,362**	**352,256**	**121,984**	**112,845**	**12,253,530**
Additions	-	63,859	237,280	39,680	36,602	80,772	-	458,193
Disposals	-	-	(744,504)	(104,194)	(178,724)	(19,300)	-	(1,046,722)
Transfers	-	13,238	35,020	-	-	-	(48,258)	-
Balance as at 31 March 2026	**3,438,880**	**4,530,054**	**2,936,042**	**301,848**	**210,134**	**183,456**	**64,587**	**11,665,001**
Accumulated Depreciation								
Balance as at 01 April 2024	**-**	**273,153**	**1,508,346**	**173,982**	**294,281**	**44,582**	**-**	2,294,344
Acc Dep transferred through merger	-	4,077	392,065	13,058	8,257	3,204	-	420,661
Charge for the year	-	108,765	205,097	20,062	24,281	11,355	-	369,560
Disposals	-	-	-	-	-	(4,166)	-	(4,166)
Transfers	-	(385,995)	-	-	-	-	-	(385,995)
Balance as at 31 March 2025	**-**	**-**	**2,105,508**	**207,102**	**326,819**	**54,975**	**-**	**2,694,404**
Charge for the year	-	132,717	213,367	27,112	32,554	16,526	-	422,276
Disposals	-	-	(705,910)	(104,195)	(216,518)	(12,334)	-	(1,038,957)
Balance as at 31 March 2026	**-**	**132,717**	**1,612,965**	**130,019**	**142,855**	**59,167**	**-**	**2,077,723**
Net Book Value								
Balance as at 31 March 2025	3,438,880	4,452,957	1,302,738	159,260	25,437	67,009	112,845	**9,559,126**
Balance as at 31 March 2026	**3,438,880**	**4,397,337**	**1,323,077**	**171,829**	**67,279**	**124,289**	**64,587**	**9,587,278**

Company property, plant and equipment includes fully depreciated assets having a gross carrying value of Rs. 89 Mn (2025 - Rs. 1,154 Mn)

20.12 Revaluation of Land and Buildings

The Group uses the revaluation model of measurement for land and buildings, and engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The changes in fair value are recognised in other comprehensive income and in the statement of equity.

The fair value of land and buildings as at 31 March 2026 is based on the most recent revaluation conducted as at 31 March 2025 by Sunil Fernando & Associates (Pvt) Limited, an accredited independent valuer who has valuation experience for land and buildings.

Details of Group's land, building and other properties stated at valuation are indicated below;

Company	Property	Location	No. of Buildings per Land	Extent	Valuation Input	Significant Unobservable Input	Range Rs.	Fair Value Rs.
Ceylon Hospitals PLC	Land	No 03, Alfred Place, Colombo 03	01	0A-3R-30.24P	Open market based evidence	Land value per perch	18,000,000 - 22,000,000	2,889,800,000
		No 03, Alfred Place, Colombo 03	01	0A-0R-32.68P	Open market based evidence	Land value per perch	18,000,000 - 22,000,000	549,080,000
	Building	No 03, Alfred Place, Colombo 03		158,684 sq.ft.	Direct Capital Comparison method adopting the depreciated value of building	Rate per sq.ft	11,250 - 30,000	3,638,237,500
		No 03,Alfred Place, Colombo 03		86,712 sq.ft.	Direct Capital Comparison method adopting the depreciated value of building	Rate per sq.ft.	9,200- 11,040	814,740,960
Durdans Medical and Surgical Hospital (Pvt) Ltd	Land	No 04, Alfred Place, Colombo 03	01	0A-1R-26.54 - No 04, 6th Lane	Open market based evidence	Land value per perch	14,000,000- 15,000,000	1,197,720,000
	Building	No 04, Alfred Place, Colombo 03		211,552 sq.ft.	Direct Capital Comparison method adopting the depreciated value of building	Rate per sq.ft.	8,500- 14,875	2,662,684,500

20.13 The carrying amount of revalued land and buildings if they were carried at cost less depreciation and impairment, would be as follows;

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Lands	**1,029,844**	1,029,844	**613,150**	613,150
Buildings	**5,723,465**	5,651,799	**4,279,636**	4,215,777
	6,753,309	6,681,643	**4,892,786**	4,828,927

20.14 Property, Plant and Equipment Pledged as Security for liabilities

As at the reporting date, the Group did not have any assets pledged as security against borrowings or other financial obligations.

21 RIGHT OF USE ASSETS AND LEASE LIABILITIES

21.1 Right of Use Assets

The Group recognises right-of-use assets when the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Set out below are the carrying amounts of the Group's right-of-use assets and the movements for the period ended 31 March 2026 and 31 March 2025.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Cost				
At the beginning of the year	**623,579**	569,200	**623,579**	569,200
Additions	**199,558**	138,519	**199,558**	138,519
Transfers	**(96,165)**	(84,140)	**(96,165)**	(84,140)
Modification adjustments	**(979)**	-	**(979)**	-
Disposals	**(7,251)**	-	**(7,251)**	-
At the end of the year	**718,742**	623,579	**718,742**	623,579
Accumulated Amortisation				
At the beginning of the year	**260,922**	205,628	**260,922**	205,628
Amortisation expense	**161,626**	139,434	**161,626**	139,434
Transfers	**(96,165)**	(84,140	**(96,165**	(84,140)
Disposals	**(2,736)**	-	**(2,736**	-
At the end of the year	**323,647**	260,922	**323,647**	260,922
Net Book Value	**395,095**	362,657	**395,095**	362,657

21.2 Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Set out below are the carrying amounts of the Group's lease liabilities and the movements for the period ended 31 March 2026 and 31 March 2025.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
At the beginning of the year	**387,328**	399,504	**387,328**	399,504
Additions	**195,043**	102,513	**195,043**	102,513
Modification adjustments	**(979)**	-	**(979)**	-
Finance charge on lease liabilities	**51,650**	35,932	**51,650**	35,932
Payments	**(206,223)**	(150,621)	**(206,223)**	(150,621)
At the end of the year	**426,819**	387,328	**426,819**	387,328
Repayable after one year	**302,948**	**279,131**	**302,948**	**279,131**
Repayable within one year	**123,871**	108,197	**123,871**	108,197
	426,819	387,328	**426,819**	387,328

The Group applies the incremental borrowing rate in measuring lease liabilities with reference to the Standard Lending Rate (SLR) of Commercial Bank PLC applicable to lease facilities at the commencement date of the lease, in accordance with SLFRS - 16.

21.3 Amounts Recognised in the Statement of Profit or Loss

For the year ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Amortisation expense of right-of-use assets	**161,626**	139,434	**161,626**	139,434
Interest expense on lease liabilities	**51,650**	35,932	**51,650**	35,932
	213,276	175,366	**213,276**	175,366

21.4 Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Expenses relating to short term leases and leases of low value assets amounting to Rs. 6.54 Mn (2025 - Rs. 5.59 Mn) for the Group was recognised in the statement of profit or loss.

The Group had total cash outflows from leases amounting to Rs. 212.76 Mn in 2026 (2025 - Rs. 156.21 Mn).

22 INTANGIBLE ASSETS

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

22.1 Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised, and expenditure is charged to income statement in the year in which the expenditure is incurred.

22.2 Useful Economic Lives, Amortisation and Impairment

The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and treated as accounting estimates. The amortisation is calculated by using straight-line method on the cost of all the intangible assets and the amortisation expense on intangible assets with finite lives is recognised in the income statement.

