

ANNUAL REPORT  
2010 / 2011



**EAST WEST PROPERTIES PLC**

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## NAME OF THE COMPANY

East West Properties PLC  
Company Number PQ 221

## LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 18<sup>th</sup> March 1981, and quoted on the Colombo Stock Exchange.

## BOARD OF DIRECTORS

Mr M W A D J Nahil Wijesuriya  
*(Chairman)*  
Mr M W A D J Vijitha Wijesuriya  
*(Managing Director)*  
Mr M W A D Gracian Wijesuriya – Demised on 30.04.2011  
Dr Lakshman D Karalliedde  
Mrs H B G Vijayanthi Jayasinghe  
Mr Nishantha P Sooriyaarachchi  
Mr D Sunil AbeyRatna

## AUDIT COMMITTEE

Mr D Sunil AbeyRatna  
Dr Lakshman D Karalliedde

## REMUNERATION COMMITTEE

Mr D Sunil AbeyRatna  
Dr Lakshman D Karalliedde

## COMPANY SECRETARIES

SSP Corporate Services (Pvt) Ltd  
101, Inner Flower Road, Colombo 03.

## AUDITORS

VS & Associates  
*Chartered Accountants*  
15/7, Victoria Place, Colombo – 08.

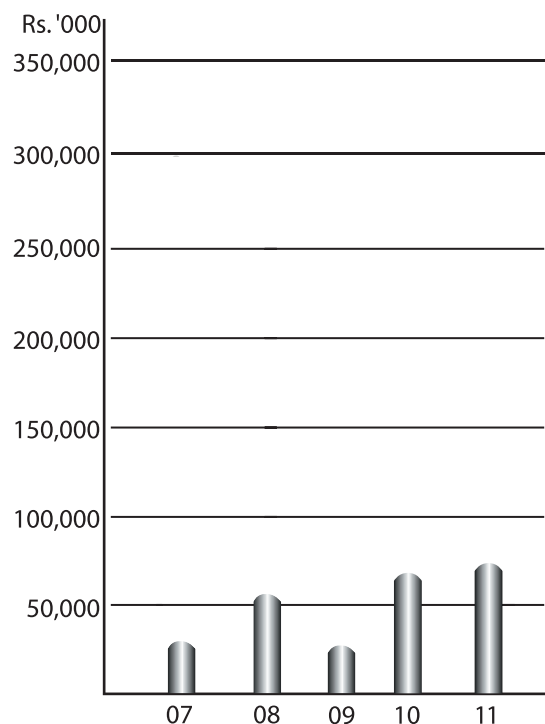
## BANKERS

Hongkong & Shanghai Banking Corporation Ltd  
Bank of Ceylon  
Hatton National Bank PLC  
Deutsche Bank AG

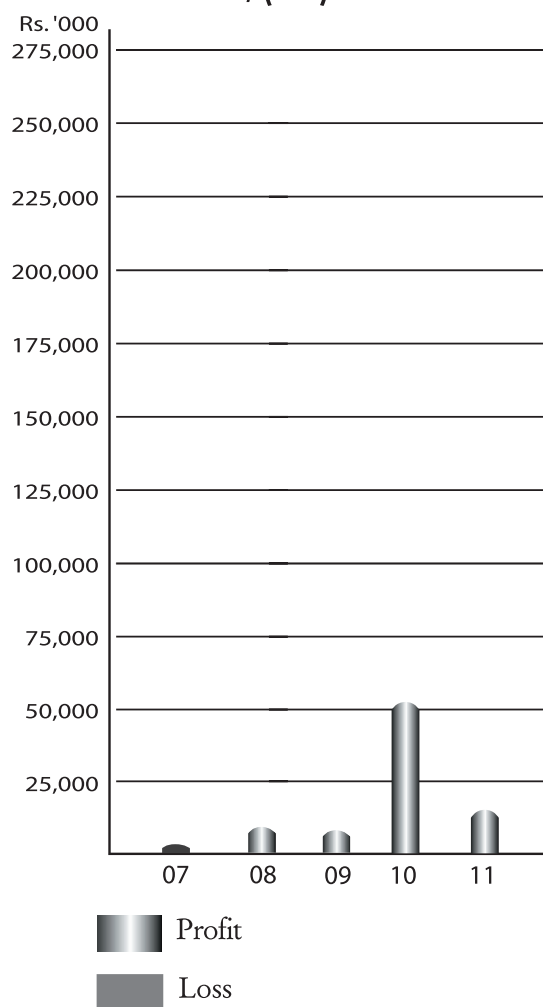
## REGISTERED OFFICE

#12-01, East Tower,  
World Trade Center, Colombo 1.  
Telephone : 2437755 / 5767755 / 5742200 / 5747755  
Fax : 2432040 / 2326216

### Net Revenue



### Profit / (Loss) Before Taxation



Year ended 31st March	2007 Rs. ' 000	2008 Rs. ' 000	2009 Rs. ' 000	2010 Rs. ' 000	2011 Rs. ' 000
Revenue	11,680	11,472	9,394	8,655	11,734
Other Income	18,873	43,845	17,456	58,125	64,847
<b>Net Revenue</b>	<b>30,553</b>	<b>55,317</b>	<b>26,850</b>	<b>66,780</b>	<b>76,581</b>
Administration Expenses	11,511	12,683	13,881	12,636	15,070
Other Operating Expenses	21,718	33,433	-	26	43,550
Financial Charges	183	48	5,674	629	2,247
<b>Expenses</b>	<b>33,412</b>	<b>46,164</b>	<b>19,555</b>	<b>13,291</b>	<b>60,867</b>
<b>Profit / (Loss) before Taxation</b>	<b>(2,859)</b>	<b>9,154</b>	<b>7,295</b>	<b>53,489</b>	<b>15,714</b>
Net Asset Value per share (Rs.)	21.91	22.34	11.20	12.71	12.59
Earnings per share (Rs.)	(0.63)	0.44	0.03	1.51	0.21
Dividends per share (Rs.)	-	-	-	1.00	0.50



I am pleased to welcome the Shareholders of the Company to the 30<sup>th</sup> Annual General Meeting of East West Properties PLC, and present to you the Review of Event and the Annual Report and Accounts in respect of the financial year 2010/2011.

### **Performance**

During the year under review, your Company recorded a turnover of Rs.11.7 Million, this was income generated from the rental of Warehouses No.1 and No.2 at Peliyagoda. These warehouses were tenanted throughout during the period under review. The total rental income for the year under review increased by approximately 34% from Rs.8.7 Million to Rs.11.7 Million.

The Company earned Rs.49 Million in capital gains from the disposal of shares, the Company also received Rs.8.7 Million interest income from repurchases deposits and fixed deposits and Dividend Income of Rs.1.5 Million.

The Company paid a dividend of Rs.34.5 Million for the year ended 31<sup>st</sup> March 2010.

During this financial year the Company commenced construction of a three storied building at Peliyagoda, totaling 34,863 sq.ft., this is expected to be completed by October 2011.

In March 2011 the Company issued 103,680,000 new ordinary shares at Rs.10 per share by way of a Rights Issue. The Rights Issue was fully subscribed increasing the Company's stated capital to Rs.1,212 Million.

The Company revalued its Leasehold Land, Warehouses and Condominium Apartment to reflect the market value as at 31.03.2011 and Net Asset Value increased by Rs.23.1 Million.

### **Post Balance Sheet Events**

The Company declared the payment of Rs.0.50 cents per shares to the Ordinary Shareholders of the Company for the year ended 31<sup>st</sup> March 2011, which was paid on 22<sup>nd</sup> August 2011.

Weligama Hotel Properties (Pvt) Ltd subsidiary of East West Properties PLC has signed a Memorandum of understanding with Luxury Hotels International Management Company and an Interim Advisory Service Agreement with Marriott International Design and Construction Services Inc. for a 150 Rooms Star Class Hotel in Weligama Bay, Palana, Matara District.

All disclosures have been made in the Financial Statements.

Finally, I thank you, our shareholders for your support, and the confidence and trust that you have placed in us.



*Nabil Wijesuriya*

Chairman

16th September 2011

**M W A D J Nahil Wijesuriya**

Chairman

Mr. Wijesuriya is a Professional Engineer in Mechanical and Production Engineering from the Leicester College of Technology UK and was with the P&O Shipping Lines of the UK as Marine Engineer and Chief Engineer with the Ceylon Shipping Corporation and Deputy Chief Engineer of the Colombo Dock yard. He founded the East West Group of Companies in 1977. He has done substantial property development and successfully speculated in the London and Singapore Property Markets where he is a citizen now.

**M W A D J Vijitha Wijesuriya**

Managing Director

Mr. Vijitha Wijesuriya has a Bachelor of Science from Imperial College, London and is an Associate of the Royal College of Science. He is also a Director of Weligama Hotel Properties (Pvt) Ltd, Peoples Media Network (Pvt) Ltd, Wijesuriya Holdings (Pvt) Ltd and East West Enterprises Ltd

**Dr Lakshman D Karalliedde**

Dr Lakshman Karalliedde graduated in medicine from the University of Colombo. He is registered as a specialist with the General Medical Council, UK and has worked at Guy's, St Thomas' Teaching hospitals and is currently a Consultant Toxicologist with the Chemical Hazards and Poisons Division -London of the Health Protection Agency UK and Visiting Senior Lecturer at Kings College Medical School. He is a founder director of Suwasevana Hospitals (Pvt) Ltd, Kandy, Sri Lanka. He has authored several medical books in the UK.

