ANNUAL REPORT 2025/26

Browns Investments

Contents

Financial Highlights

		Group		Company	
		2026	2025	2026	2025
		Rs.000	Rs.000	Rs.000	Rs.000
EARNINGS HIGHLIGHTS					
Turnover	Rs.000	99,134,318	61,820,824	102,595	114,298
EBIT	Rs.000	12,092,256	95,541,611	(12,555,618)	79,596,715
Profit before tax	Rs.000	(23,083,254)	63,050,578	(21,550,824)	69,098,196
Profit after tax	Rs.000	(24,753,985)	53,333,918	(21,881,661)	57,664,102
Profit Attributable to Equity holders	Rs.000	(21,881,661)	57,664,102	(21,881,661)	57,664,102
BALANCE SHEET HIGHLIGHTS					
Total Assets	Rs.000	685,939,393	670,137,535	304,106,950	329,050,342
Total External Debt	Rs.000	87,477,710	69,921,386	13,557,590	13,503,368
Total Shareholders' Funds	Rs.000	177,335,086	195,168,518	177,335,086	195,168,518
Number of Shares Issued	No. of Shares ('000)	14,369,718	14,369,718	14,369,718	14,369,718
SHARE INFORMATION					
Earnings Per Share	Rs.	(1.52)	4.01	(1.52)	4.01
Earnings Per Share from continuing operations	Rs.	(1.47)	4.81	(1.47)	4.81
Net Assets Per Share	Rs.	12.34	13.58	12.34	13.58
FINANCIAL RATIOS					
Gross Profit	%	19	19	100	100
Debt to Equity	%	49.33	35.83	7.65	6.92
Return on Capital Employed	%	4.57	36.04	(6.58)	37.13
Interest Cover	Times	0.34	2.94	(0.66)	3.82
Current Ratio	Times	0.31	0.38	0.63	0.73

Board of Directors

ISHARA NANAYAKKARA
Executive Chairman

Mr. Ishara Nanayakkara is a distinguished Sri Lankan entrepreneur and Executive Chairman of LOLC Holdings PLC, whose visionary leadership has transformed LOLC from a domestic financial institution into a diversified global conglomerate. Drawing on a strong business lineage and early involvement in family enterprises, he strategically entered financial services through an investment in LOLC and was appointed to its Board in 2002.

Over the ensuing decades, Mr. Nanayakkara's strategic foresight, entrepreneurial conviction and disciplined execution have driven LOLC's expansion across nine sectors, including financial services, leisure, agriculture and plantations, construction, manufacturing and trading, digital services, advanced technology, mining and renewable energy. Today, the Group spans 27 countries across Asia, Africa, Central Asia and Australia, with an international workforce of more than 56,000 employees and with total assets of approximately LKR 2.32 trillion (USD 7.4 billion).

Central to his success has been a deep commitment to microfinance and the Micro, Small and Medium Enterprise (MSME) sector. Under his direction, LOLC has established a significant financial-services presence across emerging and frontier markets, including Cambodia, Myanmar, Pakistan, Indonesia, the Philippines, India, Zambia, Nigeria, Egypt, Malawi, Tanzania, Zimbabwe, Kenya, Rwanda, the Democratic Republic of the Congo, Kyrgyzstan, Kazakhstan and Tajikistan. He was also pivotal in establishing LOLC's Life and General Insurance businesses and pioneering micro-insurance solutions that extend financial protection to underserved communities.

Beyond financial services, Mr. Nanayakkara has built a diversified portfolio across industries fundamental to emerging economies. The Group's non-financial interests include Brown & Company PLC, an institution with a 150-year heritage and established market leadership across several industries. In leisure, LOLC commands one of Sri Lanka's largest hotel portfolios, extending to the Maldives and Mauritius. Its plantation interests have developed into the world's largest tea manufacturing operation, producing more than 100 million kilograms annually across approximately 100,000 hectares in Sri Lanka, Kenya, Tanzania, China and Rwanda, complemented by interests in sugar, cinnamon, rubber, commercial timber and value-added products including targeted fertilizers for safer harvests and overall food security for the nation.

Innovation remains a defining dimension of his leadership. As a former Chairman of the Sri Lanka Institute of Nanotechnology, Mr. Nanayakkara has championed advanced scientific ventures, including the conversion of high-purity graphite into graphene and its potential applications across various industries. His strategic interests further extend to renewable energy and initiatives aimed at broadening access to affordable electric mobility.

Complementing this commercial vision is a commitment to social and environmental stewardship. Through LOLC Divi Saviya, the Group has delivered large-scale humanitarian assistance, providing a complete set of essentials for students and educational support for over 40 % of schools nationwide, conservation initiatives including Sri Lankan leopard protection, and reforestation programmes-reflecting a philosophy in which enterprise, community advancement and sustainable development remain intrinsically connected.

Mr. Nanayakkara's contribution to entrepreneurship and financial inclusion has received international recognition, including acknowledgement by the INSEAD Business School for his contribution to microfinance and the Young Entrepreneur of the Year Award at the 2012 Asia Pacific Entrepreneurship Awards. His academic journey spans Sri Lanka and Australia, and he is an Honorary Fellow of the Institute of Chartered Professional Managers of Sri Lanka.

Mr. Nanayakkara presently serves as Executive Chairman of LOLC Holdings PLC, Brown & Company PLC and Browns Investments PLC. He continues to shape LOLC's global trajectory with a distinctive combination of entrepreneurial ambition, strategic precision and disciplined execution, advancing an enterprise built on innovation, financial inclusion and enduring stakeholder value.

KAPILA JAYAWARDENA
Non-Executive Director

Mr. Kapila Jayawardena is a seasoned leader in banking and investment banking with extensive experience across both local and international financial sectors. He joined LOLC Holdings PLC in 2007, marking the beginning of a defining chapter in the Group's evolution. At the time, LOLC was primarily a domestic leasing company. Under his leadership, the Group has transformed into a globally diversified conglomerate with operations spanning nine strategic business verticals. Combining entrepreneurial vision with strong governance and disciplined financial management, he has successfully steered the Group through multiple economic cycles while driving its local and international expansion and optimising capital allocation.

In addition to his executive responsibilities at LOLC Holdings PLC, Mr. Jayawardena serves as Chairman and Director of several Group companies, including Eden Hotel Lanka PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Palm Garden Hotels PLC, LOLC Securities Limited and LOLC Life Assurance Limited. He also serves on the Boards of Brown & Company PLC, LOLC International (Private) Limited, LOLC Advanced Technologies (Private) Limited, LOLC Asia (Private) Limited, LOLC Global (Private) Limited, Ceylon Graphene Technologies (Private) Limited and LOLC Africa Holdings (Private) Limited.

Prior to joining the LOLC Group, Mr. Jayawardena served as Country Head and Chief Executive Officer of Citibank N.A. for Sri Lanka and the Maldives from 1998 to 2007. During his tenure, he successfully led the institution through a period of operational strengthening and sustainable growth. In recognition of his outstanding leadership and transformative contribution to LOLC Holdings PLC, Mr. Jayawardena received the Citi Distinguished Alumni Award for Leadership from Citi Group, New York, in 2024.

Mr. Jayawardena has also made significant contributions to the wider financial services industry. He served as Chairman of the Sri Lanka Banks' Association (2003/04), President of the American Chamber of Commerce in Sri Lanka (2006/07), and was a member of the Financial Sector Reforms Committee, the National Council for Economic Development, and the United States–Sri Lanka Fulbright Commission.

He holds an MBA in Financial Management and is a Fellow of the Institute of Bankers. He is also an Associate Member of the Institute of Cost and Executive Accountants, London, United Kingdom.

KALSHA AMARASINGHE
Non-Executive Director

Mrs. Kalsha Amarasinghe holds an Honours Degree in Economics and has an outstanding vision for investments.

Mrs. Amarasinghe serves on the Boards and subsidiaries of LOLC Holdings PLC and Brown & Company PLC including Palm Garden Hotels PLC, Eden Hotel Lanka PLC, LOLC General Insurance PLC, Serendib Hotels PLC, Hotel Sigiriya PLC, Green Paradise (Pvt) Ltd, P L Resorts Ltd, Browns Holdings Ltd and Three Tips Ella (Pvt) Ltd.

Board of Directors

KAMANTHA AMARASEKERA
Non-Executive Director

Mr. Kamantha Amarasekera is a member of the Institute of Chartered Accountants of Sri Lanka and is an Attorney-at-Law of the Supreme Court of Sri Lanka. He also holds a degree in Business Administration from the University of Sri Jayewardenepura and began his career in the year 1998. Mr. Amarasekera is an eminent Tax Consultant and the Senior Tax and Legal Partner of M/s. Amarasekera & Company, a leading tax consultancy firm in the country.

Other key appointments: Director - Eden Hotel Lanka PLC, Palm Garden Hotels PLC, Sierra Cables PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Hapugastenne Plantations PLC, Udapussellawa Plantations PLC, Tea Smallholder Factories PLC and several other subsidiaries of the Brown Investments Group.

KANTHIMANY SIVANESAN
Senior Independent Director

Mr. K. Sivanesan is a distinguished tax practitioner in Sri Lanka and currently serves as the Senior Partner and Head of Tax at Amarasekera & Co., Chartered Accountants. With over 25 years of extensive experience in taxation, he is widely recognised for his expertise in tax advisory, compliance, and regulatory matters.

He holds a Bachelor's Degree in Commerce from the University of Sri Jayewardenepura and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). He is also a member of the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka).

Mr. Sivanesan serves as an Independent Director on the Boards of LOLC Holdings PLC, LOLC Life Assurance Limited, Hapugastenne Plantations PLC, Udapussellawa Plantations PLC, Tea Smallholder Factories PLC, Agstar PLC. He is a Director of Waharaka Energy (Private) Limited.

CHITRAL WIJESINHA
Independent Director

Mr. Chitral Wijesinha brings over 29 years of experience in the financial services industry, specialising in investment management for both retail and wholesale clients. He has extensive expertise across banking and finance, with a strong focus on treasury management, investment strategy, retirement planning, and superannuation.

His deep understanding of industry practices, regulatory frameworks, and evolving market dynamics enables him to deliver consistently high-quality advice and outcomes for his clients.

Mr. Wijesinha is currently the Director, Shareholder, and Principal Financial Adviser at Trilogy Financial Solutions NZ Limited (TFS). He is a licensed Financial Adviser in New Zealand and an active member of the Wealthpoint Financial Adviser Provider (FAP) network. In addition, he contributes to strategic investment decisions as a member of the Wealthpoint Investment Committee.

Earlier in his career, Mr. Wijesinha served as Country Treasurer for Citibank Sri Lanka from 1996 to 2003. He also holds a governance role as an Independent Director of LOLC (Cambodia) PLC, further demonstrating his expertise in financial management and corporate oversight.

MANAGEMENT DISCUSSION AND ANALYSIS

BROWNS PLANTATIONS NOW OPERATES ACROSS FIVE COUNTRIES SPANNING ASIA AND AFRICA, BUILDING ONE OF THE WORLD'S MOST GEOGRAPHICALLY DIVERSIFIED TEA PLATFORMS

Management Discussion and Analysis

BROWNS INVESTMENTS PLC SERVES AS THE STRATEGIC INVESTMENT ARM OF THE LOLC GROUP, WITH A DIVERSIFIED PORTFOLIO SPANNING PLANTATIONS, LEISURE, ENGINEERING AND MINING ACROSS SRI LANKA, AFRICA, ASIA AND THE INDIAN OCEAN

Browns Investments PLC (BI), a subsidiary of the renowned Browns Group and a member of Sri Lanka's most diversified conglomerate, LOLC Holdings PLC, continued to strengthen its position as the Group's strategic investment arm during the year ended 31 March 2026. With a well-diversified portfolio spanning high-potential sectors including leisure and hospitality, agriculture and plantations, and construction and real estate, the Company remained focused on delivering sustainable long-term value while supporting the Group's strategic growth objectives.

BI's disciplined investment philosophy continued to guide its capital allocation decisions, with emphasis placed on sectors demonstrating resilient growth prospects and long-term value creation. By maintaining a prudent balance between risk, profitability, and liquidity, the Company further enhanced the resilience of its investment portfolio, enabling it to navigate evolving market conditions while capitalising on emerging opportunities.

During the year under review, BI continued to optimise and strengthen its portfolio through strategic investments, operational improvements, and disciplined capital management. The Company remained focused on enhancing the performance of its existing businesses while selectively pursuing new investment opportunities aligned with its long-term strategy. These initiatives reinforced BI's role as a key contributor to the growth of the LOLC Group and underscored its commitment to supporting Sri Lanka's economic development through responsible and sustainable investments.

Despite continued global economic uncertainties and evolving domestic market dynamics, the Company demonstrated resilience through the strength of its diversified portfolio and sound investment strategy. Supported by experienced leadership, robust governance practices, and a long-term strategic outlook, Browns Investments PLC remains well positioned to create sustainable value for its shareholders and all stakeholders in the years ahead.

PLANTATION AND AGRICULTURE

Browns Plantations

Browns Plantations continued to strengthen its position as one of the world's largest and most geographically diversified plantation enterprises, advancing its strategic vision of building a globally integrated agricultural platform spanning Asia and Africa. Spread across Sri Lanka, Kenya, Tanzania, Rwanda and China, the Group remained focused on enhancing operational excellence, accelerating sustainability initiatives and leveraging technology to create long-term value across its plantation portfolio. The Group's global footprint, combined with its diversified agricultural assets and strong market presence, enables it to respond effectively to evolving industry dynamics while capitalising on opportunities within the global tea value chain.

One of Browns Plantations' key competitive strengths lie in its ability to leverage synergies across its geographically diversified tea operations. The Group actively shares best practices, technology, agronomic expertise and operational knowledge across Sri Lanka, Kenya, Tanzania, Rwanda and China, enabling successful initiatives developed in one region to be adapted and implemented across others. This integrated approach strengthens productivity, enhances product quality, accelerates turnaround programmes and supports innovation throughout the value chain. At the same time, the Group's presence across multiple tea-producing origins provide greater resilience against regional market and climatic challenges while enabling it to better serve evolving customer requirements through a broader and more diversified product offering.

The year under review was characterised by significant external challenges affecting plantation operators globally. Rising labour costs, increasing fertiliser prices, higher energy costs and weather-related disruptions placed pressure on profitability across the sector. Nevertheless, Browns Plantations demonstrated resilience through disciplined operational management, strategic investments and a relentless focus on productivity improvements across both its local and international operations.

Technology and innovation continued to play a pivotal role in the Group's transformation agenda. Investments in automation, mechanised harvesting, digital monitoring systems and manufacturing efficiency programmes strengthened operational performance while laying the foundation for future growth. At the same time, sustainability remained firmly embedded within the Group's strategy, with substantial investments directed towards renewable energy, carbon reduction initiatives and conservation programmes.

Looking ahead, Browns Plantations remains committed to creating a future-ready plantation business that balances operational excellence with environmental responsibility. The Group is committed to strengthen its competitive position through continued investment in innovation, renewable energy, mechanisation and sustainable land management, while progressing towards its long-term ambition of achieving carbon net-zero operations.

PLANTATIONS & AGRICULTURE SECTOR REVIEW: SRI LANKA

The Group's Sri Lankan plantation portfolio continued to demonstrate resilience despite a challenging operating environment characterised by rising operating costs and persistent industry-wide pressures. Collectively, the plantation companies generated a revenue of over Rs. 23.46 billion during the year under review, with Hapugastenne Plantations PLC (HPL) contributing Rs. 4.49 billion, Udapussellawa

Plantations PLC (UPL) Rs. 3.26 billion, Maturata Plantations Limited (MPL) Rs. 5.69 billion, Pussellawa Plantations Limited (PPL) Rs. 6.71 billion and Tea Smallholder Factories PLC (TSML) Rs. 3.32 billion. Despite considerable margin pressures arising from higher labour costs following the latest wage revision, together with increases in fertiliser, energy and other input costs, HPL, UPL, PPL and TSML remained profitable, while MPL delivered a strong financial performance despite being impacted by higher borrowing costs during the year. Nevertheless, all plantation companies successfully achieved their crop targets, reflecting the strength of their agricultural operations, disciplined estate management and continued focus on productivity. In addition, the local plantation portfolio recognised fair value gains of approximately Rs. 1.6 billion from biological assets and property valuations.

Among the year's most notable achievements was the strong performance of Tea Smallholder Factories PLC following its acquisition. The implementation of a revised operating strategy, focused on enhancing tea quality while improving factory utilisation, contributed to a significant improvement in financial performance during the year. Revenue increased to Rs. 3.32 billion, while gross profit more than doubled compared to the previous financial year. The business also recorded EBIT of Rs. 50.9 million, Profit Before Tax of Rs. 236.4 million and Profit After Tax of Rs. 165.7 million. This performance reflects the successful execution of the Company's operational improvement initiatives and reinforces the long-term value of the acquisition.

Among the established plantation businesses, Udapussellawa Plantations PLC delivered the strongest profitability performance during the year, generating revenue of Rs. 3.26 billion, Gross Profit of Rs. 606.6 million, EBIT of Rs. 514.2 million and Profit After Tax of Rs. 551.2 million, supported by a healthy gross profit margin of 18.6% and net profit margin of 16.9%. Hapugastenne Plantations PLC recorded revenue of Rs. 4.49 billion and Profit After Tax of Rs. 203.0 million, while maintaining positive operating margins despite escalating production costs. Maturata Plantations Ltd. generated a revenue of Rs. 5.69 billion, although profitability was affected by prevailing industry challenges and increased operating costs during the year. Pussellawa Plantations Ltd. delivered an exceptional performance during the year despite continued cost pressures across the plantation sector. The Company generated revenue of Rs. 6.71 billion, supported by disciplined estate operations and sustained agricultural productivity. It recorded Gross Profit of Rs. 438.0 million, EBIT of Rs. 554.2 million and Profit Before Tax of Rs. 455.2 million, concluding the year with a Profit After Tax of Rs. 49.4 million. Capital expenditure of Rs. 590.6 million reflected the Company's continued investment in estate development, operational infrastructure and long-term productivity enhancement, reinforcing its commitment to sustainable value creation despite a challenging operating environment.

Technology-driven transformation remained a key priority across the local plantation portfolio. During the year, Browns Plantations expanded the implementation of real-time digital weighing solutions across its estates, enhancing transparency throughout the green leaf collection process. The system provides workers with greater visibility into weight measurements and quality adjustments, offering greater transparency. This initiative has significantly improved operational integrity and stakeholder confidence across the value chain. Complementing these efforts, the Group also introduced a digital automated dryer mouth tea weighing system within manufacturing operations, enabling real-time production statistics and enhanced process control.

Mechanisation continued to gain momentum during the year. In response to labour shortages experienced across certain plantation regions, Browns Plantations significantly expanded investments in handheld harvesting equipment. Following successful pilot programmes, the Group deployed approximately 2,450 harvesting machines across its estates and subsequently procured an additional consignment of 1,000 to support wider adoption. These investments have already generated measurable improvements in harvesting efficiency while supporting higher productivity levels across operations.

Simultaneously, Browns Plantations continued to evaluate opportunities for factory automation. Detailed studies were undertaken during the year to identify automation solutions capable of enhancing manufacturing efficiency while supporting long-term cost competitiveness. These initiatives form part of a broader strategy to establish an optimal balance between technology and workforce productivity within the plantation sector.

Significant investments were also made towards factory refurbishment and infrastructure upgrades during the year, including reroofing programmes, structural strengthening initiatives and facility enhancements designed to support renewable energy integration while improving long-term operational sustainability.

The plantation companies' commitment to operational excellence, quality, sustainability and responsible estate management continued to receive recognition during the year through numerous local and international awards, certifications and industry accolades, reinforcing Browns Plantations' position as one of Sri Lanka's leading plantation groups.

Sustainability at Browns Plantations

Browns Plantations continues to create long-term value through the responsible management of natural resources, sustainable agricultural practices and disciplined operational excellence. With a diversified plantation portfolio spanning Sri Lanka, Tanzania and Sierra Leone, the sector integrates commercial performance with environmental stewardship, climate resilience, biodiversity conservation and community development. During the year under review, Browns Plantations remained focused on strengthening productivity, advancing digitalisation and renewable energy initiatives and enhancing operational resilience, while navigating an increasingly challenging cost environment. This balanced approach continues to reinforce the sector's ability to generate sustainable economic, environmental and social value over the long term.

Environmental stewardship remained firmly embedded within Browns Plantations' operating philosophy during the year under review, with continued investments directed towards climate resilience, biodiversity conservation, renewable energy, sustainable agricultural practices and community engagement. These initiatives reflect the Group's commitment to creating long-term environmental and social value while aligning plantation operations with internationally recognised sustainability standards and responsible land management practices.

Water stewardship continued to be a priority across the Group's estates. Through an extensive rainwater harvesting programme, Browns Plantations collected nearly 85,200 cubic metres of rainwater during the year, reducing dependence on conventional water sources while strengthening water security across its plantation operations. Complementing these efforts, the Group continued to implement sustainable agricultural practices, including cover cropping, crop rotation and agroforestry techniques, to enhance soil fertility, minimise erosion, improve moisture retention and preserve long-term land productivity.

Protecting and restoring biodiversity remained central to the Group's environmental strategy. During the year, Browns Plantations planted approximately 3,000 indigenous trees across its estates while continuing to safeguard 4,488 hectares of environmentally sensitive land spanning 49 estates. Wildlife corridors were further developed to improve habitat connectivity, while ecological buffer zones were maintained around environmentally sensitive areas to protect native flora and fauna and preserve ecological balance. Continuous biodiversity monitoring programmes were undertaken to assess ecosystem health and support evidence-based conservation initiatives across the plantation portfolio.

The Group's sustainability framework continues to be guided by internationally recognised standards, with plantation operations aligned to the Rainforest Alliance Sustainable Agriculture Standard and ISO 14064 requirements for greenhouse gas accounting and reporting. These frameworks strengthen environmental governance while supporting continuous improvement in sustainable agricultural practices, climate risk management and environmental performance monitoring.

During the year, Browns Plantations completed a large-scale rooftop solar project covering 20 factories across its Sri Lankan operations. Representing an investment of approximately Rs. 660 million, the project is expected to deliver significant reductions in energy costs while supporting the Group's transition towards cleaner energy sources. The initiative represents a major milestone in Browns Plantations' sustainability journey and supports its ambition of progressing towards Carbon Neutrality/carbon net-zero operations by 2040. With annual energy expenditure across the plantation portfolio approaching Rs. 1 billion, the Group has established a strategic objective of reducing dependence on conventional energy by between 60% and 70% through renewable energy investments.

Building on the success of the first phase, Browns Plantations has commenced planning for a second phase that will extend rooftop solar installations to a further 16 factories. In parallel, the Group has identified 15 potential hydropower locations across its plantation network to strengthen energy security, reduce long-term operating costs and further advance its environmental objectives.

Advancing towards a lower-carbon operating model remained a key strategic priority during the year. Browns Plantations reaffirmed its commitment to achieving carbon neutrality across the majority of its tea factories by 2030 through continued investments in renewable energy and energy efficiency. As part of this long-term strategy, the Group progressed the implementation of a 5 MW rooftop solar programme, which is expected to reduce carbon emissions by approximately 27,900 metric tonnes over its lifecycle. During the year under review, solar installations with a cumulative capacity of 2.83 MW were successfully completed, representing a significant milestone in the Group's renewable energy transition while contributing to lower operating costs and reduced dependence on conventional energy sources.

Recognising that sustainability extends beyond environmental performance, Browns Plantations continued to strengthen community engagement across its plantation workforce and surrounding communities. Particular emphasis was placed on improving the education and nutritional wellbeing of plantation children through targeted community initiatives, while environmental awareness programmes reached nearly 7,000 employees during the year. These programmes encouraged responsible environmental practices, strengthened employee participation in sustainability initiatives, and fostered a culture of environmental stewardship throughout the organisation.

By embedding sustainability within its long-term business strategy, the Group continues to create value that extends beyond operational performance while contributing meaningfully to the conservation of Sri Lanka's natural capital and the sustainable development of the plantation sector.

Awards, Certifications and Recognition

The Group's commitment to sustainable plantation management, environmental stewardship, technological innovation and operational excellence received widespread national and international recognition during the year under review. At the Sri Lankan Sustainability Awards 2025, organised by the Ceylon Institute of Builders (CIOB) in collaboration with the Building Economics and Management Research Unit (BEMRU) of the University of Moratuwa, Browns Plantations received four major accolades: Sustainable Preservation of Biodiversity, Sustainability Business Leader of the Year, Sustainable Future Leader of the Year and Sustainable Technology Provider. These awards recognised the Group's leadership in biodiversity conservation, sustainable business practices, responsible leadership and the application of technology to advance sustainability within the plantation sector.

The Group's environmental leadership was further recognised at the People's Excellency Awards 2025, where Browns Plantations was named The Eco-Conscious Plantation of the Year. At the same awards ceremony, Dr. Pradeep Uluwaduge, Executive Chairman, received the Excellence in Sustainable Leadership Award of the Year in recognition of his contribution to advancing sustainability within Sri Lanka's plantation industry.

Further recognition followed at the Purawasi Abhiman Sinhawalokanaya 2025 Awards, organised by Veenavee

Event and Management Crew (Pvt) Ltd, where Browns Plantations received the Sustainable Business Leadership Excellence Award, while Dr. Pradeep Uluwaduge was honoured with the Leadership in Sustainable Enterprise Excellence Award, recognising both the organisation's and its leadership's contribution to sustainable business excellence.

International recognition continued at the Asia Awards, where Browns Plantations received Asia's Sustainable Transformation Award, Asia's Plantation Operational Excellence Award, and Asia's Most Environmentally Responsible Company Award. At the same event, Dr. Pradeep Uluwaduge was honoured with Asia's Chairman of the Year, reflecting the Group's sustained leadership in operational excellence, environmental responsibility, and strategic transformation.

Adding to these achievements, Hapugastenne Plantations PLC became the first company in the world to receive the Control Union Deforestation-Free Standard (DFS) Certificate from Control Union Certification B.V. This landmark certification recognises the Company's commitment to responsible land management, biodiversity conservation and deforestation-free plantation practices, setting a new global benchmark for sustainable plantation management.

Beyond renewable energy, Browns Plantations continued to pursue broader environmental initiatives aimed at enhancing biodiversity and strengthening natural capital. Discussions progressed with international partners regarding large-scale reforestation and land rehabilitation programmes across underutilised plantation lands. These initiatives are expected to support biological asset growth, biodiversity conservation, future participation in carbon credit markets and the Group's longer-term climate commitments.

Tropical Island Commodities

Tropical Island Commodities recorded a significant improvement in performance during the year under review, reporting a positive EBITDA of approximately Rs. 98 million. The result reflects the success of strategic initiatives implemented over the past year to diversify markets, improve margins and reduce reliance on traditional business segments. Building on the operational improvements achieved in recent years, the Company adopted a revised business model focused on expanding into previously untapped market segments with stronger margin potential. This strategic shift contributed positively to earnings and strengthened the Company's overall commercial position.

The Company also continued to diversify its product portfolio beyond its traditional cinnamon-focused business. While cinnamon remains a core product category, Tropical Island Commodities expanded its offering to include pepper, cloves, nutmeg, cardamom and other value-added spices in response to evolving customer requirements. This broader product mix has improved revenue diversification while strengthening customer relationships across export markets. Operational performance improved during the year, with export volumes increasing and the number of containers shipped monthly recording notable growth. The Company further enhanced its export readiness by maintaining internationally recognised certifications, including ISO and GMP certifications, while also pursuing additional certifications aimed at expanding access to key European markets.

With improving market conditions, a diversified product portfolio and an expanded customer base, Tropical Island Commodities is well-positioned to build on the progress achieved during the year and deliver further growth in the period ahead.

PLANTATIONS & AGRICULTURE SECTOR REVIEW: GLOBAL

Browns Plantations' international operations continued to play a pivotal role in the Group's long-term growth strategy, providing geographic diversification, operational scale and access to key global tea markets. During the year under review, Management focused on accelerating turnaround initiatives, enhancing productivity, expanding renewable energy investments and improving profitability across its international portfolio.

Browns Plantations Kenya

Browns Plantations Kenya (BPK) remained one of the largest contributors to the Group's international plantation operations. The business continued its remarkable transformation journey during the year, successfully building upon the turnaround achieved since acquisition. At the time of acquisition, BPK was recording losses, however through disciplined operational management, productivity enhancement initiatives and strategic investments, the business recorded a profit of approximately USD 1.5 million during the year under review. Management expects this momentum to continue.

Mechanisation remained a key driver of operational performance. During the year, Browns Plantations expanded investments in advanced self-propelled harvesters sourced from Japan. These sophisticated machines, each representing a significant capital investment, have substantially improved harvesting productivity while reducing per-kilogram harvesting costs. The programme has already generated measurable efficiency gains and remains central to the Group's long-term productivity strategy. The Company also continued to pursue innovative sustainability initiatives aimed at reducing energy consumption and carbon emissions. BPK invested approximately USD 1.5 million in pilot projects exploring gasification technologies designed to reduce firewood consumption in tea manufacturing processes. Early results have been encouraging and may support broader implementation across the Group's operations in future years. These initiatives support Browns Plantations' broader ambition of becoming the world's first carbon net-zero large-scale tea producer. The Company also continued programmes aimed at enhancing the capacity of its 10 hydropower facilities, further strengthening renewable energy generation across its operations.

Browns East Africa Plantations

Browns East Africa Plantations (BEAP), established following the acquisition of the former Lipton tea portfolio, made substantial progress during the year under review. At the point of acquisition in 2024, the former Lipton operations were operating at a loss. Through focused restructuring initiatives, operational improvements and disciplined management, these losses were substantially reduced during the year under review. This improvement was further supported by enhanced product quality and strategic changes implemented in field and agricultural operations, which contributed significantly to the overall performance. Importantly, USD 4 Mn of the loss was attributable to one-off restructuring costs associated with workforce optimisation and business transformation initiatives. Excluding these non-recurring expenses, the underlying operational performance demonstrated a marked improvement. Building on this momentum, the business is targeting a return to profitability in the forthcoming financial year. This turnaround reflects the effectiveness of the Group's integration strategy and its ability to unlock value from large-scale agricultural acquisitions.

Browns Plantations Tanzania

Browns Plantations Tanzania continued its transformation journey during the year, achieving a significant reduction in losses, despite operating in a challenging business environment. A key strategic initiative implemented during the year was the introduction of an innovative revenue-sharing model. Under this framework, local communities and former employees are entrusted with the management of designated plantation plots, while receiving agricultural input, technical support, and guaranteed market access. This approach has strengthened stakeholder engagement, improved productivity, and enhanced the long-term sustainability of operations. The Company also invested significantly in factory capacity enhancement projects to support future production growth and improve manufacturing efficiency.

Browns Plantations Rwanda

Browns Plantations Rwanda strengthened its position as a strategic growth platform within the Group's African operations. The business operates under a unique tripartite partnership involving Browns Plantations, the Government of Rwanda and the Wood Foundation, with a strong emphasis on supporting smallholder farmers and inclusive agricultural development. As tea production volumes continued to increase, the operation undertook major capacity enhancement initiatives during the year. An investment of approximately USD 2.4 million was directed towards expanding manufacturing capacity, including the installation of a second CTC production line and increased withering capacity. These investments are expected to support future growth while strengthening operational efficiency.

Browns Plantations (Guizhou) Tea Co., Ltd.

Browns Plantations (Guizhou) Tea Co., Ltd. sustained its positive growth trajectory during the year. Since its acquisition, the business has consistently remained profitable and has successfully established itself as an important component of the Group's global tea value chain. Located within one of China's most important tea-producing regions, the Company serves as a strategic hub for tea refining, packaging and value-added tea solutions. During the year under review, the operation recorded a profit of approximately RMB 1.7 million and remains on track to achieve further growth in the years ahead.

Sunbird Sierra Leone

Sunbird Sierra Leone continued its operational transformation during the year under review, recording its strongest production performance to-date despite continuing to operate at a negative EBITDA level. While profitability remained impacted by market-related challenges, the Company achieved several important operational milestones that reinforce its long-term growth potential. The Company recorded its highest-ever sugarcane crushing volume exceeding 175,000 metric tonnes during the year. Ethanol production reached a record level of approximately nine million litres, while agricultural yields improved significantly compared to the previous years. These achievements reflect ongoing investments in plantation management, operational efficiencies and agronomic improvements across the estate. Despite this strong operational performance, the business encountered challenges during the latter part of the financial year arising from temporary disruptions in domestic and regional sales markets. These conditions impacted revenue generation and overall financial performance, offsetting some of the gains achieved through higher production volumes and improved yields.

A major strategic priority for the Company remains the development of its sugar production project. Although implementation timelines were affected by a range of external factors, project activities commenced during the latter part of the financial year and are currently progressing. Once completed, the project will significantly diversify the revenue streams and strengthen its position within Sierra Leone's agricultural sector. The facility is currently expected to be completed during the 2027/28 financial year.

The Company cultivated approximately 5,550 hectares during the year, of which approximately 3,700 hectares were harvested. Continued expansion of productive acreage, coupled with investments in processing infrastructure is expected to support future growth in production and profitability. Overall, the Company improved agricultural yields and advanced its sugar diversification strategy to unlock value and strengthen the Group's international agribusiness portfolio.

LEISURE

Browns Hotels & Resorts

The global tourism industry continued its growth trajectory during 2025, supported by increasing international travel demand, improved connectivity and growing consumer confidence. Against this backdrop, Sri Lanka's tourism sector maintained its recovery momentum and is expected to experience sustained growth over the medium-term, with tourist arrivals projected to reach between 3.5 million and 4 million by 2030. This anticipated growth is expected to create significant opportunities for the hospitality sector while driving increased demand for quality accommodation, wellness tourism and authentic destination experiences.

Capitalising on favourable market conditions, Browns Hotels and Resorts delivered its strongest financial performance to date during the year under review. This performance was underpinned by a continued focus on operational excellence through the implementation of a unified Property Management System, digital concierge solutions and process digitalisation initiatives. In anticipation of the next phase of tourism growth, Browns Hotels and Resorts continued to invest in strengthening and modernising its property portfolio. Approximately 15% of the room inventory across the Group underwent refurbishment or upgrades during the year. Key projects included the renovation of 47 family rooms at Dickwella Resort & Spa, 24 villas at Club Hotel Dolphin, 15 washrooms at

The Paradise Dambulla and the development of mock-up rooms at Hotel Sigiriya. The Group also completed the refurbishment of Bello Beach Bar at The Calm Resort & Spa and introduced a new beach bar concept at Dickwella Resort & Spa, further enriching the guest experience across its coastal properties.

A notable milestone during the year was the addition of Newburgh Ella – The Tea Factory Resort to the Browns Hotels and Resorts portfolio. Developed within a period of 10 months, the 41-room property transformed a historic tea factory into a unique hospitality destination while preserving its industrial heritage.

The Group also strengthened its positioning within the wellness tourism segment through the introduction of Ayuwasa Wellness, a unified wellness concept implemented across the portfolio. Replacing the previous spa model, the concept integrates traditional Ayurvedic treatments with wellness therapies, nutritional guidance, lifestyle consultations and holistic wellbeing programmes. Supported by qualified Ayurvedic practitioners across the majority of the Group's properties, Ayuwasa Wellness responds to the growing demand among international travellers for personalised wellness experiences.

Guest experiences enhancement remained a key priority throughout the year. Browns Hotels and Resorts introduced innovative à la carte menus across seven properties, incorporating local ingredients, regional flavours and contemporary culinary presentation. Complementing this initiative, modern beverage programmes featuring signature cocktails, infused spirits, wellness beverages, artisanal mixers and internationally inspired mixology concepts were introduced across multiple properties. These initiatives strengthened food and beverage offerings while creating new revenue opportunities and enhancing the distinctive identity of each hotel.

Employee turnover remained below industry average through competitive remuneration structures, enhanced service charge distributions and performance-based incentives. The Group further strengthened its future leadership pipeline through the Management Trainee Programme, which successfully recruited and developed 22 trainees, many of whom have already transitioned into operational management roles. Extensive learning and development initiatives covering customer service excellence, leadership development, professional etiquette, health and safety, butler training, performance management and operational excellence were conducted throughout the year. The successful implementation of these initiatives contributed to Browns Hotels and Resorts being recognised with the Best HR Practices in the Tourism, Hospitality and Leisure Sector Award at the Great HR Awards 2025.

The Group also strengthened operational governance and sustainability performance across the portfolio. During the year, a 350 kWp solar photovoltaic system was commissioned at Club Hotel Dolphin while solar water heating systems were installed at Ayugiri Ayurveda Wellness Resort. Fire evacuation drills were successfully conducted across all properties in partnership with the Colombo Fire Department. ISO 22000 food safety certification audits were also completed and the Group maintained zero health and safety violations relating to guest services and hospitality operations.

The portfolio's commitment to excellence continued to receive widespread recognition during the year. Browns Hotels and Resorts secured 41 national and international awards and recognitions across its properties. Among the highlights were the South Asian Travel Awards (SATA) 2025 Leading All-Inclusive Hotel Award for Club Hotel Dolphin, SATA 2025 Leading Beach Resort Award for Eden Resort & Spa, National Business Excellence Awards for Thaala Bentota and Reveal Mirissa, TripAdvisor Travellers' Choice Awards, Booking.com Traveller Review Awards and HolidayCheck recognitions. Browns Hotels and Resorts was also recognised among Sri Lanka's most loved hospitality brands by LMD.

TOURISM SECTOR PROPERTY-WISE PERFORMANCE: SRI LANKA

The Eden Beruwala

The Eden Beruwala continued to strengthen its position as one of the Group's flagship beach resorts, supported by strong guest satisfaction levels and consistent service delivery. The property recorded revenue of Rs. 1.5 Bn during the year under review, reflecting 16% year-on-year growth. Its food and beverage offering was elevated with the introduction of contemporary beverage programmes featuring signature cocktails, infused spirits and wellness-focused beverages. Eden also hosted an international Malaysian Food Festival featuring renowned Malaysian chefs, further elevating its culinary proposition. During the year, the property was recognised with the South Asian Travel Awards (SATA) 2025 Leading Beach Resort Award, the CNCI Achiever Award 2025, the HolidayCheck Award and the Schauinsland Reisen Top Hotel Partner Award.

Club Hotel Dolphin

Reporting a Revenue of Rs. 1.7 Bn during the year under review, Club Hotel Dolphin further cemented its credentials as one of Sri Lanka's leading all-inclusive resorts. Operational enhancements included the renovation of 24 villas and the commissioning of a 350 kWp solar photovoltaic system, supporting guest experience improvements and sustainability objectives. The hotel hosted an international Malaysian Food Festival and the Chef Factor 2025 culinary competition in partnership with Sri Lanka Institute of Tourism & Hotel Management (SLITHM). The property's performance and service excellence were recognised through multiple accolades, including the South Asian Travel Awards 2025 Leading All-Inclusive Hotel Award, TripAdvisor Travellers' Choice Award, Booking.com Traveller Review Award and HolidayCheck Award.