The estimated useful life for intangible assets with finite useful life is as follows;

Assets	Years
Software licenses	up to 4

Intangible assets with indefinite useful lives and goodwill are not amortised but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

22.3 Derecognition

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

22.4 Intangible Assets Movement

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Software License				
Cost	**1,612**	1,612	**-**	-
Less: Accumulated amortisation	**(874)**	(555)	**-**	-
Net book value	**738**	1,057	**-**	-

During the year, amortisation expense of Rs. 319,123 (2025 - Rs. 319,123) was recognised in the statement of profit or loss.

23 INVESTMENT IN SUBSIDIARIES

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.

As at 31 March	2026				2025			
	Number of Shares In '000s	Direct Holding %	Effective Holding %	Carrying Value In Rs. '000s	Number of Shares In '000s	Direct Holding %	Effective Holding %	Carrying Value In Rs. '000s
Durdans Medical and Surgical Hospital (Pvt) Ltd	**124,626**	**85.87%**	**85.87%**	**1,471,772**	124,626	85.87%	85.87%	1,471,772
Ceygen Biotech (Pvt) Ltd	**23**	**51.57%**	**51.57%**	**230**	23	51.57%	51.57%	230
AMRAK Institutes of Medical Sciences (Pvt) Ltd	**4,580**	**49.11%**	**58.31%**	**36,954**	4,580	49.11%	58.31%	36,954
	129,229			**1,508,956**	129,229			1,508,956

All caring values of the investments in subsidiaries are inline with the directors' valuation.

24 INVESTMENT IN EQUITY ACCOUNTED INVESTEES

Investments in equity accounted investees comprise investments in associates and joint ventures.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost and subsequently adjusted to recognise the Group's share of the post-acquisition profits or losses and other comprehensive income of the investee. The carrying amount of the investment is also adjusted for distributions received from the investee.

Any excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the investee at the date of acquisition is recognised as goodwill and included in the carrying amount of the investment. Where the Group's share of the fair value of the identifiable net assets exceeds the cost of acquisition, the resulting gain is recognised immediately in profit or loss.

The Group assesses at each reporting date whether there is objective evidence that the investment in the equity accounted investee is impaired. If such evidence exists, the carrying amount of the investment is tested for impairment in accordance with LKAS 36.

As at the reporting date, the Group did not have any equity accounted investees at the consolidated level other than its subsidiaries. However, Durdans Medical and Surgical Hospital (Pvt) Ltd held 10.72% (2025 – 10.72%) of the ordinary share capital of AMRAK Institutes of Medical Sciences (Pvt) Ltd, which is accounted for as an associate in the separate financial statements of Durdans Medical and Surgical Hospital (Pvt) Ltd, as the investor exercises significant influence over the investee through representation on the Board of Directors and participation in the policy-making processes of the investee, in accordance with LKAS 28.

25 OTHER FINANCIAL ASSETS

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
25.1 Other Non-Current Financial Assets				
Quoted equity instruments	**45,053**	36,151	**45,053**	36,151
Unquoted equity instruments	**13,500**	13,500	**13,500**	13,500
Unquoted debt instruments	**156,526**	180,364	**-**	-
Unit trusts and wealth management funds	**865**	865	**-**	-
Fixed deposits	**77,531**	65,345	**38,755**	32,230
Refundable deposits	**75,861**	67,146	**67,704**	58,891
	369,336	363,371	**165,012**	140,772
25.2 Other Current Financial Assets				
Quoted equity instruments	**730,984**	301,893	**-**	-
Unit trusts and wealth management funds	**1,386,378**	1,054,719	**62,401**	291,471
Fixed deposits	**34,386**	94,346	**-**	62,119
	2,151,748	1,450,958	**62,401**	353,590
25.3 Total Other Financial Assets	**2,521,084**	1,814,329	**227,413**	494,362

26 INVENTORIES

Inventories are measured at the lower of cost and net realisable value after making due allowance for obsolete items. The cost of inventories is determined using the weighted average cost ("WAC") method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provision is made for slow-moving, obsolete and expired inventories based on management's assessment of the recoverability of such inventories, considering factors such as inventory ageing, usage patterns and expected future consumption. Any write-down of inventories to net realisable value is recognised in profit or loss within cost of services.

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Drugs and dressings	**279,573**	283,418	**168,705**	181,539
Lab reagents and consumables	**600,362**	495,431	**581,949**	477,017
Food and beverage stocks	**11,353**	7,383	**11,353**	7,383
General stocks	**58,677**	64,200	**58,677**	64,200
Less: Provision for slow moving and obsolete stock	**(48,642)**	(81,668)	**(27,674)**	(63,254)
Total	**901,323**	768,764	**793,010**	666,885

During the year, the Group and the Company recognised a net reversal of inventory write-downs amounting to Rs. 33 Mn and Rs. 35 Mn respectively, which has been included in cost of services. The reversal arose primarily due to improved usage patterns, consumption within normal operating cycles, and revised assessments of net realisable value for certain pharmacy and consumable items that were previously provided for due to slow movement, expiry risk, or changes in clinical usage requirements.

27 TRADE AND OTHER RECEIVABLES

Receivables represent the Group's right to an amount of consideration that is unconditional. Trade receivables and contract assets are non-interest bearing and are generally on terms of 30 to 90 days.

The Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As at 31 March In Rs. '000s	Group		Company	
	2026	2025	2026	2025
Trade receivables	**411,413**	393,249	**230,053**	308,764
Less : Provision for expected credit losses	**(122,850)**	(71,386)	**(84,121)**	(47,934)
	288,563	321,863	**145,932**	260,830
Other receivables	**7,264**	55,232	**4,175**	46,473
Total	**295,827**	377,095	**150,107**	307,303

27.1 Advances and Prepayments

As at 31 March In Rs. '000s	Group		Company	
	2026	2025	2026	2025
Advances	**287,477**	199,985	**170,052**	107,673
Pre-payments	**41,930**	52,014	**25,943**	30,736
Total	**329,407**	251,999	**195,995**	138,409

28 STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

28.1 Stated Capital

The ordinary shares of Ceylon Hospitals PLC are quoted on the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are eligible for one vote per share at the Company's General Meetings.

As at 31 March	Company			
	2026		2025	
	Number of Shares In '000s	Value of Shares In Rs. '000s	Number of Shares In '000s	Value of Shares In Rs. '000s
At the beginning of the year	**41,897**	**1,778,802**	35,990	1,142,798
Shares issued during the year	**-**	**-**	5,907	636,004
Sub-division of shares	**125,689**	**-**	-	-
At the end of the year	**167,586**	**1,778,802**	41,897	1,778,802

During the year, the Company completed the subdivision of its ordinary shares in the ratio of one (1) existing share into four (4) ordinary shares. Trading of the subdivided shares recommenced on 05 March 2026.