**H B G Vijayanthi Jayasinghe**

Mrs. Vijayanthi Jayasinghe has completed Licentiate Examination conducted by Institute of Chartered Accountants of Sri Lanka in 1997. She has around 18 years working experience.

**Nishantha P Sooriyaarachchi**

Mr. Sooriyaarachchi holds Higher National Diploma in Accountancy and he has completed Intermediate Level Examination of the Institute of Chartered Accountants of Sri Lanka. He has around 10 years experience with East West Group of Companies. He is also a Director of Peoples Media Network (Pvt) Ltd.

**D Sunil AbeyRatne**

Mr. AbeyRatne is a fellow member of the Institute of Management Accountants of UK, Fellow member of the Institute of Chartered Accountant of Sri Lanka, Member of Certified Management Accountants of Australia and fellow Society of Certified Management Accountants of Sri Lanka. He has held Directorates of Companies in Sri Lanka. Presently partner of Abeyratne & Company, Chartered Accountants which is an associate of AGN International Ltd, UK, which is the 6<sup>th</sup> largest Accounting Association in the World. Appointed to the Main UK AGN International Board of Directors.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement sets out the responsibilities of the Directors in relation to the financial statements of the Company. These differ from the responsibilities of the Auditors, which are set out in their report appearing on page 15.

The Companies Act No.7 of 2007 requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and the profit or loss of the Company for the financial year. In preparing the financial statements appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgments and estimates have been made and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and for ensuring that the financial statements comply with the Companies Act no. 7 of 2007. They are also responsible for taking reasonable measures to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control to prevent and detect frauds and other irregularities.

By Order of the Board of  
**East West Properties PLC**

(sgd.)  
**SSP Corporate Services (Private) Ltd**  
Company Secretaries  
Colombo  
16th September 2011

The Directors of East West Properties PLC have pleasure in presenting their report together with Audited Financial Statements of the Company as at 31<sup>st</sup> March 2011.

## Principal Activity

The Principal Activity of the Company during the course of the financial year has been renting out warehouses and engaging in the property development business.

## Business Review

The Chairman's message contains a brief review of the operations of the Company during the year ended 31<sup>st</sup> March 2011.

## Stated Capital

In accordance with the Section 58 of the Companies Act No.7 of 2007, share capital and share premium were reclassified as stated capital. The stated capital of the company as at 31<sup>st</sup> March 2011 amounting to Rs. 175,200,000/-

## Shareholdres Information

The distribution of shareholders and information relating to major shareholders of the company as at 31<sup>st</sup> March 2011, are given on page 11 in the Annual Report.

The number of registered shareholders of the Company as at 31<sup>st</sup> March 2011 were 2,246

## Disclosure as per Colombo Stock Exchange Rule No. 8.7

	31.03.2011	31.03.2010
Market price per share as at 31 st March	10.70	13.50
Highest share price during the year	14.70	14.50
Lowest share price during the year	10.20	8.00

## Financial Statements

The Financial statements which include the Income Statements, Balance Sheet, Statements of Changes in Equity, Cash Flow Statement and notes to the financial statements are given on pages 16 to 35

## Auditor's Report

The Auditor's Report on the financial statements is given on page 15

## Accounting Policies

The Accounting policies adopted in the preparation of the financial statements are given on pages 20 to 23 There was no change in the accounting policies adopted.



# REPORT OF THE DIRECTORS ON THE STATE OF AFFAIRS OF THE COMPANY (Contd...)

## Board of Directors and their Shareholding

The Following were the Directors during the year ended 31.3.2011.

	Directors' Shareholding	
	As at 31st March	
	2011	2010
Mr M W A D J Nahil Wijesuriya	1,200	1,200
Mr M W A D J Vijitha Wijesuriya	1,594,300	Nil
Mr M W A D Gracian Wijesuriya	Nil	Nil
Dr Lakshman D Karalliedde	160	160
Mrs H B G Vijayanthi Jayasinghe	Nil	Nil
Mr Nishantha P Sooriyaarachchi	Nil	Nil
Mr D Sunil AbeyRatna	Nil	Nil

In terms of Article 87 of the Articles of Association of the Company Dr Lakshman D Karalliedde who retires by rotation and being eligible offers himself for re-election.

## Interest Register

The Company maintains an Interest register as per the Companies Act no. 7 of 2007 and the particulars of those directors who were directly or indirectly interested in a contract of the Company are stated there in.

## Directors Interest in Contracts

Directors interest in contracts or proposed contracts are disclosed under Note No 22 of the financial statements.

## Payment of statutory Expenses

The Directors confirm to the best of their knowledge, all payments in respect of statutory liabilities including EPF and ETF have been made within the stipulated period during the financial year.

## Capital Expenditure

The Company commenced construction of a three storied building at Peliyagoda, totaling 34,863 sq.ft. this is expected to be completed by October 2011.

## Property Plant & Equipment

The Company's Leasehold land and Buildings had been re-valued by Mr.Haleem Ghouse a qualified valuer. The surplus arising on Buildings amounting to Rs.29,514,091/- has been credited to revaluation reserve in equity. Leasehold land has been revalued at Rs.691,246,013/-. This has not been incorporated to the books of accounts.

An analysis of the property plant & equipment of the Company during the year under review is disclosed in Note No. 7 to the financial statements.

## Dividends

The Company declared the payment of a First Interim Dividend of Rs 0.50 per share to the Ordinary Shareholders of the Company for the year ended 31st March 2011, which was paid on 22<sup>nd</sup> August 2011.

## Corporate Governance

The report on Corporate Governance is given on Pages 12 to 13 of the Annual Report.

## Taxation

The Company's liability to taxation has been computed according to the provision of the Inland Revenue Act No. 10 of 2006 and amendments thereto. Note No. 5 to the financial statements describes the method of computation of taxes of the Company.

## Post Balance Sheet Events

The Company declared the payment of a First Interim Dividend of Rs 0.50 per share to the Ordinary Shareholders of the Company for the year ended 31st March 2011, which was paid on 22<sup>nd</sup> August 2011.

## Auditors

The Accounts for the year have been audited by M/s V.S. & Associates Chartered Accountants. They have indicated willingness to continue as Auditors for the current year as well.

## Annual General Meeting

The Thirtieth Annual General Meeting of the Company will be held at "Rainbow Hall" Grand Oriental Hotel, No.02, York Street, Colombo 01 on 28th October 2011 at 4.00 p.m. The Notice of the 30<sup>th</sup> Annual General Meeting is on page 36 of the Annual Report.

By Order of the Board of  
**East West Properties PLC**

(Sgd)  
**M W A D J Nahil Wijesuriya**  
Chairman

(Sgd)  
**M W A D J Vijitha Wijesuriya**  
Managing Director

(Sgd)  
**SSP Corporate Services (Pvt) Ltd**  
Secretaries

The primary object of the Audit Committee is to review the financial reporting process of the Company. The members of the committee are Mr.D.S.AbeyRatna & Dr. Lakshman D Karalliedde who are Non Executive Directors, majority of whom are determined as “Independent” as per listing rules. The Accountant attends the meeting of the Audit Committee by invitation with the company secretaries in attendance.

The Audit Committee examines any matters relating to the financial reporting system, the system of internal control over financial reporting, the audit process and the Company’s process for monitoring compliance with laws and regulations. It also recommends to the Board, the appointment and fees of external auditors.

The Audit Committee also reviewed and approved the Annual and Interim financial statements prior to the final approved by the Board.

The Audit Committee recommended to the Board of Directors that M/s V.S & Associates be re-appointed as the auditors of the company for the financial year ending 31<sup>st</sup> March 2012, subject to the approval of the shareholders at the Annual General Meeting.

(Sgd)

***D.S.AbeyRatna***

Chairman – Audit Committee

16<sup>th</sup> September 2011

# ANALYSIS OF SHAREHOLDERS ACCORDING TO THE NUMBER OF SHARES AS 31ST MARCH 2011

## Stated Capital

Rs. 175,200,000/-

### Number of Ordinary Shares issued and fully paid

Total Number of ordinary shares of Rs. 10/- each amounting to 34,560,000 shares.