Thaala Bentota

Thaala played a leading role in the Group's Rathamilla Conservation Programme while also participating in international culinary promotions including the Malaysian Food Festival. The hotel's performance and service standards were recognised through the National Business Excellence Awards 2025 Merit Award and the Booking.com Traveller Review Award. Recording an EBIT of Rs. 289.6 Mn during the year under review, the property further strengthened its positioning through sustainability-driven initiatives and guest experience enhancements.

Dickwella Resort & Spa

Dickwella Resort & Spa underwent one of the most extensive refurbishment programmes within the portfolio, including the renovation of 47 family rooms. A key highlight was the introduction of a new beach bar concept, which has rapidly become one of the most popular lifestyle attractions in the area. The resort also strengthened its culinary and beverage offerings through newly introduced menus and beverage programmes designed to enhance guest engagement and increase food and beverage revenues. The property was recognised with TripAdvisor Travellers' Choice and Booking.com Traveller Review Awards.

Hotel Sigiriya

Hotel Sigiriya enhanced its product offering through the development of two model guest rooms as part of a broader refurbishment strategy, along with expanded food and beverage offerings through redesigned menus. The property recorded an EBIT of Rs. 90.5 Mn during the year under review while strengthening its role as a key Cultural Triangle destination through biodiversity, naturalist training and wildlife conservation initiatives. The hotel received both TripAdvisor Travellers' Choice and Booking.com Traveller Review Awards during the year.

The Calm Resort & Spa

The Calm Resort & Spa recorded revenue of approximately Rs. 480 Mn during the year under review, representing an increase of around 12% over the previous financial year, although the property reported an operating loss. The property completed the refurbishment of the Bello Beach Bar and introduced new culinary concepts and contemporary beverage programmes designed to elevate the guest experience. In addition, the hotel continued to strengthen its positioning through sustainability-led initiatives focused on marine conservation and community engagement. The property received both TripAdvisor Travellers' Choice and Booking.com Traveller Review Awards during the year.

The Paradise Dambulla

The Paradise Dambulla generated revenue of approximately Rs. 468 Mn during the year under review. While the property was in an operating loss position, it continued to implement a range of operational enhancements, including the renovation of 15 washrooms and the introduction of enhanced dining and beverage experiences. The property continued to support the Group's biodiversity and cultural heritage initiatives through its Ayusuwa Osu Uyana medicinal plant project and conservation programmes conducted in collaboration with the Department of Archaeology. The hotel also received the TripAdvisor Travellers' Choice Award and Booking.com Traveller Review Award.

Ayugiri Ayurveda Wellness Resort

Having commenced operations in June 2024, Ayugiri Ayurveda Wellness Resort recorded revenue of approximately Rs. 160 Mn during the year under review. The property played a central role in the launch of the Group's Ayuwasa Wellness concept and continued to strengthen its reputation as a specialised wellness destination. During the year, solar water heating systems were installed across the property as part of the Group's sustainability roadmap. Ayugiri also expanded wellness-focused culinary offerings and continued integrating locally sourced ingredients, including sustainably harvested honey from community-based beekeeping initiatives.

Reveal the Collection - Mirissa

Reveal Mirissa recorded a revenue of Rs. 394 Mn during the year under review. The property continued to strengthen its market positioning through service enhancements and operational improvements.

During the year, Reveal Mirissa was recognised with a Silver Award in the Hospitality and Tourism Sector at the National Business Excellence Awards 2025, reflecting its continued focus on service excellence and operational performance.

Sustainability and Community Engagement at BHR

Environmental stewardship, biodiversity conservation and community engagement remained integral to Browns Hotels and Resorts' sustainability agenda during the year under review.

The Eden Beruwala's Butterfly Garden Project, established at Moragalla Junior School, continued to promote biodiversity conservation and environmental education. The initiative introduced over 30 species of nectar and host plants while providing students with practical training on butterfly ecology and habitat monitoring. The property also hosted greenhouse gas calculation and verification training in accordance with ISO 14064, strengthening carbon accounting capabilities across the Group.

Thaala Bentota continued its partnership with the Department of Wildlife Conservation through the Rathamilla Conservation Initiative, focused on protecting *Lumnitzera littorea*, one of Sri Lanka's rarest mangrove species. The programme combined scientific monitoring with community awareness activities involving local residents, schoolchildren and guests, contributing to the long-term conservation of a nationally significant species.

Within the Cultural Triangle, Hotel Sigiriya strengthened sustainable tourism practices through a comprehensive naturalist training programme for staff across multiple properties. The initiative enhanced knowledge of biodiversity, ecosystems, wildlife and cultural heritage, enabling staff to deliver richer guest experiences while promoting environmental awareness. The property's Beekeeping Project also continued to support biodiversity conservation and rural livelihoods through sustainable beekeeping practices developed in collaboration with local communities.

At The Paradise Dambulla, the Ayusuwa Osu Uyana initiative promoted the preservation of medicinal plant species and traditional Ayurvedic knowledge while enhancing biodiversity within the property. The hotel also partnered with the Department of Archaeology to conduct environmental clean-up activities at the Sigiriya Rock Fortress and surrounding tank area, supporting the conservation of one of Sri Lanka's most significant cultural heritage sites.

Dickwella Resort & Spa continued its support for inclusive education through the maintenance of specialised classroom and sanitation facilities for children with special needs. The property also conducted a Waste to Design workshop in collaboration with the Vocational Training Authority, promoting circular economy principles and encouraging the creative reuse of waste materials among students.

The Calm Resort & Spa continued its commitment to marine conservation through a series of initiatives conducted in partnership with the Marine Environment Protection Authority and harbour authorities. Activities included World Ocean Day awareness programmes, environmental education campaigns for fishing communities and the donation of colour-coded recycling bins to schools to encourage responsible waste management and recycling practices.

Club Hotel Dolphin strengthened its environmental conservation efforts through mangrove restoration and environmental awareness programmes conducted in partnership with the Wildlife & Nature Protection Society. Activities included mangrove nursery development, Nipa Palm planting initiatives, conservation education for schoolchildren and environmental clean-up campaigns. The property also commemorated World Environment Day through riverbank restoration programmes, tree planting activities and community engagement initiatives supporting environmental sustainability and social wellbeing.

Browns Hotels and Resorts partnered with the National Crafts Council to launch the Crafting Journeys initiative in celebration of World Tourism Day. The programme supported the preservation of Sri Lanka's artisan and handicraft heritage while promoting sustainable tourism and community livelihoods.

Additional initiatives included international culinary festivals, wildlife conservation campaigns, bartender development programmes, youth talent development initiatives and sustainable beekeeping projects across the portfolio. Browns Hotels and Resorts continued to demonstrate its commitment to creating meaningful environmental, social and economic value while strengthening the sustainability of the destinations and communities in which it operates.

Sheraton Kosgoda Turtle Beach Resort

The principal contributor within the portfolio, Sheraton Kosgoda Turtle Beach Resort, continued to strengthen its market position as a premier beachfront destination on Sri Lanka's southern coastline. Benefiting from its location along the country's tourism corridor and its proximity to attractions such as the Kosgoda Turtle Conservation Project and the ecological attractions of the southern coastal belt, the property continued to attract both international leisure travellers and domestic guests seeking premium resort experiences.

The Hotel recorded strong growth across its core operating metrics during the year under review, with total revenue increasing by 10% year-on-year to Rs. 1.9 billion compared with Rs. 1.75 billion in the previous financial year. The improvement was driven by stronger occupancy levels, improved average room rates and increased contribution from ancillary revenue streams across the property. Operational profitability improved significantly across the business, reflecting both revenue growth and disciplined cost management initiatives. The Rooms Division maintained exceptionally strong profitability levels during the year, recording departmental profitability of 87%, while the Food and Beverage Division achieved profitability of 23%, supported by improved utilisation levels, stronger banquet and event activity and tighter management of operating costs.

The hotel also continued to focus on improving operational efficiency and cost discipline, delivering an 8% reduction in controllable expenses compared with the previous financial year. These initiatives, combined with higher revenues, enabled the property to increase Gross Operating Profit to Rs. 544.3 million, representing an improvement of Rs. 78.8 million over the previous year.

Sustainability continued to receive considerable attention throughout the year as the property strengthened its environmental management practices and community engagement initiatives. The hotel successfully obtained ISO 14001 certification during FY2025/26, reinforcing its commitment to internationally recognised environmental management standards and sustainable operational practices. Environmental conservation initiatives also extended beyond the boundaries of the property itself. During the year, the hotel completed two tree planting programmes at neighbouring schools while also participating in a mangrove restoration initiative at the Madu River, contributing towards ecosystem restoration and biodiversity conservation within the surrounding region.

Waste management remained another area of focus, with the hotel implementing a segregated waste disposal programme in collaboration with the local Pradeshiya Sabha authorities of Kosgoda and Balapitiya to improve recycling practices and reduce landfill disposal. The property also successfully completed certified electronic waste disposal initiatives during the year and obtained an E-Waste Removal Certificate, further strengthening its environmental stewardship credentials and supporting responsible waste management practices across operations. Armed with a growing reputation as one of Sri Lanka's leading coastal resorts, the property enters the new financial year on a considerably stronger operating footing.

Marina Hotel Holdings

Marina Hotel, strategically located within the Colombo Port City adjacent to the Colombo Marina, is envisioned to be developed as a landmark luxury hospitality opening. Designed to cater to high-end leisure and business travellers, the hotel will be positioned as a premier destination in Sri Lanka's emerging urban waterfront. With its commanding views of both the ocean and the city skyline, the property will feature a refined classical-contemporary design, aimed at delivering a distinctive and sophisticated guest experience. The development is expected to contribute significantly to the growth of Colombo's luxury tourism sector, supporting the broader vision of positioning Sri Lanka as a world-class travel and business hub.

TOURISM SECTOR PROPERTY-WISE PERFORMANCE: GLOBAL

Maldives Hotels

FY2025/26 represented the inaugural operating period for Barceló Nasandhura Malé and was characterised by the transition from pre-opening activities to operational stabilisation and market establishment within the Maldivian hospitality sector. During the year under review, the hotel generated a revenue of USD 6.61 million while welcoming more than 25,000 guests and recording over 15,500 room nights sold. Occupancy reached 39.7% during the initial operating phase, reflecting the expected ramp-up period associated with new hotel openings and the delayed commencement of operations from February to May 2025, which impacted the property's ability to capture the full peak season.

Despite these start-up challenges, performance strengthened progressively throughout the year, with average room rates improving steadily and reaching USD 217.5 by December 2025. Food and Beverage operations emerged as a significant contributor to overall performance, generating revenue in excess of accommodation income and highlighting the property's growing appeal as both a hospitality and lifestyle destination within Malé.

Operational momentum accelerated significantly during the first quarter of the FY2026/27, with the hotel exceeding budgeted performance across all major operating indicators. Occupancy increased to 67.7%, supported by stronger commercial execution, improved market penetration and growing brand recognition within both the leisure and corporate segments. Peak occupancy reached 80% during February, while room nights exceeded planned levels and average room rates continued to strengthen, demonstrating improving pricing power and market acceptance.

From January 2025 to March 2026, the property generated cumulative revenue exceeding USD 11 million and successfully transitioned from its initial start-up phase towards a trajectory of sustainable profitability, reflecting the benefits of operational stabilisation and improved market positioning.

During the year, Barceló Nasandhura established itself as one of Malé's leading business and lifestyle hotels, receiving the Best City Hotel award at the Travel Trade Maldives Awards 2025 and the Best Luxury Hotel in the Indian Ocean title at the Haute Grandeur Global Excellence Awards 2026.

The property also emerged as a preferred venue for high-profile government, diplomatic and international events, including the Ministry of Finance's Maldives 2.0 and TradeNet launch, summits organised by the World Health Organisation and the Ministry of Health, Women and Democracy forums and the Indian Ocean Tuna Commission Conference hosted by the Ministry of Fisheries.

The hotel further strengthened its profile as an international events destination by serving as the official hosting partner for the 7th Carrom World Cup, welcoming more than 200 international delegates, while its inclusion in the Maldives Marketing and Public Relations Corporation's Visit Maldives Quarterly Insight publication recognised the property as a benchmark for urban hospitality development within the country.

Strategic collaborations with leading lifestyle platforms, including Brides Maldives, further supported the hotel's ambition of positioning itself as Malé's leading destination for weddings, lifestyle events and celebrations. The first anniversary of operations was marked through a Partner Appreciation Event aimed at strengthening relationships with travel agents, corporate customers and MICE partners, while the launch of curated entertainment programmes, festive events and live music initiatives supported the property's positioning as the capital's premier lifestyle hub.

The hotel also hosted the Maldives Wedding Fair, the country's largest exhibition dedicated to weddings and fashion, creating valuable opportunities to strengthen its presence within the events and celebrations segment and establish itself as the preferred wedding venue in Malé.

Sustainability considerations were embedded across operations from the inception. The hotel implemented energy efficiency measures including HVAC optimisation programmes aimed at reducing energy consumption per occupied room while progressively reducing the use of single-use plastics across guest amenities and food and beverage operations through the adoption of sustainable alternatives. Food waste reduction initiatives were introduced through buffet optimisation and portion management practices, while procurement policies increasingly prioritised locally sourced products and ingredients, supporting Maldivian suppliers and reducing transportation-related impacts.

Community engagement remained an important aspect of the hotel's operating philosophy, with the property supporting educational, social and advocacy initiatives while promoting diversity and inclusivity within the workplace. Guest-facing sustainability initiatives including linen reuse programmes and awareness campaigns promoting responsible resource consumption were also introduced, complemented by wellness partnerships such as Global Wellness Day which integrated wellbeing and sustainability into the guest experience. In order to support future reporting and performance monitoring, the hotel also established internal tracking mechanisms for key sustainability indicators including energy consumption, water usage and waste generation through its Gallileus Management System.

Radisson Blu Poste Lafayette Resort & Spa, Mauritius

Radisson Blu Poste Lafayette Resort & Spa, Mauritius delivered a resilient operational performance during the year under review despite a more challenging trading environment. The property generated a revenue of MUR 319.8 million, while maintaining a gross profit of MUR 171.2 million, reflecting continued focus on pricing discipline, operational efficiency, and service excellence. Although Profit Before Tax moderated to MUR 13.1 million and Profit After Tax stood at MUR 4.4 million, the resort remained profitable despite lower revenue, higher depreciation associated with ongoing capital investments, increased finance costs, and prevailing cost pressures across the hospitality industry.

The resort also distinguished itself by maintaining one of the highest occupancy levels during the year under review, reflecting its continued appeal as a preferred destination in the Mauritian hospitality market. This strong occupancy performance was supported by consistent demand across key source markets and the resort's reputation for delivering high-quality guest experiences and ability to compete effectively within an increasingly competitive tourism landscape.

A notable achievement during the year was the renewal of the prestigious Green Key Certification for the fourth consecutive year, reaffirming the property's continued adherence to internationally recognised standards for environmental stewardship and sustainable tourism established by Green Key International.

Environmental sustainability remained firmly embedded within the resort's operating philosophy. In partnership with Reef Conservation, employees participated in awareness programmes held in conjunction with International Seagrass Day, promoting greater understanding of the ecological significance of seagrass ecosystems, biodiversity conservation, and environmental monitoring while contributing to seagrass restoration trials in Roches Noires village. The resort also continued its long-standing collaboration with Green Impact Collection for recycling initiatives and actively supported coastal conservation through beach clean-up programmes at Poste Lafayette Public Beach.

Further sustainability initiatives included the continuation of zero food waste practices within employee dining facilities, the use of environmentally responsible suppliers and products, including be.eau water bottles, coffee capsule recycling programmes and participation in Earth Hour, reinforcing the resort's commitment to reducing its environmental footprint through practical, day-to-day operational initiatives.

The property also maintained a strong connection with the local community through a range of educational and social initiatives. These included support for wellness tourism awareness programmes involving local students and continued assistance to SOS Children's Village of Beau Bassin through both in-kind contributions and corporate social responsibility funding, reflecting the resort's ongoing commitment to creating positive social impact alongside commercial success.

ENTERTAINMENT

Excel World Entertainment Park

Excel World continued its transformation journey during the year under review through a series of strategic investments aimed at strengthening its position as Sri Lanka's leading family entertainment destination. The Group invested approximately Rs. 200 million towards upgrading and modernising the facility, introducing new indoor and outdoor attractions designed to elevate visitor experiences. These investments included the addition of new entertainment and amusement offerings aligned with international family entertainment standards. The destination also diversified its food and beverage offerings through partnerships with specialist operators, introducing authentic Asian culinary experiences featuring Chinese, Thai, Vietnamese, Malaysian, Hong Kong and Sri Lankan cuisine.

A notable addition during the year was the introduction of dedicated pickleball facilities, which have rapidly gained popularity among corporate groups, families and recreational users. The Group also improved asset utilisation through the conversion of selected areas into rentable commercial and co-working spaces, creating additional revenue streams while enhancing the overall value proposition of the facility. Many of these initiatives were implemented during the latter part of the financial year and are expected to contribute more meaningfully to the financial performance in the years ahead.

ENGINEERING & CONSTRUCTION

The Group's Engineering and Construction portfolio underwent a significant period of transition during the FY2025/26. While domestic construction activity continued to recover at a slower pace than expected, following the economic disruption experienced in recent years, the Group utilised this period to strengthen margins, improve operational discipline, optimise cost structures and reposition selected businesses towards specialised engineering services, project management consultancy, export-oriented industrial minerals and advanced manufacturing.

Browns Engineering and Construction

Browns Engineering and Construction embarked on an extensive business transformation programme. The restructuring process involved management changes, portfolio realignment and a comprehensive review of the Company's project pipeline and operating structure. A more selective approach to business acquisition was adopted, prioritising project quality, margin preservation and risk-adjusted returns over top-line expansion.

Consequently, revenue for the year amounted to Rs. 2.7 billion compared with Rs. 5.6 billion recorded during the previous financial year. While revenue declined, the impact of improved project selection and stronger commercial discipline became evident through significantly improved profitability metrics. Gross profit reached Rs. 680 million, representing a reduction of approximately 12% compared with the previous year despite revenues declining by more than half. More importantly, gross profit margins improved substantially from approximately 14% historically to 25% during the year under review, reflecting the success of management initiatives aimed at improving project economics and strengthening operational efficiency.

Administrative expenses increased during the year, primarily due to costs associated with the business transformation programme and a comprehensive review of the Company's asset base and receivable portfolio. As a result, the Company recorded operating and net losses during the year. While these initiatives impacted short-term profitability, they have strengthened the Company's operating platform and positioned the business for more sustainable and profitable growth. The benefits of the restructuring programme are expected to become increasingly evident during the FY2026/27 and FY2027/28 as the revised operating model gains momentum.

Browns Engineering continued to strengthen its presence within engineering consultancy, project management and technical advisory services across Sri Lanka and the Maldives. During the year, Browns Engineering was awarded the project management consultancy mandate for the development of a five-star all-inclusive resort in North Malé Atoll, Maldives under a turnkey development model. The project involves the construction of a 470-key luxury resort with an estimated project value of USD 108 million. The main contractor is Sinohydro Corporation, while the completed property will ultimately be operated by an international hospitality operator. The project is expected to be completed over a period of approximately 30 months and further reinforces Browns Engineering's credentials in delivering project management consultancy services for large-scale hospitality developments across the region.

The Company was also appointed Project Manager for the Budufarufinolhu development in Raa Atoll, Maldives involving the design, construction, furnishing and equipping of the resort.

During the year, Browns Engineering successfully completed its project management consultancy assignment for the Group's Nasandhura Hotel Complex and Apartment Development in the Maldives, with the project being handed over in April 2025. The successful completion of this landmark project is another important milestone for Browns Engineering's project management consultancy business.

Within Sri Lanka, Browns Engineering secured the appointment as Management Consultant for the Riverina Resort Development project, which remains under contract finalisation.

The appointment reflects the Company's continued involvement in providing project management consultancy services for large-scale hospitality developments.

The Company also continued its role as Project Management Consultant for the Marina Development within Port City Colombo. The development, being undertaken by the China Harbour Engineering Company, spans approximately 23,770 square metres under a design-and-build contract and will include restaurants, retail outlets, entertainment facilities and marina infrastructure capable of accommodating vessels of up to approximately 200 feet in length. Upon completion, the development is expected to become one of Sri Lanka's most significant waterfront destinations and a landmark project within the Colombo Port City development. Construction activities continued during the year, with Browns Engineering providing project management consultancy services throughout the implementation of the development.

The telecommunications division continued to expand its contribution to the Group's engineering portfolio through the deployment, maintenance and enhancement of telecommunications infrastructure across Sri Lanka. The division provides end-to-end engineering solutions across fixed line fibre optic, wireless and in-building communication infrastructure while supporting several of the country's leading telecommunications operators and technology providers. Major customers include SLT, Dialog, Huawei and ZTE, together with several other leading telecommunications operators and technology vendors. The division also undertakes optical fibre damage rectification and restoration works as well as high-rise building fibre connectivity solutions that support the continuing expansion of Sri Lanka's digital infrastructure ecosystem.

Browns Piling

Browns Piling also underwent a significant operational restructuring programme during the year as activities were progressively integrated into the broader Browns Engineering platform. Operating activity increased following the recommencement of operations under the revised structure. The benefits of tighter cost controls and improved operational efficiencies became evident through a significant reduction in administrative expenses and a corresponding improvement in the Company's financial performance. As a result, losses reduced considerably during the year under review, reflecting meaningful progress in stabilising the business and establishing a stronger foundation for future operations.

Sierra Cables

Sierra Cables delivered an exceptional performance during the FY2025/26, recording the highest revenue, operating profit and profit after tax in its history. Revenue increased by approximately 70% to reach Rs. 16 billion, establishing a new benchmark for the business since inception. Operating profit increased from Rs. 1.4 billion in FY2024/25 to Rs. 3.0 billion during the year under review, while Profit after tax increased from Rs. 900 million to Rs. 2.5 billion. Growth was supported by strong export demand, continued investment in manufacturing capacity and the strength of the Company's product offering within both domestic and international markets. Exports now account for approximately 30% of total revenue, while management continues to actively pursue opportunities for further expansion into international markets.

The Company currently processes more than 400 tonnes of aluminium and approximately 200 tonnes of copper each month, supported by an experienced manufacturing, sales and marketing team and products that continue to meet demanding international quality standards, including requirements within the USA.

The year under review also brought significant recognition for the business. Sierra Cables received the Gold Award for Annual Exporter and Best Brand Exporter at the 2025 awards organised by the National Chamber of Exporters of Sri Lanka.

Environmental leadership remained equally prominent. The Company received the Four-Star Green Label Award from the Green Building Council of Sri Lanka for its sustainable building materials and products, with certification extending till 2028. Sierra Cables also received the Presidential Environment Award under the Government of Sri Lanka's Presidential Environmental Awards Programme in recognition of its commitment to sustainable manufacturing and environmental stewardship.

The Company continued expanding the use of Low Smoke Halogen Free materials across its product portfolio, improving safety standards while reducing environmental impact and meeting evolving customer and regulatory requirements. Environmental management practices continue to operate in accordance with ISO 14001 standards and all applicable environmental regulations through continuous monitoring and improvement programmes. Circular economy principles remain embedded within manufacturing operations through the implementation of reduce, reuse and recycle initiatives. Metal scraps generated during production is recycled, while PVC waste is repurposed for secondary industrial applications wherever feasible. The Copper Recycling and Recovery Plant further strengthens these efforts by enabling manufacturing rejects, damaged products and post-consumer copper waste to be recovered and reintroduced into production cycles rather than entering the environment.

The Company also continues to improve energy efficiency through operational optimisation and investments in renewable energy. Existing solar installations currently generate between 15% and 20% of total electricity demand, while plans are underway to expand renewable energy capacity during the FY2026/27 with the objective of increasing solar contribution to approximately one-third of overall consumption. These initiatives support lower carbon emissions, reduce reliance on non-renewable energy sources and further strengthen the environmental sustainability of manufacturing operations.

Browns Metal & Sands

With domestic construction activity remaining significantly below historical levels and major project demand is yet to recover fully, plans to expand within the conventional aggregates segment were suspended and instead unique strategic advantages associated with its quarry assets were leveraged. The Group's quarry in Matugama benefits from proximity to the Port of Colombo as well as direct access to the Southern Expressway, creating important logistical advantages for export-oriented industrial mineral operations. Following extensive sampling, geological assessments and consultations with specialist advisors from India, significant opportunities have been identified within the international dimension stone market, prompting entry into granite extraction and processing. The quarry contains a distinctive dark green granite variety that has demonstrated strong commercial potential, particularly within the UAE and wider Middle Eastern markets. During the year, the Company successfully completed trial extraction activities and produced initial sample blocks for customer evaluation and testing, affirming the commercial viability of the operation. The business expects to commence the export of initial sample consignments during the second quarter of FY2026/27, creating what is expected to become a fully export-oriented US dollar revenue stream. It has attracted interest from prospective customers in UAE, India and China.

During the year, Browns Metal & Sands also initiated the process of obtaining mining licences for marble dimension stone extraction in Passara under a separate project operating within the same Company. Approvals currently remain pending due to the temporary suspension of mineral licences by the Geological Survey and Mines Bureau following policy changes introduced by the Government. Nevertheless, preliminary testing and geological assessments indicate the presence of commercially attractive deposits with significant export potential. Both the granite and marble initiatives are expected to operate as fully export-oriented businesses.

The year also marked an important regulatory milestone for the business with the Matugama quarry receiving both a B Grade Mining Licence and an A Grade Trading Licence from the Geological Survey and Mines Bureau. Financially, the company recorded a loss after tax of Rs. 117.7 million during the year compared with Rs. 99 million in the previous year, largely reflecting increased investment in granite extraction and production capabilities required to prepare the business for commercial operations. Total assets stood at Rs. 895.7 million at year end, supported by approximately 200 acres of land together with associated machinery and operational infrastructure.

Environmental stewardship remains central to the business model given the sensitive nature of extractive industries. Mining activities are conducted through carefully sequenced excavation processes designed to minimise environmental disturbance and improve land management outcomes. Water utilised within production processes undergoes multiple stages of treatment before release, substantially reducing environmental impact and ensuring responsible resource utilisation. Residual sludge generated during production is retained rather than discharged directly into surrounding ecosystems. The Company is currently engaged in discussions with two industrial operators to explore opportunities for the beneficial reuse of these by-products, thereby supporting circular economy principles while creating additional value streams from production waste. These initiatives reinforce the Group's commitment to responsible mining, environmental stewardship and sustainable resource management.

Iconic Trust (Pvt) Ltd

Iconic Trust (Pvt) LTD is an investment holding company of Browns Investments PLC. During the year under review, Iconic Trust recorded a profit of approximately Rs. 880 million, a marked increase from Rs. 270 million in the previous financial year. The improvement was primarily attributable to a substantial fair value gain recognised on its investment portfolio, reflecting favourable market conditions and the appreciation in the value of its listed securities.

MINING

GEM PORTFOLIOS (LOLC INVESTMENT HOLDINGS FOUR Pvt Ltd)

The Group's entry into mechanised gem mining through LOLC Investment Holdings Four represents a strategic long-term initiative aimed at building expertise and operational capability within an industry that remains largely untapped by corporate participants.

Mining operations were initiated in Kuruvita in the Ratnapura district, allowing the Group to develop capabilities within the sector complying with the existing regulatory framework. Unlike traditional labour-intensive mining methods commonly adopted within the industry, LOLC Investment Holdings Four utilises mechanised mining techniques supported by excavators and modern equipment. While this approach offers advantages in terms of operational control, safety and productivity, it also requires substantially higher capital investment and operating expenditure.

The year under review therefore involved significant capital deployment towards mine development and operational infrastructure. The business also experienced increased operating costs arising from higher fuel prices, given the fuel-intensive nature of mechanised mining operations, together with increased finance costs associated with project investments. Consequently, the Company recorded a loss of Rs. 567 million for the FY2025/26 compared with a loss of Rs. 521 million during the previous year. Despite these losses, the Company maintained a strong asset base of Rs. 1.4 billion at year end, comprising primarily valuable gemstone inventories currently held in secure storage.

Responsible environmental management remains a guiding principle across all mining operations. Mechanised gem mining requires substantial volumes of water and is often associated with significant environmental impacts if not managed responsibly. Operating within Ratnapura, a region characterised by paddy cultivation, rubber plantations and agricultural activity, management has adopted operating practices designed to minimise environmental disruption and preserve surrounding ecosystems.

Unlike many traditional mining operations that draw water directly from rivers and waterways, the Group utilises a closed-loop water management system based entirely on internally sourced water extracted from dedicated pits within the project site. Water used during washing and processing activities is subsequently returned to the same pits for reuse, significantly reducing freshwater extraction requirements. During periods of rainfall or excess water accumulation, wastewater passes through dedicated silt traps and filtration systems before limited quantities are released into the environment.

An important operational milestone was achieved with the renewal of the mining licence issued by the National Gem and Jewellery Authority for a further year, enabling the continuation of operations.

Corporate Governance Report

DIRECTORS

As the highest decision-making body within Browns Investments PLC, the Company, the Board keeps pace with the responsibility of overseeing strategic objectives in adherence to evolving regulatory reforms. Additionally, it shoulders the task of upholding a resilient and relevant governance framework amidst a dynamic business environment.

Thus the structure of the Board is designed to ensure that it focuses on strategy together with the monitoring of performance, control and risk. The Board considers that its governance structure, facilitates the operation of an open culture and is not burdened by complex hierarchies and over-delegation of responsibilities.

Accordingly, the Board has established a governance structure aimed at ensuring transparency, accountability, equity and ethical conduct amidst a dynamic business environment, in the management of the organisation with the allocation of resources and responsibilities among various stakeholders including the members of the Board and employees; safeguarding the interests of all shareholders, while promoting sustainability, integrity and trust.

Aligned to statutory and regulatory requirements, the Company is committed to fully comply with all statutory obligations mandated by regulatory bodies and abides by its code of conduct and policies applicable to all employees and Directors. These are readily accessible to the public on the corporate website.

Mandatory Regulatory Frameworks – fully compliant
The Companies Act No. 7 of 2007 including applicable regulations
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Code of Best Practices on Related Party Transactions (2013) advocated by the SEC
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Group
Internal Mechanisms
Articles of Association
Internal Policies

AN EFFECTIVE BOARD

The Board of Directors is collectively responsible to the Company's shareholders for the long-term success of Browns Investments PLC. It provides entrepreneurial leadership within a transparent governance framework, setting the Group's purpose, values, and strategy, and ensures they align with the Company's culture. Board activities are structured to develop the Group's strategy and to enable the Board to support executive management on the delivery of it within a transparent governance framework.

The Board ensures appropriate resources are in place, monitors performance, and oversees internal controls, governance, and risk management, including the Group's risk appetite. Through regular meetings, the Board reviews reports from the Group Chief Financial Officer on operational and financial performance, investor relations, communications, and corporate developments. Specific responsibilities are delegated to Board Committees with clearly defined terms of reference. Day-to-day operational management is delegated to the Chief Financial Officer, with Business Unit Heads reporting directly to him.

The Board has a formal schedule of matters reserved for it and holds quarterly meetings where such matters are discussed and approved, including investments, significant items of capital expenditure, funding, IT security and compliance. It is also responsible for:

- The long-term success of the Company, setting and executing the business strategy and overseeing delivery in a way that enables sustainable long-term growth;
- Providing effective leadership whilst delegating more detailed matters to its Committees and officers; including the Chief Executive Officer and Group Chief Financial Officer;
- Setting and monitoring the Group's risk appetite and the system of risk management and internal control and for monitoring;
- Implementation of its policies by the Executive Team;
- Approving the annual group budget and the subsequent regular review of performance against the budget including the explanation of significant variances. Forecasts for each year are revised and reviewed in a periodical manner.

THE ROLE OF THE CHAIRMAN

In the interest of maintaining an appropriate balance of power, promoting independent oversight, and reinforcing sound governance principles, the roles of the Chairman and the Chief Executive Officer are held by two separate individuals. This deliberate separation of responsibilities ensures that no single individual holds unchecked authority over the Board's deliberations and the Company's executive management thereby strengthening independent decision-making, enhancing checks and balances, and safeguarding the interests of all stakeholders.

The Chair is responsible for leading the Board, setting the agenda and ensuring its effectiveness. This position is responsible for promoting a culture of openness and robust debate within the Board and setting the tone of the Group as a whole. The Chair ensures there is effective communication with shareholders and other stakeholders and that the Board has a clear understanding of their views.

Key responsibilities of the Executive Chairman are as follows;

- Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and clear information in order to monitor, challenge, guide and take sound decisions;

- Regularly meets the Chief Executive Officer and other Senior Management staff to stay informed;
- Ensures effective communication with shareholders and other stakeholders;
- Promotes high standards of corporate governance and ensures Directors understand the views of the Company's shareholders and other key stakeholders so they can consider them in Board discussions and decision-making;
- Promotes and safeguards the interests and reputation of the Company; and
- Represents the Company to customers, suppliers, governments, shareholders, financial institutions, the media, the community and the public.

The Chief Executive Officer (CEO) of the Company is responsible for leading and managing the Company's business within a set of authorities delegated by the Board and for the implementation of Board strategy and policy. Other responsibilities of the Chief Executive Officer are as follows:

- Day-to-day management of the Company;
- Responsible for all commercial, operational, risk and financial elements of the Company
- Develop the Company's strategic direction and implementing the agreed strategy;
- Ensuring effective communication and information flows to the Board and the Chairman.
- Representing the Company to external stakeholders;
- Being responsible for the oversight of key functions of the Company;

SENIOR INDEPENDENT DIRECTOR

In terms of the Section 9 of the Listing Rules, the Company has appointed a Senior Independent Director (SID), as the Chairman of the Board holds an Executive position, to ensure that no individual has unfettered powers of decision making within the Board. The Executive Chairman is responsible to provide leadership to the Board whilst the SID is responsible to review the effectiveness of the Board's activities. Therefore, the presence of the SID add value to the performance of the Board and support the Chairman performing his duties and responsibilities.

The report of the SID for the year under review and Terms of Reference of the SID are set out on page 46.

BOARD MEETINGS & ATTENDANCE

The Board and its Committees have a scheduled programme of quarterly meetings at the beginning of each year to ensure that sufficient time is allocated to each key area and the Board's time is used effectively. Additional meetings are held as circumstances require and provision is made for participation via online/virtual means where necessary. There is sufficient flexibility for items to be added to the agenda which enables the Board to focus on key matters relating to the business at the right time. Directors may also propose the inclusion of items on the agenda.

All Directors bring independent judgement on matters relating to the Board. The Chief Executive Officer and the Group Chief Financial Officer are invited to attend Board meetings. The Heads of Divisions and any other senior officers of the Company including the Auditors are invited, when appropriate. The presentation on the results and strategies of the business units are presented by the Group Chief Financial Officer. Papers for Board and Committee meetings are provided to Directors in advance of the meetings. Where a Director is unable to participate in a meeting, his/her views on key items of business could be expressed and shared in advance of the relevant meeting enabling him/her to contribute to the debate.

PROFESSIONAL ADVICE

Should Directors judge if necessary to seek independent advice about the performance of their duties with the Company, they are entitled to do so at the Company's expense. There is a regular flow of written and verbal information between all Directors irrespective of the timing of Board meetings. The Company has an open culture and its Non-Executive Directors meet on a formal and informal basis with the management and have unrestricted access to the business and its employees.

BOARD RESPONSIBILITIES AND DECISION RIGHTS

As the interests of key stakeholder groups continue to evolve, the Board will maintain its engagement to ensure their interests continue to be well understood in order to be appropriately considered and balanced in Board decision-making. Principal decisions are assessed as material to the Group's strategy.

Given the Board´s commitment to continuous improvement, training is made available for Directors at appropriate times. All Directors are well informed of the changes in any statutory and regulatory rules and regulations. Transactions which have a material bearing on the Company are disclosed by way of announcements to the Colombo Stock Exchange.

INDUCTION AND PROFESSIONAL DEVELOPMENT

We believe good decision-making is enabled by a deep understanding of our operations and people. All our Directors commit their time to complete induction and training programmes.

We have a comprehensive induction programme in place for our newly appointed Group Directors and each new Director is provided with a tailored induction programme to suit their individual needs. This involves meetings with other members of the Board, and Senior Management. It also covers technical briefings and site visits. During the induction each Director is encouraged to identify areas which they would like additional information on, or further meetings. On completion of the induction programme, all new Directors have sufficient knowledge and understanding of the business to enable them to effectively contribute to strategic discussions and oversight of the Group.

BOARD TRAINING AND DEVELOPMENT

To assist the Board in undertaking its responsibilities, ongoing training is provided for all Directors and training needs are assessed as part of the Board evaluation procedure. The Board programme includes regular presentations from management, site visits if necessary, and informal meetings, to build their understanding of the business and sector. During the past year, Directors received briefings on regulatory reforms and governance developments impacting Browns Investments.

FINANCIAL ACUMEN

The Board recognises that its responsibility to present a fair, balanced and understandable assessment extends to interim and other price-sensitive public reports to regulators, and information required to be presented by statutory requirements. In relation to this requirement, reference is made to the Statement of Directors' Responsibility for preparing the Financial Statements set out in this Annual Report and Accounts. The Board membership includes senior accountants who possess the necessary financial acumen and experience to offer the Board guidance on related matters.

BOARD BALANCE

The Board is committed to ensuring that its membership reflects diversity in the broadest sense and while all Board appointments are made on the basis of individual competence and merit, recruitment of Board members considers diversity of skills, background and personal strengths to provide the range of perspectives, insights and challenges needed to have a positive impact on the quality of decision making. Of the six members on the Board, five directors are non-executive of whom two are independent.

Each Director holds continuous responsibility to determine whether he or she has a potential or actual conflict of interest arising from external associations, interests or personal relationships in material matters which are considered by the Board from time to time. The Board considers that Messrs. K. Sivanesan and C. N. Wijesinha are independent in terms of the criteria prescribed by the regulators including in character and judgement; and that they are free from any business or other relationships which would materially interfere with the exercise of their independent decision making. The Independent Directors have submitted signed confirmations of their independence.

Mr. K. Sivanesan was appointed as an Independent Director of Hapugastenne Plantations PLC, Udapussellawa Plantations PLC and Tea Smallholder Factories PLC with effect from 07.08.2026. The Board has considered these appointments against the criteria in Listing Rules 9.8.3 and 9.8.4 and has determined that Mr. Sivanesan continues to be independent.

The Directors have a range of experience and can bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. This experience and judgement are considered vital to our success. It is the balance of skills, experience, independence and knowledge of our Directors which ensures the duties and responsibilities of the Board and its Committees are discharged effectively. The Board has considered the Chairman's role and determined that he has appropriate time and resources to devote to his role as the Chairman of Browns Investments PLC.

The majority of the Board members are Non-Executive Directors. The Non-Executive Directors provide independent oversight and constructive challenge to the Executive Management Team, helping to develop proposals on strategy, scrutinising performance in meeting agreed goals and objectives. They play a primary role in succession planning.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

New appointments made to the Board are communicated to the shareholders via market disclosures on the Colombo Stock Exchange.