28.2 Other Components of Equity

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Revaluation reserve	**3,999,379**	3,999,379	**2,425,067**	2,425,067
Fair value reserve of financial assets at FVOCI	**109,642**	109,255	**109,544**	109,157
Merger reserve	**(71,379)**	(71,379)	**(71,379)**	(71,379)
	4,037,642	4,037,255	**2,463,232**	2,462,845

29 NON-CONTROLLING INTEREST

29.1 Proportion of Equity Interest held by Non-Controlling Interest

As at 31 March	Group 2026	 2025
Durdans Medical and Surgical Hospital (Pvt) Ltd	**14.13%**	14.13%
Ceygen Biotech (Pvt) Ltd	**48.43%**	48.43%
AMRAK Institutes of Medical Sciences (Pvt) Ltd	**41.69%**	41.69%

29.2 Accumulated Balances of Material Non-Controlling Interest

As at 31 March In Rs. '000s	Group 2026	 2025
Balance at the beginning of the Year	**841,400**	733,044
Profit for the year	**100,659**	73,412
Other comprehensive income		
Revaluation reserve	**-**	221,190
Actuarial gain/ (loss) from gratuity valuation	**(113)**	(58)
Deferred tax effect on;		
- Revaluation reserve	**-**	(56,172)
- Actuarial gain/ (loss) from gratuity valuation	**17**	17
Reserve transferred through merger	**-**	(103,932)
Dividend Paid	**(28,709)**	(26,101)
Balance at the end of the Year	**913,254**	841,400

29.3 Material Partly-Owned Subsidiaries

Considering the Group balances, none of the individual partly-owned subsidiaries have material non-controlling interest as at the reporting date, other than Durdans Medical and Surgical Hospital (Pvt) Ltd.

Financial information of subsidiaries that have material non-controlling interests (NCI) are provided below.

	Durdans Medical and Surgical Hospital (Pvt) Ltd 2026	 2025
Proportion of equity interest held by NCI	**14.13%**	14.13%

In Rs. '000s	Durdans Medical and Surgical Hospital (Pvt) Ltd	
	2026	2025
Summarised Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 March		
Revenue	**2,968,337**	2,548,404
Other income	**170,905**	190,961
Operating expenses	**(2,384,661)**	(2,098,171)
Finance costs	**(8,272)**	(12,510)
Finance Income	**69,454**	81,515
Profit/(loss) before tax	**815,763**	710,199
Less: Tax expense	**(124,930)**	(87,762)
Profit/(loss) after tax	**690,833**	622,437
Other comprehensive income/(loss), net of tax	**(683)**	1,167,504
Total comprehensive income/(loss), for the period, net of tax	**690,150**	1,789,941
Profit attributable to NCI	**97,492**	252,851
Dividend paid to NCI	**28,709**	26,101
Summarised Statement of Financial Position As at 31 March		
Non-current assets	**5,179,721**	5,235,458
Current assets	**2,519,063**	1,943,061
Total assets	**7,698,784**	7,178,519
Non-current liabilities	**748,501**	764,396
Current liabilities	**588,894**	539,708
Total liabilities	**1,337,395**	1,304,104
Net assets	**6,361,389**	5,874,415
Net assets attributable to NCI	**898,624**	829,833
Summarised Statement of Cash Flows For the year ended 31 March		
Cash flows from/(used in) operating activities	**1,231,679**	546,129
Cash flows from/(used in) investing activities	**(977,727)**	(336,677)
Cash flows from/(used in) financing activities	**(240,240)**	(227,424)
Net increase / (decrease) in cash and cash equivalents	**13,712**	(17,972)

The above information is based on amounts before inter-company eliminations.

30 INTEREST-BEARING LOANS AND BORROWINGS

30.1 Movement

As at 31 March In Rs. '000s	Group 2026	Group 2025	Company 2026	Company 2025
At the beginning of the Year	**1,469,777**	2,477,677	**1,345,734**	2,301,839
Loans obtained	**-**	30,000	**-**	20,139
Repayments	**(484,535)**	(1,037,900)	**(441,472)**	(976,244)
At the end of the Year	**985,242**	1,469,777	**904,262**	1,345,734
Repayable after one year	**614,093**	964,242	**555,673**	904,262
Repayable within one year	**371,149**	505,535	**348,589**	441,472
	985,242	1,469,777	**904,262**	1,345,734

30.2 Security and Repayment Terms

As at 31 March	Lendor	Date Obtained	Repayment Terms	Security	Loan Amount Rs.	Group 2026 In Rs. '000s	Group 2025 In Rs. '000s
Ceylon Hospitals PLC	DFCC	10th April 2018	In 72 equal monthly instalments of Rs. 5,555,556 commencing after a grace period of 24 months from the date of first disbursement	-	750 Mn	**209,094**	308,937
	DFCC	28th February 2023	In 66 equal monthly instalments of Rs. 2,727,727 commencing after a grace period of 24 months from the date of first disbursement	-	150 Mn	**97,917**	122,917
	Commercial Bank	15th January 2021	In 71 equal monthly instalments of Rs. 13,890,000 & a final instalment of Rs. 13,810,000 commencing after a grace period of 24 months from the date of first disbursement	-	1,000 Mn	**465,000**	633,000
	Commercial Bank	15th March 2021	In 59 equal monthly instalments of Rs. 5,833,000 & a final instalment of Rs. 5,853,000 commencing after a grace period of 06 months from the date of first disbursement	-	350 Mn	**-**	64,183
	HNB	27th December 2022	In 71 equal monthly instalments of Rs. 4,190,000 & a final instalment of Rs. 2,510,000 commencing after a grace period of 18 months from the date of first disbursement.	-	300 Mn	**114,820**	165,100

As at 31 March	Lendor	Date obtained	Repayment terms	Security	Loan Amount Rs.	Group 2026 In Rs. '000s	Group 2025 In Rs. '000s
	HNB	18th January 2024	In 24 equal monthly instalments of Rs. 2,500,000 commencing after a grace period of 06 months from the date of first disbursement	-	60 Mn	**2,500**	32,500
	HNB	31st October 2022	In 71 equal monthly instalments of Rs. 347,223 & a final instalment of Rs. 347,167 commencing after a grace period of 12 months from the date of first disbursement	-	25 Mn	**14,931**	19,097
			Sub Total			**904,262**	1,345,734
Durdans Medical and Surgical Hospital (Pvt) Ltd	Commercial Bank	12th November 2021	In 45 equal monthly instalments of Rs. 1,850,000 & a final instalment of Rs. 2,003,250 commencing after a grace period of 06 months from the date of first disbursement	-	85 Mn	**-**	20,503
	HNB	12th November 2021	In 71 equal monthly instalments of Rs. 1,380,000 & a final instalment of Rs. 2,020,000 commencing after a grace period of 12 months from the date of first disbursement	-	100 Mn	**59,980**	76,540
			Sub Total			**59,980**	97,043
AMRAK Institutes of Medical Sciences (Pvt) Ltd	HNB	28th June 2024	The facility will be repaid in 60 equal monthly instalments of Rs 500,000 each. Interest will be charged at AWPLR+1.5 percent, commencing after a three-month grace period measured from the date of the first disbursement	Fixed Deposits for Rs. 29 Mn	30 Mn	**21,000**	27,000
			Sub Total			**21,000**	27,000
			Grand Total			**985,242**	1,469,777

31 EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities are recognised in respect of the amounts expected to be paid for services rendered by employees up to the reporting date, in accordance with LKAS 19.

Employee Contribution Plans - EPF/ETF

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

Employee Defined Benefit Plan - Gratuity

The liability recognised in the statement of financial position is the present value of the defined benefit obligation at the reporting date using the projected unit credit method. Any actuarial gains or losses arising are recognised immediately in the other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The obligation is not externally funded.

Short-term Employee Benefits

Short-term employee benefit obligations, including salaries, bonuses, leave entitlements and other employee-related accruals, are measured on an undiscounted basis and recognised as an expense as the related services are provided by employees.