All Shares issued and fully paid

Shareholdings	RESIDENT			NON RESIDENT			TOTAL		
	No of Shareholders	No of Shares	Percentage (%)	No of Shareholders	No of Shares	Percentage (%)	No of Shareholders	No of Shares	Percentage (%)
1 to 1,000 Shares	1,208	551,463	1.60	8	3,380	0.01	1,216	554,843	1.61
1,001 to 10,000 Shares	859	3,387,135	9.80	6	18,200	0.05	865	3,405,335	9.85
10,001 to 100,000 Shares	149	4,212,780	12.19	5	148,600	0.43	154	4,361,380	12.62
100,001 to 1,000,000 Shares	7	1,156,500	3.35	1	136,500	0.39	8	1,293,000	3.74
Over 1,000,000 Shares	1	1,594,300	4.61	2	23,351,142	67.57	3	24,945,442	72.18
	<b>2,224</b>	<b>10,902,178</b>	<b>31.55</b>	<b>22</b>	<b>23,657,822</b>	<b>68.45</b>	<b>2,246</b>	<b>34,560,000</b>	<b>100.00</b>

## Categories of Shareholders

	No of Shareholders	No of Shares
Individual	2,153	9,938,060
Institutional	93	24,621,940
	<b>2,246</b>	<b>34,560,000</b>

## List of Twenty Major Shareholders % as at 31<sup>st</sup> March 2011

No. Name of Shareholder	31 <sup>st</sup> March 2011		31 <sup>st</sup> March 2010	
	Number of Shares	%	Number of Shares	%
1. Asia 2000 Investments Inc.	17,591,542	50.90	17,591,642	50.90
2. HSBC International Nominees Ltd - Deutsche Bank AG Singapore	5,759,600	16.67	-	-
3. M.W.A.D.J.Vijitha Wijesuriya	1,594,300	4.61	-	-
4. S.M.Raslan Mowlana	200,900	0.58	-	-
5. A.M.Weerasinghe	200,300	0.58	149,600	0.43
6. J.Romesh De Silva	190,800	0.55	-	-
7. D.L.B.Chandrasiri Perera	173,000	0.50	175,000	0.51
8. F.X.Ranjith Perera	159,000	0.46	159,000	0.46
9. Gautam Rahul	136,500	0.39	-	-
10. DPMC Financial Services (Pvt) Ltd	130,100	0.38	-	-
11. Waldock Mackenzie Limited / Dr.Hennedige Srinath Dilanjan Soysa	102,400	0.30	-	-
12. Wayamba Cooperative Rural Banks Union Ltd	100,000	0.29	-	-
13. Sajith Premadasa	100,000	0.29	-	-
14. Pan Asia Banking Corporation PLC / Ravindra Erle Rambukwelle	87,700	0.25	-	-
15. First Capital Markets Limited / S.S. De Fonseka	82,500	0.24	-	-
16. Ranel Menon	80,796	0.23	-	-
17. Malini Arudpragasam	80,000	0.23	-	-
18. Wijesuriya Holdings (Private) Limited	77,200	0.22	-	-
19. M.A. Siyanatha Gunasena	75,000	0.22	-	-
20. K. Cornel Perera	75,000	0.22	-	-
<b>Sub Total</b>	<b>26,996,638</b>	<b>78.11</b>	<b>18,075,242</b>	<b>52.30</b>
Other 2,226 Shareholders (2010-1,549)	7,563,362	21.89	16,484,758	47.70
<b>Total</b>	<b>34,560,000</b>	<b>100.00</b>	<b>34,560,000</b>	<b>100.00</b>

## Market Value of Shares and Public Holdings

The official valuation of the Company's share traded at the Colombo Stock Exchange as at 31st March 2011 was Rs 10.70 The highest and lowest values recorded during the twelve months ended 31st March 2011 were Rs.14.70 and Rs.10.20 respectively.

A total of 27.81% of the issued Share capital of the Company as at 31st March 2011 was held by the public.

The Board of Directors of East West Properties PLC is committed to achieving the highest standards of Corporate Governance practices in conducting the Company's business.

The Company has applied the Corporate Governance, complying with the Listing Rules of the Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka and the Companies Act No.7 of 2007 and has adopted "Code of Best Practice on Corporate Governance" published by the Institute of the Chartered Accountants of Sri Lanka.

## BOARD OF DIRECTORS

### Executive Directors

The Board of Directors of East West Properties PLC comprise of six Directors.

Mr.M.W.A.D.J.Nahil Wijesuriya (Chairman),  
Mr.M.W.A.D.J.Vijitha Wijesuriya, (Managing Director)  
Dr.Lakshman D. Karalliedde, Mrs.H.B.G.Vijayanthi Jayasinghe, Mr.Nishantha P.Sooriyaarachchi, and Mr.D.Sunil AbeyRatne.

### Non Executive Directors

Dr.Laksman D. Karalliedde  
Mr.D.Sunil AbeyRatne

As per the Article of the company the Directors who retire by rotation are eligible for re-election by the shareholders at the Annual General Meeting.

### Responsibilities

The Directors are responsible for the Company's system of internal control. A sound system of internal is maintained in order to safeguard the Company's assets and shareholders investments. As a result proper records are maintained and reliable financial information is generated.

### Secretary to the Board

The Secretaries are present at Board Meetings and offer advice on matters relating to corporate governance, compliance with the Articles of Association and other statutory regulations.

The secretaries also administer and prepare the minutes of Board proceedings.

### Financial Acumen

The Board, includes one senior Chartered Accountant who possess the necessary knowledge and competence to offer the Board guidance on matters of finance.

### Supply of Information

Directors are provided with quarterly reports on performance that such other reports and documents as are necessary.

### Appointments to the Board

The Board as a whole decides on the appointment of Directors.

### Re election of Directors

The provision of the Company's Article requires a Director appointed by the Board to hold office until the next Annual General Meeting, and seek re-appointment by the shareholders at that meeting.

### Remuneration Committee

The Board of Directors of East West Properties PLC appointed its own Remuneration Committee on 10<sup>th</sup> December 2010.Mr.M.W.A.D.Gracian Wijesuriya non executive director demised on 30.04.2011. Dr. Lakshman D. Karalliedde appointed to the remuneration committee with effect from 02.05.2011.

### Members of the Remuneration Committee

**Mr.D.S.AbeyRatna (Chairman)**

Independent Non Executive Director

**Dr. Lakshman D. Karalliedde**

Independent Non Executive Director

Remuneration committee is responsible for laying down guidelines for remuneration structure of all staff within the Company.

### Constructive use of Annual General Meeting

The Active participation of shareholders at the Annual General Meeting is encouraged. The Board believes the AGM is a means of continuing effective dialogue with shareholders.

The Board offers clarifications and responds to concerns shareholders have over the content of the Annual Report as well as other matters which are important to them. The AGM is also used to adopt the financial statements for the year.

**Communication with Shareholders**

Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the company considers as its principal communication with them and other stakeholders. These reports are also provided to the Colombo Stock Exchange.

Shareholders may bring up concern they have, either with the Chairman or the Secretarial Department as appropriate. The Company maintains an appropriate dialogue with them.

**Accountability and Audit**

The Board places great emphasis on complete disclosure of financial and non financial information within the bounds of commercial reality, and on the adoption of sound reporting practices. Financial information is disclosed in accordance with the Sri Lanka Accounting Standards. Revisions to existing accounting standards and adoptions of new standards are carefully monitored.

The Statement of Directors’ responsibilities for the financial statements is given in page No. 6 of this report.

**Going Concern**

The Board has adopted the going concern basis in preparing financial statements given that the Company possesses sufficient resources to continue operations into the foreseeable future.

**Audit Committee**

East West Properties PLC constituted its own Audit Committee on 26<sup>th</sup> April 2009. The Committee consists of two independent non – executive Directors. The meetings are attended by Chairman and the Accountant. The Audit Committee has written terms of reference and is empowered to examine any matters relating to the financial affairs of the Company and its internal and external audits. It helps the Company to maintain proper standard of financial reporting.

**Members of the Audit Committee**

**Mr.D. Sunil AbeyRatna (Chairman)**  
Independent Non Executive Director

**Dr. Lakshman D. Karalliedde**  
Independent Non Executive Director

**Level of Compliance with the CSE’s Listing Rules**

<b>Rules under the Listing Rules of the Colombo Stock Exchange</b>	<b>Remarks</b>
<b>7.10.1. Non Executive Directors –</b> Board shall include at least two Non Executive Directors or such number of Non Executive Directors equivalent to one third of the total number of Directors which ever is higher	Complied with Two out of the Six Directors are non executive Directors.
<b>7.10.2. Independent Directors –</b> Two or 1/3 of the Non Executive Directors appointed to the Board of Directors, whichever is higher shall be independent	Complied with Two out of the Six Directors are independent Directors
<b>7.10.3. Disclosures relating to Directors</b>	Complied with names of the Directors determined to be Independent Directors are given on page 12 of the Annual Report. A brief resume of each Director is given on page 5 of the Annual report.
<b>7.10.4. Criteria for defining “Independence”</b>	Complied with all Directors listed as Independent satisfy the criteria given in this rule.
<b>7.10.6. Audit Committee</b>	Complied with Comprise two (2) Non Executive Directors, both are Independent. Chairman of the Committee satisfy the requirement given in Rule 7.10.6 Report of the Audit Committee is given on Page 10.

# VALUE ADDED STATEMENT

For the year ended 31st March

	2011		2010	
	Rs.'000	%	Rs.'000	%
<b>Value Added</b>				
Revenue	11,734		8,655	
Other Income / Other operating expenses	21,296		58,099	
Cost of material & services bought from outside	(9,352)		(5,643)	
	<u>23,678</u>		<u>61,111</u>	
<b>Distributed as Follows</b>				
<b>To Employees</b>				
As remuneration	4,242	17.92	2,143	3.50
<b>To Government</b>				
As taxes	5,300	22.38	1,348	2.21
<b>To Providers of Capital</b>				
As dividends to shareholders	34,560	145.96	-	-
As finance costs	2,247	9.48	629	1.03
<b>Retained in the Business</b>	(22,671)	(95.74)	56,991	93.26
Depreciation	1,056		4,430	
Amortisation	420		420	
Retained Profit	(24,147)		52,141	
	<u>23,678</u>	<u>100.00</u>	<u>61,111</u>	<u>100.00</u>

The Value Added represents the wealth created by the collective efforts of the Company's capital, management and employees.