At each Annual General Meeting, one-third of the Directors, or if their number is not a multiple of three the number nearest to (but not greater than) one-third retire by rotation from office; apart from the Directors appointed to fill casual vacancies or as additional directors who will hold office only until the next Annual General Meeting and be subject to re-election.

Board Members who are retiring by rotation are set out on page 61.

BOARD EVALUATION

The Board recognises that it needs to continually monitor and improve its performance. This is achieved through the annual performance evaluation, full induction of new Board members and ongoing Board development. The conclusions of this year's review have been positive and confirmed that the Board remains effective. The Chairman and Company Secretaries worked together to devise a structure for the internal evaluation process to enable a rigorous review of the Board as a whole, its Committees and individual Directors' contributions to Board discussions and decision-making. More time devoted to discussion around strategic matters and succession planning was positively received. All Directors demonstrated commitment to their roles and contributed effectively. Some of the highlights of the evaluation are:

- Input for Policy formulation;
- Contribution to strategic sector development;
- Succession planning: Board and Senior Management;
- Contribution and input to strategic planning;
- Overseeing Management in line with Board policy;
- Commitment to accountability and governance
- Strategic risk identification and input to Management;
- Instilling a sustainability mindset and sustainability oversight.

The four key areas for the future development of the Board's effectiveness were:

- Board development and engagement – As the Board evolves it continues to focus on the development of the Board itself as a cohesive unit able to continue to challenge consistently and effectively while maximising the diversity of contribution, expertise and knowledge on the Board;
- Leadership role of the Board – Provide for greater engagement of the Board with broader stakeholder communities in a more proactive and consistent way; and
- Board planning – Continue to develop an efficient, effective and balanced governance support process including creating capacity for the Board to undertake reflective challenge and debate on strategic performance.

SUBSIDIARY MONITORING FRAMEWORK

All subsidiary companies of Browns Investments PLC are managed by their respective Boards according to the respective Companies' Articles of Associations and in the best interest of their stakeholders. Browns Investments PLC monitors the performance of subsidiary companies through periodic reporting.

BOARD SUB-COMMITTEES

The Board discharges some of its responsibilities through, and is supported by its Committees which provide oversight and make recommendations on the matters delegated to them by the Board. The Board has established four principal Board Committees : the Nominations and Governance, Audit, Talent Development & Remuneration and Related Party Transactions Review Committees which perform vital roles in the strong governance framework in place at Browns Investments PLC (refer pages 42 to 45 for further details).

Each Committee is governed by written Terms of Reference designed to meet regulatory requirements and is led by an experienced Chair. The presence of a majority of the Committee members constitute a quorum. The Directors who are non-members of the Committee and relevant management members are invited to the meetings when appropriate. The matters being recommended by a Committee are forwarded for Board approval. A calendar is prepared and agreed upon at the beginning of each year.

The Company Secretaries serve as Secretaries to the Committees.

COMPANY SECRETARIES

LOLC Corporate Services (Private) Limited has been appointed as Company Secretaries whose members are registered company secretarial practitioners, including Attorneys-at-Law and a Chartered Governance Professional. They ensure that proper Board procedures are followed in line with applicable laws, rules, and regulations to ensure good governance. Their key responsibilities include :

- Ensure that the Company complies with its Articles of Association, applicable statutory and regulatory requirements and maintains standards of corporate governance.
- Monitor changes in relevant legislation and the regulatory environment and their impact on the Company; and facilitate regular updates to the Board on appropriate action required.
- Convene and administer Board and Sub-Committee meetings; ensure decisions are accurately documented; and disseminate details of decisions.
- Assist in monitoring the Board's compliance with internal policies.
- Facilitate communication between the Board of Directors and Company shareholders, reporting in a timely and accurate manner .

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the Group's systems of internal control. The internal control framework is designed to facilitate effective and efficient operations, ensure a high quality of internal and external reporting, and ensure compliance with applicable laws and regulations. The Directors and Management are committed to maintaining a robust control framework as the foundation for the delivery of effective risk management. Owing to the limitations inherent in any internal control framework, the controls have been designed to manage and mitigate, rather than eliminate the risks. The Directors acknowledge their responsibilities in relation to the Group's internal control framework and for reviewing its effectiveness.

The Board confirms that throughout the year and up to the date of approval of this Annual Report & Accounts, there have been rigorous processes in place to identify, evaluate and manage the principal risk faced by the Group, including those that would threaten its business model, future performance, solvency or liquidity, the likelihood of a risk occurring and the costs of control in accordance with the Code of Best Practices on Corporate Governance.

The Audit Committee assists the Board in discharging its responsibilities with regard to external and internal audit activities and controls including reviewing audit reports, internal controls and risk management systems. The Audit Committee is satisfied that the Group's Risk Management and Internal Control Framework in relation to the Group's risk profile and strategy was effective and adequate. The Board therefore remained satisfied that the system of internal control continued to be effective in identifying and assessing the various risks to the Group and in monitoring and reporting progress on their potential impact.

CODE OF BUSINESS CONDUCT AND ETHICS

This applies to all the directors and employees of the Company. The Code ensures that there is no conflict of interest where individuals' interest conflicts with the interests of the Company and makes timely disclosure of such situations; maintains confidentiality of information, ensures fair dealing with the Company's customers and suppliers and refrains from any unfair dealing and manipulations, thereby promoting ethical behaviour within the Company.

IT GOVERNANCE

The Company believes that IT environment and the controls over this are the fundamental building block upon which our internal control environment is built.

The strong IT governance structure in place at Browns Investments PLC ensures that the effective and efficient use of IT enables the Company to create innovations to increase our digital savviness across the business. A thorough review was undertaken of our cyber environment to ensure that we have appropriate data and information governance processes and controls, e-commerce defences, proactive security and strong incident management processes across the business.

INTERNET OF THINGS AND CYBERSECURITY

As technology rapidly evolves and the Company's operations become increasingly intertwined with technological advancements, processes and controls are enhanced, creating efficiencies and new opportunities. However, this also exposes the Company to greater digital vulnerabilities. Consequently, the Board prioritises ensuring that the Company's soft and hard infrastructure is robust enough to address potential breaches.

Data protection, information management, and cybersecurity are recurring topics in risk management and Audit Committee meetings and are periodically reviewed at the Board level.

LOLC Technology Services Limited (LOITS), a subsidiary of the Parent Company, and LOLC Holdings PLC provides the IT related services to the Company.

INTERNAL AUDIT

The Internal Auditors monitor and report on the adequacy of the Financial and Operational systems of the divisions, to strengthen internal controls. The Internal Audit team comprises the necessary skills and experience relevant to the operation of each business. All the internal audit activities are coordinated centrally by the LOLC-Enterprise Risk Management Team.

All Group businesses are required to comply with the Group's Financial Control Framework that sets out minimum control standards. A key function of the Group's internal audit resources is to undertake audits to ensure compliance with the Financial Control Framework and make recommendations for improvement in controls where appropriate. Internal Audit also conducts regular reviews to ensure that risk management procedures and controls are observed. The Audit Committee receives regular reports on the results of Internal Audit's work and monitors the status of recommendations arising. The Committee reviews the nature and scope of the internal audit activity in the overall context of the Group's risk management system.

ASSURANCE OF COMPLIANCE

The Board, through the Group Legal and Secretarial Division, the Group Finance Division and its other operating structures, monitors and assesses the level of compliance of the Company with laws and regulations. It also reviews the changes in regulations and strives to ensure that the Company is in compliance with the regulatory requirements of the country. The Board receives updated reports on compliance at each Board meeting held after a Financial Quarter with regard to the significant legal and regulatory frameworks that are applicable to its operations. When carrying out the function of compliance, the Internal and External audit as well as Board Committees also play a vital role in the governance structure of the Company.

ACCOUNTABILITY AND AUDIT

The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Company's position, performance, business model and strategy. This extends to interim and other price-sensitive public reports to regulators, and information required to be presented by statutory regulations. In relation to this, reference is made to the Statement of Directors' Responsibility for preparing the Financial Statements set out on page 66 of this Annual Report and Accounts. A description of the Company's business model for sustainable growth is set out in the Management Discussion & Analysis on pages 6 to 17 This section provides an explanation of the basis on which the Group generates value and preserves it over the long term and its strategy for delivering its objectives.

The External Audit Report enables the Board to determine the adequacy and effectiveness of the Company's internal controls. Deloitte Partners, Chartered Accountants acted as the External Auditors of the Company for the reporting year. The Company has the necessary mechanisms in place to ensure the independence of the External Auditors and the Audit Committee verifies that the services provided by the Auditors comply with applicable legislation.

GOING CONCERN

The Board of Directors, after reviewing the financial position and the cash flow of the Company are of the belief that the Company has adequate resources to continue operations well into the foreseeable future. Therefore, the Board has adopted the going concern basis in preparing financial statements.

ETHICAL STANDARDS

The Board is committed to maintaining high ethical standards in conducting its business and to communicate its values to its employees and agents and ensure their conduct is based on such values.

STAKEHOLDER ENGAGEMENT

Our Board is committed to engaging with stakeholders directly wherever possible. Decisions are made by the Board which can impact one or more of our key stakeholder groups in quite different ways. This requires a considered and balanced approach to decision-making, ensuring high-quality information is provided to the Board in a timely manner and diversity of thought and open discussions during meetings. Our internal effectiveness review concluded that high-quality information was received by the Board and appropriate time was allowed for Board discussion. Our key stakeholder groups are identified as most likely to be affected by the principal decisions of the Board and include our customers, staff, suppliers, local communities and non-governmental organisations, regulators and governments and our investors.

SHAREHOLDER VALUE

The Board continues to be committed to increasing shareholder value through sound commercial responsibility and sustainable business decisions that deliver steady growth in earnings.

SHAREHOLDER RELATIONS

The Company reports formally to shareholders in a number of ways. Significant matters relating to trading or development of the business and routine reporting obligations are disseminated by way of Stock Exchange announcements and by press releases. The Board considers the Annual General Meeting as a prime opportunity to communicate with shareholders. Shareholders are given the opportunity of exercising their rights at the Annual General Meeting. Each resolution brought before the shareholders at the Annual General Meeting is voted on separately by them. The notice of the Annual General

Meeting and the relevant documents required are published in the CSE website within the statutory period. The Annual General Meeting provides an opportunity for shareholders to seek and obtain clarifications and information on the performance of the Company and to formally meet the Directors. The External Auditors are also present at the Annual General Meeting to render any professional assistance that may be required.

The Company publishes Interim Financial Statements in a timely manner. This enables the stakeholders to make a rational judgement of the Company.

Shareholders can also contact the Company directly via a dedicated email address or via dedicated telephone numbers, provided on the inside back cover of this report. The Company's website also contains information for institutional and retail shareholders alike. The Company's Registrars provides access facility for registered shareholders, providing details of their shareholdings. Facilities are also provided for shareholders to lodge proxy appointments electronically.

CORPORATE SOCIAL RESPONSIBILITY

The Board plays an active role in promoting its commitment to corporate social responsibility. It regularly reviews policies relating to sustainability, corporate culture, values, and stakeholder relationships, particularly those involving employees, customers, and consumers across the countries in which the Group operates.

REGULATORY FRAMEWORK

This refers to the regulatory structure within which the Group operates in conforming to established governance related laws, regulations and best practice. This comprises, among others, the Companies Act No 07 of 2007, Listing Rules of the CSE, rules of the SEC and the benchmarks set for the Group in working towards local and global best practices.

The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code, the extracts of which are set out on pages 40 to 41.

SELF-GOVERNANCE PRACTICES BY THE COMPANY

Our Group has grown and evolved considerably since its formation and a great deal has changed, but the essence of what we do has remained a constant. Operating ethically is a core value at the heart of our Group and our intention has always been to do the right thing for our people and the wider community. Our approach to ensuring that this is sustained is described in the Management Discussion & Analysis section of this Report.

As provided by the Companies Act No.7 of 2007, the Company has in place appropriate Directors' and Officers' liability insurance cover in respect of legal action against its Executive and Non-Executive Directors, amongst others.

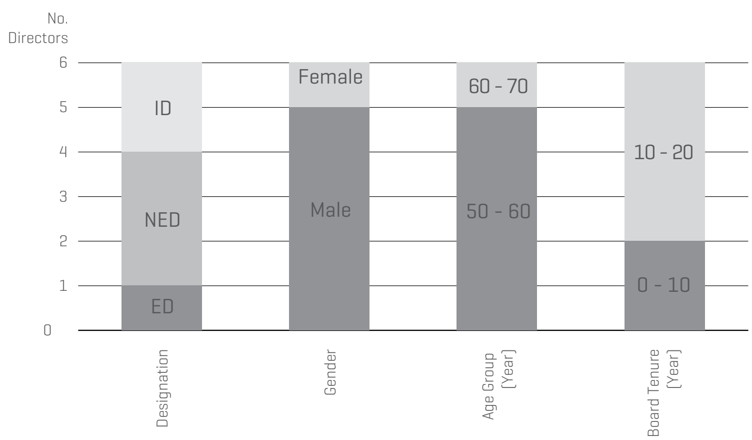
The rules of Corporate Governance and disclosure requirements for listed companies as mandated by the Securities & Exchange Commission of Sri Lanka and in the requirements of the listing rules of the Colombo Stock Exchange are complied with, as this helps to build an ethical environment in the Company.

Board & Sub-Committee Compositions

Name of Director	Executive/ Non - executive	Independent/ Non - independent	Board & Sub-Committee Composition					Date appointed to the Board	Tenure on the Board (Years as at 31.03.2026)	Age (Years as at 31.03.2026)
			Board	AC	RPTRC	TD&RC	N&GC			
Mr. I. C. Nanayakkara	ED	NID	✓					01.03.2013	13 (resigned on 30.12.2011 and reappointed on 01.03.2013)	53
Mr. W. D. K. Jayawardena	NED	NID	✓				✓	27.09.2012	13	67
Mrs. K. U. Amarasinghe	NED	NID	✓			✓		27.09.2012	13	56
Mr. D. S. K. Amarasekera	NED	NID	✓	✓	✓			09.11.2010	15	55
Mr. K. Sivanesan	NED	ID	✓	✓*	✓	✓*	✓	01.10.2024	18 MONTHS	56
Mr. C. N. Wijesinha	NED	ID	✓	✓	✓*	✓	✓*	01.01.2025	15 MONTHS	55

** Committee Chairman*

AC - Audit Committee
TD&RC - Talent Development and Remuneration Committee
RPTRC - Related Party Transaction Review Committee
N&GC - Nominations & Governance Committee



BOARD MEETING ATTENDANCE

Name of Director	30.05.2025	15.08.2025	14.11.2025	13.02.2026	Total
Mr .I. C. Nanayakkara	✓	✓	✓	✓	4/4
Mr. W. D. K. Jayawardena	✓	✓	✓	✓	4/4
Mrs. K. U. Amarasinghe	✓	✓	✓	✓	4/4
Mr. D. S. K. Amarasekera	✓	✓	✓	✓	4/4
Mr. K. Sivanesan	✓	✓	✓	✓	4/4
Mr. C. N. Wijesinha	✓	✓	✓	✓	4/4

AUDIT COMMITTEE MEETING ATTENDANCE

Name of Director	30.05.2025*	15.08.2025	14.11.2025	13.02.2026	Total
Mr. K. Sivanesan	✓	✓	✓	✓	4/4
Mr. C. N. Wijesinha	✓	✓	✓	✓	4/4
Mr. D. S. K. Amarasekera	✓	✓	✓	✓	4/4

Date - Meetings with External Auditors participation*

RELATED PARTY TRANSACTION REVIEW COMMITTEE MEETING ATTENDANCE

Name of Director	30.05.2025	15.08.2025	14.11.2025	13.02.2026	Total
Mr. C. N. Wijesinha	✓	✓	✓	✓	4/4
Mr. K. Sivanesan	✓	✓	✓	✓	4/4
Mr. D. S. K. Amarasekera	✓	✓	✓	✓	4/4

NOMINATIONS & GOVERNANCE COMMITTEE MEETING ATTENDANCE*

Name of Director	26.03.2026
Mr. C. N. Wijesinha	✓
Mr. K. Sivanesan	✓
Mr. W. D. K. Jayawardena	-

TALENT DEVELOPMENT AND REMUNERATION COMMITTEE MEETING ATTENDANCE*

Name of Director	26.03.2026
Mr. K. Sivanesan	✓
Mr. C. N. Wijesinha	✓
Mrs. K. U. Amarasinghe	-

**Meeting of Non- Executive Directors was held on the same date.*

Participation online for Board and Committee meetings by audio visual means was taken into account when deciding the quorum.

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CA SRI LANKA)

(compliant to the extent of business exigency and as required by the Group)

Section		Compliance Status	Company's Action
A. DIRECTORS			
A.1 The Board			
A.1	The Company to be headed by an effective Board to direct, lead and control the Company	✓	The Company is headed by an effective Board of Directors who are responsible and accountable for the stewardship function of the Company.
A.1.1.	Regular Board meetings	✓	The Board meets quarterly and as and when required.
A.1.2	The Board should be responsible for matters including implementation of business strategy, skills and succession of the management team, integrity of information, internal controls and risk management, compliance with laws and ethical standards, stakeholder interests, adopting appropriate accounting policies and fostering compliance with financial regulations and fulfilling other Board functions	✓	Powers specifically vested in the Board to execute their responsibility include: • Providing direction and guidance to the Company in the formulation of its strategies, with emphasis on the medium-and-long-term, in the pursuance of its operational and financial goals. • Reviewing and approving annual budget plans. • Reviewing HR processes with emphasis on top management succession planning. • Monitoring systems of governance and compliance • Overseeing systems of internal control and risk management. • Determining any changes to the discretions/ authorities delegated from Board to executive levels. • Reviewing and approving major acquisitions, disposals and capital expenditure. • Recommending any amendments to constitutional documents.
A.1.3	Act in accordance with the laws of the country and obtain professional advice as and when required.	✓	The Board seeks independent professional advice when deemed necessary. During the year under review, professional advice was sought on various matters, including the following: • Impacts on the Company's business operations as a result of the current and future economic and geopolitical shifts. • Legal, tax and accounting aspects, particularly where independent external advice was deemed necessary in ensuring the integrity of the subject decision. • Market surveys, as necessary for business operations. • Valuation of property including that of investment property. • Specific technical know-how and domain knowledge required for identified project feasibilities and evaluations.
A.1.4	Access to advice and services of the Company Secretary. Appropriate insurance cover as recommended by the Nominations Committee for the Board, Directors and KMPs.	✓	To ensure robust deliberation and optimum decision making, the Directors have access to the services of the Company Secretaries whose appointment and/or removal is the responsibility of the Board. The Company has an appropriate insurance cover for KMPs under the Group policy.

Section		Compliance Status	Company's Action
A.1.5	Bring independent judgement on various business issues and standards of business conduct	✓	Collectively, the Non-Executive Directors bring a wealth of value adding knowledge, ranging from domestic and international experience to functional know-how, thus ensuring adequate Board diversity in accordance with principles of Corporate Governance. Furthermore, every member of the Board brings independent judgement on various business issues.
A.1.6	Dedication of adequate time and effort	✓	Taking into account their participation in various Board Committees and the time spent considering matters requiring discussion and decisions between formal Board meetings, the Company estimates that the Non-Executive Directors devoted sufficient time to the Group during the year, with more than 15% of their time focused on strategy formulation.
A.1.7	One third of Directors can call for a resolution to be presented to the Board in the best interests of the Company.	✓	All Directors are encouraged to submit any items/proposals to the agendas of the Board meetings.
A.1.8	Board induction and training	✓	In instances where Non-Executive Directors are newly appointed to the Board, they are apprised of: • The Governance framework deployed, including the Company's constitution, applicable regulations, rules and related policies, procedures, Code of Conduct • Vision and mission • Organisation and Group structure, related operations and new initiatives in terms of its strategies • Responsibilities as a Member of the Board and Committees served in terms of prevailing legislation • Sustainability and risk management
A.2 The Chairman			
A.2.1	Maintain a clear division between Chairman and the Chief Executive Officer	✓	Although the Chairman has executive powers, the function of the Chief Executive Officer is held and performed by a different individual in line with corporate governance best practices, ensuring that no Director has unfettered power or authority.
A.3 The Chairman's role			
A.3.1	The Chairman should ensure Board proceedings are conducted in a proper manner	✓	Refer to the Chairman's role in the Corporate Governance section in the Annual Report
A.4. Financial acumen			
A.4	The Board should ensure the availability within it of those with sufficient financial acumen and knowledge to offer guidance on matters of finance	✓	Refer Board Member Profiles for more information. Three board members possess financial acumen

Section		Compliance Status	Company's Action
A.5 Board balance			
A.5.1	The Board should include Non-Executive Directors of sufficient calibre.	✓	Refer Board Member Profiles section. Five of the six Board members are Non- Executive Directors.
A.5.2	Three or two third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be "independent"	✓	Two of the five Non-Executive Directors are independent.
A.5.3	Definition of Independent Directors	✓	Messrs. K Sivanesan and C. N. Wijesinha are independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.
A.5.4	Declaration of Independent Directors	✓	Each Non-Executive Director has submitted a signed and dated declaration of his independence/non independence.
A.5.5	Board determinations on independence or non-independence of Non-Executive Directors on annual basis	✓	The Board has determined that both the Independent Directors of the Company meet the criteria for independence specified by the Code.
A.5.6	Alternate Director		
A.5.7	In the event the Chairman and the CEO are the same person, the Board should appoint one of the Independent Non-Executive Directors to be the 'Senior Independent Director' (SID)		The Company formalised the appointment of the SID considering the executive role performed by its chairperson, while the office of the Chief Executive Officer is held by a another.
A.5.8	The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns	✓	
A.5.9	The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, at least once each year.		All the Directors other than the Chairman are Non-Executive Directors (NED) Non-Executive Director meetings are held as and when required.
A.5.10	Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure their concerns are recorded in the Board Minutes	✓	All the Board meeting proceedings are comprehensively recorded in the Board minutes.
A.6 Supply of information			
A.6.1	The Board should be provided with timely information to enable it to discharge its duties	✓	The Board is provided with: • Information as is necessary to carry out their duties and responsibilities effectively and efficiently. • Information updates from Management on topical matters, new regulations and best practices as relevant to the Group's business • External and Internal auditors' opinions • Experts and other external professional services • The services of the Company Secretaries. • Periodic performance reports.
A.6.2	Timely submission of the minutes, agenda and papers required for the Board meeting	✓	Board agendas and necessary Board Papers and minutes are dispatched in advance of the Board meetings

Section		Compliance Status	Company's Action
A.7 Appointment to the Board			
A.7.1	Formal and transparent procedure for Board appointments	✓	Board appointments follow a transparent and formal process, led by the Nominations & Governance Committee (NGC). Refer page 45
A.7.2	Assessment of the capability of the Board to meet strategic demands of the Company	✓	The NGC annually assesses the Board composition to ascertain whether the experience and exposure of the Board members are adequate to meet the strategic demands faced by the Company. Currently, the Board members have varying expertise in Finance, Business and Corporate Law and are, involved in committees that serve the business as a whole. Furthermore, the Company has a Group Succession Plan.
A.7.3	Disclosure of new Board member profile and interests.	✓	All appointments of new Directors are informed to the shareholders via the Colombo Stock Exchange.
A.8 Re-election			
A.8.1/ A.8.2	Re-election at regular intervals and should be subject to election and re-election by Shareholders.	✓	The Directors are subject to re-election on the basis of 'longest in the office' as provided in the Articles of Association. One third of the Directors retire by rotation on the basis prescribed in the Articles of the Company. The Directors retiring by rotation or a Director who is subject to appointment is eligible for re-election by a shareholder resolution at the AGM.
A.8.3	In the event of a Director resigns prior to his appointed term, shall give reasons for resignation	✓	Not applicable for the year under review. Written communication is obtained from any Director, prior to resignation.
A.9 Appraisal of Board performance			
A.9.1	The Board should annually appraise itself on its performance in the discharge of its key responsibilities	✓	The Board continued with its annual Board performance appraisal. This is a formalised process of self-appraisal, whereby each member assesses, the performance of the Board, and that of its committees.
A.9.2	The Board should also undertake an annual self-evaluation of its performance and that of its Committees.	✓	Evaluations were carried out under the areas of: • Role clarity and effective discharge of responsibilities • People mix and structures • Systems and procedures • Quality of participation • Board image
A.9.3	The Board should review the performance of each Director at the time of re-election	✓	As delegated by the Board, the NGC evaluated the fit and propriety of Directors subject to re-election before making its recommendation.
A.9.4	The Board should state how such performance evaluations have been conducted	✓	The performance evaluation is analysed to give the Board an indication of its effectiveness in terms of participation and contribution, as well as areas that required addressing and/or strengthening. Despite the original anonymity of the remarks, the open and frank discussions that follow, including some Directors identifying themselves as the person making the remark, reflects the keenness of the Board.

Section		Compliance Status	Company's Action
A.10 Disclosure of Information in Respect of Directors			
A.10.1	Profiles of the Board of Directors	✓	Refer Board profiles on pages 2 to 4.
	Directors' interests		Refer Annual Report of the Board of Directors on pages 60 to 63.
	Board meeting attendance Board Committee memberships		Refer Board and Sub-Committee compositions and meeting attendance on pages 24 to 25.
A 11	Appraisal of CEO	✓	Appraisal of the Chief Executive Officer is carried out in accordance with the Group policies.
B. DIRECTORS' REMUNERATION			
B.1 Remuneration Procedure			
B.1.1 - B.1.3	The Board of Directors should set up a Remuneration Committee	✓	Refer Talent Development & Remuneration Committee Report on page 44
B.1.4	Determination of the remuneration of Non-Executive Directors	✓	Compensation is determined in reference to fees paid to other Non- Executive Directors of comparable companies.
B.1.5	The Remuneration Committee should consult the Chairman about its proposals relating to the remuneration of other Executive Directors		The remuneration scheme is in line with Group policies.
B.2 The Level and Make Up of Remuneration			
B.2.1/ B.2.2	The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors and designed to promote the long term success of the Company	✓	The Remuneration Committee as a whole is aware that the reward structure should be designed to attract and motivate high calibre people in a highly competitive environment.
B.2.3	The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies	✓	
B.2.4 / B.2.5	Comparison of remuneration with other Companies in the Group	✓	Having taken into account the complexities associated with the Group, it was established that the compensation is in line with the market. Benchmarking exercises of this nature will continue to take place in the future at regular intervals.
B.2.6	Executive share options not to be offered at a discount		Not applicable
B.2.7	Remuneration Committee should follow schedule E in designing schemes of performance-related remuneration		The remuneration scheme is in line with Group policies.
B.2.8/B.2.9	Compensation for termination of contracts of Directors		The compensation scheme is in line with Group policies.
B.2.10	Level of remuneration of NEDs	✓	The fees received by Non- Executive Directors are determined by the Board and reviewed annually.

Section		Compliance Status	Company's Action
B.3 Disclosure of Remuneration			
B.3	Disclosure of remuneration policy and aggregate remuneration	✓	Please refer Annual Report of the Directors and the Talent Development & Remuneration Committee Report on page 44.
C. RELATIONS WITH SHAREHOLDERS			
C.1 Constructive Use of the Annual General Meeting (AGM) and Conduct of General Meetings			
C.1.1	The Notice of AGM and related papers to be sent to shareholders as determined by the Statute, before the meeting.	✓	Notice of the AGM and related documents are published on the CSE website along with the Annual Report within the specified period. The contents of this Annual Report will enable existing and prospective stakeholders to make better informed decisions in their dealings with the Company.
C.1.2	A separate resolution to be proposed for each item and the proxy appointment forms to have options to vote for or against or abstain.	✓	Three-way proxy forms are provided
C.1.3	Counting of proxy votes	✓	As a matter of practice, proxy votes together with the votes of the shareholders present at the AGM are considered for each resolution.
C.1.4	Heads of Board Committees to be available to answer queries	✓	Generally, Independent Directors who chair Board Committees are present at the meeting to answer queries.
C.1.5	Summary of procedures governing voting at General meetings to be informed	✓	Refer Form of Proxy
C.2 Communication with Shareholders			
C.2.1 – C.2.7	Effective communication with shareholders	✓	Refer Shareholder Relations section in the Corporate Governance section.
C.3 Major and Material Transactions			
C.3.1	Disclosure of all material facts involving any proposed acquisition, sale or disposition of assets	✓	All material and price sensitive information about the Company is promptly communicated to the Colombo Stock Exchange where the shares of the Company are listed, and released to the employees, press and shareholders.
C.3.2	Compliance with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulations of the SEC/CSE for listed companies	✓	The Directors ensure that any transaction that may affect the Company's net asset base is promptly disclosed to shareholders and that all required approvals are obtained.
D. ACCOUNTABILITY AND AUDIT			
D.1 Financial reporting			
D.1.1	The Board should present an annual report including financial statements, that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	✓	Refer Management Discussion & Analysis, Corporate Governance Report and Statement of Directors' Responsibility sections.
D.1.2	Disclosure of interim and other price sensitive and statutorily mandated reports to regulators	✓	The Audit Committee together with the Board of Directors have taken all reasonable steps to ensure accuracy and timeliness of published information with a view of presenting the true and fair view of the interim and annual financial statements.

Section		Compliance Status	Company's Action
D.1.3	The Board should obtain compliance statements and declarations from the CEO and the CFO before approving the financial statements	✓	Declarations are obtained from Chief Executive Officer and the Chief Financial Officer, that in their opinion the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.
D.1.4	Declaration by the Directors that the Company has not engaged in any activities which contravene laws and regulations; declaration of all material interests in contracts, equitable treatment of shareholders and going concern with supporting assumptions or qualifications as necessary	✓	Refer Corporate Governance and Annual Report of the Board of Directors
D.1.5	Statement of Directors' Responsibility	✓	Refer Statement of Directors' Responsibility on page 66
D.1.6	Management Discussion and Analysis	✓	Refer Management Discussion and Analysis on pages 6 to 17.
D.1.7	Remedial action at Extraordinary General Meeting (EGM) if net assets fall below half of value of Shareholders funds	✓	In the unlikely event that the net assets of the Company fall below half of Shareholders funds, shareholders would be notified and the requisite resolution would be passed on the proposed way forward.
D.1.8	Disclosure of Related Party Transactions	✓	Refer Note 44 to the Financial Statements on page 161.
D.2 Risk Management and Internal Control			
D.2.1	Annual review of effectiveness of system of risk management and internal control and report to shareholders as required	✓	The Board has taken the necessary steps to ensure the integrity of the Group's accounting and financial reporting systems and internal control systems that remain effective via the review and monitoring of such systems on a periodic basis.
D.2.2	Robust assessment of the principal risks faced by the Company	✓	Refer Management Discussion & Analysis Section on pages 6 to 17.
D.2.3	Internal Audit Function	✓	The Internal Audit function of the Company is not outsourced to the External Auditors of the Company to ensure the independence of the External Auditors of the Company. The Auditors' report on the Financial Statements of the Company for the year under review is found in the financial information section of the Annual Report.
D.2.3/ D.2.4	Maintaining sound system of internal control	✓	Refer Corporate Governance Report on pages on 18 to 39
D.3 Audit Committee			
D.3.1	The Audit Committee should comprise a minimum of three Non-Executive Directors of whom at least two should be independent. The Chairman of the Committee should be an Independent Non-Executive Director. At least one member should have recent and relevant experience in financial reporting and control.	✓	The Board Audit Committee comprises three Non-Executive Directors of whom a majority are independent including the chairperson. All committee members have financial acumen and two members have membership in a recognised accounting body.
D.3.2	The Audit Committee to have written terms of reference covering the salient aspects as stipulated in the section	✓	The Audit Committee has written terms of reference outlining the scope.

Section		Compliance Status	Company's Action
D.3.3	Duties and responsibilities of the Committee	✓	The Audit Committee has the overall responsibility for overseeing the preparation of Financial Statements in accordance with the laws and regulations of the country and also recommending to the Board, on the adoption of best accounting policies. Refer Audit Committee Report on page 42.
D.4 Risk Committee			Supported by the Enterprise Risk Management Department of the Group, the Board Audit Committee oversees the Company's internal control processes and the identification and management of risks.
D.5 Related Party Transactions Review Committee (RPTR Committee)			Refer RPTR Committee Report on page 43.
D.6 Code of Business Conduct and Ethics		✓	The Board has implemented a Code of Business Conduct & Ethics applicable to directors, KMPs and employees alike, which deals with trading in shares of the company; compliance with policies & procedures; bribery and corruption; confidentiality; encouraging any illegal fraudulent and unethical behaviour to be reported to those charged with governance. Annual declarations of compliance are obtained, and any waivers of the Code must be approved by the Board of Directors.
D.7 Corporate Governance Disclosure			
D.7.1	The Directors should include a Corporate Governance report in the Company's Annual Report	✓	Refer the Corporate Governance Section on pages 18 to 39.
E. INSTITUTIONAL INVESTORS			
E.1 Shareholder Voting			
E.1.1	A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives.	✓	The Company has a well-developed investor relations programme to address the information needs of investment institutions and analysts regarding the Company, its strategy, performance and competitive position
E.2 Evaluation of Governance Disclosures			
E.2.1	When evaluating the Company's governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	✓	Institutional investors are informed of any changes to the governance structure.

Section		Compliance Status	Company's Action
F. OTHER INVESTORS			
F.1 Investing/divesting Decisions			
F.1.1	Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	✓	The Company maintains an active dialogue with shareholders, potential investors, investment banks, stock brokers and other interested parties. Any concerns raised by a Shareholder are addressed promptly and forwarded, when necessary, to the Company Secretaries for consideration and advice.
F.2 Shareholder Voting			
F.2.1	Individual shareholders should be encouraged to participate in General Meetings of Companies and exercise their voting rights.	✓	All steps are taken to facilitate the exercise of shareholder rights at AGMs, including the dispatch of Notice of the AGM and related documents within the specified period. Shareholders exercise their voting rights for each resolution passed at the AGM. Individual shareholders who invest directly in the Company's shares are encouraged to conduct adequate analysis or seek independent advice before making investment or divestment decisions.
G. INTERNET OF THINGS AND CYBER SECURITY			
G.1 – G.5	A review with regard to the cyber environment to ensure that appropriate data and information governance processes and controls, e-commerce defences, proactive security and strong incident management processes across the business are in place.	✓	LOIT, a subsidiary of the Parent Company LOLC Holdings PLC manages the cyber security of the Company and the Parent, Company reviews and monitors the cyber environment of the Group.
H. SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
H.1 – H.5	Adherence to ESG principles	✓	The Group is conscious of the direct and indirect impact on the environment due to its business activities. Every endeavour is made to minimise adverse effects on the environment to ensure the sustainable continuity of our resources. In terms of application of SLFRS S1 and S2 disclosure requirements, the Group has utilised applicable reliefs permitted by ICASL.

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE

Section	Principle, Compliance and Implementation	Effective Date	Complied
9.1.3	Disclosure in the Annual report with regard to the extent of compliance with the Rule	01st October 2023	✓
	The Company is fully compliant with the Listing Rules of the Colombo Stock Exchange.		
9.2.1	The Company shall disclose the fact of existence of the prescribed policies as set out in the Rule together with the details relating to the implementation of such policies in the Annual report and make them available on its website	01st October 2024	✓
	The Company's governance framework is regularly reviewed and updated to reflect stakeholder needs and regulatory/statutory requirements to enhance oversight, accountability, and operational effectiveness. Accordingly, the Company revised its existing policies to align with the requirements of the Exchange and are available on the Company's website. Extracts of these policies are set out on pages 40 to 41.		
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted.	01st October 2024	✓
	There has not been any material breach of the Code during the year under review.		
9.2.3	(i) List of policies in place as per Rule 9.2.1, with reference to website	01st October 2024	✓
	(ii) Any changes to policies adopted *The policies were subject to an annual review to maintain relevance.* *Material changes made to the policies during the current year, are set out on pages 40 to 41.*		
9.2.4	The Company shall make available all such policies as set out in 9.2.1 to shareholders upon a written request being sent for such policy *Shareholders have access to the detailed policies which are hosted on the Company's website. Extracts of same are set out on pages 40 to 41.*	01st October 2024	✓
9.3.1/9.3.2	The following Board subcommittees should be established and maintained at a minimum and shall function effectively : -	01st October 2023 (*01st October 2024)	
	a) Nomination & Governance Committee *		✓
	b) Remuneration Committee		✓
	c) Audit Committee		✓
	d) Related Party Transactions Review Committee		✓
	Have been established and are functioning effectively.		