31.1 Employee Defined Benefit Plan - Gratuity

The employee benefits liability of the Group is based on the actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
At the beginning of the Year	**366,203**	227,265	**351,047**	212,404
Current service cost	**35,684**	27,056	**32,392**	24,639
Interest cost on benefit obligation	**36,620**	27,691	**35,105**	25,967
Payments	**(23,659)**	(25,816)	**(20,799)**	(21,563)
(Gain)/loss arising from changes in assumptions	**7,561**	110,007	**6,757**	109,600
At the end of the year	**422,409**	366,203	**404,502**	351,047
The expenses are recognised in;				
Profit or loss	**72,304**	54,747	**67,497**	50,606
Other comprehensive income	**7,561**	110,007	**6,757**	109,600
	79,865	164,754	**74,254**	160,206

31.2 Actuarial Assumptions

Messrs. Actuarial and Management Consultant (Pvt) Ltd, the actuary, carried out an actuarial valuation of employee defined benefit plan - gratuity for Ceylon Hospitals PLC and Durdans Medical and Surgical Hospital (Pvt) Ltd as at 31 March 2026. The liability is not externally funded, and the actuarial valuation is performed annually.

The principal assumptions used in determining the cost of employee benefits were:

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Discount rate	**9.5%**	10%	**9.5%**	10%
Salary increment rate	**9%**	9%	**9%**	9%
Staff Turnover Rate - Up to 54 years	**14% - 25%**	10% - 24%	**14%**	25%
Disability Rate	**10%**	10%	**10%**	10%
Retirement Age	**60 years**	60 years	**60 years**	60 years

31.3 Sensitivity of Assumptions Used

A percentage change in the key assumptions (discount rate and salary increment rate) would have the following effects to employee defined benefit plan - gratuity;

As at 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Discount rate:				
1% Increase	**(14,673)**	(11,931)	**(14,112)**	(11,467)
1% Decrease	**15,979**	12,938	**15,379**	12,442

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Salary increment rate:				
1% Increase	**17,936**	14,716	**17,258**	14,151
1% Decrease	**(16,778)**	(13,819)	**(16,133)**	(13,282)

31.4 Maturity Analysis of the Payments

The following payments are expected on employee defined benefit plan - gratuity in future years.

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Within the next 12 months	**137,728**	126,477	**133,723**	123,006
Between 1 and 2 years	**85,949**	76,972	**80,525**	71,811
Between 2 and 5 years	**96,374**	77,668	**90,706**	73,918
Between 5 and 10 years	**75,120**	63,014	**72,829**	60,576
Beyond 10 years	**27,238**	22,072	**26,719**	21,736
Total expected payments	**422,409**	366,203	**404,502**	351,047
Weighted average duration of defined benefit obligations (years)	**4**	3	**4**	3

32 TRADE AND OTHER PAYABLES

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Trade payables	**709,634**	612,391	**413,055**	467,230
Accrued expenses	**179,950**	297,908	**127,841**	140,008
Other payables	**256,765**	215,896	**153,093**	156,251
	1,146,349	1,126,195	**693,989**	763,489

33 RELATED PARTY TRANSACTIONS

33.1 Terms and Conditions of Transactions with Related Parties

The Group and the Company have carried out transactions with related entities in the ordinary course of business at arm's length prices. The governance structure is disclosed in the "Report of the Related Party Transactions Review Committee." The nature of the relationships and the list of Directors of each subsidiary and affiliate company are disclosed in Note 33.5 to the financial statements.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

The sales to and purchases from related parties and interest on interest bearing borrowings are made at terms equivalent to those that prevail in arm's length transactions.

33.2 Substantial Shareholding and Ultimate Parent Company

The Company's ultimate parent company is Durdans Management Services Ltd, which holds 67.93% of the issued ordinary shares (voting) of the Company as at reporting date.

33.3 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 of the company as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 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.

33.4 Recurrent Related Party Transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 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.

33.5 Nature of the Relationships and the List of Directors of each Subsidiary and Entities under Common Directorship

33.5.1 Nature of the Relationships

Name of the Company	Relationship
Ceylon Hospital PLC	Company
Durdans Management Services Ltd	Ultimate parent
Durdans Medical and Surgical Hospital (Pvt) Ltd	Subsidiary
Ceygen Biotech (Pvt) Ltd	Subsidiary
Amrak Institute of Medical Sciences (Pvt) Ltd	Subsidiary
Amrak Ebek (Pvt) Ltd	Entities under common directorship
Tudawe Brothers (Pvt) Ltd	Entities under common directorship
Tudawe Engineering Services (Pvt) Ltd	Entities under common directorship
Commercial Marketing Distributors (Pvt) Ltd	Entities under common directorship

33.5.2 List of Directors of each Subsidiary and Entities under Common Directorship

Company Name / List of Directors	Ceylon Hospital PLC	Durdans Management Services Ltd	Durdans Medical and Surgical Hospital (Pvt) Ltd	Ceygen Biotech (Pvt) Ltd	Amrak Institute of Medical Sciences (Pvt) Ltd	Amrak Ebek (Pvt) Ltd	Tudawe Brothers (Pvt) Ltd	Tudawe Engineering Services (Pvt) Ltd	Commercial Marketing Distributors (Pvt) Ltd
Mr. A. E. Tudawe	✓	✓	✓						
Mr. U. D. Tudawe	✓	✓	✓	✓				✓	✓
Dr. A. D. P. A. Wijegoonewardena	✓	✓	✓	✓					
Mr. Y. N. R. Piyasena	✓	✓		✓					
Mr. A. D. B. Talwatte	✓								
Mr. A. S. Tudawe	✓	✓	✓	✓	✓	✓			
Mr. S. Renganathan	✓								
Mr. H. M. A. Jayesinghe	✓								
Mr. R. Jayatilleke	✓					✓			

33.6 Amounts Due From Related Parties

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Ultimate parent				
Durdans Management Services Ltd	**1,022**	1,022	**1,022**	1,022
Subsidiaries				
Durdans Medical and Surgical Hospital (Pvt) Ltd	**-**	-	**37,841**	8,075
Ceygen Biotech (Pvt) Ltd	**-**	-	**2,899**	4,827
Amrak Institute of Medical Sciences (Pvt) Ltd	**-**	-	**56,898**	39,472
	1,022	1,022	**98,660**	53,396

33.7 Amounts Due To Related Parties

As at 31 March In Rs. '000s	Group 2026	 2025	Company 2026	 2025
Non Current Liabilities				
Subsidiaries				
Durdans Medical and Surgical Hospital (Pvt) Ltd	**-**	-	**403,750**	446,250
	-	-	**403,750**	446,250
Current Liabilities				
Ultimate parent				
Durdans Management Services Ltd	**11,807**	37,760	**9,138**	27,500
Subsidiaries				
Durdans Medical and Surgical Hospital (Pvt) Ltd	**-**	-	**78,430**	512,647
Ceygen Biotech (Pvt) Ltd	**-**	-	**14,895**	13,575
	11,807	37,760	**102,463**	553,722