The Statement of Value Added shows the value added by the Company for services rendered during the year. It also explains how value added has been distributed.

**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF EAST WEST PROPERTIES PLC****Report on the Financial Statements**

We have audited the accompanying financial statements of East West Properties PLC, which comprise the Balance Sheet as at 31<sup>st</sup> March 2011, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes exhibited on pages 20 to 35.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimate that are reasonable in the circumstances.

**Scope of Audit and Basis of Opinion**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, so far as appears from our examination, the company maintained proper accounting records for the year ended 31<sup>st</sup> March 2011 and the financial statements give a true and fair view of the Company's state of affair as at 31<sup>st</sup> March 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**Report on other Legal and Regulatory Requirements**

In our opinion, these financial statements also comply with the requirements of section 151 (2) of the Companies Act No.07 of 2007.

Signed.

**V. S. & Associates**  
*Chartered Accountants*

Colombo  
16<sup>th</sup> September 2011



# INCOME STATEMENT

For the year ended 31st March

	Notes	2011 Rs.	2010 Rs.
<b>Revenue</b>	1	11,733,791	8,654,763
Other Operating Income	2	64,846,788	58,125,430
		<u>76,580,579</u>	<u>66,780,193</u>
Administrative Expenses		(15,069,796)	(12,635,772)
Other Operating Expenses		(43,550,462)	(25,755)
		<u>17,960,321</u>	<u>54,118,666</u>
<b>Profit from Operations</b>	3		
Finance Cost	4	(2,247,042)	(629,194)
<b>Net Profit from Ordinary Activities Before Tax</b>		<u>15,713,279</u>	<u>53,489,472</u>
Income Tax Expenses	5	(8,361,792)	(1,374,961)
		<u>7,351,487</u>	<u>52,114,511</u>
<b>Profit for the year</b>			
<b>Earnings per Ordinary Share</b>	6	0.21	1.51
<b>Dividend per Ordinary Share</b>		0.50	1.00

Figures in brackets indicate deductions.

# BALANCE SHEET

As at 31st March	Note	2011 Rs.	2010 Rs.
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant & Equipment	7	161,976,207	100,247,112
Leasehold Property	8	30,275,372	30,695,864
Investments	9	<u>242,706,363</u>	<u>258,801</u>
		434,957,942	<u>131,201,777</u>
<b>Current Assets</b>			
Trade & Other Receivables	10	26,843,383	3,049,682
Deposits & Prepayments		3,263,174	179,371
Amount Due from Related Parties	11	8,103,425	-
Related Party Loan	12	145,493,051	-
Margin on Bank Guarantee		15,000	15,000
Short Term Investments		2,000,000	345,000,000
Cash and Cash Equivalents	13	<u>1,322,278</u>	<u>624,523</u>
		187,040,311	<u>348,868,576</u>
<b>TOTAL ASSETS</b>		<b><u>621,998,253</u></b>	<b><u>480,070,353</u></b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	14	175,200,000	175,200,000
Reserves	15	23,133,371	-
Retained Earnings		<u>236,933,371</u>	<u>264,141,884</u>
<b>TOTAL EQUITY</b>		<u>435,266,742</u>	<u>439,341,884</u>
<b>NON - CURRENT LIABILITIES</b>			
Retirement Benefit Obligations	16	599,625	363,300
Deferred Tax Liabilities	17	11,056,517	1,614,032
Advance Received	18	<u>21,856,036</u>	<u>23,192,036</u>
		33,512,178	<u>25,169,368</u>
<b>CURRENT LIABILITIES</b>			
Accrued Expenses		987,036	6,553,589
Amounts Due to Related Party	19	-	1,750,927
Interest Bearing Borrowings	20	80,000,000	-
Deposits & Advances Received		4,708,219	4,088,875
Unclaimed Dividend		2,526,460	2,010,069
Income Tax Liability		4,087,968	1,155,579
Bank Overdraft	21	<u>60,909,650</u>	<u>62</u>
		153,219,333	<u>15,559,101</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b><u>621,998,253</u></b>	<b><u>480,070,353</u></b>

The Accounting Policies and notes on pages 20 to 35 from an integral part of these financial statements.

I certify that these financial statements are in compliance with the requirements of the Companies Act, No.07 of 2007.

(Sgd)  
H B G Vijayanthi Jayasinghe  
Finance Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.  
Approved and signed for and on behalf of the Board by,

(Sgd)  
M W A D J Vijitha Wijesuriya  
Managing Director

(Sgd)  
Nishantha P Sooriyaarachchi  
Director

Colombo  
16th September 2011

## STATEMENT OF CHANGES IN EQUITY

	<b>Stated Capital Rs.</b>	<b>Revaluation Reserve Rs.</b>	<b>Retained Earnings Rs.</b>	<b>Total Rs.</b>
<b>Balance as at 31st March 2009</b>	175,200,000	-	212,027,373	387,227,373
Net Profit for the year	-	-	52,114,511	52,114,511
<b>Balance as at 31st March 2010</b>	<u>175,200,000</u>	<u>-</u>	<u>264,141,884</u>	<u>439,341,884</u>
Revaluation Surplus	-	29,514,091	-	29,514,091
Deferred Tax on Revaluation Surplus	-	(6,380,720)	-	(6,380,720)
First Interim Dividend				
- Y/A 31st March 2011	-	-	(34,560,000)	(34,560,000)
Net Profit for the year	-	-	7,351,487	7,351,487
<b>Balance as at 31st March 2011</b>	<u><u>175,200,000</u></u>	<u><u>23,133,371</u></u>	<u><u>236,933,371</u></u>	<u><u>435,266,742</u></u>

Figures in brackets indicate deductions

The Accounting Policies and Notes from pages 20 to 35 from an integral part of this financial statements.

# STATEMENT OF CASH FLOW

For the year ended 31st March

	Notes	2011 Rs.	2010 Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) Before Interest & Taxation		8,928,099	51,888,594
Adjustment For			
Depreciation	7	1,055,528	4,429,951
Amortisation	8	420,491	420,491
Gratuity Provision	16	236,325	41,500
Profit on Disposal of Plant & Equipment		(1,830)	-
Profit on Disposal of Investment		(49,087,301)	(56,048,476)
Provision for Diminution in Value of Investment		43,550,462	25,755
Dividend Income		(1,553,072)	-
<b>Operating Profit / (Loss) Before Working Capital Changes</b>		<b>3,548,702</b>	<b>757,815</b>
<b>Changes in Working Capital</b>			
(Increase) / Decrease in Trade Debtors & Other Receivables		(23,793,701)	(1,075,041)
(Increase) / Decrease in Deposits & Prepayments		(3,083,803)	95,957
(Increase) / Decrease in Amounts due from Related Party		(9,854,351)	254,562,009
(Increase) / Decrease in Related Party Loan		(145,493,051)	-
Increase / (Decrease) in Other Creditor		-	(37,257,222)
Increase / (Decrease) in Accrued Expenses		(5,566,553)	791,828
Increase / (Decrease) in Deposits & Advances Received		619,344	1,618,920
<b>Cash Generated From / (used in) Operating Activities</b>		<b>(183,623,413)</b>	<b>219,494,267</b>
Tax Paid	5	(2,367,638)	(7,826,169)
Interest Paid		(1,964,777)	(462,073)
Gratuity Paid		-	(55,550)
<b>Net Cash From / (Used) in Operating Activities</b>		<b>(187,955,828)</b>	<b>211,150,475</b>
<b>Cash Flow from / (used in) Investing Activities</b>			
Purchase of Plant & Equipment		(12,097,620)	(356,996)
Proceeds from Disposal of Plant & Equipment		5,490	-
Short Term Investments		343,000,000	(345,000,000)
Capital Work in Progress		(21,176,571)	-
Acquisition of Investment		(931,673,717)	(252,952,621)
Proceeds from Disposal of Investments		694,762,992	387,199,950
Interest Received		8,749,957	2,062,950
Dividend Income		1,553,072	-
<b>Net Cash flow from / (used in) Investing Activities</b>		<b>83,123,603</b>	<b>(209,046,717)</b>
<b>Cash Flow from / (used in) Financing Activities</b>			
Advance Received - Transfers		(1,336,000)	(1,336,000)
Dividend Paid		(34,043,609)	-
Proceeds from Interest Bearing Borrowings		80,000,000	-
<b>Net Cash Flow from / (used in) Financing Activities</b>		<b>44,620,391</b>	<b>(1,336,000)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(60,211,834)</b>	<b>767,758</b>
Cash & Cash Equivalents at the beginning of the year		624,461	(143,297)
<b>Cash and Cash Equivalents at the end of the year (Note:A)</b>		<b>(59,587,373)</b>	<b>624,461</b>
<b>Note : A</b>			
<b>Cash and Cash Equivalents at the end of the Year</b>			
Cash in hand & at Bank		1,322,278	624,523
Bank Overdrafts		(60,909,651)	(62)
		<b>(59,587,373)</b>	<b>(624,461)</b>

Figures in brackets indicate deductions

The Accounting Policies and Notes from pages 20 to 35 from an integral part of this financial statements.