Section	Principle, Compliance and Implementation	Effective Date	Complied
9.3.3	The Chairperson of the Board cannot be a Chairperson in any of the aforesaid subcommittees *All Board Sub-Committees are chaired by an Independent Director.*	01st October 2024	✓
9.4.1	Maintenance of records of all resolutions and other information stipulated in section 9.4.1 of the Listing Rules and shall provide copies of the same at the request of the Exchange and or SEC *All records relating to General Meetings are maintained by the Company Secretary.*	01st October 2024	✓
9.4.2	Communication and relations with shareholders and investors *The Company has established methodologies to ensure effective communication and relations with shareholders.* *Details of same are set out in the policies on Relations with Shareholders & Investors and Stakeholder Communication and Corporate Disclosures adopted by the Company.* *Designated personnel have been identified as contact persons in these policies for such inquiries /communication. Any significant/ material issues raised by the shareholders/ investors are escalated to the Board where necessary in a transparent manner.* *A fixed agenda item has been included into the Board Agenda and summarised reports of any shareholder correspondence is reported to the Board by the Head of Investor Relations.* *The Company conducted its shareholder meetings online/ by virtual means while complying with the guidelines issued by the CSE.*	01st October 2024	✓
9.5.1 & 9.5.2	A Policy on governing matters relating to the Board of Directors should be established with specific requirements prescribed by the Exchange - [a] to [j] - and to disclose the level of compliance or non-compliance with reasons/ remedial actions *The Company has revised its Board Charter to align with the requirements prescribed by the Rules. Requirements set out in the Policy have been complied with, by the members of the Board.*	01st October 2024	✓
9.6.1	Chairperson should be a Non-Executive Director and the positions of Chairperson and CEO cannot be held by one person, unless a Senior Independent Director (SID) is appointed by the Listed entity *The Chairman of the Board Mr. I. C. Nanayakkara is an Executive Director; Mr. Panduka Weerasingha holds the position of Chief Executive Officer of the Company.*	01st October 2023	✓

Section	Principle, Compliance and Implementation	Effective Date	Complied
9.6.2 - 9.6.4	Market announcement with regard to non-compliance with Rule 9.6.1 and the rationale for appointing the SID	01st October 2023	✓
	As the Chairman serves in the capacity of an Executive Director, the Board appointed a Senior Independent Director with specified terms of reference. *Required announcements of the appointment and subsequent changes were promptly announced to the market. The Board is of the view that the Chairman who is a major shareholder, should continue in the capacity of an Executive Director taking into consideration his business acumen which navigated the Group to become one of the most diversified profitable multinationals in Sri Lanka.* *The report of the SID is set out on pages 46 to 47.*		
9.7	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	01st October 2023	✓
	The Board members have declared their fit & propriety while meeting the criteria set out in these Rules during the year under review and up to the date of this report. *There were no non-compliances identified in terms of the said criteria by any Director or the Chief Executive Officer.* *The Nominations & Governance Committee recommended the re-election of Directors retiring (placed before the AGM), having considered their fit and propriety and taking into consideration their strategic contribution, integrity, competencies, financial soundness and other commitments.* *Refer pages 60 to 63 of the Report of the Board of Directors for the statement of compliance. Profiles of the Directors are on pages 2 to 4.*		
9.8.1 & 9.8.2	Minimum number of Directors on the Board should be 5 and the total minimum number of Independent Directors should be 2 or 1/3 of the Board, whichever is higher	01st October 2024	✓
	The Board comprises 6 Directors including 2 Independent Non-Executive Directors		
9.8.3 & 9.8.4	A Director shall not be considered independent if he/she does not fulfil the criteria defining independence under sections 9.8.3 and 9.8.4 of the Rules.	01st October 2023	✓
	Annual declarations were obtained as per the requirement, and the Board has determined that Messrs K. Sivanesan and C. N. Wijesinha are independent. *Mr. K. Sivanesan was appointed as an Independent Director of Hapugastenne Plantations PLC, Udapussellawa Plantations PLC and Tea Smallholder Factories PLC with effect from 07.08.2026. The Board has considered these appointments against the criteria in Listing Rules 9.8.3 and 9.8.4 and has determined that Mr. Sivanesan continues to be independent.*		

Section	Principle, Compliance and Implementation	Effective Date	Complied
9.8.5	The listed entity shall ensure:	01st October 2023	✓
	a) Each Independent Director submits a declaration with criteria specified by the Exchange		
	b) The Board shall make an annual determination as to independence / non independence and set out the names of Directors determined to be independent in the Annual Report		
	c) If the Board determines that the independence of Independent Director has been impaired against any criteria set out in 9.8.3 it shall make an immediate market announcement thereof		
	The Company has established a process for determination of independence based on the requirements of this Rule. No instances were identified during the year under review where independence was impaired under the applicable criteria.		
9.9	Alternate Director can be only appointed for a minimum period of one year under special circumstances and he/she should be of the same nature of Directorship *No alternate directors were appointed to the Board during the year under review.* *Requirements prescribed in these Rules have been incorporated to the Articles of Association of the Company on 26th September 2025.*	01st January 2024	Not applicable
9.10.1	Policy on the maximum number of Directorships its Board members shall be permitted to hold	01st October 2023	✓
	The Policy on Matters Relating to the Board adopted by the Company, permits a Director to hold office as director, in any number of companies / societies / bodies including subsidiaries and associates of the Company, subject to however, in the case of listed entities, such appointments being limited to 20, subject to avoiding conflicts of interest.		
9.10.2	Immediate market announcement upon appointment of a new Director setting out resume, capacity of directorship, statement indicating if such appointment has been reviewed by the Nominations & Governance Committee	01st October 2023	✓
	Announcements were made to the CSE for new appointments covering the criteria set out herein. There were no changes to the Directorate during the year under review.		
9.10.3	Immediate market announcement regarding any changes to the composition of the Board /subcommittees specified in Rule 9.3	01st October 2023	✓
	During the year under review there were no changes to the Directorate or committee compositions requiring immediate announcement to the Exchange.		
9.10.4	Listed entities shall disclose the following in relation to Directors in the Annual Report:	01st October 2023	✓
	a) name, qualifications, brief profile,		
	b) nature of expertise in relevant functional area		
	c) whether either the Director or close family member/s has any material business relationship with the Directors of the listed entity,		
	d) whether Executive, Non-Executive and or Independent.		

Section	Principle, Compliance and Implementation	Effective Date	Complied
	e) total number of names of companies in which the Director concerned serves as a Director/KMP indicating if these are listed		
	f) capacity of the position held, whether executive or non executive		
	g) number of Board meetings of the listed entity attended during the year		
	h) names of Board committees in which the Director serves as chairperson or member		
	i) details of attendance of committee		
	j) terms of reference and powers of the SID		
	Please refer Board profiles, SID report, Board of Directors and subcommittee reports for details.		
9.11.6	Disclosure requirements regarding the Nomination and Governance Committee under Rule 9.11.6	01st October 2024	✓
	Refer the Nominations & Governance Committee Report on page 45.		
9.12.8	Disclosure requirements regarding the Remuneration Committee under Rule 9.12.8	01st October 2023	✓
	Refer the Talent Development & Remuneration Committee Report on page 44.		
9.13	Disclosure requirements regarding the Audit Committee under Rule 9.13	01st October 2024	✓
	Refer the Audit Committee report on page 42.		
9.14.1 - 9.14.4	Composition of the Related Party Transactions Review Committee, its functions and general requirements	01st October 2023	✓
	Refer Report of the Related Party Transactions Review Committee for details on page 43.		
9.14.8(1 & 2)	Disclosure of non-recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower; disclosure of recurrent Related Party Transactions exceeding 10% of the gross revenue/income.	01st October 2023	✓
	Refer Note 44 to the Financial Statements on page 161.		
9.14.8 (3 & 4)	Disclosure requirements regarding the Related Party Transaction Review Committee under Rule 9.14; Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect.	01st October 2023	✓
	There were no RPTs during the year which required Shareholder approval as set out in Rule 9.14.6. *There were no RPTs during the year which required immediate market announcement as set out in Rule 9.14.7.* *During the year there were no acquisitions or disposals of substantial assets from / to Related Parties.* *Refer Report of the Related Party Transactions Review Committee on page 43. and the report of the Board of Directors on pages 60 to 63.*		
9.16	Additional disclosures by Board of Directors under Rule 9.16	01st October 2023	✓
	The relevant declarations by the Board of Directors are included in their report on pages 64 to 65		

Corporate Governance Policies Adopted By The Company

The Company has adopted corporate governance policies to ensure good governance and regulatory compliance and has reviewed and revised its existing policies in line with Section 9.2.1 of the CSE Listing Rules. The detailed policies can be accessed on the Company's website – www.brownsinvestments.com

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

The Board of Directors of Browns Investments PLC is responsible for providing strategic direction, overseeing financial performance, managing risks including sustainability-related risks and ensuring compliance with applicable laws and ethical standards. Sustainability is integrated into the Company's strategy, with the Board approving relevant policies and overseeing transparent reporting and stakeholder engagement on environmental, social and governance (ESG) matters. Committees are established where necessary to support these responsibilities with defined roles and accountability. The Board comprises a balanced mix of skills, experience, diversity and independence and meets regularly to ensure effective governance. Performance evaluations are conducted periodically, while comprehensive records are maintained and progress is reported to stakeholders, ensuring transparency and adherence to regulatory requirements and best practices.

Amended by the inclusion of Section 10 on Disclosure of Interests and linked the Terms of Reference of Board Members as an annexure to the policy.

POLICY ON BOARD COMMITTEES

The Board of Directors of Browns Investments PLC may establish Board and Management Committees to support its responsibilities, delegate authority and ensure effective governance. The Company is required to maintain key Board Committees, including the Nominations & Governance Committee, Talent Development & Remuneration Committee, Audit Committee, Related Party Transactions Review Committee, Integrated Risk Management Committee and Sustainability Committee, in line with the rules of the Colombo Stock Exchange and other relevant standards. Each committee operates under clearly defined terms of reference and comprises at least three Directors, including a minimum of two Independent Directors. All committees are chaired by an Independent Director, who is not the Chairperson of the Board. Committees are expected to include members with relevant expertise, be supported by a designated Secretary and are encouraged to rotate membership to promote diverse perspectives. The activities of each committee are reported at the Annual General Meeting.

POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION

The Policy on Corporate Governance, Nominations and Re-Election of Browns Investments PLC sets out a clear and transparent framework for the appointment and re-election of Board members, ensuring strong governance and alignment with the Company's strategic objectives. The policy applies to all Board and committee appointments, with the Nominations and Governance Committee comprising mainly Independent, Non-Executive Directors responsible for identifying, evaluating and recommending candidates based on their skills, experience, independence, diversity and suitability. Re-election of Directors is based on regular performance evaluations and compliance with governance standards, with recommendations submitted to the Board and subject to approval by shareholders. The policy also ensures proper disclosure of candidate information and any potential conflicts of interest and is reviewed periodically to ensure continued relevance and alignment with regulatory requirements and best practices.

POLICY ON REMUNERATION

The Remuneration Policy of Browns Investments PLC aims to attract, retain and motivate employees by providing competitive compensation aligned with market standards and the Company's performance.

Executive Directors are offered a combination of base salary, perquisites and performance-based bonuses, with remuneration levels reviewed annually and benchmarked against comparable companies. Non-Executive Directors receive a monthly retainer and meeting fees, along with additional fees for participation in Board Sub-Committees. Alternate Directors are paid per meeting in place of the Director they represent. The remuneration of the Chief Executive Officer is linked to performance and aligned with market practices. Bonuses for Executive Directors consist of both fixed and variable components, with the variable portion based on performance.

POLICY ON INTERNAL CODE ON BUSINESS CONDUCT AND ETHICS

The Internal Code on Business Conduct and Ethics of Browns Investments PLC outlines the expected ethical standards for directors and officers, focusing on integrity, loyalty, compliance with laws and accountability. It provides guidance on managing conflicts of interest, safeguarding confidential information, ensuring accurate financial reporting, proper use of Company assets and responsible trading in Company securities. Directors and officers are required to declare personal interests, avoid benefitting personally from Company opportunities and report any unethical or unlawful conduct without fear of retaliation. Compliance with all applicable laws is mandatory and any violations may result in disciplinary action. The Code also requires annual declarations of compliance and any waivers must be approved by the Board of Directors.

Amended Section 7 on Trading in the Company's listed securities by related/connected parties, by deleting the exclusion clause for exemptions for trading during restricted days.

POLICY ON RISK MANAGEMENT AND INTERNAL CONTROLS

Browns Investments PLC, being the parent company of a diversified group, is committed to protecting its assets and investments through a strong risk management and internal control framework. This policy applies to all employees and functions and encourages stakeholders to uphold its principles. The Company regularly identifies and assesses a wide range of risks, including strategic, market, operational, regulatory, reputational and sector-specific risks and adopts appropriate measures such as avoidance, reduction, sharing, or acceptance to manage them. A strong control environment is maintained through established processes, clear segregation of duties, authorisation controls and physical safeguards. Compliance with applicable laws and industry standards is ensured, while responsibility for risk management is assigned to business unit heads, who regularly review the effectiveness of controls. Internal audits provide independent assurance on the adequacy of controls and all employees are required to promptly report any control weaknesses.

POLICY ON RELATIONS WITH SHAREHOLDERS AND INVESTORS

Browns Investments PLC is committed to transparent, accurate and timely communication with its shareholders, investors and other stakeholders ensuring they receive all material information about the Company's governance, operations, financial performance and future prospects. Communication is managed through designated spokespersons and official channels such as the Company website, social media, press releases and annual general meetings with proper attention to confidentiality and regulatory compliance. The Company proactively addresses market rumours, provides access to analysts and the media and encourages shareholder engagement and feedback. Material information is disclosed promptly following a clear approval process while insiders are strictly regulated to prevent misuse of confidential data. Major developments and crisis situations are handled with special care, ensuring all stakeholders remain well-informed. The Company regularly updates its policies and provides multiple channels for stakeholders to connect and stay informed.

POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE SUSTAINABILITY

The Environmental, Social and Governance (ESG) Sustainability Policy of Browns Investments PLC sets out the Company's commitment to responsible and sustainable business practices that balance economic growth, social responsibility and environmental protection. Guided by its vision and mission, the Company integrates sustainability into its operations through initiatives focused on employee well-being, community development, environmental conservation and strong corporate governance. The policy establishes clear targets up to 2030 across economic, environmental and social areas, including reducing emissions, promoting ethical sourcing, encouraging innovation and improving board diversity. Progress is measured using defined key performance indicators and is reported annually through the Sustainability Report, along with regular internal updates and stakeholder engagement to ensure transparency, accountability and continuous improvement.

POLICY ON CONTROL AND MANAGEMENT OF COMPANY ASSETS AND SHAREHOLDER INVESTMENTS

The Policy on Control and Management of Company Assets and Shareholder Investments of Browns Investments PLC sets out the framework for the efficient management, protection and use of its assets and shareholder funds. It applies to all employees, management and Board members. The policy covers the classification, acquisition, use, verification, transfer, depreciation and disposal of assets, including physical, intangible and investment properties. All assets are recorded in a centralised register, assigned unique identification and managed through defined approval and documentation procedures. It also ensures that shareholder investments are utilised strategically, supported by proper reporting, risk management and governance oversight. Regular audits, employee training and annual policy reviews are carried out to maintain compliance, transparency and effectiveness.

POLICY ON STAKEHOLDER COMMUNICATION AND CORPORATE DISCLOSURES

The Stakeholder Communication and Corporate Disclosure Policy of Browns Investments PLC ensures timely, accurate and transparent communication with all stakeholders, including regulators, shareholders, customers, employees, suppliers, creditors and the community, in compliance with applicable laws and Colombo Stock Exchange (CSE) requirements. The policy requires the fair disclosure of material information, prohibits selective disclosure and insider trading and ensures the confidentiality of unpublished sensitive information. Communication is carried out through various channels such as financial reports, press releases, the Company's website, social media and direct engagement, with only authorised individuals permitted to speak on behalf of the Company. It also governs communication during blackout periods, promotes language accessibility for customers and ensures consistency in maintaining the Company's brand image across all platforms.

POLICY ON ANTI-BRIBERY AND CORRUPTION

The Anti-Bribery and Corruption Policy of Browns Investments PLC outlines the Group's commitment to ethical conduct, transparency and accountability, ensuring that all operations are free from fraud and corruption. The policy applies to all employees (excluding interns) and defines fraud and corruption broadly to include bribery, extortion, facilitation payments, conflicts of interest and misuse of resources. It establishes clear procedures for prevention, detection, reporting and response. It emphasises strong leadership, effective internal controls, due diligence on third parties, mandatory training and protection for whistle-blowers. Responsibilities are clearly assigned across executive management, supervisors, the ERM team, IT and auditors, ensuring compliance with national and international regulations, including the Anti-Corruption Act No. 9 of 2023. Confidential reporting channels and investigation procedures are in place and any violations or acts of retaliation may result in disciplinary action.

POLICY ON WHISTLEBLOWING

The Whistleblowing Policy of Browns Investments PLC promotes honesty, integrity and transparency by encouraging employees and stakeholders to report any unethical or illegal conduct without fear of retaliation. The policy covers fraud, misconduct, harassment, safety violations and breaches of laws or Company policies. Reports may be made to immediate supervisors or the Head of Enterprise Risk Management and will be handled with strict confidentiality. The Company ensures protection against retaliation and will take disciplinary action against any such conduct. All reports are subject to prompt, fair and impartial investigation, with appropriate action taken where necessary. This policy applies to all employees and stakeholders and is reviewed regularly to ensure its continued effectiveness.

Report of the Audit Committee

The Audit Committee comprises the following membership:

Mr. K. Sivanesan – Committee Chairman/ Senior Independent Director

Mr. C. N. Wijesinha – Member / Independent Director

Mr. D.S.K. Amarasekera – Member / Non-Executive Director

Two of the committee members (inclusive of the chair) hold membership in a recognised professional accounting body and all the members have relevant financial management and or accounting experience.

The Committee is governed by its Board approved Terms of Reference which is subject to periodic review. The Committee's primary function is assisting the Board in fulfilling its oversight responsibilities in preparation, presentation and review of financial reporting of the Company and the Group including transparency, integrity, accuracy and compliance with accounting standards, laws and regulations prior to forwarding the Financial Statements for approval by the Board. The Chief Executive Officer, Chief Financial Officer of the Group and the Group Chief Risk Officer are requested to be present at the Meetings. The External Auditors are invited, when appropriate.

The Committee has discharged its duties during 2025/26 in accordance with its terms of reference. To facilitate carrying out the said duties, the Committee reviewed the scope of the external and internal audit functions, processes, procedures, and controls including monitoring, reporting and controlling risks for the year under review to ensure adequacy and effectiveness.

During the year, the Committee assisted the Board in discharging its responsibility for the preparation and release of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company in conformity with the Sri Lanka Accounting Standards, the Sri Lanka Financial Reporting Standards, the Companies Act No.7 of 2007, Sri Lanka Accounting & Auditing Standards Act no.15 of 1995 and the rules and regulations of the CSE and SEC. The Committee obtained guidance from the external auditors on the effects of new accounting standards that came into effect and the preparations required to enable compliance. The scope of the audit for the year under review was agreed to by the Committee prior to commencement of the audit, including clearance for non-assurance services, while matters of significance and resolution actions were discussed before the conclusion of the audit. The Committee has reviewed and recommended to the Board the fees to be paid to the External Auditors.

With regard to the quarterly and annual Financial Statements, the Committee has obtained and reviewed the assurance received from the Chief Executive Officer and Chief Financial Officer that the financial records have been properly maintained and the Financial Statements give a true and fair view of the Company's and Group's operations and finances in compliance with applicable accounting standards and other regulatory requirements.

The Committee approved the Internal Audit Plan for the Company presented by the DGM - Enterprise Risk Management at the commencement of the financial year followed by quarterly review of internal audit reports submitted by the Enterprise Risk Management Division (ERM). These reports cover operational issues, processes and controls, including IT systems. Relevant members of the management are invited to attend the meetings, so that the identified risk or control weakness and their mitigation were discussed and implemented in a meaningful manner. The Committee reviewed the annual internal control sign off report tabled by the ERM based on confirmations provided by process owners on compliance with the established internal processes, procedures and controls, including deviations, if any. Rectification measures prescribed have been agreed to by the management to address control or procedural weaknesses. No material deviations had been detected requiring further investigation.

The Committee assessed the performance of the internal and external audit function at the end of the year and was satisfied that it is independent of the activities it audits and that it is performed with impartiality, proficiency and due professional care.

Minutes of the meetings of the Audit Committee are tabled at the meetings of the Board. This facilitates a flow of information to the Board and enables further discussion, if thought necessary on any issue or proposed solution. The effectiveness of the Committee was evaluated at the conclusion of the period under consideration by each member of the Committee and the results were duly communicated to the Board.

Deloitte Partners, Chartered Accountants were appointed as Company Auditors in 2018. The Audit Committee was satisfied that the Auditor's independence has not been impaired by any event or service that may give rise to a conflict of interest. This determination was arrived at after reviewing other services provided by the Auditor to the Group to ensure independence as auditors has not been compromised; that neither the quantum of fees paid nor non-audit services rendered are of sufficient quantum to impair their independence; and the assurance issued by the Auditor confirming that they are and have been independent throughout the conduct of the audit engagement in compliance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

In accordance with the Company's Audit Charter, the Committee has recommended that Deloitte Partners, Chartered Accountants be re-appointed as External Auditors of the Company for the ensuing financial year 2026/2027, subject to approval by the shareholders at the Annual General Meeting.

The Committee met four times during the financial year 2025/26.

K. Sivanesan
Chairman

Audit Committee
21st August 2026

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee comprises the following membership:

Mr. C. N. Wijesinha – Chairman / Independent Director

Mr. K. Sivanesan – Member / Senior Independent Director

Mr. D.S.K.Amarasekera – Member / Non-Executive Director

The Committee has adopted Section 9.14 of the Listing Rules of the Colombo Stock Exchange as its Terms of Reference. The Company's existing policies and procedures have been established in conformance with the Code of Best Practice on Related Party Transactions of the Securities and Exchange Commission of Sri Lanka.

The Committee relies on systems and processes which are subject to periodic review to ensure compliance with applicable rules, accounting standards and reporting by the management. This system generates comprehensive reports for management review and for quarterly review of the Committee reflecting all related party transactions including expenses, income, lending and outstanding amounts. As a policy the Committee has set a threshold for facilities that must be reviewed by it prior to Board approval. When reviewing such facilities to related parties, the Committee considers the nature of the transaction, value, terms, reporting and disclosure requirements (under recurrent or non-recurrent classifications) and monitors if such transactions will be carried out on normal commercial terms for maintaining fairness and transparency. If considered necessary, the Committee will obtain professional and expert advice from qualified persons to assess proposed related party transactions.

The Committee reviewed all related party transactions of the Company, in consultation with the Group Chief Financial Officer and the Head of Finance to determine whether the transactions have been carried out in conformance to the requirements of the Listing Rules and Sri Lanka Accounting Standards. Reviewing and approval of RPTs are either at its quarterly meetings with a majority of the members present to form a quorum or by circulation consented to by a majority. Where a member of the Board has an interest in the proposed transaction, he/she will refrain from participating in the decision.

There were no non-recurrent transactions requiring pre-approval by the Committee / immediate disclosure / shareholder approval during the period under review. Recurrent transactions carried out during the period were quarterly reviewed and ratified by the Committee post transaction, having endorsed guidelines provided by the senior management to validate compliance with the Listing Rules and thus excluding the requirement for review and pre-approval of such transactions by the Committee.

The effectiveness of the Committee was evaluated at year end by each member and results reviewed and gaps communicated to the Board. The activities and views of the Committee have been communicated to the Board of Directors quarterly through verbal briefings and by tabling the minutes of the Committee's meetings. A declaration by the Board of Directors as an affirmative statement of compliance with the Listing Rules pertaining to RPTs is given on page 161 of this report.

The Committee met four times during the year under review.

C. N. Wijesinha
Chairman

Related Party Transactions Review Committee
21st August 2026

Report of the Talent Development & Remuneration Committee

The Talent Development & Remuneration Committee comprises the following membership:

Mr. K Sivanesan – Chairman / Senior Independent Director

Mr. C. N Wijesinha – Member / Independent Director

Mrs. K U Amarasinghe – Member / Non-Executive Director

The Committee is governed by a Policy which is reviewed annually and has vested it with powers to evaluate, assess and recommend to the Board for approval any fee, remuneration and ex gratia to be paid out to its Directors including the Chief Executive Officer based on: the need of the Company to be competitive; the need to attract, motivate and retain talent; and the need to encourage and reward high levels of performance with sound focus on bringing on Board the best and the right talent to complement the Company's growth plans.

The Committee has adopted the requirements set out in the Listing Rules of the Colombo Stock Exchange, as it's Terms of Reference. The Head of Human Resources and other senior officers of the Company are invited as and when required.

The Committee's objective is to ensure that the remuneration paid to it executive directors and Chief Executive Officer is appropriate in both amount and structure, is directly linked to the Company's performance and is aligned with the interests of shareholders. Careful consideration is given to ensuring there is an appropriate balance in the remuneration structure between annual and long-term rewards, as well as between cash and other payments. Variable pay is linked to measures which are aligned with the Company's long-term strategy and objectives. The remuneration of Non-Executive Directors is decided by the Board of the Parent Company.

The Committee met during the year primarily to review Group Policies on Talent Acquisition, Learning & Development, Performance Management Systems and Succession Planning and was satisfied that these were relevant and aligned to global talent trends and the Company's business strategy. The Committee will continue to maintain the link between pay and performance and remains committed to doing so in the future.

The effectiveness of the Committee was evaluated at the conclusion of the period under review by each member of the Committee and the results were communicated to the Board.

The Committee met once during the year.

K. Sivanesan
Chairman

Talent Development & Remuneration Committee

21st August 2026

Report of the Nominations and Governance Committee

The Nominations and Governance Committee comprises the following membership:

Mr. C. N. Wijesinha – Committee Chairman / Independent Director

Mr. K. Sivanesan – Member / Senior Independent Director

Mr. W. D. K. Jayawardena – Member / Non-Executive Director

The Committee has adopted Section 9.11 of the Listing Rules of the Colombo Stock Exchange as its Terms of Reference. The Policy in place mandates the Committee to adopt best practices in ensuring that the Company maintains the highest standard of ethics while building value for all stakeholders. The Committee leads the process of all Board nominations, Board and subcommittee appointments taking into consideration their experience, skills, age, gender and independence/relationships; re-election and re-appointment; Board induction, evaluation and discussion of outcomes at Board level; periodic succession planning for Board members in consultation with the Chairman; Review the CG framework considering applicable laws, rules and regulations, and continues to strengthen the Company's governance practices to promote transparency, accountability and shareholder confidence.

During the year under review, the Committee reviewed its TOR to ensure effectiveness; composition of the Board and its Committees; the skills and competencies required for effective Board functioning; recommended revisions to policies to maintain relevance and effectiveness; evaluated performance assessments, ensuring alignment with the Company's Corporate Governance Framework, while detailed discussions and implementation of necessary strategies were taken up during the Audit Committee meetings.

The Committee has reviewed the fitness and propriety for the following Board members' re-election by rotation presented for shareholder approval:

Mr. W. D. K. Jayawardena who retires by rotation in accordance with Article 23(6) of the Articles of Association of the Company.

Mr. D.S.K.Amarasekera who retires by rotation in accordance with Article 23(6) of the Articles of Association of the Company.

Having reviewed the category of directorship held, collective skills and expertise that add value to the strategic needs of the Board and/or its subcommittees, other principal obligations/positions held at present and over the last three years in listed entities, the Nominations & Governance Committee has recommended their re-election. Mr. Jayawardena, Committee Member abstained from his own review which was carried out by the remaining members.

Performance evaluation of the Board members and the Chief Executive Officer is undertaken annually. Responses are evaluated by the Executive Chairman and recommendations or concerns discussed with the Board at a meeting and appropriate actions taken. Led by the SID, the performance of the Chairman is also assessed separately by the non-executive directors and addressed by the SID.

The Executive Chairman as a practice, discusses key issues relating to the Company/Group and obtains feedback from Independent Directors prior to implementation of decisions.

The Company Secretaries and Management ensure that the Board of Directors are kept updated on changes to laws, rules, regulations including the Listing Rules and applicable capital market provisions. Furthermore, the Directors participate in related regulatory forums when necessary.

Key concerns of the Committee are escalated to the Executive Chairman and Chief Executive Officer immediately for necessary action. Minutes of meetings are tabled at the next Board Meeting, thereby enabling the Board as a whole to be kept informed. The effectiveness of the Committee was evaluated at year end by each member and results reviewed along with gaps communicated to the Board.

The Committee has reviewed the management report confirming compliance with the Corporate Governance Framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met as described in the Corporate Governance Report on pages 18 to 39.

The Committee met once during the year under review. On this occasion, the Non-Executive Directors were able to meet without the presence of the Executive Chairman to discuss matters concerning the Company.

C N Wijesinha
Chairman

Nominations and Governance Committee
21st August 2026

Report of the Senior Independent Director (SID)

As the Senior Independent Director (SID) I am pleased to present this report, reflecting the Company's continued commitment to corporate governance across the Group's diversified portfolio, in line with the Listing Rules of the Colombo Stock Exchange.

My role is to provide shareholders with an additional, independent channel of communication where normal channels through the Chairman or Chief Executive Officer are inappropriate, while serving as a sounding board for the Chairman and supporting overall Board effectiveness. The Independent Directors as a practice meet, when necessary, although informally, to discuss matters of importance in relation to the Company and its Group operations and advise the Chairman on emerging issues in terms of governance, evolving regulatory reforms, geopolitical developments, including recommendations on employee welfare and corporate social responsibilities.

In addition, this is a culture in the group where any matter of concern which comes to the notice during functioning of other Committees are brought to the attention of and discussed with the Chairman and the Chief Executive Officer promptly without waiting for formal meetings. Furthermore, key business decisions of the Group intended by the top management are discussed with the Independent Directors and responses provided for any concerns raised. On such occasions, consensus is reached between the Chairman and the Independent Directors and the advice provided is implemented in its decision making/businesses.

I attended all scheduled Board and Sub-Committee meetings during the year, and led the annual evaluation of the Chairman's performance. I held periodic one-on-one discussions with each Non-Executive Director throughout the year, providing an informal channel to surface concerns early. I also convened meetings of Non-Executive Directors without the Chairman present to assess Board dynamics and the quality of Board debate.

In addition to remaining available for escalated concerns, I proactively engaged with the top management during the year to understand their views on Group strategy and capital allocation; and the Independent Directors were kept advised on the progress of key investments. Furthermore, Independent Directors had access to reach out to the Company's key management personnel to obtain clarifications for matters raised.

With regard to governance related matters, as the SID, I am consulted by the Chairman and I make myself available to any Director to have confidential discussions on affairs of the Company, as and when required. In order to create long-term value for our stakeholders, I firmly believe that responsible leadership, an engaged and capable Board, an extensive policy framework, efficient controls, and an organisational culture are essential.

The Independent Directors wish to thank the Chairman and members of the management for their cooperation in promptly addressing matters raised by them.

K Sivanesan
Senior Independent Director

21st August 2026

Terms of Reference of the Senior Independent Director

PURPOSE

The Board of Directors shall appoint one of the Independent Directors to be the Senior Independent Director in the following circumstances:

- In the event the Chairperson is not a Non-Executive Director,
- The Chairperson and the CEO are the same person
- The Chairperson and Chief Executive Officer are close family members* or related parties

  ** the spouse, parents, grandparents, children, brothers, sisters and grandchildren of Director/ Chief Executive Officer of a listed entity and any person who is financially dependent on and or acting in concert with said Director/ Chief Executive Officer, as defined by the CSE.*

KEY RESPONSIBILITIES

The Senior Independent Director should (in addition to the responsibilities of a Non-Executive Director and the general responsibilities of a Director):

To Shareholders

1. Be available to shareholders if they have concerns which contact through the normal channels of Chair, Group Chief Executive Officer or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.
2. Attend meetings with major shareholders and financial analysts to obtain an understanding of shareholders' views on governance and performance against strategy and support the Chair in ensuring the Board is aware of the views of stakeholders.

To the Chair

1. Together with the Chair, act as a sounding board for the Chair and Group Chief Executive Officer on Board and shareholder matters.

2. Chair the Nominations and Governance Committee when it is considering succession to the role of Chair of the Board.

3. * Lead an annual session of the Non-Executive Directors (excluding the Chair), to agree on the Chair's objectives and appraise the Chair's performance and conduct the Chair's annual performance appraisal.

To the Board/Directors

1. Act as a trusted intermediary for Non-Executive Directors where this is needed to help them to challenge and contribute effectively.

2. Take the initiative in discussion with the Chair or other Board members if it seems that the Board is not functioning effectively.

3. Be the focal point for Board members for any concerns and intervene where appropriate to maintain Board and Company stability.

4. * Lead an annual session of the Independent Directors, or as deemed necessary to exclusively discuss entity-related matters.

   *The *Senior Independent Director shall be entitled to a casting vote at the meetings specified above in* 3* and 4*.

For the Group

Liaise and collaborate with the Senior Independent Director wherever appropriate.

ADDITIONAL REQUIREMENTS

Conflicts of interest

In the event of any conflict of interest on the part of the Senior Independent Director in relation to any particular aspect of their role, another Independent Director will be required to perform that aspect of the Senior Independent Director's role.

Time commitment

The Senior Independent Director will be expected to commit sufficient time as required to the role, which will include committing significantly more time to the role in exceptional circumstances.

Tenure

The Senior Independent Director should stand for election at the first AGM following their appointment and absent any objection from the Board or the Senior Independent Director's desire to retire, should stand for re-election as per the Articles of Association.

Independence

The Senior Independent Director should be independent on appointment and throughout their tenure.

SLFRS Sustainability Related Disclosure

BASIS OF PREPARATION

Compliance with SLFRS Sustainability Disclosure Standards

This Sustainability Report has been prepared in accordance with SLFRS S1 and SLFRS S2, which are aligned with the ISSB Sustainability Disclosure Standards and have been adopted and localised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Disclosure topics in the Sustainability Accounting Standards Board (SASB) standards have been referred to and considered when preparing this report. These standards were also considered in the Group's materiality assessment process and the determination of key sustainability matters presented in this Report.

Connectivity with financial statements (reporting period, reporting entity, and presentation currency)

The sustainability report has been prepared for the Group and should be read in conjunction with the Group's consolidated financial statements which are prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS). This report covers the financial year ended 31 March 2026 and is aligned with the reporting period of the related consolidated financial statements.

The Group defines time horizons based on when the sustainability-related risks and opportunities could reasonably be expected to occur. As of the end of the reporting period the following time horizons were identified which align with the timelines used for strategic decision-making:

- short term (0 to 12 months)
- medium term (1 to 5 years)
- long term (beyond 5 years)

The sustainability-related financial disclosures cover Browns Investments PLC and its material sectoral companies. In preparing these sustainability-related financial disclosures, the Company has assessed its own operations and its value chain.

The presentation currency of the sustainability-related financial disclosures is Sri Lankan Rupees (LKR), which aligns to the presentation currency used in the consolidated financial statements. Unless specified otherwise, all amounts are rounded to the nearest million.

First-time adoption of IFRS Sustainability Disclosure Standards and transition reliefs

The Group is reporting under the SLFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 March 2026. It has applied the following standards for its annual reporting period commencing 1 April 2025:

- SLFRS S1: 'General Requirements for Disclosure of Sustainability-related Financial Information'
- SLFRS S2: 'Climate-related Disclosures'

As of 31 March 2026, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB and adopted by CA Sri Lanka.

The Company has adopted all available transitional reliefs allowed during the first year of adoption of the SLFRS S1 and S2 reporting framework as outlined below:

- SLFRS S1 - Disclosure of information on only climate related risks and opportunities (CRROs): In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only CRROs (in accordance with SLFRS S2) and consequently, apply the requirements in this Standard only in so far as they relate to the disclosure of information on CRROs. As this is the Group's first reporting period under SLFRS Sustainability Disclosure Standards, the Company has applied available transitional reliefs relating to climate-related disclosures.
- SLFRS S1 - Disclosure of comparative information; in the first annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its CRROs and in the second annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its sustainability - related risks and opportunities (SRROs), other than its CRROs.
- SLFRS S2 - Disclosure of qualitative information regarding anticipated financial effects of CRROs: Entities are permitted to defer the disclosure of qualitative information regarding anticipated financial effects or a period of two years following the mandatory application of the standard.
- SLFRS S2 - Disclosures on climate resilience: A relief period of two years is granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirements.

As this is the Group's first reporting period under SLFRS Sustainability Disclosure Standards, the Group has applied available transitional reliefs relating to climate-related disclosures.

Certain quantitative climate-related metrics, including greenhouse gas emissions disclosures and aspects of value chain information, are still under development due to evolving data collection processes, system limitations and methodological considerations.

The Group continues to enhance its internal capabilities, governance framework, and reporting processes to support more comprehensive climate related disclosures in future reporting periods.

REPORTING ENTITY, ORGANISATION BOUNDARY AND VALUE CHAIN

Browns Investments PLC (BI), a subsidiary of the renowned Browns Group and a part of Sri Lanka's most diversified conglomerate, LOLC Holdings PLC, serves as the Group's strategic investment arm. The Company has built a robust and balanced portfolio across high-growth sectors including leisure and hospitality, agriculture and plantations, and construction and real estate.

Guided by a long-term investment philosophy, BI focuses on sectors with strong growth potential while maintaining a prudent balance between risk, profitability, and liquidity. The Company's diversified holdings not only ensure resilience in dynamic market conditions but also support sustainable value creation for all stakeholders.

Over time, the Company used the capabilities, capital, institutional knowledge and market experience developed through its plantations and leisure operations to expand into a broad portfolio and real-economy sectors.

Today, Browns Investments operates as a global, multi-sector conglomerate with activities spanning plantations and leisure.

The Group has established operations and investments across Asia, Africa and other international markets. This geographic diversification enables the Company to access emerging markets, broaden its revenue base, transfer expertise across jurisdictions and participate in the economic development of the markets in which it operates.

The Group's financial reporting identifies the following principal operating-sector groupings:

- Leisure and entertainment; and
- Plantations and agriculture.

VALUE CHAIN

The Group also has entities (including investments in associates and joint ventures), activities, resources, and relationships that form part of its value chain. These have been considered in assessing the sustainability-related risks and opportunities of the Group. In the current reporting period, all metrics reported (except for GHG emissions) relate to the Group's own operations.

SIGNIFICANT JUDGEMENTS AND UNCERTAINTIES

In the process of preparing this sustainability report, management has exercised judgement in a number of areas, including the process of identifying sustainability-related risks and opportunities and identifying material information to report. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain and needs to be estimated, is related to forward-looking information, or involves data limitations.

This section outlines the most critical judgements made by management in preparing this sustainability report as well as the amounts that are subject to a high degree of measurement uncertainty.

SIGNIFICANT JUDGEMENTS

Area	Description
Materiality process	Management applied significant judgement to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Company's prospects, as well as the material information related to those risks and opportunities. Judgement was also applied in considering which metrics included within the disclosure topics in the industry-based SASB Standards were applicable to the Group.
Organisational boundary for GHG emissions	The Company has applied the operational control approach to determine its organisational boundary for reporting GHG emissions. The operational control approach requires the Group to identify the operations over which the Group has full authority to introduce and implement operational policies. Both the determination of organisational boundary consolidation approach and the identification of operations over which the Group has operational control are areas of significant judgement.

MEASUREMENT UNCERTAINTY

The following amounts have a high degree of measurement uncertainty:

Area	Description
GHG-related metrics	The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by SLFRS S2. The related disclosed metrics are subject to inherent high uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.
Climate physical risk – extreme weather events	There is significant uncertainty regarding how climate change, including the effect of the increase/decrease in GHG emissions, will affect the frequency and intensity of the future extreme weather events in the region where the Group operates. These uncertainties arise from the variability in climate projections and the potential unexpected changes in weather behaviour due to shifting weather patterns and evolving climate conditions as well as the corresponding impacts to the company's operations. Hence, the measurement of anticipated financial effects due to extreme weather events, in the short, medium and long term, is subject to significant measurement uncertainty.

SUSTAINABILITY GOVERNANCE

As the Group operates within the sustainability governance framework established by the Company and the Parent Group, it is aligned with the Group's overall sustainability strategy and objectives. Oversight of sustainability-related and climate-related matters is provided through the Group Board Sustainability Committee, which offers strategic direction and guidance on environmental, social, and governance (ESG) matters across the Group's operations including oversight of sustainability and climate related risks and opportunities, responsibilities for governance, review and approval of sustainability disclosures, and alignment with S1 and S2 requirements. Within the Company's sustainability governance structure, the Company's insurance sector pillar is also represented.