33.8 Transactions with Related Parties

As at 31 March In Rs. '000s	Nature	Group 2026	 2025	Company 2026	 2025
Ultimate parent					
Management fee paid	Recurrent	**129,653**	116,031	**95,267**	83,249
Dividend paid	Non Recurrent	**102,579**	44,898	**100,652**	43,117
Debenture interest received	Recurrent	**3,102**	4,512	**-**	-
Subsidiaries					
Sale of goods	Recurrent	**-**	-	**64,815**	40,799
Rendering of services	Recurrent	**-**	-	**569,911**	550,377
Dividend received	Non Recurrent	**-**	-	**149,426**	138,179
Purchase of goods	Recurrent	**-**	-	**66,533**	52,927
Receiving of services	Recurrent	**-**	-	**147,410**	140,259
Term-loan interest paid	Recurrent	**-**	-	**42,368**	51,158
Entities under Common Directorship					
Purchase of goods	Recurrent	**170,772**	172,677	**170,772**	172,677
Receiving of services	Non Recurrent	**-**	2,795	**-**	2,795
Key management personnel (KMP)		**-**	-	**-**	-
Close family members of KMP		**-**	-	**-**	-
Companies controlled/ jointly controlled/ significantly influenced by KMP and their close family members		**-**	-	**-**	-

33.9 Transactions with Subsidiaries

As at 31 March In Rs. '000s	Nature	Group 2026	 2025	Company 2026	 2025
Durdans Medical and Surgical Hospital (Pvt) Ltd					
Sale of goods	Recurrent	**-**	-	**64,646**	40,799
Rendering of services	Recurrent	**-**	-	**547,654**	518,487
Dividend received	Non Recurrent	**-**	-	**149,426**	138,179
Purchase of goods	Recurrent	**-**	-	**66,533**	52,927
Receiving of services	Recurrent	**-**	-	**147,410**	140,259
Term -loan interest paid	Recurrent	**-**	-	**42,368**	51,158
Ceygen Biotech (Pvt) Ltd					
Rendering of services	Recurrent	**-**	-	**-**	1,922
Amrak Institute of Medical Sciences (Pvt) Ltd					
Sale of goods	Recurrent	**-**	-	**169**	-
Rendering of services	Recurrent	**-**	-	**22,257**	29,968

33.10 Transactions with Entities under Common Directorship

As at 31 March In Rs. '000s	Nature	Group 2026	 2025	Company 2026	 2025
Tudawe Brothers (Pvt) Ltd					
Receiving of services	Non Recurrent	-	115	-	115
Tudawe Engineering Services (Pvt) Ltd					
Receiving of services	Non Recurrent	-	2,680	-	2,680
Commercial Marketing Distributors (Pvt) Ltd					
Purchase of goods	Recurrent	**170,772**	172,677	**170,772**	172,677

33.11 Transactions with Key Management Personnel

Key management personnel include members of the Board of Directors of Ceylon Hospitals PLC and its subsidiaries.

As at 31 March In Rs. '000s	Nature	Group 2026	 2025	Company 2026	 2025
Short term employee benefit		**106,866**	90,042	**90,131**	85,632
		106,866	90,042	**90,131**	85,632

The short term employee benefits include emoluments paid to the Executive Directors and Director fee paid for Board attendance to all Directors.

Other than those disclosed above, there are no material transactions held with the Key Management Personnel of the Group and the Company.

OTHER DISCLOSURES

34 CONTINGENT LIABILITIES

Provisions are recognised when the Group 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. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. A contingent liability recognised in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of: the amount that would be recognised in accordance with the general guidance for provisions above (LKAS 37) or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition (SLFRS 15). Contingent assets are disclosed, where inflow of economic benefit is probable.

The contingent liabilities of the Company and the Group as at 31 March 2026, relates to the following:

- Magistrate's Court Maligakanda Case No. B/1641/2016
  Public Health Inspector Vs Ceylon Hospitals PLC and Samantha Maithriwardana. (filed in 2016)
- The District Court of Colombo Case No. DMR 2262/2021
  Wickrama Arachchilage Inesh Kaushalya Wickrama Arachchi Vs. Ceylon Hospitals PLC (filed in 2021)
- The District Court of Colombo Case No. DMR 223/2023
  Don Gamini Chandrathilake Nethikumara Vs. Ceylon Hospitals PLC (filed in 2023)
- Case No. DMS 877/2024
  Mr. Piyal Thusitha Wijayaweera Vs (i) Dr. Ashan Abewardena (ii) Ceylon Hospitals PLC (filed in 2024)

The Company has sought legal counsel and has been advised that the outcomes of these cases cannot be determined at this stage, and accordingly no provision is deemed necessary in respect of them as at the reporting date.

35 CAPITAL COMMITMENTS

Capital commitments represent contractual commitments entered into by the Group for the acquisition of property, plant and equipment, intangible assets and other operational commitments which remained outstanding as at the reporting date.

Capital commitments primarily relate to hospital expansion projects, medical equipment acquisitions, information technology infrastructure and other operational enhancement projects.

The Group recognises liabilities in the financial statements only when the related goods or services are received or when the recognition criteria of the applicable accounting standards are met. Commitments disclosed above do not represent liabilities recognised in the statement of financial position as at the reporting date.

Capital commitments approved by the Board of Directors and contracted for but not provided for in the financial statements are disclosed as follows:

As at 31 March 2026, the Company had outstanding capital commitments relating to the implementation of the new ERP system, Microsoft Dynamics 365 Business Central. The implementation project remained in progress at the reporting date and the related contractual payments are scheduled to be settled over a period of six years in accordance with the agreed payment terms.

36 EVENTS AFTER THE REPORTING PERIOD

There were no material events occurring after the reporting date that require adjustments to disclosure in the Financial Statements except for the following;

The Board of Directors of the Company has declared a final dividend of Rs. 1.10 per share for the financial year ended 31 March 2026. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from auditors, prior to declaring a final dividend.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2026.

Supplementary Information

This year's performance reflects an organisation moving with greater discipline and purpose, and as Durdans continues to grow, the foundations that support our progress remain defined by accuracy, accountability and commitment.

VALUE ADDED STATEMENT

For the Year Ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
Value Added				
Turnover	**10,978,996**	9,405,370	**8,000,875**	6,738,374
Direct Operating Expenses	**(6,018,563)**	(5,594,615)	**(4,546,908)**	(4,092,454)
Other Income	**270,065**	336,603	**274,190**	278,258
	5,230,498	4,147,358	**3,728,157**	2,924,178
Distribution of Value Added				
To Employees				
Salaries and Others	**2,948,820**	2,419,144	**2,211,942**	1,761,227
To Government				
Income Tax	**291,988**	149,939	**175,907**	89,327
To Capital Providers				
Interest on Loans	**193,050**	250,668	**227,415**	291,924
To Shareholders				
Dividend	**196,295**	120,494	**167,586**	71,980
To Expansion and Growth				
Depreciation	**845,491**	675,008	**583,902**	508,994
Retained Profit	**754,854**	532,105	**361,405**	200,726
	5,230,498	4,147,358	**3,728,157**	2,924,178

For the Year Ended 31 March	Group		Company	
In Rs. '000s	2026	2025	2026	2025
To Employees	**56%**	58%	**59%**	60%
To Government	**6%**	4%	**5%**	3%
To Capital Providers	**4%**	6%	**6%**	10%
To Shareholders	**4%**	3%	**4%**	2%
To Expansion and Growth	**31%**	29%	**25%**	24%