## 1. REPORTING ENTITY

### 1.1.1. General

East West Properties PLC is a Public Quoted Company with Limited liability incorporated and domiciled in Sri Lanka. The registered office of the company and the principal place of business is located at #12-01, East Tower, World Trade Center, Colombo 01.

### 1.1.2. Principal Activities and Nature of Operations

During the year, the principal activities of the Company are renting warehouses and yard for commercial purposes.

### 1.1.3. Number of Employees

The number of employees at the end of the year was 08.

## 1.2. BASIS OF PREPARATION

### 1.2.1. STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL), and with the requirements of the Companies Act No.07 of 2007.

The Financial Statements were authorised for issues by the Directors on 16<sup>th</sup> September 2011.

### 1.2.2. BASIS OF MEASUREMENT

The Financial Statement have been prepared on the historical cost basis.

### 1.2.3. FUNCTIONAL AND PRESENTATION CURRENCY

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

### 1.2.4. USE OF ESTIMATES AND JUDGEMENTS

The presentation of Financial Statements in conformity with SLAS requires management to make judgments, estimates and assumptions that affect the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgemental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 1.2.5. SIGNIFICANT ACCOUNTING POLICIES

1.2.5.1 The Accounting Policies set out below are consistent with those used in the previous year.

1.2.5.2 Comparative information has where necessary been reclassified to conform with the current presentation.

1.2.5.3 The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease trading.

### 1.2.6. INCOME TAX EXPENSES

#### 1.2.6.1. CURRENT TAX

The Provision for Income Tax is based on the elements of Income & Expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and the amendments thereto.

#### 1.2.6.2. DEFERRED TAX

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in financial statements. Differed tax is determined using tax rates that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the differed income tax liability settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

### 1.2.7. BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred, except those that are directly attributable to the purchases / construction / development of property, plant & equipment which are capitalised as a part of cost of the asset during the period of construction / development.

## 1.3. ASSETS AND BASES OF VALUATION

### 1.3.1. PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION

#### 1.3.1.1. RECOGNITION AND MEASUREMENT

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

#### 1.3.1.2. OWNED ASSETS

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

A revaluation of Property, Plant & Equipment is done when there is a substantial difference between the carrying amount and the fair value of the assets and is undertaken by professionally qualified valuers.

Increases in the carrying amount on revaluation are credited to the revaluation surplus reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against revaluation surplus reserve directly in equity.

#### 1.3.1.3. SUBSEQUENT COST

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss as incurred.

#### 1.3.1.4. DERECOGNITION

The carrying amount of an item of Property, Plant & Equipment is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition are recognised in profit and loss and gains are not classified as revenue.

#### 1.3.1.5. DEPRECIATION

Warehouse Building I & II which were re-valued during the year are depreciated over their remaining useful lives. The remaining useful lives of Buildings are considered to be thirty years.

Depreciation on other Property, Plant & Equipment, has been provided on a straight line basis. So as to write off the cost of the Property, Plant & Equipment over their estimated useful lives. The estimated lives used for this purpose which are consistent with those of previous years are as follows.

Condominium Apartment (Re-valued)	-	Over 30 years
Plant & Machinery	-	Over 5 years
Furniture & Fittings	-	Over 5 years
Furniture & fittings Apartment	-	Over 5 years
Office Equipment	-	Over 5 years
Motor Vehicle	-	Over 5 years
Tools & Equipment	-	Over 5 years
Air Conditioners	-	Over 5 years
Computers	-	Over 4 years

Depreciation has not been provided on Warehouse I & II and Condominium Apartment since the Revaluation was carried out in March 2011.

Depreciation is provided from month of purchase up to the month of disposal of Property, Plant & Equipment.

#### 1.3.1.6. CAPITAL WORK IN PROGRESS

Capital Work in Progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of New Building.

#### 1.3.1.6. LEASEHOLD PROPERTY

Leasehold Land includes of leasehold rights to land of Urban Development Authority situated at 3<sup>rd</sup> Lane, New Nuge Road, Peliyagoda which is on 99 year lease. Leasehold Land amortised over their remaining period of leases.

# ACCOUNTING POLICIES (Contd)

## 1.3 ASSETS AND BASES OF VALUATION (Contd)

### 1.3.2. INVESTMENTS

Short Term Investments are measured at the lower of cost and market value on an aggregate portfolio basis, with any resultant gain or loss recognised in Income Statement. The market value of shares of Quoted Public Companies held as at 31st March 2011 is Rs.216,528,250/-

### 1.3.3. DEBTORS & OTHER RECEIVABLES

Debtors & Other Receivables are stated at the amounts estimated to be realised. where necessary provisions are made for bad and doubtful debts.

### 1.3.4. CASH & CASH EQUIVALENTS

For the purpose of the Cash Flow Statement, cash & cash equivalents comprise of cash in hand, cash at banks and bank overdrafts.

### 1.3.5. IMPAIRMENT OF ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the Income Statement except for impairment losses in respect of Property, Plant & Equipment which are recognised against the revaluation reserve to the extent that it reverse a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Previously recognised impairment losses other than in respect of goodwill, are reversed only if there has been an increase in the recoverable amount of the asset. Such increase is recognised to the extent of the carrying amount had no impairment losses been recognised previously.

## 1.4. LIABILITIES & PROVISION

1.4.1. Liabilities classified as current liabilities in the Balance Sheet are those obligations payable on demand or within one year from the Balance Sheet date. Liabilities classified, as non-current liabilities are those obligations, which expire beyond a period of one year from the Balance Sheet date.

### 1.4.2. EMPLOYEE BENEFITS

#### 1.4.2.1. DEFINED BENEFIT PLAN – Retirement Gratuity

The Company is liable to pay gratuity in terms of the Payment of Gratuity Act. No.12 of 1983.

Full provision has been made in the accounts for retiring gratuity from the first year of service of the employee in conformity with the Sri Lanka Accounting Standard 16, Retirement Benefits Costs, the item being shown under provision for liabilities in the balance sheet date.

However, according to the payment of Gratuity Act No.12 of 1983, the Liability only arises upon completion of five (5) years of continued service. The gratuity liability is not funded nor actuarially valued.

#### 1.4.2.2. DEFINED CONTRIBUTION PLANS – Employees Provident Fund & Employees Trust Fund

All employees who are eligible for Employees Provident Fund Contributions and Employees Trust Fund Contributions are covered by relevant contribution funds in line with respective statutes and regulations. Contribution plans are recognised as an expense in the income statement when incurred.

The Company's contribution to the defined contribution plans are charged to the Income Statement in the year to which they relate.

## 1.5. INCOME STATEMENT

### 1.5.1. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured

The following specific criteria are used for the purpose of recognition of revenue.

**1.5 INCOME STATEMENT (Contd.)****1.5.1.1. Revenue**

Revenue is recognised in the Accounting period in which the services are rendered. Income represents the invoice values of services rendered to customers net of Value Added Tax

**1.5.1.2. Lease Rental Income**

The Company has sub leased part of the Land lease owned by the Company for a period of thirty years. The lease Rentals have been collected in advance and will be accounted as income evenly during the lease period.

**1.5.1.3. Interest**

Interest Income is recognised on an accrual basis.

**1.5.1.4. Dividend Income**

Dividend Income is recognised on a cash basis.

**1.5.1.5. Others**

Other Income is recognised on an accrual basis. Gains or Losses of a revenue nature on the disposal of Property, Plant & Equipment and other non current assets including Investments have been accounted for in the Income Statement.

**1.5.2. Expenditure Recognition**

All expenditure incurred in the running of the business and in maintaining the capital asset in a state of efficiency has been charged to revenue in arriving at the profit for the year.

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

**1.5.3. Segmental Reporting**

A segment is a distinguishable component of the Company that is engaged in providing services which is subject to different risks and rewards. The Company's core business is renting warehouses and office premises for commercial purpose and this line of business accounts for the entire operation of the Company. The Financial Statements takes as a whole presents the profitability, assets and the cash flows related to above operations. Further geographic segmentation with distinguishable components associated with differing risks and returns do not arise for the Company.

Segment information of the Company is stated in Note No. 1.1.

**1.6. DIVIDEND DISTRIBUTION**

Dividend distribution to the Company's Shareholders is recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

**1.7. RELATED PARTY TRANSACTIONS**

Disclosures have been made in respect of the transactions between parties who are defined as related parties as per Sri Lanka Accounting Standard 30 – "Related Party Disclosures"

**1.8. CASH FLOW STATEMENT**

The Cash Flow Statement has been prepared using the "Indirect" method.