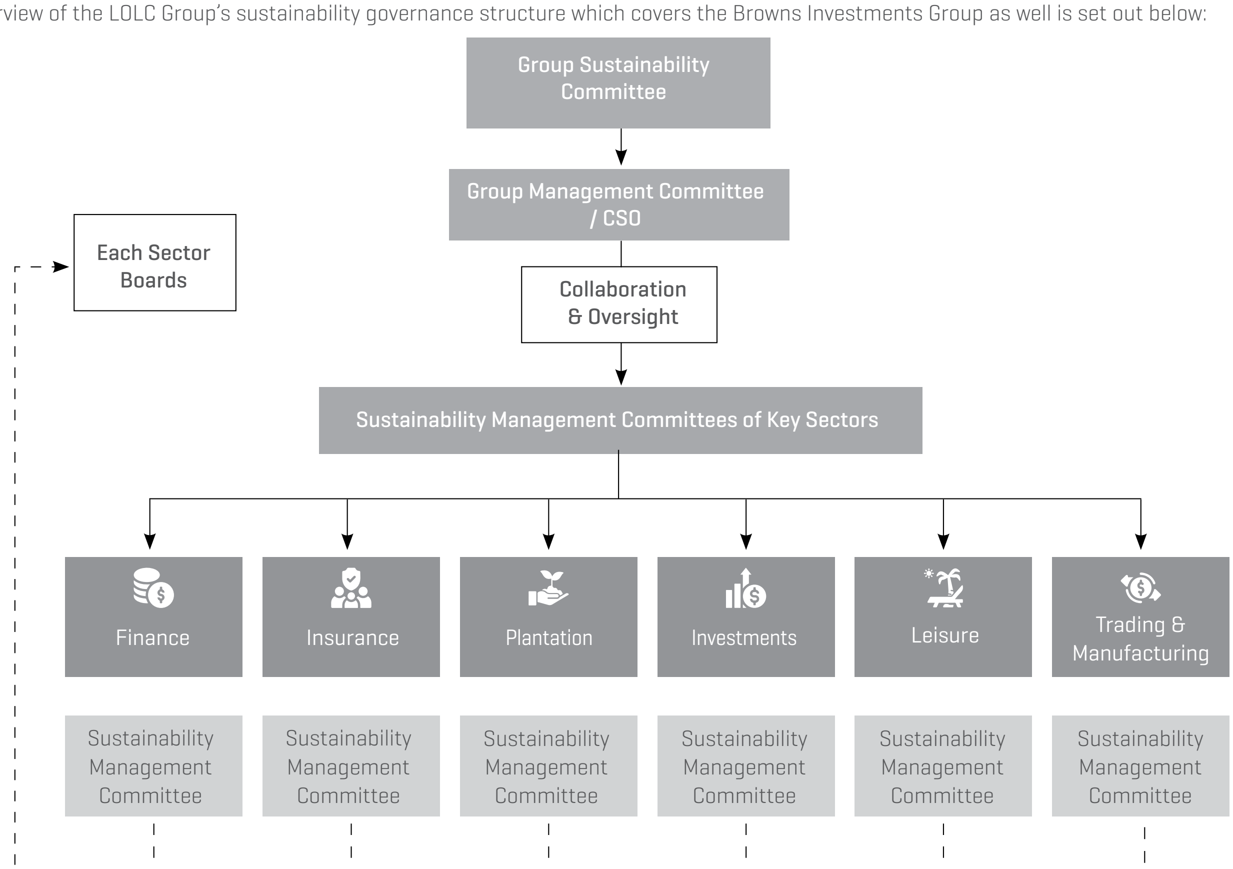
At Group level, the Board is responsible for implementing the Group's sustainability policies, action plans, and reporting requirements in a manner appropriate to the Group's operational context. Sustainability-related risks and opportunities, including climate-related matters, are monitored and integrated into operational and risk management processes in alignment with the Group's governance framework. All heads of subsidiaries are members of the sustainability management committee of the LOLC group headed by Chief Operating Officer, and the Head of HR acts as the sustainability coordinator to represent the Group level sustainability management committee. The Board of Directors of Browns Investments PLC Group is kept informed and obtain necessary approvals for all the processes carried out by Group level sustainability management committee on a periodic basis.

Members of the Board and relevant management personnel have participated in sustainability awareness and capacity building programmes, including training on SLFRS S1 and SLFRS S2, to strengthen their understanding of sustainability related and climate related disclosure requirements and their integration into strategic and operational decision making.

Progress relating to sustainability initiatives and material sustainability-related and climate-related risks and opportunities is periodically reported to the Group's governance structures to support effective oversight, accountability, and continuous improvement in sustainability performance.

The Board of Directors of LOLC has oversight of the approach to sustainability issues, and it is supported by the Sustainability Management Committee within Browns Investments PLC.

An overview of the LOLC Group's sustainability governance structure which covers the Browns Investments Group as well is set out below:



RISK MANAGEMENT

The processes and policies used to identify and assess sustainability-related risks, including climate-related risks, are described in the Basis of Materiality section below. The risk assessment process incorporates both qualitative and quantitative considerations and evaluates the nature, likelihood, and potential magnitude of identified risks and opportunities.

Sustainability-related risks and opportunities, including climate-related matters, are identified through Browns Investments PLC's materiality assessment process and are evaluated alongside other strategic and operational risks. Following identification, these risks and opportunities are assessed, prioritised, and monitored through the Group's established sustainability and risk management framework to support informed decision-making, effective oversight, and long-term value creation.

The Browns Investments PLC Sustainability Committee is responsible for the operational management and oversight of sustainability-related and climate-related risks and opportunities, as well as other material sustainability matters across Browns Investments PLC. The Committee oversees the identification, assessment, monitoring, and review of sustainability-related risks and opportunities, ensuring the implementation of appropriate mitigation and adaptation measures and the integration of sustainability considerations into business strategies, operations, and decision-making processes.

Progress against sustainability-related initiatives and action plans is regularly monitored through Company Sustainability Committee meetings and measured against agreed action items and the Company's sustainability roadmap. Sustainability-related risks and opportunities are subject to ongoing review to ensure their continued relevance in the context of evolving business conditions, stakeholder expectations, and regulatory developments. Details of the Browns Investments PLC's key sustainability-related risks and opportunities are presented in the Risks and Opportunities section below.

BASIS OF MATERIALITY

This year marks the first reporting period in which Browns Investments PLC has prepared sustainability-related financial disclosures in accordance with the SLFRS Sustainability Disclosure Standards. Accordingly, the Group conducted a comprehensive materiality assessment to identify the sustainability-related risks and opportunities that could reasonably be expected to affect its prospects over the short, medium and long term.

Browns Investments PLC determines the materiality of sustainability-related financial disclosures by assessing how environmental, social, and governance (ESG) factors may affect the Group's business model, strategy, operations, financial performance, and long-term value creation. These assessments consider both the Group's internal activities and, where relevant and practicable, its broader value chain, including relationships with customers, suppliers, business partners, and other stakeholders.

The purpose of this process was to identify information on sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as influence decisions made by primary users of general-purpose financial reports. Management specifically focused on existing and potential investors (shareholders or holders of preferred shares), lenders and other creditors in general.

Sustainability matters are considered material where they have the potential to influence the Group's financial position, performance, cash flows, or future prospects over the short, medium, and long term. The outcomes of the materiality assessment guide the Group's sustainability strategy, risk management processes, and sustainability-related disclosures.

ENVIRONMENT-RELATED RISKS AND OPPORTUNITIES

Identification of Material Sectors

The Group identified the following two sectors as material for the purposes of its sustainability- and climate-related disclosures:

- Leisure and Entertainment
- Plantation

These sectors were identified primarily based on their contribution to Browns Investments PLC's consolidated revenue during the reporting period. Revenue was selected as the principal quantitative basis because it provides a consistent and measurable indication of the relative scale of each sector's operations and its significance to the Group's overall business model and financial performance.

Accordingly, the sectors contributing a significant proportion of the Company's consolidated revenue were considered more likely to be exposed to sustainability- and climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. Such effects may arise in relation to the Group's financial performance, financial position, cash flows, access to finance and cost of capital over the short, medium and long term.

CLIMATE-RELATED RISKS AND OPPORTUNITIES BY MATERIAL SECTOR

• Hotel and Leisure Sector

Climate change affects the Hotel and Leisure sector through physical damage, changing tourism patterns, increasing regulatory expectations, technological change and evolving customer preferences.

Disruption of Operations Due to Extreme Weather Events

Nature of the Risk

The hotel portfolio is exposed to acute risks such as flooding, extreme rainfall and storm surges, and chronic risks including sea-level rise, coastal erosion and rising temperatures.

These risks may disrupt operations, damage assets, increase operating costs and affect tourism demand and long-term asset values.

Risk Classification and Time Horizon

Classification: Acute and chronic physical risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Flooding and extreme rainfall may restrict guest access, reduce occupancy and result in temporary operational constraints. Staff mobility and the supply of essential goods and services may also be affected during severe weather.

Coastal erosion and saline intrusion represent emerging risks for beachfront properties. Higher temperatures increase cooling demand, energy consumption and discomfort associated with outdoor guest activities, particularly at inland and dry-zone properties.

Anticipated Effects

Sea-level rise may affect the usability, infrastructure integrity and value of coastal assets over the long term.

More frequent flooding may result in recurring disruptions, higher maintenance requirements and greater dependence on resilient infrastructure. Changing rainfall and temperature patterns may also alter tourism seasons and destination preferences.

Concentration of the Risk

The risk is concentrated within hotel operations, coastal assets, inland and dry-zone properties, access infrastructure and climate-sensitive supply chains.

Effects on Strategy and Decision-Making

Climate risk is currently addressed mainly through operational responses and business continuity measures. The sector intends to integrate climate adaptation more systematically into capital allocation, site selection, refurbishment and asset-development decisions.

Planned responses include:

- flood protection and improved drainage;
- elevation of critical infrastructure;
- energy-efficient cooling and passive cooling technologies;
- enhanced business continuity and disaster recovery;
- property-level climate vulnerability assessments;
- climate scenario analysis; and
- diversification towards lower-risk locations.

Financial Effects

Current effects may include booking cancellations, reduced occupancy, repair and maintenance expenditure and higher cooling costs. These impacts are presently episodic and have not been identified as materially affecting long-term asset valuations.

Future effects may include greater revenue volatility, higher maintenance and insurance costs, adaptation capital expenditure and possible impairment indicators for beachfront assets.

Climate Resilience

The sector's resilience will depend on property-level adaptation, geographic diversification, adequate insurance, business continuity and the timely integration of climate exposure into investment decisions.

The relevant transitional relief has been applied where a quantitative resilience assessment or scenario analysis has not yet been completed.

Metrics and Targets

Hotels affected by extreme weather events during the reporting period: nil.

Future indicators may include weather-related closure days, revenue lost from disruptions, adaptation expenditure and the percentage of properties subject to climate-risk assessments.

During the reporting period, Browns Hotels & Resorts completed a comprehensive greenhouse gas (GHG) inventory for five key hotel properties using operational data collected in accordance with internationally recognised GHG accounting principles. Based on the verified results, room-based emission factors were established and applied to estimate greenhouse gas emissions for the remaining operational properties where complete data was not yet available. Using this methodology, the Group's total estimated Scope 1 and Scope 2 GHG emissions for the reporting period were approximately 9,178 tCO_2e. Browns Hotels & Resorts recognises that these estimates will be further refined as data collection systems continue to mature. The Group is committed to expanding property-level GHG quantification and verification across all hotels in future reporting periods to enhance the accuracy, consistency and completeness of its climate-related disclosures.

Regulatory and Conduct Risk Arising from Increasing Transparency Expectations

Nature of the Risk

Increasing expectations for standardised ESG reporting, climate disclosures and compliance with environmental, safety, labour and consumer-protection requirements may increase the sector's compliance obligations.

Failure to comply may result in fines, license restrictions, reputational damage and reduced customer confidence.

Risk Classification and Time Horizon

Classification: Transition Risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

The sector operates within regulatory frameworks governing tourism, environmental management, health and safety, labour practices and consumer protection.

National climate and sustainable-tourism policies are increasingly encouraging lower-carbon, resource-efficient and climate-resilient operating models.

SLFRS S1 and SLFRS S2 are also influencing governance, reporting, data collection and consideration of climate-related matters in investment decisions.

Anticipated Effects

The sector expects greater standardisation of ESG information across properties, suppliers and guest services.

The value chain may require enhanced traceability, environmental data and reporting aligned with recognised sustainable tourism principles and national certification expectations.

Stronger environmental and waste management requirements may also accelerate circular-economy practices, sustainable sourcing and reduced reliance on single-use materials.

Concentration of the Risk

The risk is concentrated within compliance, operations, procurement, sustainability reporting and guest-facing communications.

Effects on Strategy and Decision-Making

Strategic decisions currently focus on compliance with tourism, environmental and safety requirements.

Future priorities may include:

- obtaining recognised sustainable tourism certifications;
- strengthening environmental and labour compliance;
- improving sustainability communication;
- formalising sustainable material and packaging requirements;
- developing more robust ESG data systems; and
- incorporating climate and sustainability factors into development and refurbishment decisions.

Financial Effects

Current effects primarily comprise data-collection, reporting, certification and compliance expenditure.

Future effects may include additional expenditure on ESG systems, assurance, certifications, waste-management arrangements and supplier engagement. Strong alignment may support investor confidence, sustainable finance and market competitiveness, while non-alignment may create reputational and commercial risks.

Metrics and Targets

Sustainability-related regulatory non-compliances: nil.

Technological Obsolescence Due to Green Market Shifts

Nature of the Risk

Existing hotel infrastructure and systems may become less efficient or competitive as the hospitality industry adopts low-carbon, energy-efficient and sustainability-driven technologies.

Delayed upgrades may result in higher operating costs, reduced market attractiveness and long-term asset value erosion.

Risk Classification and Time Horizon

Classification: Transition risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Sustainability-related technology adoption is progressing through refurbishment programmes, lighting and HVAC upgrades, infrastructure improvements and solar installations at selected properties.

However, these technologies are not yet uniformly embedded across the portfolio.

Anticipated Effects

The sector may need to adopt:

- renewable energy;
- smart energy-management systems;
- digital environmental monitoring;
- green-building principles;
- sustainable procurement;
- low-emission vehicles; and
- energy- and resource-efficient operating technologies.

Failure to keep pace may affect occupancy, pricing power, asset performance and competitiveness.

Concentration of the Risk

The risk is concentrated within property infrastructure, energy systems, refurbishment decisions, transportation and operational technology.

Effects on Strategy and Decision-Making

Current technology investments are mainly driven by maintenance, efficiency and cost considerations.

Future capital allocation is expected to place greater emphasis on smart-building technologies, energy optimisation, low-emission transport and ESG criteria within asset-development and refurbishment decisions.

Additional capability may also be required in sustainable hospitality, digital systems and green technology.

Financial Effects

Current financial effects include capital expenditure on refurbishments and energy-efficiency upgrades and continued exposure to utility-price fluctuations.

Future effects may include higher capital expenditure, depreciation and implementation costs. Over time, efficient technologies may reduce operating costs, improve energy-price stability and strengthen market positioning.

Metrics and Targets

Assets relocated or abandoned due to carbon-related regulations: nil.

The sector is developing additional indicators for the percentage of properties using energy-efficient technology and the financial benefits achieved through efficiency improvements.

Consumer Shift Towards Green Hospitality

Nature of the Risk

Travellers, corporate customers and travel platforms increasingly prefer environmentally responsible and sustainability-certified accommodation.

Properties that do not meet these expectations may experience reduced demand, weaker pricing power and lower competitiveness.

Risk Classification and Time Horizon

Classification: Transition and market risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

The sector has introduced energy-efficiency initiatives, selected solar installations and conservation activities. These initiatives support brand perception, although sustainability is not yet consistently positioned as a core customer proposition across all properties.

Guest offerings and marketing remain predominantly driven by location, comfort and price.

Anticipated Effects

Demand is expected to shift towards measurable sustainability performance, certified accommodation and authentic nature- and wellness-based experiences.

The sector may need to:

- expand environmental certification;
- increase renewable-energy use;
- embed sustainability in guest experiences;
- strengthen sustainable sourcing;
- improve communication of environmental credentials; and
- integrate sustainability into brand and marketing strategies.

Concentration of the Risk

The risk is concentrated within marketing, product development, customer experience, property positioning and the supplier value chain.

Effects on Strategy and Decision-Making

Sustainability is currently considered mainly through corporate responsibility and efficiency initiatives.

Future strategy may include repositioning selected properties as sustainable destinations, pursuing recognised certifications and incorporating customer sustainability expectations into investment, pricing and product-development decisions.

Financial Effects

Current effects are limited and indirect, including modest sustainability expenditure and brand benefits.

Short-term investments may be required for property enhancements, certification and marketing. In the medium and long term, proactive alignment may support occupancy, pricing power, customer loyalty and asset values. Properties that fail to adapt may face declining relevance and value erosion.

Metrics and Targets

The amount of revenue attributable to green-marketing or sustainability-positioned initiatives has not yet been quantified. Management is currently compiling the relevant data and developing supporting methodologies and controls.

Plantations Sector

The Plantations sector is highly dependent on climate conditions, natural resources, workforce availability and access to international markets. Physical climate events, policy changes and stakeholder expectations may affect crop productivity, infrastructure, operating costs and market access.

Disruption of Operations Due to Extreme Weather Events

Nature of the Risk

Plantation operations in Sri Lanka, Kenya, Rwanda, Tanzania and Sierra Leone are exposed to extreme rainfall, flooding, landslides, cyclonic conditions and rising temperatures.

These events may disrupt harvesting, transportation, workforce mobility and crop productivity.

Risk Classification and Time Horizon

Classification: Acute and chronic physical risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Heavy rainfall affects harvesting schedules, estate roads, drainage systems and transport. Riverine flooding may restrict access to estates, while intense rainfall in elevated regions contributes to soil erosion, slope instability and landslides.

Road blockages may temporarily isolate estate divisions and delay logistics and harvesting. Cyclonic conditions may damage infrastructure, utilities and crops.

Higher temperatures and dry periods may also affect field-worker productivity, water requirements, crop condition and pest prevalence.

Anticipated Effects

Increasing rainfall variability may heighten flood and landslide risk, increase maintenance requirements and disrupt transportation.

Rising temperatures may affect cultivation patterns, yields, labour productivity and water availability. Maintaining productivity may require climate-smart agriculture, slope stabilisation, improved drainage and more resilient infrastructure.

Concentration of the Risk

The risk is concentrated within plantation land, crop areas, estate roads, drainage systems, processing infrastructure and workforce activities.

Effects on Strategy and Decision-Making

Current management is focused on emergency response, worker safety and operational continuity.

Future adaptation may include:

- improved drainage and flood mitigation;
- slope stabilisation and retaining structures;
- resilient estate roads;
- weather monitoring and early-warning systems;
- soil conservation and water management;
- climate-resilient crop practices; and
- stronger disaster recovery arrangements.

Financial Effects

Current effects include production losses from delayed harvesting, repair and maintenance costs, adaptation expenditure and higher insurance-related costs.

Future effects may include increased operating expenditure, crop losses, reduced productivity, higher infrastructure investment and additional insurance costs.

Metrics and Targets

The proposed metric is the amount of crops affected by extreme weather events. Management is currently compiling the relevant data and establishing the required methodology and controls.

Policy and Regulatory Risk

Nature of the Risk

Evolving environmental, agricultural, labour and sustainability regulations may increase compliance obligations and operational complexity.

Changes relating to agrochemical use, emissions, traceability, labour practices and ESG disclosure may affect operating costs and access to export markets.

Risk Classification and Time Horizon

Classification: Transition risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

The sector is subject to environmental, agricultural, labour, food-safety and export requirements. These affect cultivation practices, workforce management, manufacturing, quality assurance and traceability.

International certifications, including Rainforest Alliance and relevant ISO, HACCP, GMP and FSSC standards, support market access and operational control.

Renewable-energy investments provide a degree of energy resilience and reduce reliance on conventional energy sources.

Anticipated Effects

Stricter regulation may require enhanced control over agrochemicals, emissions, traceability and sustainability data.

The sector may need to accelerate low-chemical, regenerative and climate-smart agricultural practices and strengthen digital monitoring systems to maintain access to premium export markets.

Concentration of the Risk

The risk extends across cultivation, procurement, processing, workforce management, certification, logistics and export activities.

Effects on Strategy and Decision-Making

The sector currently monitors policy developments and maintains national and international certifications.

Future strategy may include:

- expanding sustainable or organic cultivation;
- increasing certification coverage;
- strengthening renewable-energy capability;
- investing in traceability and monitoring systems; and
- incorporating regulatory scenarios into long-term planning.

Financial Effects

Current financial effects include certification, audit, regulatory reporting, monitoring and training expenditure.

Future effects may include higher compliance and reporting costs and capital expenditure on traceability, digital systems and sustainable farming. Strong alignment may reduce penalties and support continued access to export markets.

Metrics and Targets

Regulatory cases against Plantation sector companies: nil.

Increased Stakeholder ESG Expectations

Nature of the Risk

Investors, customers, regulators, certification bodies and export markets increasingly expect sustainable sourcing, climate action, workforce welfare, biodiversity protection, traceability and transparent ESG reporting.

Failure to meet these expectations may affect reputation, market access and competitiveness.

Risk Classification and Time Horizon

Classification: Transition and reputational risk

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Current responses include soil conservation, agroforestry, integrated pest management, water management, renewable energy and reforestation initiatives such as the Browns Roots Project.

Export customers are increasingly requesting evidence of sustainable sourcing, labour practices, environmental stewardship and supply-chain transparency.

Anticipated Effects

Sustainability performance may become a more significant determinant of market access, pricing and competitiveness.

The sector may need to expand biodiversity initiatives, traceability, climate-smart agriculture, renewable energy, emissions management and sustainability disclosures.

Concentration of the Risk

The risk is concentrated across cultivation, processing, sourcing, workforce practices, export relationships and sustainability reporting.

Effects on Strategy and Decision-Making

Current strategic responses include certification, community programmes, environmental stewardship and ethical workforce practices.

Future actions may include clearer climate targets, stronger ESG governance, deforestation-free sourcing, improved traceability and more structured stakeholder engagement.

Financial Effects

Current expenditure relates to sustainability initiatives, certifications, audits, environmental management, community programmes and workforce welfare.

Future expenditure may arise from ESG systems, traceability, emissions reduction and climate-smart technologies. Strong performance may support premium markets and sustainable financing, while weak performance may result in reputational and commercial pressure.

Metrics and Targets

The Group has not established specific metrics and targets for the current reporting period. The Group is currently strengthening its data collection, monitoring and internal reporting processes and intends to develop appropriate metrics and targets during the next reporting period. These metrics and targets will be designed to support the consistent measurement, monitoring and management of the relevant sustainability- and climate-related risks and opportunities.

Shift in Consumer Preferences Towards Sustainable Products

Nature of the Opportunity

Growing demand for low-carbon, sustainably produced and ethically sourced agricultural products may create opportunities to strengthen brand value, access premium markets and improve pricing.

Classification and Time Horizon

Classification: Transition opportunity

Time horizon: Short, medium and long term

Effects on the Business Model and Value Chain

Current Effects

Renewable-energy investments, sustainable cultivation, integrated pest management, soil conservation and reforestation support the sector's sustainability credentials.

These activities also contribute to energy resilience, reduced chemical dependency and alignment with certification requirements.

Anticipated Effects

The sector may expand renewable energy, low-emission machinery, sustainable cultivation, product traceability and specialty agricultural products.

Verified sustainability performance may become increasingly important for access to European and other premium export markets.

Effects on Strategy and Decision-Making

Low-carbon initiatives are presently considered through operational efficiency, certification and environmental stewardship.

Future strategy may place greater emphasis on renewable energy, carbon sequestration, climate-smart cultivation and scenario-informed capital allocation.

Financial Effects

Current effects include expenditure on renewable-energy maintenance, reforestation, land management and sustainable cultivation. These costs may be partly offset by lower energy expenditure.

In the short to medium term, higher investment may increase depreciation, funding requirements and implementation costs. Over the longer term, these activities may improve efficiency, pricing, export access and revenue stability.

Metrics and Targets

The Group has not established specific metrics and targets for the current reporting period. The Group is currently strengthening its data collection, monitoring and internal reporting processes and intends to develop appropriate metrics and targets during the next reporting period. These metrics and targets will be designed to support the consistent measurement, monitoring and management of the relevant sustainability- and climate-related risks and opportunities.

Appendix I: Transition Reliefs

	Description	Transition relief under the IFRS Sustainability Disclosure Standards	Transition relief applied in the Report?
A	Relief from disclosing comparative information	Entities are not required to provide the disclosures specified in IFRS S1 for any period before the date of initial application. Accordingly, applicable entities are not required to disclose comparative information in the first annual reporting period in which it applies SLFRS S1. [SLFRS S1 Appendix E3] A similar relief is available in SLFRS S2 where applicable entities are not required to provide the disclosures specified in SLFRS S2 for any period before the date of initial application. Accordingly, applicable entities are not required to disclose comparative information in the first annual reporting period in which it applies SLFRS S2. [SLFRS S2 Appendix C3]	Yes
B	Relief from reporting sustainability-related financial disclosures at the same time as the related financial statements	In the first annual reporting period in which an entity applies SLFRS S1, the entity is permitted to report its sustainability-related financial disclosures after it publishes its related financial statements. In applying this transition relief, an entity shall report its sustainability-related financial disclosures: at the same time as its next second- quarter or half-year interim general purpose financial report, if the entity is required to provide such an interim report; at the same time as its next second- quarter or half-year interim general purpose financial report, but within nine months of the end of the annual reporting period in which the entity first applies SLFRS S1, if the entity voluntarily provides such an interim report; or within nine months of the end of the annual reporting period in which the entity first applies SLFRS S1, if the entity is not required to and does not voluntarily provide an interim general purpose financial report [SLFRS S1 Appendix E4]	No
C	Relief from reporting information about sustainability-related risks and opportunities beyond climate-related risks and opportunities	In the first annual reporting period in which an entity applies SLFRS S1, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with SLFRS S2) and consequently apply the requirements in SLFRS S1 only insofar as they relate to the disclosure of information on climate-related risks and opportunities. If an entity uses this transition relief, it shall disclose that fact. [SLFRS S1 Appendix E5] If an entity uses the transition relief in paragraph E5: in the first annual reporting period in which the entity applies SLFRS S1, it is not required to disclose comparative information about its climate-related risks and opportunities; and in the second annual reporting period in which the entity applies SLFRS S1, it is not required to disclose comparative information about its sustainability- related risks and opportunities, other than its climate-related risks and opportunities. [SLFRS S1 Appendix E6]	Yes

	Description	Transition relief under the IFRS Sustainability Disclosure Standards	Transition relief applied in the Report?
D	Measurement method other than the GHG Protocol can be used to measure Scope 1, Scope 2 and Scope 3 GHG emissions	In the first annual reporting period in which an entity applies SLFRS S2, if, in the annual reporting period immediately preceding the date of initial application of SLFRS S2, the entity used a method for measuring its GHG emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the entity is permitted to continue using that other method. [SLFRS S2 Appendix C4(a)] If an entity uses the relief in paragraph above, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. [SLFRS S2 Appendix C5]	Yes
E	Relief from disclosing Scope 3 GHG emissions	In the first two annual reporting periods in which an entity applies SLFRS S2, the entity is not required to disclose its Scope 3 GHG emissions which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions. [SLFRS S2 Appendix C4(b)] If an entity uses the relief in the above paragraph, the entity is permitted to continue to use that relief for the purposes of presenting that information as comparative information in subsequent reporting periods. [SLFRS S2 Appendix C5]	Yes
F	Relief on disclosing climate-related scenario analysis	In the first two annual reporting periods in which an entity applies SLFRS S2, the entity is not required to disclose information on conducting a climate-related scenario analysis. [SLFRS S2 Para 22]	Yes
G	Relief on disclosing anticipated financial effects	In the first two annual reporting periods in which an entity applies SLFRS S2, the entity is not required to disclose information anticipated financial effects. [SLFRS S2 Para 15(b)]	Yes

FINANCIAL INFORMATION

The Directors of Browns Investments PLC have pleasure in presenting its Annual Report together with the Consolidated Audited Financial Statements for the year ended 31st March 2026.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investments in listed and non-listed companies and investments in subsidiaries and jointly controlled entities which are mainly engaged in the plantation management, agriculture, leisure and construction sectors.

The Principal activities and future strategic developments are described in detail in the "Management Discussion and Analysis" report on pages 6 to 17 of this report.

A detailed description of the subsidiaries, associates, joint ventures, long term and short-term investments are fully described in Note 20, 21, 22 and 29.

TURNOVER

The Turnover of the Group was Rs.99,134 Mn. as compared with Rs. 61,821 Mn in the previous year. A detailed analysis of the Company's Turnover is given in Note 4 of the Financial Statements.

GROSS PROFIT

The Group's Gross Profit for the year was Rs.18,833Mn compared with the Group's Gross Profit of Rs.11,979 Mn for the previous year. A detailed analysis of the Group's gross profit is given in note 6 of the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 14 of the Financial Statements.

CAPITAL STRUCTURE

The Stated Capital of the Company as at the date of this Report is Rs. 31,004,439,266 /- consisting of 14,369,717,460 ordinary voting shares.

The shareholding structure is given on pages 188 together with the 20 largest shareholders in page 189.

The market value of an ordinary share of the Company as at 31st March 2026 was Rs 6.10 (31st March 2025 was Rs.7.30). The number of shareholders as at 31st March 2026 was 37,366 (31st March 2025 – 36,232).

The information in respect of earnings, net assets per share is given on page 186.

RESERVES

The total Reserves as at 31st March 2026 amounts to Rs.146,330 Mn as compared with Rs. 164,164 Mn in the previous year.

TAXATION

Group income tax expense amounted to Rs. 870 mn in 2026, compared with an income tax credit of Rs. 1,778 mn in 2025.

PROFIT AND APPROPRIATIONS

For the year ended 31st March	Group	
	2026 Rs.000	2025 Rs.000
Profit /(loss) attributable to equity holders	(21,881,661)	57,664,102
Other comprehensive income	(880,291)	(992,856)
Retained profit brought forward from previous year	103,886,766	48,142,254
Other comprehensive income reclassified to P&L	-	2,358,837
Adjustments due to changes in group holdings	(47,330)	(3,285,571)
Other movements	4,638,424	-
Retained profit carried forward	85,715,908	103,886,766

EVENTS AFTER THE BALANCE SHEET DATE

There have been no events subsequent to the reporting period, which would have any material effect on the Company or on the Group.

STATUTORY PAYMENTS

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

ENVIRONMENTAL PROTECTION

The Company complies with the relevant environmental laws and regulations applicable in the country of operation.

COMPLIANCE WITH LAWS AND REGULATIONS

Through participation in various workshops/ forums and updates from the Company Secretaries and the Management, the Board of Directors keeps abreast of laws, rules, regulations and changes thereto, particularly to Listing Rules and applicable capital market provisions.

To the best of the knowledge of the Directors, the Company has not engaged in any activity that contravenes any applicable law or regulation, and has been in compliance with all prudential requirements, regulations and laws. Furthermore, the Directors confirm that there were no fines which are material imposed on the Company by any Governmental or regulatory authority in the country.

CORPORATE GOVERNANCE

Your Board of Directors is committed to maintaining an effective corporate governance framework and confirms that the Company is fully compliant with the Listing Rules of the Colombo Stock Exchange.

CA Sri Lanka issued its updated Code of Best Practice on Corporate Governance in December 2023. The updated Code has been reviewed and will be adopted to the extent of business exigency and as required by the Group.

Pages 18 to 39 provide details in which the Company has complied with its governance framework.

SUSTAINABILITY

In terms of the SLFRS S1 and S2 standards introduced by Institute of Chartered Accountants of Sri Lanka for sustainability-related financial disclosures and climate-specific disclosures, under the International Financial Reporting Standards (IFRS) S1 and S2 as issued by International Sustainability Standards Board (ISSB) relevant disclosures are included on pages 48 to 58 in compliance with the CSE reporting requirements for 2025/26.

In terms of application of SLFRS S1 and S2 disclosure requirements, the Group has utilised applicable reliefs permitted by ICASL.

ENTERPRISE RISK MANAGEMENT & INTERNAL CONTROL

The Board through the Audit Committee conducts a review of internal controls covering financial, operational and compliance controls.

The Enterprise Risk Management Division (ERM) regularly reviews practices against laid down policies/procedures on internal controls and risk management. ERM findings are submitted to the Audit Committee. Any deficiencies or weaknesses detected are discussed with the relevant operational staff to ensure that the gravity of the position is understood by all and to expedite remedial action. Decisions made are followed up at subsequent Committee or Board meetings. The Directors declare that a reasonable assurance of their effectiveness and successful adherence has been obtained for the year under review.

The Risk Management Report is on pages 196 to 197.

EMPLOYMENT POLICIES

The Group employment policies are based on respected HR practices to attract and retain the right people. The number of persons employed in the Company as at 31st March 2026 was 14 (31st March 2025 – 16).

Disciplinary matters are dealt according to the board approved policies in compliance with labour regulations. There was no occurrence of any issue detrimental to the harmonious industrial relations of the Company during the year under review which required disclosure under Rule 7.6 (vii) of the Listing Rules.

CODE OF ETHICS

The Board sets the tone from the top to instil the right behaviours across all levels, from directors to staff, based on the Company's Code of Business Conduct and Ethics, which provides guidance to ensure duties are carried out with the highest standards of integrity. This also enables the Company to manage any potential impact with fair treatment. The Board confirms that there has not been any material breach of the Code during the year under review.

FAIR TREATMENT FOR STAKEHOLDERS

The Company has taken necessary measures to ensure fair and equitable treatment for all its stakeholders.

GOING CONCERN

During the year, the Directors reviewed the interim financials and the year-end financials. They have also regularly reviewed operations, and the environment within which the Company and the Group operated, including the macro environment, potential risks and resource allocation.

Having reviewed the outlook for each sector and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company, its subsidiaries and associates have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these Financial Statements.

DIRECTORATE

The Directors of the Company during the year under review are as follows:

Mr. I. C. Nanayakkara -
Executive Chairman

Mr. W. D. K. Jayawardena -
Non-Executive Director

Mrs. K. U. Amarasinghe -
Non-Executive Director

Mr. D. S. K. Amarasekera -
Non-Executive Director

Mr. K. Sivanesan –
Senior Independent Director

Mr. C. N. Wijesinha - I
Independent Director

The Directors' profiles can be found on pages 2 to 4.

RE-ELECTION OF DIRECTORS

In accordance with Article No. 23(6) of the Articles of Association of the Company Mr. W. D. K. Jayawardena, Non-Executive Director retires by rotation and being eligible offers himself for re-election.

In accordance with Article No. 23(6) of the Articles of Association of the Company Mr. D. S. K. Amarasekera, Non-Executive Director retires by rotation and being eligible offers himself for re-election.

With the advice of the Nominations & Governance Committee, the Board recommends their re-election .

DIRECTORS' MEETINGS

The Directors conduct Board Meetings on a quarterly basis. Board decisions are resolved at meetings, and by way of resolutions which are circulated among the Directors, approved and signed by all the Directors and tabled at the Board Meetings. The Minutes of the Board Meetings and the Agenda for the next meeting are circulated to all the Directors in advance.

Details of the meetings held are set out on page 25.

BOARD COMMITTEES

The Board has appointed the following sub committees:

The Audit Committee

The Talent Development and Remuneration Committee

The Related Party Transactions Review Committee

The Nominations & Governance Committee

The mandate of each of these sub committees is provided by their regulatory guideline and Board approved Terms of Reference. The composition of these committees is as prescribed by the relevant regulation for effective functioning of the Committee. The reports of the respective Committees are included in this Report on pages 42 to 45.

TRANSACTIONS WITH RELATED PARTIES

The Directors declare that the Company is in compliance with the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2026 and that such transactions with the Company if any, have been disclosed while abstaining from voting on any matters of material interest.

In terms of LKAS 24, the Directors have disclosed transactions which are classified as related party transactions under Note 44 on pages 161 to 163 of the Financial Statements.

DIRECTORS' INTEREST IN CONTRACTS

The Company maintains an Interests Register in terms of the Companies Act No. 7 of 2007 and is available for inspection upon request. The disclosures made by Directors have been noted by the Board, recorded in the minutes and entered into the Interest Register.

The Directors confirm that all material interests in contracts involving the Company if any have been disclosed to the Board and wherever any Director is materially interested in a contract or proposed contract with the Company, they would refrain from voting on such contracts. The Directors did not have any material interest in any contract of significance in Group's business except those disclosed in Note 44 to the Financial Statements.

The declarations made by the directors confirm that there are no financial, business, family or other material/relevant relationship(s) between Chairman and Chief Executive Officer and/or amongst the other members of the Board apart from a family relationship between the Chairman and Non-Executive Director, Mrs K U Amarasinghe.

Other directorships held by the Directors are disclosed in Board profiles on pages 2 to 4 Directors of subsidiaries are given on pages 190 to 194.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the fit and proper assessment criteria of the Listing Rules during the financial year under review and as at the date of such declaration.

DIRECTORS' SHAREHOLDINGS

The Directors' shareholdings were as follows :-

	As at 31st March 2026	As at 31st March 2025
Sampath Bank PLC/Mr.I.C.Nanayakkara	40,000,000	40,000,000
Mr.W.D.K.Jayawardena	Nil	Nil
Mrs.K.U.Amarasinghe	Nil	Nil
Mr.D.S.K.Amarasekera	722,000,000	722,000,000
Mr.K.Sivanesan	Nil	Nil
Mr.C.N.Wijesinha	Nil	Nil

REMUNERATION OF DIRECTORS

The Directors' emoluments are disclosed in Note 44 to the Financial Statements.

The Company has a Board approved Remuneration Policy. This policy stipulates that remuneration should be linked to competence and contribution, while serving to incentivise and motivate. This policy has been taken into account when determining remuneration for both staff and directors.

The Talent Development and Remuneration Committee report is given on page 44.

PARENT, SUBSIDIARIES, SUB- SUBSIDIARIES AND ASSOCIATE COMPANIES AND ITS DIRECTORS

The Directors of parent, subsidiaries, sub- subsidiaries and associate companies as at date are given on pages 190 to 194 of the Financial Statements.

FINANCIAL STATEMENTS

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs.

The Financial statements together with the Notes thereon, found on pages 75 to 185 are in compliance with Sri Lanka Accounting Standards and the requirements of the Companies Act No. 7 of 2007.

AUDITORS' REPORT

The External Auditors of the Company Messrs Deloitte Partners, Chartered Accountants have carried out the audit of the Consolidated Financial Statements for the financial year ended 31st March 2026 and their Report on the Financial Statements appear on page 68 of this Annual Report.

ACCOUNTING POLICIES

The significant accounting policies adopted when preparing these Financial Statements and any changes thereof if applicable are given on pages 83 to 101.

AUDITORS

Deloitte Partners will retire, and offer themselves for re-appointment. The Board recommends their re-appointment for the year 2026/27 at a fee to be decided upon by the Board.

The fees paid to the Auditors are disclosed in the Notes to the Accounts on page 104.

As far as the Directors are aware, the Auditors do not have any other relationship (other than that of an auditor) with the Company or any of its subsidiaries nor do they have any interest in contracts with the Company or any of its subsidiaries.

RESPONSIBILITY STATEMENTS

The Chief Executive Officer's and Chief Financial Officer's responsibility statement appears on page 67 The Directors' statement on responsibility for financial reporting appears on page 66.