DECADE AT A GLANCE

Group

In Rs. Mn	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Results										
Total Income	**10,979**	9,405	9,153	7,905	7,840	5,546	5,976	5,806	5,733	5,289
Other Income	**233**	285	205	111	25	63	53	56	35	34
Finance Cost	**193**	251	145	88	80	97	141	136	122	98
Profit Before Tax	**1,402**	958	659	1060	1388	696	576	549	603	525
Income Tax	**350**	232	205	409	279	96	109	173	115	136
Profit After Tax	**1,052**	726	454	652	1109	600	467	376	488	389
Dividend (Company)	**168**	72	83	169	108	75	122	122	122	122
Balance Sheet										
Assets										
Property, Plant and Equipment	**14,225**	14,146	11,583	7,706	7,295	7,083	7,220	6,682	6,500	6,077
WIP - Building & Other	**65**	113	72	2,604	1,186	631	474	276	39	368
Intangible Assets	**1**	1	1	-	-	-	-	-	-	-
Other Financial Assets	**2,521**	1,814	1,189	1,075	1,724	1,272	830	736	666	572
Right-of-Use Assets	**395**	363	364	261	289	215	191	-	-	-
Investment in an Equity Accounted Investee	**0**	0	-	0	-	109	7	5	5	4
Inventories	**901**	769	814	1,020	835	536	380	309	305	319
Receivables	**626**	630	610	1,009	561	397	544	365	358	461
Tax refund Due	**0**	0	44	14	13	-	19	21	17	-
Cash and Cash Equivalents	**148**	246	366	421	898	640	149	403	203	138
	18,882	18,083	15,043	14110	12,802	10,883	9,814	8,797	8,093	7,939
Equity and Liabilities										
Stated Capital	**1,779**	1,779	1,143	1,143	916	916	916	916	916	916
Reserves	**10,110**	9,331	6,961	6,629	6,631	5,712	4,989	4,227	4,093	4,282
Non Controlling Interest	**913**	841	733	730	734	593	588	565	561	529
Interest-Bearing Borrowings	**985**	1,470	2,478	2,657	2,008	1,652	1,005	815	708	855
Provisions and Other Liabilities	**4,274**	4,096	3,185	2,469	2,266	1,789	1,702	1,519	1,375	987
Overdrafts	**821**	565	543	483	247	221	614	755	440	370
	18,882	18,083	15,043	14110	12,802	10,883	9,814	8,797	8,093	7,939

Company

In Rs. Mn	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Financial Indices										
Earnings Per Share (Rs.)	**3.16**	1.63	1.62	2.08	5.69	3.29	1.60	1.56	1.19	1.56
Dividend Per Share (Rs.)	**1.00**	0.43	0.58	1.17	0.80	0.55	0.90	0.90	0.90	0.90
Dividend Payout Ratio (%)	**31.68**	26.39	35.44	26.05	21.98	24.30	34.28	57.62	75.57	57.60
Net Assets Per Share (Rs.)	**46.59**	44.46	40.63	39.62	42.42	37.18	32.74	29.40	28.87	31.49
Return On Equity (%)	**6.78**	3.66	4.00	8.38	13.41	9.05	7.91	7.31	9.74	7.48
Return On Assets (%)	**4.05**	2.06	2.01	2.79	8.20	5.59	4.76	4.30	6.03	4.90

SHARE INFORMATION OF THE COMPANY

VOTING SHARES

Distribution of Shareholders

Shareholding			Resident			Non-Resident		
			No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1	-	1,000	1,875	622,213	0.49%	8	3,572	0.00%
1,001	-	10,000	777	2,680,003	2.11%	15	48,664	0.04%
10,001	-	100,000	210	5,921,179	4.66%	6	117,140	0.09%
100,001	-	1,000,000	39	13,373,593	10.53%	1	285,780	0.22%
Over 1,000,000			12	103,998,748	81.86%	-	0	0.00%
Total			**2,913**	**126,595,736**	**99.64%**	**30**	**455,156**	**0.36%**

Categories of Shareholders

	No. of Shareholders	No. of Shares
Individual	2,817	25,441,452
Institutional	126	101,609,440
	2,943	127,050,892

NON-VOTING SHARES

Distribution of Shareholders

Shareholding			Resident			Non-Resident		
			No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1	-	1,000	819	263,903	0.65%	3	560	0.00%
1,001	-	10,000	534	2,033,734	5.02%	4	24,380	0.06%
10,001	-	100,000	202	6,132,789	15.13%	8	311,352	0.77%
100,001	-	1,000,000	31	8,005,342	19.75%	3	642,880	1.59%
Over 1,000,000			4	23,120,120	57.04%	-	0	0.00%
Total			**1,590**	**39,555,888**	**97.58%**	**18**	**979,172**	**2.42%**

Categories of Shareholders

	No. of Shareholders	No. of Shares
Individual	1,516	12,521,949
Institutional	92	28,013,111
	1,608	40,535,060

PUBLIC SHAREHOLDING

	2026		2025	
	Voting	Non-Voting	Voting	Non-Voting
Number of shareholders	**2,917**	**1,608**	2,377	1,299
Holding percentage (%)	**21.52**	**50.16**	21.54	50.16
Market Capitalisation (Rs. Mn)	**7,623**	**1,925**	4,050	1,074
Float Adjusted Market Capitalisation (Rs. Mn)	**1,640**	**-**	872	-
Float Adjusted Market Capitalisation Option	**Less than Rs. 2.5 Bn (Option 5)**		Less than Rs. 2.5 Bn (Option 5)	

INVESTOR RATIOS

	2026	2025
Earnings Per Share (Rs.)	3.16	1.63
Dividend Per Share (Rs.)	1.00	0.43
Net Assets Per Share (Rs.)	46.59	44.46
Dividend Payout Ratio (%)	32	26

Market Value Per Share

	Highest Traded Price 2025/26 Rs.	Lowest Traded Price 2025/26 Rs.	Last Traded Price 2025/26 Rs.	Highest Traded Price 2024/25 Rs.	Lowest Traded Price 2024/25 Rs.	Last Traded Price 2024/25 Rs.
Voting	**389.00**	**57.50**	**60.00**	138.50	112.00	127.50
	22-Jan-2026	**16-Mar-2026**	**31-Mar-2026**	18-Feb-2025	25-Mar-2025	28-Mar-2025
Non-Voting	**284.00**	**42.00**	**47.50**	112.00	94.50	106.00
	21-Jan-2026	**18-Mar-2026**	**31-Mar-2026**	14-Feb-2025	4-Mar-2025	28-Mar-2025

TOP 20 SHAREHOLDERS LISTED AS AT 31 MARCH 2026

Voting Shareholders

Name of the shareholder	Country of residence	Number of shares	Holding %
Durdans Management Services Ltd	Sri Lanka	86,299,852	67.93
People S Leasing And Finance PLC/Suhada Gas Distributors (Pvt) Ltd	do	2,938,304	2.31
Mr. Y. N. R. Piyasena	do	2,325,960	1.83
Mr. A. E. Tudawe	do	1,820,648	1.43
Assetline Finance PLC/Suhada Gas Distributors (Pvt) Ltd	do	1,591,252	1.25
Mr. U. D. Tudawe	do	1,540,052	1.21
Galle Face Capital Partners PLC	do	1,520,000	1.20
Cargo Boat Development Company PLC	do	1,400,000	1.10
Est.of Lat M. J. Fernando	do	1,171,500	0.92
M. J. F. Holdings (Private) Limited	do	1,151,668	0.91
Mr. H. L. Tudawe	do	1,132,188	0.89
Dr. A. D. P. A. Wijegoonewardene	do	1,107,324	0.87
Mr. P. V. Tudawe	do	997,360	0.79
Tudawe Engineering Services (Pvt) Ltd	do	960,000	0.76
Assetline Finance PLC/H. M. A. K. B. Herath	do	841,676	0.66
Mr. A. D. Tudawe (Joint Account)	do	786,776	0.62
Mr. A. D. Tudawe (Joint Account)	do	709,072	0.56
Mr. G. A. Tudawe	do	660,144	0.52
Mr. E. H. Tudawe	do	554,464	0.44
Mr. W. N. Tudawe	do	440,760	0.35
		109,949,000	86.54