# NOTES TO THE ACCOUNTS

		<b>2011</b>	<b>2010</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>1 Revenue</b>			
- Warehouse No.01		5,529,185	5,365,934
- Warehouse No.02		4,868,606	1,952,829
- Yard		1,336,000	1,336,000
		<u>11,733,791</u>	<u>8,654,763</u>
<b>1.1 Business Segment Revenue</b>			
<b>Rental Income</b>			
- Warehouses		10,397,791	7,318,763
- Yard Rent		1,336,000	1,336,000
		<u>11,733,791</u>	<u>8,654,763</u>
<b>2 Other Operating Income</b>			
Profit on Disposal of Investments		49,087,300	56,048,475
Interest on Treasury Bills		8,401,207	2,062,950
Payable Written Back		5,024,466	-
Dividend Income		1,553,071	-
Interest on Related Party Loan		420,415	-
Interest on Fixed Deposits		348,750	-
Insurance Commission Income		9,749	13,780
Profit on Disposal of Plant & Equipment		1,830	-
Sundry Income		-	225
		<u>64,846,788</u>	<u>58,125,430</u>
<b>3 Profit from Operations</b>			
<b>Profit from Operations is stated after charging all expenses including the following</b>			
Directors Emoluments		78,000	60,000
Auditors Remuneration		150,000	100,000
Depreciation		1,055,528	4,429,951
Amortisation		420,491	420,491
Retirement Benefit Plan Costs			
- Gratuity		236,325	41,500
Defined Contribution Plan Costs			
- EPF & ETF		201,550	166,364
Administration Expenses		372,000	279,000
		<u>2,247,042</u>	<u>629,194</u>
<b>4 Finance Cost</b>			
Overdraft Interest & Bank Charges		730,897	67,923
Debit Tax		197,666	100,325
Interest - Stock Brokers			
- Lanka Securities (Pvt) Ltd		1,076,527	460,946
- Asia Securities (Pvt) Ltd		220,837	-
- First Guardian Equities (Pvt) Ltd		21,115	-
		<u>2,247,042</u>	<u>629,194</u>
<b>5 Income Tax Expenses</b>			
<b>Current Income Tax</b>			
Tax Expenses on Ordinary Activities for the year		4,872,666	1,328,613
Social Responsibility Levy		73,090	19,929
		<u>4,945,756</u>	<u>1,348,542</u>
Social Responsibility Levy on Dividend Tax Y/A 2009/2010		51,840	-
		<u>4,997,596</u>	<u>1,348,542</u>
Deemed Distribution Tax - Y/A 2008/2009	241,258		
Social Responsibility Levy on Deemed Distribution Tax	2,413	243,671	-
Deemed Distribution Tax - Y/A 2009/2010	57,891		
Social Responsibility Levy on Deemed Distribution Tax	869	58,760	-
		<u>5,300,027</u>	<u>1,348,542</u>
Deferred Taxation Expense / (Income)		3,061,765	26,419
		<u>8,361,792</u>	<u>1,374,961</u>

**5 Income Tax Expenses (Contd.)**

**Reconciliation of Accounting Profit and Taxable Income**

	<b>2011 Rs.</b>	<b>2010 Rs.</b>
Accounting Profit (Profit before Taxation)	15,713,279	53,489,472
Aggregate Disallowed Expenses	49,048,891	6,580,653
Aggregate Allowable Expenses	(60,010,640)	(58,337,036)
Aggregate Statutory Income	<u>9,170,372</u>	<u>2,062,950</u>
Taxable Income	<u>13,921,902</u>	<u>3,796,039</u>
Income Tax Expenses for the year is made up		
Statutory Tax Rate		
-Income Tax	35%	35%
-Social Responsibility Levy	1.5%	1.5%
	<u>4,945,756</u>	<u>1,348,542</u>

**6 Earnings per Ordinary Share**

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary share holders and the number of ordinary shares outstanding during the year.

	<b>2011 Rs.</b>	<b>2010 Rs.</b>
Profit after Taxation	<u>7,351,487</u>	<u>52,114,511</u>
Net Profit attributable to Ordinary Share Holders (Rs.)	<u>7,351,487</u>	<u>52,114,511</u>
Number of Ordinary Shares used as denominator	34,560,000	34,560,000
Basic earning per ordinary share (Rs.)	<u>0.21</u>	<u>1.51</u>

# NOTES TO THE ACCOUNTS (Contd)

	As at 01.04.2010	Accumulated Depreciation As at 01.04.2010	Net Book Value As at 01.04.2010	Surplus (Deficit) on Revaluation	Additions / (Disposals)	As at 31.3.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>7 Property, Plant &amp; Equipment</b>						
Warehouse No. I	11,857,513	(5,830,061)	6,027,452	21,014,548	-	27,042,000
Warehouse No.II	21,841,098	(10,647,837)	11,193,260	1,773,739	-	12,967,000
Condominium Apartments						
- Unit No.BA/F24/U3	91,717,106	(9,162,910)	82,554,196	6,725,804	-	89,280,000
Plant & Machinery	799,806	-	799,806	-	13,750	813,556
Furniture & Fittings	259,572	-	259,571	-	1,713,232	1,972,803
Furniture & Fittings						
- Condominium Apartment						
- Unit No.BA/F24/U3	455,390	-	455,390	-	-	455,390
Office Equipment	373,293	-	373,294	-	41,921	409,725
Motor Vehicles	500,000	-	500,000	-	10,052,000	10,552,000
Tools & Equipment	280,181	-	280,181	-	-	280,181
Air Conditioners	88,000	-	88,000	-	-	88,000
Computer	232,562	-	232,563	-	276,717	509,280
	128,404,521	(25,640,808)	102,763,713	29,514,091	(5,490)	144,369,935
					12,097,620	

**7 Property, Plant & Equipment (Contd.)  
Depreciation**

	As at 01.04.2010	Transferred to Revaluation	As at 01.04.2010	Additions / (Disposals)	As at 31.3.2011
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Depreciation</b>					
Warehouse No.I	5,830,061	(5,830,061)	-	-	-
Warehouse No.II	10,647,837	(10,647,837)	-	-	-
Condominium Apartments - Unit No.BA/F24/U3	9,162,910	(9,162,910)	-	-	-
Plant & Machinery	799,806	-	799,806	917	800,723
Furniture & Fittings	234,987	-	234,987	123,941	358,928
Furniture & Fittings - Condominium Apartment - Unit No.BA/F24/U3	82,250	-	82,250	91,078	173,328
Office Equipment	337,023	-	337,023	18,140	353,333
Motor Vehicles	500,000	-	500,000	(1,830)	1,254,333
Tools & Equipment	275,113	-	275,113	754,333	277,140
Air Conditioners	88,000	-	88,000	2,027	88,000
Computers	199,422	-	199,422	65,092	264,514
	28,157,409	(25,640,808)	2,516,601	(1,830)	3,570,299
	100,247,112				140,799,636
Capital Work in Progress New Building	-			21,176,571	21,176,571
<b>Net Book Value</b>	<b>100,247,112</b>				<b>161,976,207</b>

## 7 Property, Plant & Equipment (Contd.)

The Company's Buildings valuation details are as follows

Location	Extent	Net Book Value Rs.	Revalued Rs.
Warehouses - Warehouse No.I 81/11, 3rd Lane, New Nuge Road, Peliyagoda.	27,342 sq.ft	6,027,452	27,042,000
- Warehouse No.II 81/12, 3rd Lane, New Nuge Road, Peliyagoda	12,967 sq.ft	11,193,261	12,967,000
Condominium Apartment - Unit No.BA/F24/U3 Management Corporation Condominium Plan No.3206, Crescent Residencies, 75-23/2, Kollupitiya Road, Kollupitiya.	2,479.68 sq.ft	82,554,196	89,280,000

\* In March 2011, the Company's Buildings had been re-valued by Mr.Haleem Ghouse a qualified valuer on the market values. The surplus arising on such revaluation amounting to Rs.29,514,091/- has been credited to revaluation reserve in equity.

\* The cost of fully depreciated assets of the Company amounts to Rs.88,000/-

\* The Capital Work in Progress cost of Rs.21,176,571/- has been spent on New Building consisting of 34,863 sq.ft. at 3rd Lane, New Nuge Road, Peliyagoda

**8 Leasehold Property**

**Cost**

Balance at the beginning of the year  
Balance at the end of the year

**Amortisation**

Balance at the beginning of the year  
Amortisation of the year  
Balance at the end of the year

**Carrying amount at the end of the year**

	2011 Rs.	2010 Rs.
	37,003,233	37,003,233
	<u>37,003,233</u>	<u>37,003,233</u>
	6,307,369	5,886,878
	<u>420,491</u>	<u>420,491</u>
	<u>6,727,861</u>	<u>6,307,369</u>
	<u><b>30,275,372</b></u>	<u><b>30,695,864</b></u>

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

\* Leasehold land has been revalued in March 2011 by the same independent valuer at Rs.691,246,013/-. The revalued amount has not been incorporated to the books of accounts in accordance with revised Sri Lanka Accounting Standard No.19, Leases

**9 Investments**

**Quoted**

**Stock Broker - Lanka Securities (Pvt) Ltd**

45,000 Ordinary Shares  
Aitken Spence PLC  
(Market Value of a Share as at 31.03.2011 Rs.162.30)

10,000 Ordinary Shares  
Asian Hotel & Properties PLC  
(Market value of a Share as at 31.03.2011 Rs.187.90)

1,000 Ordinary Shares  
Central Finance Company PLC  
(Market Value of a Share as at 31.03.2011 Rs.1,273.70)

25,000 Ordinary Shares  
Hatton National Bank PLC - Voting  
(Market Value of a Share as at 31.03.2011 Rs.380.00)

32,000 Ordinary Shares  
Hatton National Bank PLC - Non Voting  
(Market Value of a Share as at 31.03.2011 Rs.213.30)

100,000 Ordinary Shares  
Hemas Holding PLC  
(Market Value of a Share as at 31.03.2011 Rs.46.00)