ANNUAL REPORT

The Board of Directors approved the Consolidated Financial Statements on 21st August 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board within stipulated time period.

ANNUAL GENERAL MEETING

The 18th Annual General Meeting of the Company will be held on 24th September 2026 at 10:00 am as a virtual meeting and the Notice of Meeting is on page 198.

For and on behalf of the Board

Mr. Kamantha Amarasekera
Director

Mr. Ishara Nanayakkara
Executive Chairman

L O L C CORPORATE SERVICES (PRIVATE) LIMITED
Secretaries

Colombo
21st August 2026

Director's Declarations

Name of the Director	Number of Board Seats held in Listed and Unlisted Companies in Sri Lanka	Designation
Mr. I. C. Nanayakkara	L O L C Holdings PLC	Executive Chairman
	Brown & Company PLC	Executive Chairman
	Browns Investments PLC	Executive Chairman
	Sierra Cables PLC	Non - Executive Chairman
	LOLC Capital (Private) Limited	Non - Executive Director
	Agstar PLC *	Non - Executive Chairman
	Ceylon Graphene Technologies (Pvt) Ltd *	Non - Executive Chairman
	LOLC Advanced Technologies (Pvt) Ltd *	Non - Executive Director
	(*resigned w.e.f. 12.05.2026)	
Mr. W. D. K. Jayawardena	LOLC Holdings PLC	Group MD/CEO
	Eden Hotel Lanka PLC	Non - Executive Chairman
	Palm Garden Hotels PLC	Non - Executive Chairman
	Serendib Hotels PLC	Non - Executive Chairman
	Dolphin Hotels PLC	Non - Executive Chairman
	Hotel Sigiriya PLC	Non - Executive Chairman
	Brown & Company PLC	Non - Executive Director
	Browns Investments PLC	Non - Executive Director
	LOLC Securities Limited	Non - Executive Chairman
	LOLC Life Assurance Limited	Non - Executive Chairman
	LOLC Advanced Technologies (Pvt) Ltd	Non - Executive Chairman
	Ceylon Graphene Technologies (Pvt) Ltd	Non - Executive Director
Mrs. K. U. Amarasinghe	LOLC Holdings PLC	Executive Director
	Palm Garden Hotels PLC	Non - Executive Director
	Eden Hotel Lanka PLC	Non - Executive Director
	Brown & Company PLC	Non - Executive Director
	Browns Investments PLC	Non - Executive Director
	Serendib Hotels PLC	Non - Executive Director
	Hotel Sigiriya PLC	Non - Executive Director
	LOLC General Insurance PLC	Non - Executive Director
	Browns Holdings Limited	Non - Executive Director
	Green Paradise (Pvt) Ltd	Non - Executive Director
	Danya Capital (Pvt) Ltd	Non - Executive Director
	Ultimate Sports (Pvt) Ltd	Non - Executive Director
	Melana Capital (Pvt) Ltd	Non - Executive Director
	Three Tips Ella (Pvt) Ltd	Non - Executive Director

Name of the Director	Number of Board Seats held in Listed and Unlisted Companies in Sri Lanka	Designation
Mr. D. S. K. Amarasekera	Browns Investments PLC	Non-Executive Director
	Eden Hotel Lanka PLC	Non-Executive Director
	Palm Garden Hotels PLC	Non-Executive Director
	Hapugastenne Plantations PLC	Non-Executive Director
	Udapussellawa Plantations PLC	Non-Executive Director
	Tea Smallholder Factories PLC	Non-Executive Director
	Serendib Hotels PLC	Non-Executive Director
	Dolphin Hotels PLC	Non-Executive Director
	Hotel Sigiriya PLC	Non-Executive Director
	Sierra Cables PLC	Non-Executive Director
Mr. K. Sivanesan	L O L C Holdings PLC	Independent Director
	Browns Investments PLC	Senior Independent Director
	Agstar PLC	Independent Director
	LOLC Life Assurance Limited	Independent Director
	Hapugastenne Plantations PLC *	Independent Director
	Udapussellawa Plantations PLC *	Independent Director
	Tea Smallholder Factories PLC *	Independent Director
	(*appointed w.e.f. 07.08.2026)	
Mr. C. N. Wijesinha	Browns Investments PLC	Independent Director
	Brown & Company PLC	Independent Director

Statement of Directors' Responsibility

The responsibility of the Directors in relation to the Financial Statements for the year ended 31st March 2026 which have been prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange and the Companies Act No.7 of 2007, is set out in the following statement.

The responsibility of the Auditors in relation to the Financial Statements is set out in the Report of the Auditors on pages 68 to 74 of the Report. As per the provisions of the Companies Act No. 7 of 2007, the Directors are required to prepare Financial Statements, for each financial year and place before a General Meeting which comprise of:

1) A statement or profit or loss which presents a true and fair view of the profit and loss of the Company and its subsidiaries for the financial year;
2) A statement of comprehensive income which presents a true and fair view of the comprehensive income for the company and its subsidiaries for the financial year
3) A Statement of Changes in Equity which presents a true and fair view of the changes in the Company's and its Subsidiaries retained earnings for the financial year;
4) A Statement of Cash Flow which presents a true and fair view of the flow of cash in and out of the business for the financial year and which comply with the requirements of the Act.

The Directors are of the view that, in preparing these Financial Statements:

- The appropriate accounting policies have been selected and applied in a consistent manner. Material deviations, if any have been disclosed and explained;
- All applicable Accounting Standards, as relevant, have been followed.
- Judgements and estimates have been made which are reasonable and prudent.

The Directors are also of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the Company and of the Group, also to reflect the transparency of transactions and to ensure that the Financial Statements presented comply with the requirements of the Companies Act.

The Directors are also responsible for taking reasonable steps to safeguard the Assets of the Company and that of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

The Directors are required to prepare the Financial Statements and to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspections they may consider to be appropriate to enable them to give their Audit Opinion.

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

COMPLIANCE REPORT

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

The Board of Directors confirms that the Company, based on the information available, satisfies the Solvency test as and when required according to the Section 56(2) of the Companies Act No 07 of 2007.

By order of the Board

Ishara Nanayakkara
Executive Chairman
21st August 2026

Chief Executive Officer's and Group Chief Financial Officer's Responsibility Statement

The Financial Statements of the Company are prepared in compliance with the following regulations;

- Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by The Institute of Chartered Accountants of Sri Lanka
- The Companies Act No. 07 of 2007
- Sri Lanka Accounting & Auditing Standards Act No.15 of 1995
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Company has used the Accounting policies appropriately to prepare its Consolidated Financial Statements in a consistent manner except unless otherwise stated in the Notes accompanying the Financial Statements. No deviations from the prescribed Accounting Standards were reported in their adoption. The Audit committee of the Company has reviewed significant accounting policies and estimates that involved a high degree of judgement and complexity. The Comparative information has been provided whenever required to comply with the current presentation.

The Board and the Management hereby confirms that they are responsible for preparation and presentation of these financial statements which give a true and fair view of the financial performance and position of the Company. The relevant estimates and judgements were made on a prudent and reasonable basis. For this purpose, proper and adequate measures have been taken to adopt a system of internal controls and accounting records, which are reviewed and updated on a regular basis.

The Company continuously update its accounting controls to ensure prudence and completeness of the financial statements which ensures that the accounting records are free from error and omission. The existing internal controls are regularly reviewed and updated in order to ensure that it functions properly. All procedure manuals are updated whenever necessary and they are easily accessible to all the staff.

The Financial Statements of the Company and its subsidiaries for the financial year end of 31st March 2026 were audited by Messrs. Deloitte, Chartered Accountants. Periodic internal audits have been conducted by the internal auditors of the Company to provide reasonable assurance that the Company has followed its established policies and procedures consistently. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The internal and external auditors of the Company are invited to join the quarterly Audit Committee meetings as and when required to review the performance or to discuss on the audit procedures adopted. Major audit observations and issues regarding any internal controls are discussed with the management during the meetings. Both auditors have free and full access to the members of the Audit committee to discuss any matters of substance.

Panduka Weerasingha
Chief Executive Officer

M. Imraz Iqbal
Chief Financial Officer, LOLC Group
21st August 2026

Independent Auditors' Report

Deloitte.

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TO THE SHAREHOLDERS OF BROWNS INVESTMENTS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Browns Investments PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss, the statement comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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The Group and the Company

Key audit matter	How our audit addressed the Key audit matter
Valuation of Investment Properties *Refer to notes 3.8 and 15 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.* As at 31 March 2026, the carrying value of the land and buildings, classified as investment properties of the Company and Group amounted to Rs. 3,325 Mn and Rs. 108,081 Mn respectively. The Company and the Group measures these investment properties at their fair values with the involvement of independent valuers, annually. During the year ended 31 March 2026, the Company and the Group reported gains on changes in fair values of investment property of Rs. 145 Mn and Rs. 2,987 Mn, respectively. The fair values of investment properties are dependent on the valuation methodology adopted by the independent valuer and the inputs into the valuation model. Factors such as prevailing market conditions, the nature, condition and location of each individual property and the expected future income from each property directly impact fair values. We focused on this matter because the: • Investment property balances in the Company's and Group's statements of financial position are significant; • Quantum of fair value gains reported in the Company's and the Group's financial statements; and • Inherently subjective nature of investment property valuations due to the use of estimates, assumptions and judgements in the valuation methodology.	Our audit procedures, including the work performed with the support of component auditors, included the following key procedures: • Evaluating the design and implementation of the controls over management's assessment in determination of fair value of investment properties; • Through inquiries with management, and by inspecting the underlying supporting documents obtaining an understanding of the specific characteristics of selected individual properties including, amongst other things, any properties acquired during the year and changes, if any, in the use of the respective properties; • Meeting with management's independent valuer, who performed the investment property valuations, to assess the appropriateness of the methodologies adopted, and the reasonableness of assumptions and estimates used in the valuations; • Assessing the independence, qualifications, experience and objectivity of management's valuation expert. • Testing the completeness and accuracy of the information provided to the valuer by the management. • Comparing a sample of the recent transactions used by the management's valuation expert to ascertain the valuation of the properties with other publicly available sales listings for similar properties in proximity; • Involving the auditor's valuation specialist to evaluate the appropriateness of the valuation methodologies applied and the key assumptions used by management's independent valuer, including comparing those assumptions, on a sample basis, to relevant market data and industry benchmarks; • Inspecting the final valuation reports and agreed the fair values, including the fair value gains recognised to the accounting records and to the financial statements; • Obtaining evidence over the ownership of the investment properties recorded at the statement of financial position date; and • Reviewing the adequacy and appropriateness of management's disclosures in the financial statements relating to investment properties.

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The Group

Key audit matter	How our audit addressed the Key audit matter
Valuation of consumable biological assets *Refer to notes 3.12.2 and 19 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and movement in the balances.* The Group's consumable biological assets recognised in the consolidated financial statement amounted to Rs. 26,509 Mn as at 31 March 2026 and the gains on change in fair values of such biological assets amounted to Rs. 5,083 Mn for the year then ended. Consumable biological assets that are to be harvested as agricultural produce or sold as biological assets are stated at fair value less estimated point-of-sale cost at harvest. Management engaged internal and independent external valuation experts to assist them in determining the fair value of the consumable biological assets. We considered the valuation of consumable biological assets as a key audit matter because of the following: • It requires significant levels of judgement and technical expertise in selecting appropriate valuation models and assumptions; and • Changes in key assumptions such as discount rate, value of timber per cubic meter and available timber quantity, used for the estimation may have a material impact on the carrying value of biological assets recognised in the consolidated statement of financial position and the quantum of gain recognised in the consolidated statement of profit or loss.	**Our audit procedures, including the work performed with the support of component auditors, included the following key procedures:** • Evaluating the design and implementation of the controls over determination of biological assets directly owned by the subsidiary companies; • Assessing the qualifications, independence, and objectivity of the internal and external valuation experts engaged by the group; • Meeting with management and the management's valuation expert to understand the valuation models and assumptions used in the valuation; • Assessing the accuracy of the input data, used by the valuers and challenged the key assumptions used by the valuation experts. • Checking the completeness and accuracy of the information provided by management to the internal and external valuation expert; • Comparing historical valuations against current year valuations and checking whether the changes in pricing were in line with the overall movement in the market and the actual sales during the year; • Checking the reasonableness of the quantity and growth considered for the valuation, by selecting a sample, and comparing it to the historical timber content and growth; • Obtaining the valuation calculation and testing the mathematical accuracy; • Testing the physical existence of the biological assets that were subject to valuation by performing physical observations on a sample basis; • Agreeing the valuations to the value recorded in the consolidated statement of financial position and checking the resulting gain recognised in the consolidated statement of profit or loss; and • Assessing the adequacy of disclosures made in the consolidated financial statements in relation to the valuation of consumable biological assets.

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The Group (Contd.)

Key audit matter	How our audit addressed the Key audit matter

Business Combination - Recognition of gain on bargain purchase on acquisition of subsidiaries
 	
See notes 3.1.5 and 20.4.4 of the consolidated financial statements for disclosures relating to the accounting policies, judgements, estimates and balances.
 	
During the year, Udapussellawa Plantations PLC, which is a subsidiary of the Company, acquired a controlling interest in Tea Smallholder Factories PLC. In addition, Browns Power Holdings (Pvt) Ltd and Browns Plantations Holdings (Pvt) Ltd, both wholly owned subsidiaries of the Company, acquired controlling interests in FLMC Plantations (Pvt) Ltd, Pussellawa Plantations PLC, Melfort Green Teas (Pvt) Ltd and Ceylon Estate Teas (Pvt) Ltd. These acquisitions resulted in the Group recognising gains on bargain purchases amounting to Rs. 4,029 Mn.
 	
The gain on bargain purchase arose as the provisional fair value of the identifiable net assets acquired exceeded the consideration paid.
 	
We considered the recognition of gain on bargain purchase as a key audit matter because of the following:
 	
• The amount recognised in profit or loss is significant, thereby having a considerable impact on the financial results;
• It involves significant judgement particularly in the provisional fair value assessment of identifiable assets and liabilities; and
• The fair value assessment of net assets acquired has a substantial influence, leading to the gain on bargain purchase.
	Our audit procedures, including the work performed with the support of component auditors, included the following key procedures:
	
	• Reviewing the Sale and Purchase Agreements and considered management's rationale for the acquisitions;
	• Assessed whether the management appropriately identified the identifiable assets and liabilities, including contingent liabilities, for the purpose of Purchase Price Allocation with reference to subsidiary company's financial statements and other non-financial information available;
	• Evaluating whether the effective date of the acquisition was in compliance with the requirements of SLFRSs by inspecting the terms and conditions of the Agreements;
	• Testing the management's calculation of gain on bargain purchase amount by performing the following procedures:
	  ◦ Agreeing the purchase consideration paid on the acquisition to the agreements and payment details;
	  ◦ Verifying the calculation of gain on bargain purchase as the excess of the fair value of identifiable net assets acquired over the purchase consideration and the non-controlling interests (NCI) recognised on the acquisition, ensuring the arithmetic accuracy of the calculation;
	  ◦ Gaining an understanding of the work performed by the management's valuation expert to determine the fair values of identifiable assets by examining the valuation reports;
	  ◦ Assessing the reasonableness of the key assumptions used in the valuation of assets by the management's valuation expert in deriving the fair values with reference to market comparable; and
	  ◦ Assessing the independence, qualifications, and objectivity of external valuation expert engaged by the management.
	• Assessing the disclosures in the consolidated financial statements, relating to business combinations per the requirements of SLFRSs.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/ Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/ 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 of the Company and the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (Contd)

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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and 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 of the Company and the consolidated financial statements of the Group 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 Company/ Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements of the Company and the consolidated financial statements of the Group 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 a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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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 Company and the consolidated financial statements of the Group of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4414.

Deloitte Partners

CHARTERED ACCOUNTANTS

COLOMBO
21 August 2026

Statement of Profit or Loss

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Continuing operations					
Revenue from contracts with customers	4	99,134,318	61,820,824	102,595	114,298
Cost of sales	5	(80,301,653)	(49,841,788)	-	-
Gross profit	6	18,832,665	11,979,036	102,595	114,298
Other income	7	17,407,377	8,176,345	2,457,889	2,518,161
Distribution expenses		(3,933,074)	(1,810,898)	-	-
Administrative expenses		(17,230,502)	(15,066,088)	(572,886)	(221,210)
Impairment for amounts due to related parties and other receivables	8	(1,318,485)	(2,563,218)	(36,333)	(2,636,507)
Depreciation and Amortisation		(5,773,687)	(4,142,286)	(10,021)	(11,136)
Results from operating activities		7,984,294	(3,427,109)	1,941,244	(236,394)
Finance income		2,559,500	2,156,925	9,999,720	9,772,921
Finance cost	9	(37,735,010)	(34,647,959)	(18,994,926)	(20,271,440)
Results on acquisition and disposal of group investments	20	4,028,742	98,719,455	-	-
Share of profit/(loss) of equity accounted investees (Net of tax)	21	79,220	249,266	(14,496,862)	79,833,109
Profit/(loss) before taxation from continuing operations	10	(23,083,254)	63,050,578	(21,550,824)	69,098,196
Income tax expense	11	(870,356)	1,777,946	422,778	60,512
Profit/(loss) for the year from continuing operations		(23,953,610)	64,828,524	(21,128,046)	69,158,708
Discontinued operations					
Profit/(loss) after tax for the year from discontinued operations and assets held for sale		(800,375)	(11,494,606)	(753,615)	(11,494,606)
Profit/(loss) for the year		(24,753,985)	53,333,918	(21,881,661)	57,664,102
Profit/ (loss) attributable to; (Continuing operations)					
Equity holders of the Company		(21,128,046)	69,158,708	(21,128,046)	69,158,708
Non-controlling interests		(2,825,564)	(4,330,184)	-	-
		(23,953,610)	64,828,524	(21,128,046)	69,158,708
Profit/ (loss) attributable to; (Discontinued operations)					
Equity holders of the Company		(753,615)	(11,494,606)	(753,615)	(11,494,606)
Non-controlling interests		(46,760)	-	-	-
	30	(800,375)	(11,494,606)	(753,615)	(11,494,606)
Profit/(loss) attributable to;					
Equity holders of the Company		(21,881,661)	57,664,102	(21,881,661)	57,664,102
Non -controlling interest		(2,872,324)	(4,330,184)	-	-
		(24,753,985)	53,333,918	(21,881,661)	57,664,102
Earnings/ (deficit) per share					
Basic/diluted earnings / (loss) per share (Rs.)	12	(1.52)	4.01	(1.52)	4.01
Basic/ diluted earning/ (loss) from continuing operations	12	(1.47)	4.81	(1.47)	4.81

The notes on pages 83 to 185 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Comprehensive Income

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Profit/ (loss) for the year	(24,753,985)	53,333,918	(21,881,661)	57,664,102
Other comprehensive income				
Items that will not be reclassified to profit or loss from continuing operations				
Net change in revaluation surplus of property, plant and equipment				
Revaluation surplus on property, plant and equipment	440,731	20,902,372	-	59,818
Deferred tax on revaluation and disposal of PPE	(538,001)	(4,203,700)	17,945	(17,945)
Net actuarial gains/(losses) on defined benefit plans				
Actuarial gains/(losses) on defined benefit obligations	(660,717)	(686,775)	(1,258)	(758)
Deferred tax on actuarial gains/(losses)	49,392	210,207	(227)	227
Net change in fair value on investments in equity				
Net gains/(losses) on equity instruments at fair value through other comprehensive income	13,538	(2,105)	(45)	(105)
Deferred tax on financial instruments at fair value through other comprehensive income	(6,039)	-	-	-
Share of other comprehensive income of equity accounted investees				
Share of other comprehensive income of equity accounted investees (net of tax)	25,066	85,194	7,684,299	12,653,390
Items that are or may be reclassified to profit or loss				
Change in fair value on investments in debt instruments at fair value through other comprehensive income				
Fair value gains/(losses) that arose during the year	-	(19,852)	-	-
Deferred tax financial Instruments at fair value through other comprehensive income	-	12,334	-	-
Foreign currency translation differences for foreign operations				
Exchange (losses)/gains from translation of foreign operations	12,446,270	(2,755,781)	-	-
Share of other comprehensive loss of equity accounted investees				
Share of other comprehensive loss of equity accounted investees (Net of tax)	-	(3,233)	-	(2,314,380)
Total other comprehensive income for the year continuing operations	11,770,240	13,538,661	7,700,714	10,380,247
Other comprehensive income from discontinuing operations				
Items that will not be reclassified to profit or loss				
Share of other comprehensive income of equity accounted investees				
Share of other comprehensive income of equity accounted investees (net of tax)	-	793,956	-	793,956
Items that are or may be reclassified to profit or loss				
Share of other comprehensive income of equity accounted investees				
Share of other comprehensive income of equity accounted investees (Net of Tax)	-	549,327	-	549,327
Total other comprehensive income from discontinuing operations	-	1,343,283	-	1,343,283
Total other comprehensive income	11,770,240	14,881,944	7,700,714	11,723,530
Total comprehensive income / (loss) for the year	(12,983,745)	68,215,862	(14,180,947)	69,387,632
Attributable to:				
Equity holders of the company	(14,180,947)	69,387,632	(14,180,947)	69,387,632
Non-controlling interests	1,197,202	(1,171,770)	-	-
	(12,983,745)	68,215,862	(14,180,947)	69,387,632

The notes on pages 83 to 185 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Financial Position

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Assets					
Non-Current Assets					
Property, plant and equipment	14	247,115,894	249,015,461	125,756	135,776
Investment properties	15	108,080,842	103,948,645	3,324,500	2,836,200
Intangible assets	16	2,129,178	2,166,574	-	233
Right of use assets	17	169,197,050	158,749,666	-	-
Bearer biological assets	18	28,197,711	22,174,815	-	-
Consumable biological assets	19	26,508,725	16,128,681	-	-
Investments in subsidiaries	20	-	-	221,107,670	229,222,706
Investments in equity accounted investees	21	131,636	38,021	-	5,138
Other financial assets	22	549,647	496,515	399	445
Deferred tax assets	23	3,924,240	3,026,786	-	-
		585,834,923	555,745,164	224,558,325	232,200,498
Current Assets					
Inventories	24	27,246,454	23,069,493	-	-
Trade and other receivables	25	54,361,926	48,564,054	38,432,127	32,186,014
Loans to related parties	26	188,367	2,836,542	6,875,418	8,338,914
Amounts due from related parties	27	8,092,005	797,732	31,464,407	25,771,045
Income tax recoverable	28	543,975	455,273	-	-
Other financial assets	29	4,620,562	4,603,026	2,600,840	3,070,753
Assets held for sale	30	-	27,450,750	-	27,450,750
Cash and cash equivalents	31	5,051,181	6,615,501	175,833	32,368
		100,104,470	114,392,371	79,548,625	96,849,844
Total Assets		685,939,393	670,137,535	304,106,950	329,050,342
Equity and Liabilities					
Stated capital	32	31,004,439	31,004,439	31,004,439	31,004,439
Reserves	33	60,614,739	60,277,313	60,614,739	60,277,313
Retained earnings		85,715,908	103,886,766	85,715,908	103,886,766
Equity attributable to equity holders of the Company		177,335,086	195,168,518	177,335,086	195,168,518
Non-controlling interests		78,891,109	76,333,019	-	-
Total Equity		256,226,195	271,501,537	177,335,086	195,168,518

Statement of Financial Position

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Non Current Liabilities					
Interest bearing loans and borrowings	34	27,329,196	24,588,113	-	1,000,000
Lease liability	35	13,862,613	14,731,222	-	-
Retirement benefit obligations	36	6,967,045	5,418,280	7,012	4,290
Deferred tax liability	37	58,550,874	50,827,901	-	440,497
Deferred income	38	892,718	338,046	-	-
Loans from related parties	40	741,541	685,541	-	-
		108,343,987	96,589,103	7,012	1,444,787
Current Liabilities					
Trade and other payables	39	162,372,173	142,369,204	68,894,150	51,737,676
Interest bearing loans and borrowings	34	12,669,167	6,987,081	1,000,000	1,000,000
Lease liability	35	534,864	460,348	-	-
Loans from related parties	40	5,542,402	3,691,449	12,322	12,329
Amounts due to related parties	41	98,305,059	113,871,360	44,313,112	68,195,993
Income tax payable	42	750,142	698,251	-	-
Other short term borrowings		24,321,169	29,287,336	12,545,268	11,441,933
Bank overdrafts	31	16,874,235	4,681,866	-	49,106
		321,369,211	302,046,895	126,764,852	132,437,037
Total Equity and Liabilities		685,939,393	670,137,535	304,106,950	329,050,342
Net assets per ordinary share (Rs.)	43	12.34	13.58	12.34	13.58

Figures in brackets indicate deductions.
The notes on pages 83 to 185 form an integral part of these financial statements.

These financial statements are prepared and presented in compliance with the requirements of the companies act No.7 of 2007.

Imraz Iqbal
Chief Financial Officer, LOLC Group

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

Ishara Nanayakkara
Executive Chairman

Kamantha Amarasekera
Director

21st August 2026
Colombo

Statement of Changes in Equity

Group	Equity Attributable to the shareholders of the Company							
	Stated capital Rs.000	Revaluation reserve Rs.000	Fair valuation reserve Rs.000	Foreign exchange reserve Rs.000	Retained earnings Rs.000	Total Rs.000	Non-controlling interest Rs.000	Total equity Rs.000
Balance as at 31st March 2024	31,004,439	23,853,454	3,526,369	23,075,039	48,142,254	129,601,555	54,077,127	183,678,682
Comprehensive income								
Profit/(loss) for the year	-	-	-	-	57,664,102	57,664,102	(4,330,184)	53,333,918
Other comprehensive income /(loss)	-	14,090,387	940,378	(2,314,379)	(992,856)	11,723,530	3,158,414	14,881,944
Total comprehensive income /(loss)	-	14,090,387	940,378	(2,314,379)	56,671,246	69,387,632	(1,171,770)	68,215,862
Other comprehensive income /(loss)		(962,894)	(1,931,041)	-	2,358,837	(535,099)	-	(535,099)
	-	(962,894)	(1,931,041)	-	2,358,837	(535,099)	-	(535,099)
Transactions due to changes in group holdings								
Shares issued by subsidiaries to non-controlling interest	-	-	-	-	-	-	209,164	209,164
Pending share allotment to non-controlling interest	-	-	-	-	-	-	7,369,213	7,369,213
On acquisition of subsidiaries	-	-	-	-	-	-	12,564,029	12,564,029
Change in Intra group holdings	-	-	-	-	(3,285,571)	(3,285,571)	3,285,257	(314)
Total Changes in ownership interests	-	-	-	-	(3,285,571)	(3,285,571)	23,427,662	20,142,092
Balance as at 31st March 2025	**31,004,439**	**36,980,947**	**2,535,706**	**20,760,660**	**103,886,766**	**195,168,518**	**76,333,019**	**271,501,537**
Comprehensive income								
Profit/(loss) for the year	-	-	-	-	(21,881,661)	(21,881,661)	(2,872,324)	(24,753,985)
Other comprehensive income /(loss)	-	185,630	9,146	8,386,229	(880,291)	7,700,714	4,069,526	11,770,240
Total comprehensive income /(loss)	-	185,630	9,146	8,386,229	(22,761,952)	(14,180,947)	1,197,202	(12,983,745)
Transactions due to changes in group holdings								
Shares issued by subsidiaries to non-controlling interest	-	-	-	-	-	-	1,744,821	1,744,821
On acquisition and on settlement of non controlling interest	-	-	-	-	-	-	(3,952,070)	(3,952,070)
On acquisition of subsidiaries (Note 20.4)	-	-	-	-	-	-	3,622,560	3,622,560
Dividend Forfeited	-	-	-	-	-	-	9,301	9,301
Changes in group holdings and other adjustments	-	(13,902)	-	-	(47,330)	(61,232)	58,064	(3,168)
Net Impact on devaluation and realisation of revalued assets	-	(8,229,677)	-	-	4,638,424	(3,591,253)	(121,788)	(3,713,041)
Total Changes in ownership interests	-	(8,243,579)	-	-	4,591,094	(3,652,485)	1,360,888	(2,291,597)
Balance as at 31st March 2026	**31,004,439**	**28,922,998**	**2,544,852**	**29,146,889**	**85,715,908**	**177,335,086**	**78,891,109**	**256,226,195**

Statement of Changes in Equity

Company	Stated capital Rs.000	Revaluation reserve Rs.000	Fair valuation reserve Rs.000	Foreign Currency Translation Reserve Rs.000	Retained earnings Rs.000	Total equity Rs.000
Balance as at 31st March 2024	31,004,439	23,853,454	3,526,369	23,075,039	48,142,254	129,601,555
Comprehensive income						
Profit /(loss) for the year	-	-	-		57,664,102	57,664,102
Other comprehensive income /(loss)	-	14,090,387	940,378	(2,314,379)	(992,856)	11,723,530
Total comprehensive income /(loss)	-	14,090,387	940,378	(2,314,379)	56,671,246	69,387,632
Other equity adjustment of Equity accounting of Investees	-	(962,894)	(1,931,041)	-	(926,733)	(3,820,669)
Balance as at 31st March 2025	31,004,439	36,980,947	2,535,706	20,760,660	103,886,766	195,168,518
Comprehensive income						
Profit /(loss) for the year	-	-	-	-	(21,881,661)	(21,881,661)
Other comprehensive income /(loss)	-	185,630	9,146	8,386,229	(880,291)	7,700,714
Total comprehensive income /(loss)	-	185,630	9,146	8,386,229	(22,761,952)	(14,180,947)
Other equity adjustment of Equity accounting of Investees	-	(8,243,579)	-	-	4,591,094	(3,652,485)
Balance as at 31st March 2026	**31,004,439**	**28,922,998**	**2,544,852**	**29,146,889**	**85,715,908**	**177,335,086**

The notes on pages 83 to 185 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Cash flows from operating activities					
Profit / (loss) before taxation from continuing operations		(23,083,254)	63,050,578	(21,550,824)	69,098,196
Profit/(loss) before taxation from discontinued operations		(1,337,209)	(11,572,587)	(753,615)	(11,494,606)
		(24,420,463)	51,477,991	(22,304,439)	57,603,590
Adjustments for :					
Net change in fair value of investment properties	15	(2,987,179)	(1,527,944)	(144,590)	(198,485)
Provision for retirement benefit obligations	36	1,424,896	953,697	1,464	1,743
Change in fair value of biological assets	7	(5,076,003)	-	-	-
Gain on disposal of old rubber trees and other related income	7	(240,950)	(2,658)	-	-
Depreciation on property, plant and equipment	14	8,500,011	5,294,928	10,021	11,136
Amortisation of intangible assets	16	30,027	191,679	233	2,068
Amortisation of right of use assets	17	2,220,840	1,423,428	-	-
Amortisation of bearer biological assets	18	1,523,973	1,552,982	-	-
Amortisation of deferred income	7	(54,587)	(21,057)	-	-
Share of loss of equity accounted investees (Net of tax) continuing operations	21	(79,220)	-	15,250,477	(79,833,109)
Share of loss of equity accounted investees (Net of tax) discontinuing operations		-	11,804,831	-	11,494,606
Allowance for impairment of inventories	24	872,273	54,728	-	-
Allowance / (reversal) for impairment of related party receivables	27	(27,008)	68,848	36,332	2,636,507
Allowance for impairment of trade and other receivables	8	1,318,485	260,866	-	9,192
Allowance for impairment of property, plant and equipment/ Bearer biological assets		-	(5,428)	-	-
Finance cost	9	37,735,010	34,647,959	18,994,926	20,271,440
Finance income		(2,559,500)	(2,156,925)	(9,999,720)	(9,772,921)
(Gain)/loss from change in fair value of investments	7	(902,398)	71,978	(944)	(3,523)
Impairment in investment in subsidiaries	20	-	-	-	2,635
(Gain)/ loss on disposal of property, plant and equipment	7	35,526	(301,255)	-	-
Dividend received from equity accounted investees		6,573	1,291,060		-
Written off Consumable/ bearer biological assets	19	2,127	4,270	-	1,291,060
(Gain)/loss on disposal of quoted and non-quoted shares	7	(1,452,698)	-	(1,452,698)	-
Loss on disposal of Intangible assets		4,283	-	-	-
Results on acquisition and disposal of group investments	20	(4,028,742)	(98,719,455)	-	(25,480)
Operating profit before working capital changes		11,845,276	6,364,523	391,062	3,490,459
Working capital changes					
(Increase)/ decrease in inventories		(3,617,320)	(699,924)	-	-
(Increase)/decrease in trade and other receivables		(4,759,936)	12,944,849	1,779,244	(8,438,907)
(Increase)/decrease in amounts due from related parties		(7,267,265)	1,769,848	(9,098,331)	11,686,330
Increase/(decrease) in trade and other payables		(10,885,551)	(926,181)	(4,070)	3,340
Increase/(decrease) in amounts due to related parties		(15,566,301)	4,036,266	-	(26,855)
Cash generated from/(used in) operations		(30,251,097)	23,489,381	(6,932,095)	6,714,367
Defined benefit obligation paid	36	(1,919,949)	(455,936)	-	(3,405)
Interest paid		(12,265,620)	(10,459,964)	(1,834,382)	(1,655,499)
Income tax paid	28 & 41	(1,347,920)	(268,459)	-	-
Net cash generated from/(used in) operating activities		(45,784,586)	12,305,022	(8,766,477)	5,055,463

Statement of Cash Flows

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Cash flows from investing activities					
Net cash proceeds on acquisition of subsidiaries	20	(5,488,104)	(4,341,870)	-	-
Further investments in group companies	20	-	-	(558,752)	(1,877,029)
Investments in equity accounted investees	21	-	(53,706)	-	-
Proceed from disposal of equity accounted investee	20	-	-	824,900	-
Investments in intangible assets	16	(32,366)	(17,722)	-	-
Net receipts/(investments) in other financial assets		-	(31,448)	-	-
Acquisition and construction of property, plant and equipment	14	(9,820,295)	(12,501,085)	-	(285)
Investment in bearer biological assets	18	(1,645,327)	(807,240)	-	-
Proceeds from disposal of bearer biological assets		-	(910,095)	-	-
Investment in consumable biological assets	19	(90,003)	-	-	-
Proceed from disposal of consumable biological assets		1,080,372	-	-	-
Interest income received		2,559,500	2,156,925	1,974,363	68,594
Proceeds from sale of property, plant and equipment		20,832,961	568,969	-	-
Net receipts/(investments) in short term investments		6,719	(1,805,886)	-	(1,898,946)
Net receipts/(investments) in long term investments		29,771,390	-	29,378,304	-
Loans granted to related parties		-	-	1,463,496	(223,153)
Proceeds from loans granted to related parties		2,648,175	(2,328,583)	-	10,000
Acquisition of investment properties	15	(372,224)	(56,054)	(343,710)	-
Receipt of deferred income		44,981	6,882	-	-
Acquisition of non- controlling interests		(3,952,070)	-	-	-
Net cash generated from/(used in) investing activities		35,543,709	(20,120,913)	32,738,601	(3,920,819)
Cash flows from financing activities					
Repayment of lease rentals	35	(606,505)	(674,059)	-	-
Proceeds from interest bearing borrowings	34	27,462,619	19,661,671		
Repayment of interest bearing borrowings	34	(22,910,749)	(20,007,389)	(1,000,000)	(1,000,000)
Proceeds from issue of debentures	34	(4,992,457)	(1,182,289)	-	-
Net proceeds/ (repayments) of other short term interest bearing borrowings		(6,120,494)	12,983,357	1,103,335	4,637,622
Repayment of loans from related parties		-	-	(23,882,888)	(4,999,993)
Net proceeds to/from loans from related Parties		1,906,953	(6,407,435)	-	-
Share issue by subsidiaries to non- controlling interests		1,744,821	209,164	-	-
Net cash generated from/(used in) financing activities		(3,515,812)	4,583,020	(23,779,553)	(1,362,371)
Net increase in cash and cash equivalents		(13,756,689)	(3,232,871)	192,571	(227,727)
Cash and cash equivalents at the beginning of the year		1,933,635	5,166,506	(16,738)	210,989
Cash and cash equivalents at the end of the year		(11,823,054)	1,933,635	175,833	(16,738)
Note A : Cash and cash equivalents at end of the year					
Cash in hand and at banks		5,051,181	6,615,501	175,833	32,368
Bank overdrafts		(16,874,235)	(4,681,866)	-	(49,106)
		(11,823,054)	1,933,635	175,833	(16,738)

The notes on pages 83 to 185 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 General

Browns Investments PLC ('the Company') is a public quoted company incorporated on 10th November 2008 under the Companies Act no 07 of 2007 and domiciled in Sri Lanka.

The registered office of the company is located at 481,T.B.Jayah Mawatha, Colombo 10, Sri Lanka and the business office is situated at No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya.

The financial statements as at, and for the year ended 31st March 2026 comprise the separate financial statements of Company and consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

Ordinary shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange (CSE).

1.2 Principal activities and nature of operations

Principal activities of the Company and the Group are described in the 'Integrated Management Discussion and Analysis' in pages 6 to 17 of this report.

1.3 Parent entity and ultimate parent entity

In the opinion of the Board of Directors, the Group's immediate parent company is Brown & Company PLC, which holds 64.55% of issued ordinary shares of Browns Investments PLC and ultimate parent undertaking and controlling party as at the date of financial position is LOLC Holdings PLC, a Company incorporated and domiciled in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) , which comprise Sri Lanka Financial Reporting Standards ("SLFRS"s), Sri Lanka Accounting Standards ("LKAS"s), relevant interpretations of the Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC"). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. and in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. These financial statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for

- certain financial assets and liabilities, certain classes of property, plant and equipment, investment properties, right-of-use assets measured at fair value.
- Consumable biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting year, and
- Agricultural produce harvested from biological assets are measured at its fair value less costs to sell at the point of harvest.

2.3 Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls 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 estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors on the Affairs of the Company" and "Director's Responsibility for Financial Reporting".

These Financial Statements include the following components;

- A Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end.
- A Statement of Profit or Loss providing the information on the financial performance of the Group and the Company for the year under review.
- A Statement of Other Comprehensive Income providing the information of the other comprehensive income of the Group and the Company.
- A Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company.
- A Statement of Cash Flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and the needs of entities to utilise those cash flows, and
- Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

2.4 Approval of financial statements by the Board of Directors

The consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31 March 2026 were approved and authorised for issue by the Board of Directors on 21st August 2026. The directors have the power to amend and reissue the financial statements.

2.5 Consolidation of Subsidiaries with different accounting periods

The financial statements of all subsidiaries in the Group other than those mentioned below to the Financial Statements are prepared for a common financial year, which ends on 31 March. Subsidiaries with 31 December and 30th June financial year end prepare their Financial Statements consolidation purposes, additional financial information as of the same date as the financial statements of the parent.