TOP 20 SHAREHOLDERS LISTED AS AT 31 MARCH 2026

Non -Voting Shareholders

Name of the shareholder	Country of residence	Number of shares	Holding %
Durdans Management Services Ltd	Sri Lanka	14,352,532	35.41
Employee's Provident Fund	Do	4,617,484	11.39
M.J.F. Holdings (Private) Limited	Do	2,544,244	6.28
E.W. Balasuriya & Co. (Pvt) Ltd	Do	1,605,860	3.96
J.B. Cocoshell (Pvt) Ltd	Do	679,088	1.68
Mr. D. Ratnayake	Do	624,180	1.54
Tudawe Engineering Services (Pvt) Ltd	Do	446,788	1.10
Mr. D. A. Cabraal	Do	394,562	0.97
Mr. A. H. Munasinghe	Do	392,564	0.97
Mr. S. S. Sithambaranathan	Do	377,428	0.93
Mr. A. D. Tudawe	Do	345,584	0.85
People S Leasing And Finance Plc/U.L.B.Ariyaratna	Do	344,508	0.85
Miss T. T. Weerasinghe	Do	322,216	0.79
Mr. P. S. De Mel	Do	300,992	0.74
Saman Villas Limited	Do	283,952	0.70
People's Leasing & Finance PLC/Mr. P. A. I. S. Perera	Do	260,000	0.64
Commercial Bank Of Ceylon PLC	Do	259,672	0.64
Mr. D. P. L. De Mel	Do	250,356	0.62
Mr. A. H. Munasinghe	Do	245,076	0.60
Mr. H. A. Cabraal	Do	242,856	0.60
		28,889,942	71.27

GRI CONTENT INDEX

Gri Standard/ Other Source	Year of Issued	Disclosure	Page No.	Omission		
				Requirement Omitted	Reason	Explanation
General Disclosures						
GRI 2: General Disclosures	2021	2-1 Organisational details	6, 11			
		2-2 Entities included in sustainability reporting	11			
		2-3 Reporting period, frequency and contact point	11, 13			
		2-4 Restatements of information	11			
		2-5 External assurance	12			
		2-6 Activities, value chain and business relationships	11, 16, 36, 66, 72			
		2-7 Employees	81			
		2-8 Workers who are not employees	81			
		2-9 Governance structure and composition	23, 126			
		2-10 Nomination and selection of highest governance body	127			
		2-11 Chair of highest governance body	127			
		2-12 Oversight of impacts	127			
		2-13 Delegation of responsibility	129			
		2-14 Role in sustainability reporting	127			
		2-15 Conflicts of interest	129			
		2-16 Communication of critical concerns	128			
		2-17 Collective knowledge of governance body	126			
		2-18 Evaluation of governance body performance	128			
		2-19 Remuneration policies	142			
		2-20 Process to determine remuneration	142			
		2-21 Annual total compensation ratio	-	2-21	Confidentiality constraints	Compensation related information is considered confidential within the organisation
		2-22 Statement on sustainable development strategy	20, 23			
		2-23 Policy commitments	133			
		2-24 Embedding policy commitments	129, 133			
		2-25 Processes to remediate negative impacts	87			
		2-26 Mechanisms for advice and concerns	41, 87, 123			
		2-27 Compliance with laws and regulations	123			
		2-28 Membership associations	89			
		2-29 Stakeholder engagement	41, 48			
		2-30 Collective bargaining agreements	87			

GRI CONTENT INDEX

Gri Standard/ Other Source	Year of Issued	Disclosure	Page No.	Omission		
				Requirement Omitted	Reason	Explanation
Material Topics						
GRI 3: Material Topics	2021	3-1 Process to determine material topics	56			
		3-2 List of material topics	56			
		3-3 Management of material topics	56			
Economic Performance						
GRI 201: Economic Performance	2016	201-1 Direct economic value generated and distributed	18			
		201-2 Financial implications and other risks and opportunities due to climate change	124			
Anti-corruption						
GRI 205: Anti-corruption	2016	205-2 Communication and training about anti-corruption policies and procedures	81			
		205-3 Confirmed incidents of corruption and actions taken	81			
Energy						
GRI 302: Energy	2016	302-1 Energy consumption within the organisation	114			
		302-3 Energy intensity	114			
		302-4 Reduction of energy consumption	114			
Environment						
GRI 303: Water and Effluents	2018	303-1 Interactions with water as a shared resource	117			
		303-2 Management of water discharge-related impacts	117			
GRI 305: Emissions	2016	305-1 Direct (Scope 1) GHG emissions	119			
		305-2 Energy indirect (Scope 2) GHG emissions	119			
		305-4 GHG emissions intensity	119			
		305-5 Reduction of GHG emissions	119			
GRI 306: Waste	2016	306-1 Waste generation and significant waste-related impacts	118			
		306-2 Management of significant waste-related impacts	118			
People & Safety						
GRI 401: Employment	2016	401-1 New employee hires and employee turnover	83			
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	83			
GRI 402: Labour/ Management Relations	2016	402-1 Minimum notice periods regarding operational changes	87			
GRI 403: Occupational Health and Safety	2018	403-1 Occupational health and safety management system	88			

Gri Standard/ Other Source	Year of Issued	Disclosure	Page No.	Omission		
				Requirement Omitted	Reason	Explanation
		403-2 Hazard identification, risk assessment, and incident investigation	88			
		403-4 Worker participation, consultation, and communication on occupational health and safety	88			
		403-5 Worker training on occupational health and safety	88			
		403-6 Promotion of worker health	88			
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	88			
		403-8 Workers covered by an occupational health and safety management system	88			
		403-9 Work-related injuries	85			
GRI 404: Training and Education	2016	404-1 Average hours of training per year per employee	84			
		404-2 Programs for upgrading employee skills and transition assistance programs	84			
		404-3 Percentage of employees receiving regular performance and career development reviews	83, 84			
GRI 405: Diversity and Equal Opportunity	2016	405-1 Diversity of governance bodies and employees	81			
		405-2 Ratio of basic salary and remuneration of women to men	88			
GRI 408: Child Labour	2016	408-1 Operations and suppliers at significant risk for incidents of child labour	88			
Patient & Community						
GRI 416: Customer Health and Safety	2016	416-1 Assessment of the health and safety impacts of product and service categories	93			
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	93			
GRI 417: Marketing and Labelling	2016	417-1 Requirements for product and service information and labelling	86			
		417-2 Incidents of non-compliance concerning product and service information and labelling	86			
		417-3 Incidents of non-compliance concerning marketing communications	86			
GRI 418: Customer Privacy	2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	92			

NOTICE OF MEETING

Notice is hereby given that the 80th Annual General Meeting of the Shareholders of Ceylon Hospitals PLC will be held on 9th July 2026 at 9.30 a.m. at the "Auditorium of the Company at No. 3, Alfred Place, Colombo 03.