16,000 Ordinary Shares  
John Keells Holdings PLC  
(Market Value of a Share as at 31.03.2011 Rs.285.60)

1,000 Ordinary Shares  
Namal Activity Value Fund  
(Market Value of a Share as at 31.03.2011 Rs.85.20)

20,000 Ordinary Shares  
National Development Bank PLC  
(Market Value of a Share as at 31.03.2011 Rs.320.00)

	2011 Rs.	2010 Rs.
	9,091,800	-
	2,040,604	-
	1,294,336	-
	10,102,000	-
	7,434,365	-
	5,056,556	-
	4,897,450	-
	97,142	-
	7,689,642	-

# NOTES TO THE ACCOUNTS

## (Contd)

9 Investments (Contd.)	2011 Rs.	2010 Rs.
<b>Quoted</b>		
<b>Stock Broker - Lanka Securities (Pvt) Ltd (Contd.)</b>		
13,000 Ordinary Shares Nations Trust Bank PLC - Warrants 2011 (Market Value of a Share as at 31.03.2011 Rs.76.30)	1,466,210	-
5,354,550 Ordinary Shares Overseas Reality (Ceylon) PLC (Market Value of a Share as at 31.03.2011 Rs.15.00)	103,578,109	-
1,355,000 Ordinary Shares Richard Pieris and Company PLC (Market Value of a Share as at 31.03.2011 Rs.13.60)	21,048,186	-
20,000 Ordinary Shares Sampath Bank PLC (Market Value of a Share as at 31.03.2011 Rs.288.30)	6,131,917	-
58,300 Ordinary Shares Seylan Bank PLC - Voting (Market Value of a Share as at 31.03.2011 Rs.75.20)	6,403,763	-
277,500 Ordinary Shares Vallibel Power Erathna PLC (Market Value of a Share as at 31.03.2011 Rs.8.60)	3,540,345	-
20,950 Ordinary Shares Dankotuwa Porcelain PLC	-	232,623
16,600 Ordinary Shares Sierra Cabels PLC	-	49,800
<b>Stock Broker - Aisa Securities (Pvt) Ltd</b>		
10,000 Ordinary Shares Bairaha Farms PLC (Market Value of a Share as at 31.03.2011 Rs.401.00)	4,560,512	-
8,000 Ordinary Shares Diesel & Motor Engineering PLC (Market Value of a Share as at 31.03.2011 Rs.1,484.70)	13,497,553	-
5,500 Ordinary Shares Distilleries Company of Sri Lanka PLC (Market Value of a Share as at 31.03.2011 Rs.180.00)	1,000,099	-
12,000 Ordinary Shares Hayleys PLC (Market Value of a Share as at 31.03.2011 Rs.382.10)	5,035,402	-
7,000 Ordinary Shares Kegalle Plantations PLC (Market Value of a Share as at 31.03.2011 Rs.207.50)	1,946,560	-
92,200 Ordinary Shares Royal Ceramics Lanka PLC (Market Value of a Share as at 31.03.2011 Rs.157.00)	14,961,285	-
72,200 Ordinary Shares Namal Acuity Value Fund (Market Value of a Share as at 31.03.2011 Rs.85.20)	7,806,901	-

9	<b>Investments (Contd.)</b>	<b>2011 Rs.</b>	<b>2010 Rs.</b>
	<b>Quoted</b>		
	<b>Stock Broker - Aisa Securities (Pvt) Ltd (Contd.)</b>		
	10,000 Ordinary Shares Union Bank of Colombo PLC (Market Value of a Shares as at 31.03.2011 Rs.35.80)	442,906	-
	<b>Stock Broker - Taprobane Securities (Pvt) Ltd</b>		
	9,000 Ordinary Shares Aitken Spence PLC (Market Value of a Share as at 31.03.2011 Rs.162.30)	1,933,523	-
	13,500 Ordinary Shares Distilleries Company of Sri Lanka PLC (Market Value of a Shares as at 31.03.2011 Rs.180.00)	2,497,871	-
	10,000 Ordinary Shares Lanka Orix Leasing company PLC (Market Value of a Shares as at 31.03.2011 Rs.119.60)	1,414,280	-
	<b>Stock Broker - First Guardian Equities (Pvt) Ltd</b>		
	4,000 Ordinary Shares Diesel & Motor Engineering PLC (market Value of a Share as at 31.03.2011 Rs.1,484.70)	7,270,012	-
	6,000 Ordinary Shares Lankem Ceylon PLC (Market Value of a Share as at 31.03.2011Rs.401.50)	2,730,199	-
	<b>Stock Broker - John Keells Stock Brokers (Pvt) Ltd</b>		
	61,400 Ordinary Shares Horana Plantation PLC (Market Value of a Share as at 31.03.2011 Rs.73.00)	5,134,939	-
		<u>260,104,467</u>	<u>282,423</u>
	Less: Provision for Diminution in Value of Investments	<u>(43,576,217)</u>	<u>(25,755)</u>
		<u>216,528,250</u>	<u>256,668</u>
	<b>Unquoted</b>		
	01 Ordinary Shares East West Cargo Services (Pvt) Ltd	100	100
	4,999 Ordinary Share East West Leisure (Pvt) Ltd	49,990	-
	99 Ordinary Shares East West Hotel Developers (Pvt) Ltd	990	-
	100 Ordinary Shares Kandy Walk INN Ltd	2,000	2000
	01 Ordinary Shares Land & Building Ltd	33	33
	1,045,000 Ordinary Shares Vallibel One Ltd	26,125,000	-
		<u>242,706,363</u>	<u>258,801</u>



# NOTES TO THE ACCOUNTS

## (Contd)

	2011 Rs	2010 Rs.
<b>10 Trade &amp; Other Receivables</b>		
Trade Debtors	2,252,230	2,118,357
<b>10.1 Other Debtors</b>	22,295,548	-
<b>10.2 Other Receivables</b>	2,295,605	931,325
	<u>26,843,383</u>	<u>3,049,682</u>
<b>10.1 Other Debtors</b>		
Asia Securities (Pvt) Ltd	257,517	-
First Guardian Equities (Pvt) Ltd	210,934	-
Lanka Securities (Pvt) Ltd	21,827,097	-
	<u>22,295,548</u>	<u>-</u>
<b>10.2 Other Receivables</b>		
Value Added Tax	2,228,405	-
Interest on Treasury Bills	-	822,858
Staff Loans	67,200	108,467
	<u>2,295,605</u>	<u>931,325</u>
<b>11 Amounts Due From Related Parties</b>		
East West Enterprises Ltd	6,648,799	-
East West Commercial Property Development Ltd	1,454,626	-
	<u>8,103,425</u>	<u>-</u>
<b>12 Related Party Loan</b>		
Weligama Hotel Properties (Pvt) Ltd	145,493,051	-
	<u>145,493,051</u>	<u>-</u>
<b>13 Cash and Cash Equivalents</b>		
Cash at Bank	1,262,278	574,523
Cash in Hand	60,000	50,000
	<u>1,322,278</u>	<u>624,523</u>
<b>14 Stated Capital Issued and Fully paid</b>		
34,560,000 Ordinary Shares	175,200,000	175,200,000
	<u>175,200,000</u>	<u>175,200,000</u>
<b>15 Reserves</b>		
Revaluation Reserve		
- Warehouse No.I	21,014,548	-
- Warehouse No.II	1,773,739	-
- Condominium Apartment - Unit No.BA/F24/U3	6,725,804	-
	<u>29,514,091</u>	<u>-</u>
Deferred Tax on Revaluation Reserve	(6,380,720)	-
	<u>23,133,371</u>	<u>-</u>
<b>16 Retirement Benefit Obligations</b>		
Balance as at 01.04.2010	363,300	377,350
<b>Add :</b>		
Gratuity Provision for the year	236,325	41,500
	<u>599,625</u>	<u>418,850</u>
<b>Less :</b>		
Gratuity Paid	-	(55,550)
	<u>599,625</u>	<u>363,300</u>

	2011 Rs	2010 Rs.
<b>17 Deferred Tax Liabilities</b>		
Balance as at 01.04.2010	1,614,032	1,587,613
Deferred Tax on Revaluation	6,380,720	-
Provision made / (Released) to Income Statement	3,061,765	26,419
	11,056,517	1,614,032
<b>18 Advances Received</b>		
<b>Lease Rental Advances</b>		
Ultra Tech Cement Lanka (Pvt) Ltd	23,192,036	24,528,036
Less : Amount to be Transferred as Income within one year	(1,336,000)	(1,336,000)
	21,856,036	23,192,036
<b>19 Amounts Due to Related Party</b>		
Wijesuriya Holdings (Private) Limited	-	1,750,927
	-	1,750,927
<b>20 Interest Bearing Borrowings</b>		
<b>Short Term Loan</b>		
Deutsche Bank AG	80,000,000	-
	80,000,000	-
<b>21 Bank Overdraft</b>		
Hatton National Bank PLC - City Office		
A/C No.002010207904	1,821,086	-
A/C No.002010548927	59,088,564	-
A/C No.002010223356	-	62
	60,909,650	62
<b>22 Related Party Disclosures</b>		

### 22.1 Parent and Ultimate Controlling Party

The Company's ultimate parent undertaking and controlling party is Asia 2000 Investments INC which is incorporated in British Virgin Island.