Company Name	Financial year ended
B Commodities ME (FZE)	31st December
BI Leisure Holdings (FZE)	30th June
Browns Plantations Kenya Ltd	31st December
NPH Investments (Pvt) Ltd	31st December
Bodufaru Beach Resorts (Pvt) Ltd	31st December
Browns Kafu N Resort (Pvt) Ltd	31st December
Browns Raa Resort (Pvt) Ltd	31st December
PL Resorts Limited	30th June
Sunbird Bioenergy (SL) Ltd	31st December
Browns East Africa Plantations Ltd	31st December
Browns Plantations Tanzania Ltd	31st December
Browns Plantations Rwanda Ltd	31st December
Browns Plantations (Guizhou) Tea Co, Ltd	31st December

2.6 Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Sri Lankan Rupee (Rs.), which is Company's functional and Group's presentation currency.

Functional currency of all the Group companies is Sri Lankan Rupees, other than the following companies whose functional currency is given below.

Company	Country of Incorporation	Functional Currency
Bodufaru Beach Resorts (Private) Limited	Maldives	United States Dollar
NPH Investments (Private) Limited	Maldives	United States Dollar
Browns Raa Resorts (Private) Limited	Maldives	United States Dollar
Browns Kaafu N Resorts (Private) Limited	Maldives	United States Dollar
B Commodities ME (FZE)	United Arab Emirates (U.A.E.)	United States Dollar
Sunbird Bioenergy (SL) Limited	Sierra Leone	Euro
Grey Reach Investments Limited	British Virgin Islands	United States Dollar
BI Leisure Holdings FZE	United Arab Emirates (U.A.E.)	United States Dollar
PL Resorts Limited	Mauritius	Rupee of Mauritius
Browns Plantations Kenya Ltd	Kenya	British sterling pound and Kenyan shilling
Browns Plantations East Africa Ltd	Kenya	Kenyan shilling
Browns Plantations Tanzania Ltd	Tanzania	Tanzanian shilling
Browns Plantations Rwanda Ltd	Rwanda	Rwanda Franc
Browns Plantations (Guizhou) Tea Co., Ltd	China	Chinese Yuan

2.6.1 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income / other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.6.2 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in statement of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous year in the Financial Statements in order to enhance the understanding of the current year's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.8 Materiality and aggregation

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

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of profit or loss, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the significant accounting policies.

2.10 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

2.11 Current versus non-current classification

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

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading.

Or

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

All other assets are classified as non-current.

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

Or

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

The Group classifies all other liabilities as non-current.

2.12 Use of accounting estimates and judgements

The preparation of the financial statements of the Group and Company in conformity with SLFRSs/LKAS's requires management to make judgements, 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 these estimates.

The Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes to these financial statements.

Critical accounting estimate/judgement	Note
Useful lives of bearer biological assets	18
Fair value of consumable biological assets	19
Determination of fair value of investment properties	15
Revaluation of lands and buildings	14
Goodwill on acquisition	20
Measurement of defined benefit obligations, including key actuarial assumptions	36
Recognition and measurement of deferred tax assets and liabilities, including assessment of recoverability of deferred tax assets	23 & 37
Useful lives of property, plant and equipment	14
Useful lives of intangible assets	16
Recognition and measurement of provisions and contingent liabilities	45
Determination of fair value of financial instruments	3.28
Determination of lease term and estimation of the incremental borrowing rate for lease liabilities	3.9
Measurement of the recoverable amount of cash-generating units containing goodwill	3.11
Measurement of impairment of financial assets and liabilities	3.14

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Browns Investments PLC and its subsidiaries.

3.1 Changes in Accounting Policies

(a) New and amended SLFRS Accounting Standards that are effective for the first time during the current year

No significant impact resulted on the Financial Statements of the Group due to changes in Accounting Standards and disclosures during the year.

- Amendments to LKAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

(b) New and revised SLFRS Accounting Standards in issue but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's Financial Statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Management do not expect that the adoption of these new and amended SLFRSs and Interpretations will have a material impact on the group's/ company's consolidated financial statements in the period of initial application.

- Amendments to SLFRS 9 and SLFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

- SLFRS 18 Presentation and Disclosures in Financial Statements

  SLFRS 18 replaces LKAS 1, carrying forward many of the requirements in LKAS 1 unchanged and complementing them with new requirements. In addition, some LKAS 1 paragraphs have been moved to LKAS 8 and SLFRS 7.

  SLFRS 18 introduces new requirements to:

  - present specified categories and defined subtotals in the statement of profit or loss
  - provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
  - improve aggregation and disaggregation.

  An entity is required to apply SLFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. SLFRS 18 requires retrospective application with specific transition provisions.

- SLFRS 19 Subsidiaries without Public Accountability: Disclosures

  SLFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying SLFRS Accounting Standards in its financial statements.

  A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with SLFRS Accounting Standards.

  SLFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

  An entity is only permitted to apply SLFRS 19 if, at the end of the reporting period:

  - it is a subsidiary (this includes an intermediate parent)
  - it does not have public accountability, and
  - its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with SLFRS Accounting Standards.

  Eligible entities can apply SLFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply SLFRS 19 in its consolidated financial statement may do so in its separate financial statements.

  The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency

  These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

  its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or

  it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

  The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

3.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 3.1.6).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

3.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see 3.1.4 below), after initially being recognised at cost.

3.1.3 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 3.11

3.1.4 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3.1.5 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company which assesses the financial performance and position of the Group, and makes strategic decisions has been identified as being the chief operating decision maker.

The Group's reportable segments comprise of Investments, Construction & Manufacturing, Plantations, Leisure and travel, and Real Estates.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Expenses that cannot be directly identified to a particular segment are allocated on bases decided by the management and applied consistently throughout the year.

3.3 Revenue from Contracts with Customers

3.3.1 Sale of goods

Revenue from the sale of goods is recognised when a Group entity sells a product to the customer.

Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store.

3.3.2 Sale of goods - export

In relation to sales with foreign customers, the Group takes in to account the term related to each shipment of goods. A receivable is recognised when the term related to each shipment of goods is satisfied as this is the point in time that the consideration is unconditional.

3.3.3 Sale of goods - plantation produce

Black tea and Rubber produce are sold at the tea/rubber Auction and the highest bidder whose offer is accepted shall be the buyer, and a sale shall be completed at the fall of the hammer, at which point control is transferred to the customer. Revenue from sale of other crops is recognised at the point in time when the control of the goods has transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

3.3.4 Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. All revenues are recognised on an accrual basis over the time duration of the providing of the services to the customer. Payment of the transaction price is due immediately when the customer receives the service.

3.3.5 Construction contracts

The Group provides aluminium fabricators, doors and windows design, manufacturing, installation and support services under fixed-price and variable price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual costs/labour hours spent relative to the total expected costs/labour hours.

Some contracts include multiple deliverables, such as the sale of products and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of products, revenue for the products is recognised at a point in time when the products are delivered, the legal title has passed and the customer has accepted the products.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

3.3.6 Hotel Operations

- Apartment revenue is recognised for the rooms occupied on a daily basis. All revenues are recognised on an accrual basis over the time of the duration of the stay of the customer and matched with the related expenditure where they simultaneously receive and consumes the benefits of the services rendered.

- Restaurant revenue includes the revenue recognised on the sale food and beverage. All revenue is accounted for at the time of sale.
- Bar revenue is accounted for at the time of sale.
- Spa is operated by a third party and invoices are raised together with the spa bills. Spa related revenue is recognised gross after completion of service / treatments.
- Transfers and excursions include the consideration earned from providing excursions to customers. Revenue is recognised for at the time of rendering the service.

Telephone, laundry, and diving represents the services provided to customers which are implied as business practice in the industry. All revenue is recognised for at the time of rendering the service

3.3.7 Sale of live timber trees and rubber trees

Revenue from the sale of live timber trees and Rubber trees is recognised at the point that the legal ownership, risk of loss and the rewards have been passed to the purchaser and the quantity sold is determinable. Revenue on harvesting of live timber trees and Rubber trees is recognised when the purchaser acquires the right to harvest specified no of trees on a tract of land, at an agreed-to price by entering into a contractual agreement at which point the risk and rewards are transferred. Those revenues are deducted from the relevant biological assets to arrive at gain/ (loss) on valuation in statement of profit or loss.

Payment of the sale of the timber trees is due at the time of entering an agreement with the customer for the sale of timber.

3.3.8 Energy Supplied

Revenue from energy supplied is recognised upon delivery of energy to Ceylon Electricity Board. Delivery of electrical energy shall be completed when electrical energy meets the specifications as set out in Power Purchase Agreements (PPA) is received at the metering point.

Payment for the energy supplied is due when invoiced on a monthly basis.

3.3.9 Commission income

When the Group acts in the capacity of an agent rather than the principal in a transaction, the revenue recognition is the net amount of commission earned by the Group.

Payment of the commission price is due when invoiced on pre-agreed terms.

3.3.10 Other Income

Rent income is accounted for on accrual basis.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Gain on disposal of property, plant and equipment and other non-current assets, including investments held by the Group have been accounted for in the Statement of profit or loss, after deducting from the net sales proceeds on disposal of the carrying amount of such assets.

3.3.11 Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3.4 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Profit or loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Grants related to property, plant and equipment and bearer biological assets are initially deferred and allocated to the Profit or loss on a systematic basis over the useful life of the related property, plant and equipment.

Revenue grants are recognised in the profit or loss in the period in which they are receivable.

3.5 Expenses recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. 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 income in arriving at the profit for the year.

For the presentation of the statement of profit or loss the Directors are of the opinion that the function of the expenses method present fairly the elements of the Group's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognised in the statement of profit or loss.

Repairs and renewals are charged to the Statement of profit or loss in the year in which the expenditure is incurred.

3.6 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.6.1 Companies enjoying tax holidays

Group companies enjoying a tax exemption period shall only recognise deferred tax in their financial statements for temporary differences, where reversals of such differences extend beyond the tax exemption period.

Deferred Tax shall not be considered nor provided for assets/ liabilities for which tax impacts and reversals take place within the tax exemption period. If there will be no tax implications that take place after the expiration of the tax exemption period for such assets.

Where a Company is entitled to claim the total value or any part of expenditure made during the tax holiday period, as deductions for tax purposes after the tax holiday period, such an entity will treat such amount of expenditure as part of the tax base throughout the tax holiday period in the purpose of recognising deferred tax.

3.7 Property, plant and equipment

3.7.1 Freehold property, plant and equipment

i) Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be reliably measured.

ii) Basis of measurement

Items of property, plant and equipment other than freehold land and building, are measured at cost less accumulated depreciation and any impairment losses.

Cost includes 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, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

iii) Cost model

The Group applies the cost model to all property, plant and equipment except freehold land and buildings which are recorded at cost of purchase together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

iv) Revaluation model

The Group revalues its freehold land, buildings and motor vehicles which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation of land and buildings, motor vehicles any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. 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.

v) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are expensed as incurred.

vi) Depreciation

Depreciation is based on the cost/revalued amount of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate. The estimated useful lives for the current year are listed below.

Property, Plant & Equipment	No. of years range	Rate range
Building	20-50 years	2% to 5%
Plant and Machinery	5-30 years	3.33% to 20%
Motor Vehicles	1-15 Years	6.66% to 100%
Furniture and Office Equipment	5-20 Years	5% to 20%
Ergonomic Equipment	25 Years	4%
Land Preparation	20 Years	5%
Sugar Cane Roots	5 Years	20%
Pivots and Pump Stations in Plantations	5-25 Years	4% to 20%
Water, Sanitation and Others	20 Years	5%
Roads and Bridges	50 Years	2%
Penstock Pipeline	20 Years	5%
Security Fences	3 Years	33.33%
Air Conditioners	5 Years	20%
Generator	8 Years	12.5%
Cutlery, Crockery and Glassware	5 Years	20%
Linen	3 Years	33.33%
Sewage System	20 Years	5%
Solar Power Plant	10 - 20 Years	5-10%
Surge Arrestors 33 kv	20 Years	5%

Improvements to Leasehold Building - Over the lease period.

The cost of areas coming into bearing are transferred to mature plantations and depreciated as follows.

No depreciation is provided for immature plantations.

Bearer biological assets	No. of years range	Rate range
Tea	30 to 33 1/3 years	3% to 3.33%
Mixed/Other Crops	10 to 15 years	6.66% to 10%

i) De-recognition

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 on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in the

Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

3.7.2 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 capital assets.

3.8 Investment properties

3.8.1 Basis of recognition

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

3.8.2 Basis of measurement

i) Fair value model

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in profit or loss in the year in which they arise.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for as per LKAS 16 - Property, Plant and Equipment.

ii) De-recognition

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

iii) Subsequent transfers to/from investment property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

iv) Determining Fair Value

External and independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the investment property portfolio every year.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

3.9 Leases

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Group revalue its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The Company/Group has voluntarily changed the accounting policy on Right-of-Use Assets relating to Lands which meets the definition of a property, plant and equipment from cost model to revaluation model with effect from 1 October 2020, by carrying out a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the right-of-use assets being valued. This is done to provide reliable and more relevant information.

3.9.1 Permanent land development costs

Permanent land development costs are those costs incurred making significant infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period.

Permanent impairments to land development costs are charged to the Profit or loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.10 Intangible assets

3.10.1 Goodwill

Goodwill is measured as described in note 3.1.6. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

3.10.2 Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

3.10.3 Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

3.10.4 Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied by these assets. All other expenditure is expensed when incurred.

3.10.5 De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets is measured as the difference between the net disposal proceeds and the carrying amount of the asset.

3.10.6 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful life of each intangible asset is as follows;

Computer Software	3 - 8 years
Right to use electricity	20 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.11 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.12 Biological assets

Biological assets are classified in to mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications. Tea, rubber, standing sugar cane, commercial grass, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

3.12.1 Bearer biological assets

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter-planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer plants (Tea, Rubber & Coconut fields), which come into bearing during the year, has been transferred to mature bearer biological assets and depreciated over their useful life in accordance with the LKAS16 – Property, Plant and Equipment.

i) Agricultural produce attached to bearer biological assets

The fair value of produce growing on trees prior to year-end is classified as agricultural produce attached to bearer biological assets. Such agricultural produce prior to harvest continues to be in the scope of LKAS 41 - Agriculture -and measured at fair value less cost to sell.

When deriving the estimated quantity, the Group limits to one harvesting cycle and measured based on the last day of the harvest in the immediately preceding cycle.

In order to ascertain the fair value of produce growing on trees, 50% of estimated crop in that harvesting cycle is used for the valuation as follows,

- Tea - 3 days crop (50% of 6 days cycle)
- Rubber - 1 day Crop (50% of 2 days cycle)
- Coconut - 1 months (50% of 2 months cycle)

For the valuation of the produce it was agreed to use the farm gate price of the produce adjusted for the cost of harvest. Hence market value on the crop in the bush should be based on the selling value of agricultural produce adjusted for the cost of harvesting and transport.

- Tea – Bought Leaf rate (current month) less cost of harvesting & transport
- Rubber – latex price (95% of current RSS1 price) less cost of tapping & transport

Further it was not considered the risk adjustments for weather and other factors of the plant in to biological transformation in the valuation.

ii) Immature and Mature Plantations

The cost of replanting and new planting are classified as immature plantations up to the time of being ready for harvesting.

Further, the general charges incurred on the plantation are apportioned based on the labour days spent on respective replanting and new planting areas and capitalised on the immature areas.
The remaining portion of the general charges is expensed in the accounting period in which it is incurred.

The cost of areas coming into bearing is transferred to mature plantations at end of the financial year.

iii) Growing Crop Nurseries

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.

iv) Infilling Costs on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised to the relevant mature field, only where the number of plants per hectare exceeded 3,000 plants and, also if it increases the expected future benefits from that field, beyond its pre-infilling standard of performance assessment. Infilling costs so capitalised are depreciated over the newly assessed remaining useful life of the relevant mature plantation or the unexpired lease period, whichever is lower.

Infilling cost that are not capitalised have been charged to the Profit or loss for the year in which they are incurred.

v) Amortisation

The cost of areas coming into bearing are transferred to mature plantations and depreciated as follows.

Bearer Biological Assets (Mature Plantations) at Cost - Replanting and New Planting.

Category	No. of Years
Tea	30 Years
Rubber	20 Years
Coconut	50 Years
Cinnamon	30 Years
Other Crops	15 – 30 Years

No amortisation is provided for immature plantations.

3.12.2 Consumable Biological Assets

Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees of the Group are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms of LKAS 41 – 'Agriculture'. The cost of young plants which are below 4 years is treated as an approximation to the fair value as the impact on biological transformation of such plants to price during the period is immaterial. All assumptions and sensitivity analysis are given in Note 19.11.2 - Sensitivity Analysis.

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in the Profit or loss for the period in which it arises.

3.13 Discontinued Operation

A discontinued operation is a component of the Group that has been disposed of, or is classified as held for sale, and represents either:

- a separate major line of business or geographical area of operations;
- Part of a single coordinated plan to dispose of a major line of business or geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

The Group classifies an operation as discontinued when the criteria specified in SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations are met.

The results of discontinued operations are presented separately from continuing operations in the Statement of Profit or Loss and Other Comprehensive Income. The post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or disposal of the related assets are disclosed separately.

Where applicable, comparative information is re-presented to present the results of discontinued operations separately from continuing operations.

3.14 Investments and other financial assets and liabilities

3.14.1 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. 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.

(iii) Measurement

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 profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: 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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: 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 FVOCI. 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 profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss 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 statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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.

3.14.2 Non-derivative financial liabilities

i) Other financial liabilities

All financial liabilities other than those at fair value through profit and loss are classified as other financial liabilities.

All other financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

ii) Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

3.14.3 Offsetting of financial instruments

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

3.15 Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula:

- Agricultural Produce Harvested from Biological Assets

Agricultural produce harvested from the Group's biological assets is measured at its fair value less cost to sell at the point of harvest. Such measurement is deemed to be the cost at the time of transferring the harvested crop to inventories.

- Finished goods manufactured from agricultural produce of biological assets

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

- Input Material, Spares and Consumables

At actual cost on weighted average basis.

- Finished Goods

First In First Out (FIFO) basis.

- Food and Beverages

Weighted average cost basis.

3.16 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

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.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 March 2026 and the corresponding historical credit losses experienced within this period. 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.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments according an agreed repayment plan with the Group.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.20 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

3.21 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.21.1 Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

3.22 Deferred income

3.22.1 Rain Forest Eco Loge (Private) Limited (RFELL)

Value of 6,399,375 Ordinary Shares received by Maturata Plantations Limited, which is equivalent to 14.5% of the issued Ordinary Shares of RFELL at Rs.10/= each in lieu of releasing the company's right to use the leasehold land of 488 Hectares in Enselwatte, Deniyaya to RFELL for Eco Tourism Project is deferred and amortised as income to the statement of profit or loss over the unexpired balance lease period.

3.23 Employee benefits

3.23.1 Defined contribution plans

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution Plans are recognised as an employee benefit expense to profit or loss in the periods during which services are rendered by employees.

i) Employee provident fund and employee trust fund – Sri Lanka

For employees in Sri Lanka the Group contributes a sum not less than 12% of the gross emoluments as provident fund benefits and a sum equivalent 3% of the gross emoluments as trust fund benefits.

ii) Employees pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme iii] Voluntary Pension –Sierra Leone

The Sierra Leone employees of the Group, makes a voluntary contribution towards the retirement of its employees at a rate of 5% of employees' basic salary on a monthly basis. These contributions are kept in a separate fund account and are paid to employees upon their retirement.

3.23.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted.

The calculation is performed every year by a qualified actuary using the projected unit credit method. For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimate provided by the qualified actuary is used.

The Group recognises all actuarial gains and losses arising from the defined benefit plan in Statement of Comprehensive Income and all other expenses related to defined benefit plans are recognised in profit loss. The retirement benefit obligation is not externally funded.

3.23.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.24 Stated capital and equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.25 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.26 Related party transactions

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - "Related Party Disclosures". Disclosure has been made in respect of the related party transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

3.26.1 Transactions with key management personnel

According to LKAS 24 - "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity.

3.27 Earnings per share

3.27.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

3.27.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.28 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

3.28.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level in note no 50.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3.28.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value assets and liabilities include:

i) Property, plant and equipment acquired in business combinations

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction. The fair value of items of plant, equipment fixtures and fittings is based on market prices for similar items when available and depreciated replacement cost when appropriate.

ii) Property, plant and equipment owned by the Group including the right-of-use assets on Land

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this 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.

iii) Investment property

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this 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.

iv) Equity securities

The fair value of the equity securities is determined by reference to their quoted share price at the reporting date if quoted; or if unquoted either using discounted cash flow analysis using expected future cash flows and a market related discounted rate, or based on the net assets of the investee company.

v) Financial instruments other than equity securities carried at fair value through profit or loss and fair value through other comprehensive income

Fair value of these financial instruments is estimated by discounting the difference between the contractual price of the instrument and the current price of the instrument for the residual maturity of the contract based on quoted price, or obtained from brokers if not quoted, using a credit adjusted risk free interest rate.

vi) Consumable Biological Assets

The fair value of timber trees is determined using a discounted cash flow model based on the expected timber content and the market prices of timber after allowing for harvesting costs and other costs yet to be incurred in getting the trees up to a harvestable size.

4 Revenue from contracts with customers

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Total revenue	99,134,318	61,820,824	102,595	114,298
	99,134,318	61,820,824	102,595	114,298

4.1 Revenue from contracts with customers

Industry segment				
Investments	102,595	114,298	102,595	114,298
Leisure and travel	14,318,944	10,690,046	-	-
Construction/ Trading & Manufacturing	21,905,292	9,674,170	-	-
Plantation and Agriculture	63,912,704	41,140,168	-	-
Real estate	597,736	563,246	-	-
Adjustments and eliminations	(1,702,953)	(361,104)	-	-
	99,134,318	61,820,824	102,595	114,298

5 Cost of sales

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Industry segment				
Leisure and travel	3,841,303	3,984,936	-	-
Construction/ Trading & Manufacturing	17,128,166	8,331,121	-	-
Plantation and Agriculture	59,270,560	37,748,810	-	-
Real estate	61,624	52,676	-	-
Adjustments and eliminations	-	(275,755)	-	-
	80,301,653	49,841,788	-	-

6 Gross profit

For the year ended 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Industry segment				
Investments	102,595	114,298	102,595	114,298
Leisure and travel	10,477,641	6,705,110	-	-
Construction/ Trading & Manufacturing	4,777,126	1,343,049	-	-
Plantation and Agriculture	4,642,144	3,391,358	-	-
Real estate	536,112	510,570	-	-
Adjustments and eliminations	(1,702,953)	(85,349)	-	-
	18,832,665	11,979,036	102,595	114,298

7 Other income

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Gain / (loss) on disposal of property, plant and equipment		(35,526)	301,255	-	-
Gain/(loss) on disposal of quoted and non-quoted shares		1,452,698	-	1,452,698	-
Gain/ (loss) on change in fair value of financial investments at FVTPL		902,398	(71,978)	944	3,523
Sale of timber		240,950	2,658	-	-
Sale of refuse tea		31,057	238,149	-	-
Rent income and profit share		414,360	162,098	2,695	9,459
Amortisation of deferred income	38	54,587	21,057	-	-
Gain/(loss) on translation of foreign currency		2,244,924	1,044,095	326,016	(29)
Income from shared services		-	-	500,176	-
Sundry income		4,038,747	4,039,792	30,770	2,306,723
Change in fair value of investment properties	15	2,987,179	1,527,944	144,590	198,485
Change in fair value of consumable biological assets	19	5,082,868	910,095	-	-
Change in fair Value of bearer biological assets	18	(6,865)	1,180	-	-
		17,407,377	8,176,345	2,457,889	2,518,161

8 Impairment for amounts due to related parties and other receivables

For the year ended 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Impairment of trade and other receivables	1,318,485	260,866	-	-
Write off of related party receivables	-	-	36,333	2,636,507
Others	-	2,302,352	-	-
	1,318,485	2,563,218	36,333	2,636,507

9 Finance cost

For the year ended 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Commercial papers and promissory notes	574,398	427,831	756,024	818,328
Overdraft and other short-term borrowings	11,641,969	8,910,466	17,486,041	18,203,551
Long term borrowings	20,301,589	21,440,973	752,861	1,249,561
Debenture interest	3,952,109	2,855,813	-	-
Lease interest	1,268,427	1,015,290	-	-
Exchange losses on translation	(3,482)	(2,414)	-	-
	37,735,010	34,647,959	18,994,926	20,271,440

10 Profit/ (loss) before taxation

Profit/ (loss) before tax is stated after charging all expenses including the following:

For the year ended 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Directors' emoluments	139,732	109,810	13,451	13,429
Auditors' remuneration	212,749	109,612	5,150	6,046
Depreciation/Amortisation				
Property, plant and equipment	7,994,566	6,032,926	10,021	13,496
Amortisation of intangible assets	30,027	191,679	233	2,068
Amortisation of bearer biological assets	1,523,973	1,552,982	-	-
Amortisation of right-of-use assets	2,220,840	1,423,428	-	-
Personnel costs				
Salaries and wages defined Contribution plan costs - EPF, ETF, CPPS and ESPS	19,891,678	15,335,121	65,341	55,405
Defined benefit plan costs - Retirement benefits	1,424,896	953,697	1,464	1,743

11 Income tax expenses

For the year ended 31st March	Notes	Group		Company	
		2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Current tax expense					
Taxation on profit for the year	11.1	1,242,293	477,780	-	-
(Over)/ under provision in respect of previous year		38,910	(125,160)	-	(125,052)
		1,281,203	352,620	-	(125,052)
Deferred tax expense					
Deferred tax expense	11.2	(410,847)	(2,130,566)	(422,778)	64,540
		870,356	(1,777,946)	(422,778)	(60,512)

The income tax provision for Browns Investments PLC, its subsidiaries and equity accounted investees which are resident in Sri Lanka is calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the Inland Revenue Amendments Act No 10 of 2021 , Amendments Act No 45 of 2022 and Amendments Act No 03 of 2023.

In terms of above, except for the Companies which are enjoying income tax exemptions or subject to concessionary rates as set out below, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30%.

Companies exempt from income tax are given in note 11.4.a

Companies incorporated and operating outside Sri Lanka are given in note 11.4.b

11.1 Reconciliation of accounting profit/ (loss) to income tax

For the year ended 31st March		Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Profit/(loss) before taxation		(23,083,254)	63,050,578	(21,550,824)	69,098,196
(+)Disallowable expenses		12,434,663	6,260,080	22,170,212	4,080,201
(-)Allowable expenses		(61,096,664)	(95,966,148)	(6,131)	(60,851,060)
(-)Tax exempt income		(4,162,466)	(7,711,050)	(510,468)	(2,544,957)
(-)Allowable tax credits		(423,412)	(119,331)	-	-
(+)Tax losses incurred	11.3	15,359,975	37,135,443	7,184,225	20,393,720
(-)Tax losses utilised	11.3	(1,377,845)	(361,010)	(102,789)	(9,782,380)
(-) Others/Consolidation adjustments		66,562,216	1,521,872	(7,184,225)	(20,393,720)
Taxable income		4,213,213	3,810,434	-	-
Income tax @					
10%		8,689	-	-	-
15%		1,743	-	-	-
25%		12,750	41,351	-	-
30%		1,219,111	436,429	-	-
		1,242,293	477,780	-	-

11.2 Deferred tax expense

For the year ended 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Deferred tax assets					
Originations / reversal during the year	23	(350,910)	(277,280)	-	-
Deferred tax liabilities					
Originations / reversal during the year	37	(59,937)	(1,853,286)	(422,778)	64,540
		(410,847)	(2,130,566)	(422,778)	64,540

11.3 Tax losses carried forward

For the year ended 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Tax losses brought forward	86,649,682	31,465,171	18,134,743	7,523,403
Adjustments for brought forward tax losses	(1,639,261)	(2,987,296)	-	-
Tax Losses for the year	15,359,975	37,135,443	7,184,225	20,393,720
Utilisation of tax losses	(1,377,845)	(361,010)	(102,789)	(9,782,380)
Acquisition of subsidiaries	21,397,374	21,397,374	-	-
	120,389,925	86,649,682	25,216,179	18,134,743

11.4 Following Companies exempt from income tax/ liable to tax at concessionary rates

The tax liability of resident companies are computed at the standard rate of 30% except for the following companies which enjoy full or partial exemptions and concessions.

a) Companies exempt from income tax

Companies exempt from income tax under the Board of Investment (BOI) Law

Company	Statute	Exemption period
Sun & Fun Resorts Ltd	Section 17 of BOI Law no. 04 of 1978	15 years ending 2030/2031

Companies exempt from income tax under Port City Commission Act No.11 of 2021

Company	Statute	Exemption period
Colombo Marina Development (Pvt) Ltd	Port City Commission Act No.11 of 2021	25 years exempt up to 2059 and 50% incentive from the prevailing rate for another 10 years

b) Income tax concessions of off-shore subsidiaries

Company	Country	Rate
B Commodities ME FZE	United Arab Emirates	9% above AED 375,000
Browns Tea Trading FZCO	United Arab Emirates	9% above AED 375,000
BI Leisure Holdings FZE	United Arab Emirates	9% above AED 375,000
Bodufaru Beach Resort (Pvt) Ltd	Republic of Maldives	15%
Browns Ari Resort (Pvt) Ltd	Republic of Maldives	15%
Browns E&C Technical Services Contracting LLC	United Arab Emirates	9% above AED 375,000
Browns Engineering & Construction (Fiji) Pte Ltd	Republic of Fiji	20%
Browns Kaafu N Resort (Pvt) Ltd	Republic of Maldives	15%
Browns Plantations (Kenya) Ltd	Republic of Kenya	30%
Browns Plantations Rwanda Ltd	Rwanda Franc	30%
Browns Plantations Tanzania Ltd	United Republic of Tanzania	30%
Browns Plantations East Africa Ltd	Republic of Kenya	30%
Browns Plantations (Guizhou) Tea Co., Ltd.	Republic of China	25%
Browns Raa Resort (Pvt) Ltd	Republic of Maldives	15%
Grey Reach Investments Ltd	British Virgin Islands	Nil
Limuru Tea PLC	Republic of Kenya	30%
NPH Investments (Pvt) Ltd	Republic of Maldives	15%
PL Resorts Ltd	The Republic of Mauritius	15%
Sunbird Bioenergy (SL) Ltd	Republic of Sierra Leone	30%

Other miscellaneous concessions

It is exempt from Income tax which dividends from and gains on the realisation of shares in a non-resident company where derived by a any person with respect to a substantial participation in non-resident company. (Holding 10% or more of shares together with control, either directly or indirectly, of 10% or more of the voting power in the company in non-resident company)

Exemption of gains realisation from sale of quoted shares in any official list published by stock exchange licensed by the Securities and Exchange Commission of Sri Lanka.

Any person on moneys lying to his credit in foreign currency in any foreign currency account opened by him or on his behalf, in any commercial bank or in any specialised bank, with the approval of the Central Bank of Sri Lanka, on or after January 1, 2020;

Any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka on or after January 1, 2020;

Any foreign source where such gains and profits are earned or derived in foreign currency and remitted through a bank to Sri Lanka on or after January 1, 2020;

Any income earned by any person by way of interest or discount paid or allowed, as the case may be, on any sovereign bond denominated in foreign currency, including Sri Lanka Development Bonds, issued by or on behalf of the Government of Sri Lanka;

Income tax on Share of Profit of Equity Accounted Investee

Income tax expense excludes, the Group's share of tax expense of the equity-accounted investees recognised in profit/(loss) of Rs. 79 Mn (2024/2025 - Rs. 249 Mn) which is included in 'share of profit of equity-accounted investees (net of tax).

12 Earnings per ordinary share

12.1 Basic earnings per share

The calculation of basic earnings per share is based on the profit/(loss) attributable to ordinary Shareholders and the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
Basic earnings per share is calculated as follows:				
Net profit/(loss) attributable to ordinary shareholders of the year (Rs,000)	(21,881,661)	57,664,102	(21,881,661)	57,664,102
Net profit/(loss) attributable to ordinary shareholders of the year from continuing operations (Rs,000)	(21,128,046)	69,158,708	(21,128,046)	69,158,708
Weighted average number of ordinary shares in issue (Nos.000)	14,369,718	14,369,718	14,369,718	14,369,718
Basic earnings per ordinary share (Rs.)	(1.52)	4.01	(1.52)	4.01
Basic/ diluted earning per share from continuing operations	(1.47)	4.81	(1.47)	4.81

13 Dividend per share

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
Interim	-	-	-	-
Final	-	-	-	-
Total Dividends Paid	-	-	-	-
Number of ordinary shares in issue ('000)	14,369,718	14,369,718	14,369,718	14,369,718
Dividend per ordinary share (Rs.)	-	-	-	-

14 Property, plant and equipment

14.1 Group

	Freehold Lands	Reclaimed Land	Freehold Buildings	Freehold Motor Vehicles	Furniture & Fittings	Office Equipment	Computers	Freehold Plant & Machinery	Other Tangible Assets	Immovable (JEDB/ SLSPC) Assets on Finance Lease	Capital work-in-progress	2026 Total	2025 Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost / Valuation													
Balance at the beginning of the year	25,331,417	24,198,526	82,865,038	11,421,474	2,842,469	628,171	2,433,924	90,570,168	54,272,983	857,124	47,576,581	342,997,876	266,717,697
On acquisition of subsidiaries	170,901	-	1,752,080	459,916	82,460	219,293	21,766	1,300,224	198,439	57,541	78,878	4,341,498	58,550,648
Additions	15,406	-	1,686,072	306,637	108,272	105,912	89,810	790,468	233,132	1,481	6,483,105	9,820,295	12,501,085
Revaluations	437,462	-	3,269	-	-	-	-	-	-	-	-	440,731	9,748,691
Disposals	(454,000)	(7,855,407)	(12,341,369)	234,710	(679,820)	-	(203,162)	(1,043,181)	(302,271)	-	(69,291)	(22,713,791)	(2,102,887)
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	(5,428)
Transfers from/(to) PPE/ WIP/ ROU/IP	-	-	34,351,006	325,481	958,933	(7,927)	154,235	3,457,077	(640,288)	-	(38,866,552)	(268,035)	7,624
Exchange translation impact	230,236	1,259,032	3,835,669	635,616	70,072	867	92,667	7,922,636	7,657,353	-	1,217,196	22,921,344	(2,419,555)
Balance at the end of the year	25,731,422	17,602,151	112,151,765	13,383,834	3,382,386	946,316	2,589,240	102,997,392	61,419,348	916,146	16,419,917	357,539,918	342,997,876
Accumulated depreciation and impairment losses													
Balance at the beginning of the year	-	150,890	7,320,657	8,473,232	1,731,157	382,261	1,876,038	39,277,444	33,921,172	849,563	-	93,982,414	78,081,185
On acquisition of subsidiaries	-	-	373,074	66,978	57,868	185,114	19,594	881,029	79,286	57,521	-	1,720,464	16,367,680
Charge for the year	-	560,398	2,154,218	828,771	273,482	70,936	233,794	3,259,657	1,109,693	9,062	-	8,500,011	6,032,926
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-	(3,920,240)
Disposals	-	(194,164)	(286,075)	(133,264)	(182,954)	-	(93,863)	(726,554)	(106,642)	-	-	(1,723,516)	(1,835,174)
Transfers from/(to) PPE/ WIP/ ROU/IP	-	-	(234,216)	-	(4,559)	(185)	(43)	(23,764)	15,780	-	-	(246,987)	-
Exchange translation impact	-	22,633	392,562	547,674	21,179	(6,514)	69,371	2,850,804	4,293,928	-	-	8,191,637	(743,961)
Balance at the end of the year	-	539,757	9,720,220	9,783,391	1,896,173	631,612	2,104,891	45,518,616	39,313,217	916,146	-	110,424,023	93,982,414
Carrying amounts													
As at 31st March 2026	25,731,422	17,062,394	102,431,545	3,600,443	1,486,213	314,704	484,349	57,478,776	22,106,131	-	16,419,917	247,115,894	
As at 31st March 2025	25,331,417	24,047,636	75,544,381	2,948,242	1,111,312	245,910	557,886	51,292,724	20,351,811	7,561	47,576,581		249,015,461

14.1.1. Lease agreements of all JEDB/SLSPC estates handed over to the Group's Sub Subsidiary Maturata Plantations Limited have been executed to date. All of these leases are retroactive to 15th/22nd June 1992, the dates of formation of the Group's Sub Subsidiary. The leasehold rights to the bare land on all of these estates have been taken into the books of the Group's Sub Subsidiary on 15th/22nd June 1992, immediately after formation of the Group's Sub Subsidiary, in terms of the ruling obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose, Board of the Group's Sub Subsidiary decided at its meetings that lease bare land would be revalued at the value established for this land by Valuation Specialist Dr. D. R. Wickramasinghe just prior to the formation of the Group's Sub Subsidiaries. The values as at 22nd June 1992 and 15th June 1992 were taken in to the books of Maturata Plantations Limited.

Since the fair value of revalued assets differs materially from its carrying amount, the Board of Directors of Maturata Plantations Limited on 20th December 2005 has decided a further revaluation to be carried out as at 31st December 2005. The net amounts have been restated to the new valuation carried out by an independent and qualified valuer, Mr.K.Arther Perera.

14.1.2 Carrying value of fully depreciated assets

The following Property, plant and equipment have been fully depreciated and continue to be in use by the Group.

For the year ended 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Cost of the fully depreciated assets	37,163,126	36,702,265

14.1.3 Temporarily idle property, plant and equipment

There were no idle property, plant and equipment as at the reporting date.

14.1.4 Property, plant and equipment retired from active use

There were no property, plant and equipment retired from active use as at the reporting date.

14.1.5 Title restriction on property, plant and equipment

There were no restriction on the title of property, plant and equipment as at 31st March 2026.

14.1.6 Property, plant and equipment pledged as security for liabilities

There were no items of property, plant and equipment pledged as securities for liabilities other than those disclose in Note 34.3 to these Financial Statements.

14.1.7 Compensation from third parties for items of property, plant and equipment

There were no compensation received during the year from third parties for items of property, plant and equipment that were impaired, lost or given up.

14.1.8 Borrowing cost capitalisation

Borrowing Costs incurred on borrowings obtained to finance the acquisition, construction or production of qualifying asset, which takes substantial period of time to get ready for its intended use or sale, have been capitalised during the year. The borrowing cost capitalisation will be ceased when the respective asset is ready for use.

For the year ended 31st March		Group	
		2026	2025
		Rs.	Rs.
Capitalised borrowing costs	Rs.000	893,740	5,605,019
Borrowing cost capitalised rate	%	9%-12%	9%-12%

14.2 Property, Plant and Equipment - Group

14.2.1 Revaluation of Land and Buildings

The Group uses the revaluation model of measurement to account for land and buildings. In this regard, the Group engaged Mr. C.U.Suwandarathna an independent, Chartered Valuer and Surveyor to determine the fair value of its land and buildings.

Valuation is done as defined in the Sri Lanka Accounting Standards (SLFRS 13) on Fair Value Measurement. The valuation is based on 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 in the principal market or in the most advantageous market at the measurement date under current market conditions.