The business to be brought forward before the meeting will be:

1. TABLING OF STATEMENT OF ACCOUNTS

To lay before the meeting, the Annual Report of the Directors and the Financial Statement of the Company for the year ended 31st March 2026 together with the Report of the Auditors thereon.

3. RE-ELECTION OF DIRECTORS

To re-elect Mr. Sivakrishnarajah Renganathan , who retires by rotation in terms of Article No. 78. of the Articles of Association and being eligible offers himself for re-election. (Resolution 1)

4. RE-APPOINTMENT OF DIRECTORS

a) **To re-appoint Mr. A.E. Tudawe, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.**

Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. A. E. Tudawe who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007". (Resolution 2)

b) **To re-appoint Dr. A. D. P. A. Wijegoonewardene, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.**

Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Dr. A. D. P. A. Wijegoonewardene who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007. (Resolution 3)

c) **To re-appoint Mr. Y. N. R. Piyasena, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.**

Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. Y. N. R. Piyasena who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007. (Resolution 4)

d) **To re-appoint Mr. A.D.B. Talwatte, Director who vacates office in terms of Section 210 of the Companies Act No. 07 of 2007 and for this purpose to pass the following resolution as an Ordinary Resolution.**

"Resolved that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to Mr. A.D.B. Talwatte who is more than 70 years, and that he be appointed a Director of the Board in terms of Section 211 of the Companies Act No. 07 of 2007." (Resolution 5)

5. DECLARATION OF DIVIDENDS

An Interim dividend of Rs. 1.10 per share was paid in June 2026 and no further dividends have been recommended by the Board.

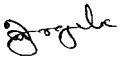
6. RE-APPOINTMENT OF AUDITORS

To re-appoint Messrs. B. R. De Silva & Co. Chartered Accountants, the retiring Auditors who have expressed their willingness to continue in office as Company's Auditors for the ensuring year and to authorise the Board of Directors to determine their remuneration. (Resolution 6)

7. DONATIONS

To authorise the Directors to determine donations for the year 2026/27. (Resolutions 7)

By Order of the Board



Nexia Corporate Consultants (Pvt) Ltd

Secretaries

16 June 2026

1. A shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote at the virtual meeting on him/ her.

2. A Proxy need not be a shareholder of the Company.

3. A Form of Proxy accompanies this notice.

FORM OF PROXY
Voting Shareholders

I/ We, Mr./ Mrs./ Miss .....of

..... (address) being a member of Ceylon Hospitals PLC, hereby appoint

Mr. A. E. Tudawe	or failing him
Mr. A. V. R. De S. Jayatilleke	or failing him
Dr. A. D. P. A. Wijegoonewardene	or failing him
Mr. U. D. Tudawe	or failing him
Mr. Y. N. R. Piyasena	or failing him
Mr. A. D. B. Talwatte	or failing him
Mr. A. S. Tudawe	or failing him
Mr. S. Renganathan	or failing him
Mr. H.M.A. Jayesinghe	or failing him

I/ We, Mr./ Mrs./ Miss ..... of

.....(address) as my/ our proxy to attend (and vote for me/ us) on my/ our behalf at the 80th Annual General Meeting of the Company to be held on 9 July 2026 and at any adjournment thereof.

NOTE

If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company.

To lay before the meeting, Financial Statements for the year ended 31 March 2026

AGENDA ITEMS / RESOLUTIONS	FOR	AGAINST
To re-elect Mr. S. Renganathan (R1)		
To re-appoint Mr. A.E. Tudawe (R2)		
To re-appoint Dr. A. D. P. A. Wijegoonewardene ((R3)		
To re-appoint Mr. Y. N. R. Piyasena (R4)		
To re-appoint Mr. A.D.B. Talwatte (R5)		
To re-appoint Auditors (R6)		
To authorise the Board of Directors to determine donations (R7)		

Mark your preference with "X"

Signed on this ..... day of 2026

.....
Signature

FORM OF PROXY- VOTING SHAREHOLDERS

INSTRUCTIONS TO COMPLETE THE FORM OF PROXY

1. Kindly perfect the Form of Proxy after filling legibly your full name and address, by signing in the space provided and dating same.
2. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 3, Alfred Place. Colombo 03. (not less than 48 hours before the time appointed for the holding of the meeting).
4. A member is entitled to appoint a proxy to attend instead of himself and a proxy need not be a member of the Company.

FORM OF PROXY
Non-Voting Shareholders

I/ We, Mr./ Mrs./ Miss ..... of

.....
(address) member of Ceylon Hospitals PLC, hereby appoint

Mr. A. E. Tudawe	or failing him
Mr. A. V. R. De S. Jayatilleke	or failing him
Dr. A. D. P. A. Wijegoonewardene	or failing him
Mr. U. D. Tudawe	or failing him
Mr. Y. N. R. Piyasena	or failing him
Mr. A. D. B. Talwatte	or failing him
Mr. A. S. Tudawe	or failing him
Mr. S. Renganathan	or failing him
Mr. H.M.A. Jayesinghe	or failing him

Mr./ Mrs./ Miss ..... of .....

..... (address) as my/ our proxy to attend on my/ our behalf at the 80th Annual General Meeting of the Company to be held on 9 July 2026 and at any adjournment thereof.

NOTE

If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed Form of Proxy, if it has not already been registered with the Company.

Signed on this ..... day of 2026

.....
Signature

FORM OF PROXY- NON-VOTING SHAREHOLDERS

INSTRUCTIONS TO COMPLETE THE FORM OF PROXY

1. Kindly perfect the Form of Proxy after filling legibly your full name and address, by signing in the space provided and dating same.
2. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the completed form of proxy, if it has not already been registered with the Company.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company at No. 3, Alfred Place. Colombo 03. (not less than 48 hours before the time appointed for the holding of the meeting).
4. A member is entitled to appoint a proxy to attend instead of himself and a proxy need not be a member of the Company.

CORPORATE INFORMATION

Name of Company
Ceylon Hospitals PLC

Brand Name
DURDANS

Legal Form
A quoted public company with limited liability incorporated in Sri Lanka under the Companies Ordinance No.51 of 1938 and registered under the Companies Act No.07 of 2007.

Stocks Exchange Listing
The Ordinary Shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

Company Registration Number
PQ 113

Registered Office
No.03, Alfred Place, Colombo 03.

Directors
Mr. A. E. Tudawe
Mr. U. D. Tudawe
Dr. A. D. P. A. Wijegoonewardene
Mr. Y. N. R. Piyasena
Mr. A. D. B. Talwatte
Mr. A.V.R. De Silva Jayatilleke
Mr. A.S. Tudawe
Mr. S. Renganathan
Mr. H.M.A. Jayasinghe

Bankers
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC

Lawyers
Nithya Partners
No. 97/A, Galle Road,
Colombo 03.

Secretaries
Nexia Corporate Consultants (Pvt) Ltd
No 181, Nawala road, Narahenpita.

Registrars
S S P Corporate Services (Pvt) Ltd
546, Galle Road,
Colombo 03.

Auditors
Messers.B.R.De.Silva & Co.
Chartered Accountants
No.22/4,Vijaya Kumaratunga Mawatha
Colombo 05.

Designed & produced by
emagewise

DURDANS
HOSPITAL

CEYLON HOSPITALS PLC
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