### 22.2 Identity of the Related Parties

The Company carries out transactions in ordinary course of its business with parties who are defined as Related Parties in Sri Lanka Accounting Standards 30 "Related Party Disclosures (revised 2005)", the details of which are reported below.

### 22.3 Transaction with Related Parties

The Company had following transaction with related entity during the year under review.

Name of the Related Party	Relationship	Nature of Transaction	Amount Rs.
East West Enterprises Ltd.	Affiliate	Head Office Administration Expenses Paid	372,000/-

The Company has given a Short Term loan to Weligama Hotel Properties (Pvt) Ltd which is a Related Party of the Company and the balance as at the Balance Sheet date amounts to Rs.145,493,051/-.

The Company has provided as interest receivable a sum of Rs.420,415/- at the rate of 6% per annum on the loan balance.

Weligama Hotel Properties (Pvt) Ltd has signed a Memorandum of Understanding with Luxury Hotel International Management Company and Interim Advisory Service Agreement with Marriott International Design & Construction Services NC, for a 150 Room Star Class Hotel in Weligama.

# NOTES TO THE ACCOUNTS

## (Contd)

### 22 Related Party Disclosures (contd.)

#### 22.3 Transaction with Related Parties (contd.)

The Related Party balances of the following Companies as at the Balance Sheet date in the Company's Books of Accounts were,

East West Enterprises Ltd	Rs. 6,648,799/- Dr
East West Commercial Property Development Ltd	Rs. 1,454,626/- Dr

No interest have been received on the above Related Party balances.

#### 22.4 Transaction with Key Management Personnel

##### 22.4.1 Key Management Personnel

According to Sri Lanka Accounting Standard 30 (Revised 2005) "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) have been classified as Key Management Personnel of the Company.

East West Properties PLC considers its Board of Directors as the Key Management Personnel of the Company.

The Company has obtained a Short Term Loan of Rs.80.0 Mn from Deutsche Bank AG on a Personal Guarantee of Mr.M.W.A.D.J.Nahil Wijesuriya as collateral for the facility. The above was settled on 08th April 2011 by the Company.

Mr.M.W.A.D.J.Nahil Wijesuriya, Mr.M.W.A.D.J.Vijitha Wijesuriya and Dr.L.D.Karalliedde who are Directors of the Company are also Directors of East West Enterprises Ltd.

Mr.M.W.A.D.J.Nahil Wijesuriya and Mr.M.W.A.D.J.Vijitha Wijesuriya who are Directors of the Company are also Directors of East West Commercial Property Development Ltd and Weligama Hotel Properties (Pvt) Ltd.

Mr.M.W.A.D.Gracian Wijesuriya Director of the Company was removed from the Board of Directors due to his demise on 30th April 2011.

##### 22.4.2 Loans to Key Management Personnel

No loans have been granted to the Directors of the Company.

##### 22.4.3 Key Management Personnel Compensation

Details of Compensation are given in Note 3 to the financial statement.

##### 22.4.4 Other Transactions with Key Management Personnel

There were no other transaction with key management personnel other than those disclosed in Note No. 22 to these financial statements during the year.

### 23 Capital Expenditure Commitments

There were No Capital Commitments outstandings as at 31st March 2011.

### 24 Contingent Liabilities

Contingent Liabilities exist as at Balance Sheet date in respect of Bank Guarantee issued in favour of the following through Bank of Ceylon Ltd.

Guarantee No.	On Behalf of	Beneficiary	Amount
2004/524	East West Containers Ltd	Sri Lanka Customs	Rs.15,000/-

**25 Restatement of Comparative Figures**

Whenever necessary Comparative Figures have been restated to confirm to the presentation and or classification for the year.

**26 Events occurring After the Balance Sheet**

No circumstances arisen since the Balance Sheet date which would require adjustments to or disclosure in the financial statements other than the following.

The Company made a Right Issue of 103,680,000 Ordinary Share at a price of Rs.10/- per share to the holders of the issued Ordinary Shares of the Company as at end of trading on 15th March 2011 in the proportion of three (03) new Ordinary Shares for every one (01) Ordinary Share held by them in the Capital of the Company. The purpose of the issue is to meet working capital requirements and invest in operations related to the hospitality sector.

Margin on Bank Guarantee which has been given in Note No.24 was released to the Company on 21st June 2011.

The Directors have declared the payment of an interim dividend of Rs.0.50 per share for the year ended 31st March 2011 to the Ordinary Shareholders of the Company and it was paid on 22nd August 2011. In accordance with Sri Lanka Accounting Standards No.12 (Revised) Events after the Balance Sheet Date, this proposed interim dividend has not been recognised as a liability as at 31st March 2011.

**27 Directors Responsibilities**

The Board of Directors take responsibility for the preparation and presentation of these Financial Statements.

**28 Assets Pledged**

The following assets have been pledged as security for liabilities.

**Nature of Assets**

**Hatton National Bank PLC**

Irrevocable Letter of undertaking / Assignment of unencumbered share portfolio (excluding HNB Shares) lodged in the CDS Accounts with Asia Securities (Pvt) Ltd and Lanka Securities (pvt) Ltd, together with irrevocable Power of Attorney, charge on securities.

**Deutsche Bank AG**

Lien over Personnel Guarantee of Mr.M.W.A.D.J.Nahil Wijesuriya as collateral for the facility.

**Nature of Liability**

Bank Overdraft  
Rs.100.0 Mn

Short Term Loan  
Rs.80.0 Mn

## Notice of Meeting

NOTICE is hereby given that the Thirtieth Annual General Meeting of East-West Properties PLC will be held at the "Rainbow Hall", Grand Oriental Hotel, No.2, York Street, Colombo 01 on the 28th October 2011 at 4.00 p.m. for the following purposes.

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### AGENDA

1. To receive consider and adopt the Report of the Directors and the Audited Financial Statements for the year ended 31st March 2011 together with the report of the Auditors thereon.
2. To re-elect Dr.Lakshman D. Karalliedde who retires by rotation in terms of Article 87 of the Article of Association of the Company.
3. To re-appoint the retiring Auditors M/s V.S.& Associates, Chartered Accountants and authorise the Directors to determine their remuneration.
4. To authorise the Directors to determine Contribution to Charities and other donations for the year 2012.

By Order of the Board of Directors of

**East-West Properties PLC**

S S P CORPORATE SERVICES (PRIVATE) LIMITED

SECRETARIES

Colombo

Date: 16th September 2011

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### Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her. Such Proxy need not be a member of the Company.
2. A Form of Proxy accompanies this notice.
3. The completed Form of Proxy should be deposited at the Registered Office of the Company, # 12-01, East Tower, World Trade Center, Colombo 01 not later than 48 hours before the time appointed for the meeting.
4. Shareholders attending the meeting are kindly requested to bring with them their National Identity Card or other similar form of identification for production at the reception desk.

I/We ..... of  
 ..... being\*  
 a member /members of East West Properties PLC do hereby appoint: Mr/Mrs/Ms.....  
 (NIC No. ....)of..... whom  
 failing,

- |                                      |               |
|--------------------------------------|---------------|
| 1. Mr. M W A D J Nahil Wijesuriya    | whom failing, |
| 2. Mr. M W A D J Vijitha Wijesuriya  | whom failing, |
| 3. Dr.L.D Karalliedde                | whom failing, |
| 4. Mrs. H.B.G. Vijayanthi Jayasinghe | whom failing, |
| 5. Mr. Nishantha P. Sooriyaarachchi  | whom failing, |
| 6. Mr. D.S. AbeyRatna                |               |

as my/our proxy to represent me/us and to vote on my/our behalf at the 30th Annual General Meeting of the Company to be held on the 28th of October 2011 at 4.00 p.m. and at any adjournment thereof.

**RESOLUTIONS**

- |  | FOR                      | AGAINST                  |
|--|--------------------------|--------------------------|
| 1. To receive consider and adopt the Report of the Directors and the Audited Financial Statements for the year ended 31st March 2011 together with the report of the Auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To re-elect Dr.L.D.Karalliedde who retires by rotation in terms of Article 87 of the Article of Association of the Company.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To re-appoint the retiring Auditors M/s V.S.& Associates, Chartered Accountants and authorise the Directos to determine thier remuneration.   | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To authorise the Directors to determine Contribution to Charities and other donations for the year 2012.  | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this..... day of ..... Two Thousand and Eleven  
*Please furnish the following information:*

Share Certificate No : .....

CDS A/C No : .....

NIC No : .....

No of Shares : .....

.....  
 Signature of Share Holder

### **INSTRUCTIONS AS TO THE COMPLETION OF PROXY**

1. East West Properties PLC, No12-01 East Tower, World Center, Colombo 1 (not less than 48 hours before the time appointed for holding of the meeting).
2. A member is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.
3. Kindly perfect the form of proxy after filling legibly your full name and address by signing in the space provided.
4. In the case of a Company/Corporation the proxy must be under its Common Seal which should be affixed and attested in the manner prescribed by its Articles of Association.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the company along with the Form of Proxy.







## **East West Properties PLC**

# 12-01, East Tower  
World Trade Center  
Colombo 01

Telephone : +94 11 2 43 77 55  
Fax : + 94 11 2 43 20 40