14.2.2 Details of Group's land and building carried at revalued amounts as follows;

Company	Property	Effective Date of Valuation	Total Land Extent	Number of Buildings	Main Building Sq.Ft.	Land and Building Rs.000
Browns Investments PLC	Land At Hiddaruwa, Kosgoda	31st March 2025	A0-R1-P36.7	-	-	61,000
Browns Investments PLC	Land & Building At Batawala Road, Meegoda	31st March 2025	A2-R3-P12.9	02	28,872	285,000
Dolphin Hotels PLC	Land & Building At Waikkal	31st March 2025	A15- R3 -P27.00	55	231,254	3,967,443
Frontier Capital Lanka (Pvt) Ltd	Land & Building At Lantern Boutique Hotel Mirissa	31st March 2025	A0-R1-P30.80	1	10,069	375,663
Frontier Capital Lanka (Pvt) Ltd	Land At Lantern Boutique Hotel at Kamburugamuwa	31st March 2025	A0-R1-P5.24	-	-	136,000
Frontier Capital Lanka (Pvt) Ltd	Land & Building At Ubuntu 1 Beach Villa at Mirissa	31st March 2025	A0-R1-P34	1	9,283	398,947
Frontier Capital Lanka (Pvt) Ltd	Land & Building At Ubuntu 1 Beach Villa 2 at Mirissa	31st March 2025	A0-R1-P38.40	1	9,283	411,948
Sansun Boutique Hotels Ltd	Land & Building At Pothana in Dambulla	31st March 2025	A53-R1-P09	25	61,546	1,348,678
Hotel Sigiriya PLC	Building Sigiriya	31st March 2025	-	24	68,167	644,311
Maturata Plantations Limited	Building	31st March 2025	-	2,584	-	213,379
Browns Properties (Private) Limited	Building No.19,Dudley Senanayake Mw,Colombo 08	31st March 2025	-	1	-	1,188,172
Samudra Beach Resorts (Pvt) Ltd	Land & Building At Okade Road, Kosgoda	31st March 2025	A5-R1-P0.5	1	244,126	8,526,322
Samudra Beach Resorts (Pvt) Ltd	Land & Building At Okade Road, Kosgoda	31st March 2025	A0-R1-P17	1	900	28,500
Samudra Beach Resorts (Pvt) Ltd	Land At Okade Road, Kosgoda	31st March 2025	A0-R3-P6.5	-	-	323,000
Samudra Beach Resorts (Pvt) Ltd	Land & Building At Okade Road, Kosgoda	31st March 2025	A0-R1-P32	1	280	102,000
Samudra Beach Resorts (Pvt) Ltd	Land At Okade Road, Kosgoda	31st March 2025	A0-R1-P10. 5	-	-	38,000
Samudra Beach Resorts (Pvt) Ltd	Land & Building At Okade Road, Kosgoda	31st March 2025	A0-R0-P15. 7	1	1,730	15,500
Samudra Beach Resorts (Pvt) Ltd	Land At Okade Road, Kosgoda	31st March 2025	A0-R1-P16.3	-	-	50,000
Samudra Beach Resorts (Pvt) Ltd	Land At Okade Road, Kosgoda	31st March 2025	A0-R0-P9.9	-	-	12,000

Company	Property	Effective Date of Valuation	Total Land Extent	Number of Buildings	Main Building Sq.Ft.	Land and Building Rs.000
Samudra Beach Resorts (Pvt) Ltd	Land At Okade Road, Kosgoda	31st March 2025	A0-R0-P44	-	-	46,000
Palm Garden Hotels PLC	Land Area Fronting Galle Road	31st March 2025	A2-R1-P27	-	-	812,700
Palm Garden Hotels PLC	Land Middle Area Galle Road	31st March 2025	A8-R0-P5.54	-	-	2,454,211
Palm Garden Hotels PLC	Land Area with Beach Frontage, Galle Road	31st March 2025	A7-R2-P0	-	-	3,240,000
Serendib Hotels PLC	Land & Building at Bentota	31st March 2025	A0-R0-P20	2	98,829	1,021,278
Browns Engineering & Construction (Pvt) Ltd	Land at Battaramulla	31st March 2025	A0-R1-P36.33	-	-	991,900
Newburgh Green Teas (Pvt) Ltd	Building	31st March 2025	-	1	-	5,258
Browns Metal and Sands (Pvt) Ltd	Land & Building Neboda Village Dodangoda	31st March 2025	A198-R0-P12.8	2	2,369	367,000
Dikwella Resorts (Pvt) Ltd	Land & Building At Batheegama,Dickwella	31st March 2025	A6-R2-P3.93	38	96,648	3,657,973
Dikwella Resorts (Pvt) Ltd	Land At Batheegama,Dickwella	31st March 2025	A1-R3-P29.25	-	-	309,000
BI Commodities and Logistics (Pvt) Ltd	Land Hendala,Wattala	31st March 2025	A3-R0-P23.03	2	24,050	536,338
Green Paradise Resorts (Pvt) Ltd	Land & Building Dambulla	31st March 2025	A11-R0-P13.27	32	103,866	2,465,828
Bodufaru Beach Resort (Pvt) Ltd	Reclaimed Land North Male Atoll in Maldives	31st March 2025	299,000 sqm	-	-	15,530,765
Browns Raa Resort (Pvt) Ltd	Reclaimed Land Raa atoll in Republic of Maldives	31st March 2025	52,500 sqm	-	-	1,531,628
Sunbird Bioenergy (SL) Ltd	Land & Building Sierra Leone	31st March 2025	23,500 ha	10	257,110	1,670,910
Sun & Fun Resorts Ltd.	Building At Pasikuda Village, Kalkuda	31st March 2025	-	15	109,240	1,759,757
Tropical Villas (Private) Limited	Land At Moragalle, Beruwala	31st March 2025	A2-R1-P27	-	-	774,000
Eden Hotel Lanka PLC	Land & Building At Kaluwamodara, Aluthgama	31st March 2025	A6-R1-P25.82	02	237,571	6,310,689
Tropical Island Commodities (Pvt) Ltd	Land & Building At Homagama	31st March 2025	A0-R1-P37.14	1	12,747	75,050
Tropical Island Commodities (Pvt) Ltd	Land & Building At Kamburugoda, Bandaragama	31st March 2025	A0-R0-P16	1	1,200	18,600
Tropical Island Commodities (Pvt) Ltd	Land At Ethkandura, Kurundugaha Hathapma	31st March 2025	A0-R1-P39.5	-	-	12,000
Tropical Island Commodities (Pvt) Ltd	Land At Aluthwala,Baddegama	31st March 2025	A0-R3-P14	-	-	33,500
Hapugastenne Plantation PLC	Building	31st March 2025	-	3,351	2,049,844	239,499
Udapussellawa Plantations PLC	Building	31st March 2025	-	2,199	4,596,022	232,652
PL Resorts Limited	Building	31st March 2025	-		*8,556.60 Sq.m	3,111,729

Company	Property	Effective Date of Valuation	Total Land Extent	Number of Buildings	Main Building Sq.Ft.	Land and Building Rs.000
Browns Piling (Pvt) Ltd	Land	31st March 2025	A3-R3-P26	-	-	229,000
LOLC Investment Holding Four (Pvt) Ltd	Land Thambiliyana, Kuruwita	31st March 2025	A3-R0-P16	-	-	15,700
Sierra Cables PLC	Land and Buildings Galwarusa Road, Korathota	31st March 2025	A11-R1-P05	25	-	2,654,140
Sierra Cables PLC	Land and Buildings Kananvila Village, Horana	31st March 2025	A0-R0-P57	2	-	36,374
Browns Plantations (Kenya) Ltd	Land and Buildings Kenya	31st December 2023	-	7,728	-	14,923,878
Browns East Africa Plantation Ltd	Land and Buildings Kenya	31st July 2024	-	8,140	-	14,968,901
Browns Plantation Tanzania Ltd	Land and Buildings Tanzania	31st December 2024	-	1,820	-	4,142,326
Browns Plantations Rwanda Ltd	Buildings Rwanda	31st July 2024	-	19	-	2,052,668
Browns Plantations (Guizhou) Tea Co., Ltd.	Buildings China	31st July 2024	-	3		417,932
Limiru PLC	Land and Buildings Kenya	31st July 2025	-	431	-	4,047,955
Tea Smallholder Factories PLC	Land and Buildings	31st December 2024	A43-R2-P8.80	61	117,527	712,424
Melfort Green Teas (Pvt) Ltd.	Building	30th June 2025		07	-	620
Pussellawa Plantations PLC	Building	30th June 2025	-	24	-	803,511
NPH Investments Pvt Ltd	Land and Buildings	31st March 2025		01	30,828	34,885,804
						145,225,361

The above land and buildings have been revalued by qualified Independent Valuers, who hold recognised and relevant professional qualifications and have recent experience in the location and category of the revalued properties on the basis of current market value method of valuation.

In determining the fair value, the current condition of the properties, future usability and market evidence of transaction prices for similar on the basis of current market value method of valuation.

Land and buildings are considered under Level 03 of the fair value hierarchy.

14.2.3 The following table shows the valuation techniques used in measuring the fair value of significant properties of the group, as well as the significant unobservable inputs used.

Local properties

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per perch (Land)	Estimated price per square foot (Building)	Correlation to fair value
Land and Buildings				
Browns Investments PLC	DCC/CM	Rs.800,000 - Rs.1,200,000	Rs.2,900 - Rs.3,250	Positive
Dolphin Hotels PLC	DCC/CM	Rs.400,000- Rs1,600,000	Rs. 3,000 - Rs. 13,500	Positive
Frontier Capital Lanka (Pvt) Ltd	DCC/CM	Rs.3,000,000- Rs. 5,000,000	Rs.6,000 - Rs.20,000	Positive
Sunsun Boutique Hotels Ltd	DCC/CM	Rs.44,000 - Rs.53,000	Rs.3,000 - Rs.20,000	Positive
Hotel Sigiriya PLC	CM	-	Rs.350 - Rs.7,500	Positive
Samudra Beach Resorts (Private) Limited	DCC/CM	Rs.250,000 - Rs.1,500,000	Rs.3,500 - Rs.30,000	Positive
Palm Garden Hotels PLC	DCC	Rs.1,150,000 - Rs.1,300,000	-	Positive
Serendib Hotels PLC	DCC/CM	Rs.500,000	Rs.5,000 - Rs.16,500	Positive
Browns Engineering & Construction (Pvt) Ltd	DCC/CM	Rs.11,000,000	Rs.2,000 - Rs.4,750	Positive
Browns Metal and Sands Pvt Ltd	DCC/CM	Rs.900,000 - Rs.1,850,000	Rs.935 - Rs.1,800	Positive
Dikwella Resort (Private) Limited	DCC/CM	Rs.800,000 - Rs.1,500,000	Rs.850 - Rs.20,000	Positive
BI Commodities and Logistics (Pvt) Ltd	DCC/CM	Rs.750,000 - Rs.800,000	Rs.1,000 - Rs.5,000	Positive
Green Paradise Resorts Ltd	DCC/CM	Rs.200,000	Rs.7,000 - Rs.25,000	Positive
Sun & Fun Resorts Ltd.	CM	-	Rs.1,200 - Rs.18,000	Positive
Tropical Villas (Pvt) Ltd	DCC	Rs.1,200,000	-	Positive
Browns Leisure (Pvt) Ltd	CM	-	Rs.1,500 - Rs.12,000	Positive
Eden Hotel Lanka PLC	DCC/CM	Rs.700,000 - Rs.1,500,000	Rs.1,000 - Rs.20,000	Positive
Tropical Island Commodities (Pvt) Ltd	DCC/CM	Rs.115,000 - Rs.500,000	-	Positive
Sierra Piling (Pvt) Ltd	DCC	Rs.300,000 - Rs.500,000	-	Positive

Foreign properties

Property	Method of valuation	Significant unobservable inputs		
		Estimated price per square meter (Land)	Estimated price per square meter (Building)	Correlation to fair value
NPH Investments Pvt Ltd	CM	US$ 4,550 per square meter	-	Positive
Bodufaru Beach Resorts (Pvt) Ltd	CM	US$ 190 per square meter	-	Positive
Browns Raa Resort (Pvt) Ltd	CM	US$ 75 per square meter	-	Positive

Summary description of valuation methodologies;

Open Market Value method (OMV)

Open Market Value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct capital comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors method (CM)

The replacement cost (Contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Investment method (IM)

The investment method is used to value properties which are let to produce an income for the Investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

14.3 Property, plant and equipment

Company	Freehold land	Freehold motor vehicles	Plant and Machinery	Furniture and fittings	Computer and equipments	2026 Total	2025 Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/Valuation							
Balance at the beginning of the year	61,000	58,420	19,095	1,056	1,676	141,247	111,635
Additions	-	-	-	-	-	-	285
Surplus of Revaluation	-	-	-	-	-	-	29,327
Balance at the end of the year	61,000	58,420	19,095	1,056	1,676	141,247	141,247
Accumulated depreciation							
Balance at the beginning of the year	-	21	3,587	999	864	5,471	24,825
Charge for the year	-	7,306	2,386	37	292	10,021	11,136
Surplus of Revaluation	-	-	-	-	-	-	(30,490)
Balance at the end of the year	-	7,327	5,973	1,036	1,156	15,491	5,471
Carrying amounts							
As at 31st March 2026	61,000	51,093	13,122	20	520	125,756	-
As at 31st March 2025	61,000	58,399	15,508	57	812	-	135,776

14.4 Fully depreciated assets

Property, plant & equipment of the Company includes fully depreciated assets that are still in use having a gross amount of Rs.2.5 Mn as at 31st March 2026 (2024/25 - Rs. 2.1 Mn)

14.5 Cost of revalued properties

The fair value of the revalued properties were determined by Mr. W.M Chandrasena, an independent valuer who holds recognised and relevant professional qualification and have recent experience in the location and category of the revalued properties.

Date of the revaluation	31-Mar-25
Method of determining fair value	Sales comparison
Land	61,000

15 Investment properties

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at the beginning of the year	103,948,645	102,311,438	2,836,200	2,637,715
Additions during the year	372,224	56,054	343,710	-
On acquisition of subsidiaries	813,202	-	-	-
Transfer to property, plant and equipment	40,277	-	-	-
Change in fair value during the year	2,987,179	1,527,944	144,590	198,485
Exchange translation difference	(80,685)	53,209	-	-
Balance as at the end of the year	108,080,842	103,948,645	3,324,500	2,836,200
Summary of investment properties				
Land	101,057,440	97,393,300	3,176,500	2,686,000
Buildings	7,023,402	6,555,345	148,000	150,200
	108,080,842	103,948,645	3,324,500	2,836,200

15.1 Details of investment properties

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Owned Properties	11,614,128	9,946,523	3,324,500	2,836,200
Properties held under operating leases	96,466,714	94,002,122	-	-
	108,080,842	103,948,645	3,324,500	2,836,200

Company	Property	Effective date of valuation	Extent A-R-P	Group Carrying value Land	Group Carrying value Buildings	Company Carrying value Land	Company Carrying value Buildings
Millennium Development (Pvt) Ltd	No 381,T.B Jayah Mawatha, Colombo 10	31st March 2026	A5-2R-P17.17	5,319,000	367,000	-	-
Browns Properties (Pvt) Ltd	No.19, Dudley Senanayake Mawatha, Colombo 08	31st March 2026	A0-R1-P9.5	1,089,000	916,828	-	-
Browns Properties (Pvt) Ltd	No.05, Sumner Place, Colombo 08	31st March 2026	A0-R0-P33.75	455,500	-	-	-
Browns Investments PLC	Kuchchaveli, Trincomalee	31st March 2026	A5-R0-P14.5	183,000	-	183,000	-
Browns Investments PLC	Nos. 781 & 781/2, Nalluruwa,, Panadura	31st March 2026	A0-R1-P38.32	250,500	-	250,500	-
Browns Investments PLC	No 328, Kaduwella Road, Malabe	31st March 2026	A0-R2-P5.05	565,500	-	565,500	-
Browns Investments PLC	Egoda Uyana, Moratuwa	31st March 2026	A1-R0-P32.78	356,500	-	356,500	-
Browns Investments PLC	Batawala Road, Meegoda, Homagma	31st March 2026	2A-3R-12.9P			181,000	104,000
Browns Investments PLC	Tuduwa Road, Dampe	31st March 2026	A3-R0-P5	838,000	38,000	838,000	38,000
Browns Investments PLC	Pahala Yagoda, Gampaha	31st March 2026	A0-R1-P4.5	24,000	6,000	24,000	6,000
Browns Investments PLC	Sunethradevi road, Kohuwala	31st March 2026	A0-R2-P1.81	376,000	-	376,000	-
Browns Investments PLC	Kotahena	31st March 2026	A0-R2-P20.53	402,000	-	402,000	-
Browns Hotels & Resorts Ltd	Duwemodara, Kosgoda	31st March 2026	A1-R0-P16.98	126,000	-	-	-
Eden Hotel Lanka PLC	Wattala, Gampaha	31st March 2026	A0-R1-P25.66	89,300	-	-	-
Browns Developments Ltd	Havelock Road, Colombo 05	31st March 2026	A0-R1-P16.40	1,184,000	3,718,000	-	-
Ceylon Real Estate Holdings (Pvt) Ltd	Port City, Colombo	31st March 2026	7A-2R-11.01P	37,750,000	-	-	-
Colombo Marina Development (Pvt) Ltd	Port City, Colombo	31st March 2026	7A-2R-16.79P	36,206,000	-	-	-
Marina Hotel Holdings (Pvt) Ltd	Port City, Colombo	31st March 2026	3A-0R-34.21P	15,300,000	-	-	-
Browns Plantations Kenya Ltd	Kenya	31st March 2026	-	-	1,524,714	-	-
Tea Smallholder Factories PLC	No.77A New Nuge Road, Peliyagoda.	31st March 2026	0A-3R-37.19P	491,000	55,000	-	-
Tea Smallholder Factories PLC	Uda Karawita, Rathnapura	31st March 2026	4A-3R-36.84P	-	213,000	-	-
Tea Smallholder Factories PLC	Kahawatta, Rathnapura	31st March 2026	10A-2R-14P	52,140	184,860	-	-
				101,057,440	7,023,402	3,176,500	148,000

15.2 Income earned from investment property

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Rental income	1,078,700	886,329	2,695	9,459
Direct operating expenses	(16,271)	(33,244)	-	-
	1,062,429	853,085	2,695	9,459

15.3 Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used by the Group in measuring Level 3 fair values and the significant unobservable inputs used.

Valuation Technique - Market Comparable Method/ Depreciated Replacement Costs Method/ Income Base Method.

Significant unobservable inputs - Price per perch of land on similar properties/ Value per square feet determined based on similar properties value and depreciated for the period used/Interest or discount rate/ Market rent per square feet.

Relationship between inputs and fair value measurement - increase/ (decrease) if: Depreciation rate was lesser or higher/Square feet value was higher or lesser/ Price per perch increase or decrease/ Interest rate increase or decrease/ Market rent increase or decrease.

Property	Valuation technique	Significant unobservable inputs		
		Estimated price per perch	Estimated price per square foot	Interrelationship between key inputs and fair value measurement
Millennium Development (Pvt) Ltd	Direct capital comparison method / Contractors method	Rs.5,000,000-Rs.6,000,000	Rs.5000-Rs.7,500	The estimated fair value would increase(decrease) if rental income was higher / (lesser) and the estimated fair value would (decrease)/ increase if the discount rate was higher/(lesser)
Browns Properties (Pvt) Ltd	Direct capital comparison method / Contractors method	Rs.13,000,000 - Rs 25,000,000	Rs.25,000-Rs. 30,000	The estimated fair value would increase/(decrease) if price per square feet value and price per perch was higher / (lesser).
Browns Investments PLC	Direct capital comparison method / Contractors method	Rs.200,000 - Rs 6,700,000	-	The estimated fair value would increase (decrease) if price per perch value was higher / (lesser
Browns Hotels & Resorts Ltd	Direct capital comparison method / Contractors method	Rs.120,000 - Rs 775,000	-	The estimated fair value would increase (decrease) if price per perch value was higher / (lesser)
Eden Hotel Lanka PLC	Direct capital comparison method / Contractors method	Rs.950,000 - Rs. 1,420,000	-	do
Browns Developments Ltd	Direct capital comparison method / Contractors method	RS.16,000,000-Rs.20,000,000	Rs.20,000 - Rs.32,000	do
Ceylon Real Estate Holdings (Pvt) Limited	Direct capital comparison method	Rs.32,500,000 - Rs. 33,000,000	-	do
Colombo Marina Development (Pvt) Ltd	Direct capital comparison method	Rs.30,000,000 - Rs. 31,500,000	-	do
Marina Hotel Holdings (Pvt) Ltd	Direct capital comparison method	Rs.30,500,000 - Rs. 31,500,000	-	do
Tea Smallholder Factories PLC	Direct capital comparison method	Rs.2,500,000-Rs.5,000,000	Rs.1,000 - Rs.7,000	do

Summary description of valuation methodologies;

Open Market Value method (OMV)

Open Market Value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business.

Direct Capital Comparison method (DCC)

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

Contractors Method (CM)

The replacement cost (Contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

Investment Method (IM)

The Investment Method is used to value properties which are let to produce an income for the Investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

15.4 Valuation details

Fair value of the above investment property has been ascertained by an independent valuation carried out by Mr. W. M. Chandrasena, Chartered Valuation Surveyor, who has experience in valuing properties of akin locations.

Effective date of valuations: 31st March 2026

Investment Property is appraised in accordance with LKAS 40 - "Investment Property" and International Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS), by an Independent Valuer.

In determining the fair value, the current condition of the properties, future usability and associated re-development requirements have been considered. Also, the Valuer has made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

16 Intangible assets

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Gross Value				
Balance at the beginning of the year	3,934,038	3,423,980	15,969	15,969
Additions during the year	32,366	17,722	-	-
On acquisition of subsidiaries	21,274	316,106	-	-
Disposals	(4,738)	(9,019)		
Transfers	5,581	33,784	-	-
Exchange difference	80,407	151,465	-	-
Balance at the end of the year	4,068,928	3,934,038	15,969	15,969
Amortisation and impairment				
Balance at the beginning of the year	1,767,464	1,405,132	15,736	13,668
Amortisation during the year	30,027	191,679	233	2,068
On acquisition of subsidiaries	13,972	25,936	-	-
Disposals	(455)	(7,649)		
Transfers	59,527	5,074	-	-
Exchange difference	69,215	147,292	-	-
Balance at the end of the year	1,939,750	1,767,464	15,969	15,736
Carrying Value	2,129,178	2,166,574	-	233

16.1 Summary of intangible assets - Group

As at 31st March	2026				2025
	Goodwill	Software	Other	Total	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Gross value					
Balance at the beginning of the year	1,880,177	2,052,725	1,136	3,934,038	3,423,980
Additions during the year	-	32,366	-	32,366	17,722
On acquisition of subsidiaries	-	5,046	16,228	21,274	316,106
Transfers	-	5,581	-	5,581	33,784
Disposals	-	(4,738)	-	(4,738)	(9,019)
Exchange difference	5,147	75,260	-	80,407	151,465
Balance at the end of the year	1,885,324	2,166,240	17,364	4,068,928	3,934,038
Amortisation and impairment					
Balance at the beginning of the year	57,641	1,708,687	1,136	1,767,464	1,405,132
Amortisation during the year	-	30,027	-	30,027	191,679
On acquisition of subsidiaries	-	5,046	8,926	13,972	25,936
Disposals	-	(455)	-	(455)	(7,649)
Transfers	-	59,527	-	59,527	5,074
Exchange difference	-	69,215	-	69,215	147,292
Balance at the end of the year	57,641	1,872,047	10,062	1,939,750	1,767,464
Carrying Value	1,827,683	294,193	7,302	2,129,178	2,166,574

16.2 Summary of Goodwill - Group

As at 31st March	Carrying value	
	2026	2025
	Rs.000	Rs.000
Summary of Goodwill		
Ajax Engineers (Pvt) Ltd	25,057	25,057
Excel Restaurants (Pvt) Ltd	20,524	20,524
Browns Hotels & Resorts Ltd	1,205,258	1,205,258
NPH Investments (Pvt) Ltd	100,699	95,552
BG Air Services (Pvt) Ltd	124	124
Gurind Accor (Pvt) Ltd	18,011	18,011
Tropical Island Commodities (Pvt) Ltd	172,390	172,390
Sierra Cable PLC	285,620	285,620
	1,827,683	1,822,536

16.2.1 Significant estimate: key assumptions used for value in use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2026 and 2025 reporting periods, the recoverable amount was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each entity operates.

The following table sets out the key assumptions that have significant goodwill allocated to them:

As at 31st March	2026	2025
Sales growth rate	10%-15%	10%-15%
Increase in net working capital	4%-6%	4%-6%
Equity risk premium	3%-4%	3%-4%
Pre-tax discount rate	12%-18%	12%-18%

Management has determined the values assigned to each of the above key assumptions as follows:

Sales growth rate	Based on the long term average growth rate for each business unit.
Increase in net working capital	Based on the long term average growth rate for each business unit.
Equity risk premium	Based on the market risk factors
Inflation rate	Based on current inflation rate.
Pre-tax discount rate	Reflect specific risks relating to the relevant segments and the industry in which they operate.

16.3 Summary of intangible assets - Company

As at 31st March	Company Software	
	2026 Rs.000	2025 Rs.000
Gross value		
Balance at the beginning of the year	15,969	15,969
Additions during the year	-	-
Balance at the end of the year	15,969	15,969
Amortisation and impairment		
Balance at the beginning of the year	15,736	13,668
Amortisation during the year	233	2,068
Balance at the end of the year	15,969	15,736
Carrying Value	-	233

17 Right of use assets

17.1 Right of use assets movement

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Cost				
Balance at the beginning of the year	161,726,936	69,759,407	-	-
Additions during the year	547,440	232,136	-	-
Transferred to Property, Plant and Equipment	-	(7,624)	-	-
Transfers and other movements	(68,717)	(1,940,585)	-	-
Reversal on early termination	(584,637)	(136,128)	-	-
On acquisition of subsidiaries	6,129,915	89,007,247	-	-
Revaluations	-	5,917,904	-	-
Exchange impact	9,823,789	(1,100,409)	-	-
Reversal on disposal	-	(5,012)	-	-
Balance at the end of the year	177,574,726	161,726,936	-	-
Accumulated amortisation				
Balance at the beginning of the year	2,977,270	4,532,874	-	-
Amortisation for the year	2,220,840	1,423,428	-	-
Transferred to Property, Plant and Equipment	-	(47,000)	-	-
Transfers and other movements	(49,488)	(1,856,166)	-	-
Reversal on early termination	(111,899)	(55,511)	-	-
On acquisition of subsidiaries	1,152	340,466	-	-
Revaluations	-	(1,315,538)	-	-
Adjustment on changes in the estimation	-	(34,297)	-	-
Reversal on disposal	-	(3,842)	-	-
Exchange Impact	3,339,801	(7,144)	-	-
	8,377,676	2,977,270	-	-
Carrying amount	169,197,050	158,749,666	-	-
Maturity analysis – Contractual undiscounted cash flows				
Less than one year	964,968	1,496,236	-	-
Between one and five years	26,893,558	5,948,826	-	-
More than five years	8,473,468	32,264,368	-	-
	36,331,994	39,709,430	-	-
Amount recognised in income statement				
Interest on lease liabilities	1,268,426	1,300,577	-	-
Recognised in interest expenses	1,268,426	1,300,577	-	-
Amortisation of Right of Use Assets	2,220,840	1,423,428	-	-
Recognised in other expenses	2,220,840	1,423,428	-	-
Lease expense	(606,505)	(674,059)	-	-
Recognised in other expenses	(606,505)	(674,059)	-	-
Total amount recognised in income statement	2,882,761	2,049,945	-	-
Amounts recognised in cash flow statement				
Payment for lease liabilities	(606,505)	(674,059)	-	-
	2,276,256	1,375,886	-	-

18 Bearer biological assets

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
At cost					
On finance lease	18.2	16,586,336	15,629,662	-	-
Investments after formation of the plantation companies	18.3	11,555,886	6,373,821	-	-
Growing crop nurseries	18.4	55,489	171,332	-	-
		28,197,711	22,174,815	-	-

18.1 Carrying amount of bearer biological assets

As at 31st March	2026 On Finance Lease Rs.000	2026 Investments after formation of the Company Rs.000	2026 Growing Crop Nurseries Rs.000	2026 Total Rs.000	2025 On Finance Lease Rs.000	2025 Investments after formation of the Company Rs.000	2025 Growing Crop Nurseries Rs.000	2025 Total Rs.000
Cost	25,015,527	27,051,232	55,489	52,122,248	23,185,450	17,187,097	171,332	40,543,880
Accumulated Amortisation	(8,429,191)	(15,495,346)	-	(23,924,537)	(7,555,788)	(10,813,276)	-	(18,369,065)
	16,586,336	11,555,886	55,489	28,197,711	15,629,662	6,373,821	171,332	22,174,815

18.2 On finance lease

	Mature Plantations Tea 2026 Rs.000	Mature Plantations Tea 2025 Rs.000	Mature Plantations Rubber 2026 Rs.000	Mature Plantations Rubber 2025 Rs.000	Mature Plantations Coconut 2026 Rs.000	Mature Plantations Coconut 2025 Rs.000	Total 2026 Rs.000	Total 2025 Rs.000
Cost								
Balance as at 1st April	23,177,180	9,783,686	-	231	8,269	8,269	23,185,449	9,792,186
On acquisition of subsidiaries	168,662	13,428,238	182,170	-	3,315	-	354,147	13,428,238
Additions	791,682	-	-	-	-	-	791,682	-
Transfer In /(Out)	138,165	-	-	-	-	-	138,165	-
Disposals	(11)	(280,279)	-	(231)	-	-	(11)	(280,510)
Exchange Differences	546,095	245,535	-	-	-	-	546,095	245,535
Balance as at 31st March	24,821,773	23,177,180	182,170	-	11,584	8,269	25,015,527	23,185,449
Accumulated Amortisation								
Balance as at 1st April	7,547,518	3,431,576	231	231	8,269	8,027	7,555,787	3,439,834
On acquisition of subsidiaries	167,935	3,763,287	181,432	-	3,293	-	352,660	3,763,287
Charge for the year	453,097	382,598	738	-	10	242	453,845	382,840
Disposals	(11)	(161,919)	-	(231)	-	-	(11)	(162,150)
Exchange difference	66,910	131,976	-	-	-	-	66,910	131,976
Balance as at 31st March	8,235,449	7,547,518	-	-	11,572	8,269	8,429,191	7,555,787
Carrying amount								
As at 31st March	16,586,324	15,629,662	-	-	12	-	16,586,336	15,629,662

18.3 Investments after formation of the plantation companies

	Immature plantations					Mature plantations							Total	Total
	Tea	Rubber	Cinnamon	Mixed Crops	Total	Tea	Rubber	Cinnamon	Coconut	Sugar cane	Mixed Crops	Total	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/Valuation														
Balance as at 1st April	1,116,991	192,552	167,354	20,816	1,497,713	2,442,730	1,362,331	1,061,881	78,149	10,732,899	11,394	15,689,384	17,187,097	15,732,255
Additions	281,064	390,105	39,333	5,205	715,707	-	-	-	-	362,783	-	362,783	1,078,490	1,035,247
Transfers to mature plantations	(263,104)	(22,951)	(69,009)	-	(355,064)	263,104	22,951	69,009	-	-	-	355,064	-	-
Disposals	(612,124)	-	-	-	(612,124)	-	(6,724)	-	-	-	-	(6,724)	(618,848)	(736)
Written off	(27,811)	-	(52,203)	(2,350)	(82,364)	-	-	-	-	-	-	-	(82,364)	(69,214)
On acquisition of subsidiaries	864,996	1,723,369	13,256	3,345	2,604,966	1,713,493	3,605,675	116,024	12,185	-	-	5,447,377	8,052,343	720,499
Exchange impact	20,034	-	-	-	20,034	-	-	-	-	1,414,480	-	1,414,480	1,434,514	(230,954)
Balance as at 31st March	1,380,046	2,283,075	98,731	27,016	3,788,868	4,419,327	4,984,233	1,246,914	90,334	12,510,162	11,394	23,262,364	27,051,232	17,187,097
Accumulated Depreciation														
Balance as at 1st April	-	-	-	-	-	1,185,324	567,377	174,830	25,841	8,857,004	2,901	10,813,277	10,813,277	9,795,054
Charge for the year	-	-	-	-	-	136,939	210,222	65,096	2,385	653,602	1,884	1,070,128	1,070,128	1,170,142
Disposals/ Written off	-	-	-	-	-	-	(6,724)	-	-	-	-	(6,724)	(6,724)	-
On acquisition of subsidiaries	-	-	-	-	-	570,650	1,816,943	49,104	5,795	-	-	2,442,492	2,442,492	-
Exchange impact	-	-	-	-	-	-	-	-	-	1,176,174	-	1,176,174	1,176,174	(151,919)
Balance as at 31st March	-	-	-	-	-	1,892,913	2,587,818	289,030	34,021	10,686,780	4,785	15,495,347	15,495,346	10,813,276
Carrying amount														
As at 31st March 2026	1,380,046	2,283,075	98,731	27,016	3,788,868	2,526,414	2,396,415	957,884	56,313	1,823,382	6,609	7,767,017	11,555,886	-
As at 31st March 2025	1,116,991	192,552	167,354	20,816	1,497,713	1,257,406	794,954	887,051	52,308	1,875,895	8,493	4,876,107	-	6,373,821

These are investments in bearer biological assets carried at cost (Tea, Rubber, Coconut, Cinnamon and Mixed Crop) which comprise of immature/mature plantations since the formation of the Company. The assets have been (including plantations assets) taken over by way of estate leases. Further, investment in immature plantations taken over by way of leases are shown in this note. When such plantations become mature, the additional investments since, have been taken over to bring them to maturity will be moved from immature to mature. A corresponding movement from immature to mature of the investment undertaken by JEDB/SLSPC on the same plantation prior to the lease will also be carried out under this note.

18.4 Growing crop nurseries

	2026				2025		
	Tea	Rubber	Mixed crops	Total	Tea	Mixed crops	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Cost/Valuation							
Balance as at 1st April	171,332	-	-	171,332	8,671	-	8,671
Additions / Disposals	(145,252)	10,453	4,000	(130,799)	795	-	795
On acquisition of subsidiaries	34,957	29,362	-	64,319	170,744	-	170,744
Exchange impact	1,185	-	-	1,185	(8,878)	-	(8,878)
Transfers	(14,065)	(24,801)	-	(38,866)	-	-	-
Written off during the year	(9,811)	(1,871)	-	(11,682)	-	-	-
Balance as at 31st March	38,346	13,143	4,000	55,489	171,332	-	171,332

Amortisation/ Depreciation for the year recognised for bearer biological assets

For the year ended 31 March	2026	2025
	Rs.000	Rs.000
Bearer biological assets -Leasehold	453,845	382,840
Bearer biological assets -freehold	1,070,128	1,170,142
	1,523,973	1,552,982

19 Consumable biological assets

	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 1st April	16,128,681	10,599,662	-	-
On acquisition of subsidiaries	5,027,207	4,971,146	-	-
Increase due to new planting	90,003	24,858	-	-
Decrease due to harvesting of timber trees	(233,334)	(251,002)	-	-
Change in fair value less estimated costs to sell	5,082,868	910,095	-	-
Transfers	1,298	(218)	-	-
Written off (Immature Plants)	(2,127)	(4,270)	-	-
Exchange impact	414,129	(121,590)	-	-
Balance as at 31st March	26,508,725	16,128,681	-	-

19.1 The carrying value of timber as at the year has been computed as follows;

Valuation of consumer biological assets	26,073,567	15,811,646	-	-
Cost of timber plant below three years of age, not considered for valuation	436,389	318,161	-	-
Growing crop nurseries	3,593	3,336	-	-
Allowance for impairment - Consumable Biological assets	(4,824)	(4,462)		
	26,508,725	16,128,681	-	-

Plantation Companies In Sri Lanka

19.2 The consumable biological assets as at 31st March 2026 of were valued by Mr. W. M. Chandrasena, an independent Chartered Valuation Surveyor. The Valuation report was prepared based on the physically verified timber statistics provided by the Group on a tree by tree basis.

19.3 Timber trees namely Eucalyptus Torariyana, Albezzia, Graveelia, Eucalyptus Grandis, Astonia, Pinus, Toona, Mahogany,Teak, Jak, Turpentine, Rubber, Nadun, Mango, Pellen, Hora, Domba, Lunumidella, Wal Del and Mara on the plantations have been taken into consideration in this valuation of timber trees.

19.4 In valuing the timber plantations, the below-mentioned factors have been taken into consideration;

1 The present age of trees
2 Maturity age of the tree - Maturity of the tree is based on the variety of the species of the tree.
3 Annual marginal increase in timber content
4 Number of years to harvest
5 Timber content of harvestable trees on maturity
6 Timber plants aged below three years of age have not been taken into the valuation
7 The timber content of immature trees at an estimated future harvestable year
8 The current price of species of timber per cubic foot at the relevant year

19.5 Trees have been valued as per the current timber prices in the domestic market based on the price list of the State Timber Corporation and prices of timber trees sold by estates and prices of logs and sawn timber in the popular timber traders in Sri Lanka.

19.6 The valuation, as presented in the external valuation models based on net present values, takes into account the long-term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors of the respective subsidiaries retains their view that commodity markets are inherently volatile and that long-term price projections are highly unpredictable. Hence, the sensitivity analysis regarding selling price and discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in LKAS 41 against his own assumptions.

19.7 The biological assets of the Group are cultivated in leased lands. When measuring the fair value of the biological assets it was assumed that these concessions can and will be renewed at normal circumstances. Timber content is expected to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants and not the expiration date of the lease.

19.8 The fair value is determined on the basis of net present value of expected future cash flows using a discount rate of 14.75% - 15% per annum. The significant assumptions used in the valuation of Consumable Biological Assets are as follows:

1 Future cash flows are determined by references to current timber prices without considering the inflationary effect

2 The ongoing cost of growing trees which are deducted in determining the net cash flows are constant in real terms

3 Timber trees that have not come upto a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size

4 The present value of the trees is worked out based on the projected size and the estimated number of years it would take to reach the size. This is worked out on the basis of an annual marginal increase of timber content which normally ranges from 0.50 to 1.50 cm per year for trees of diameter girth over 10 cm

5 The value of each matured species of timber is worked out on the price of a cubic foot of timber in the market of the species and the available cubic content of timber in the tree

6 Due consideration has been given for cost of felling, transport, sawing, cost to sell including obtaining of approval for felling

7 Managed trees include commercial timber plantations cultivated in estates. The cost of immature trees is treated at approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from immature to mature.

8 The fair value of managed trees was ascertained since LKAS 41 is only applicable for managed agricultural activity in terms of the ruling issued by the Institute of Chartered Accountants of Sri Lanka. The valuation was carried but by using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried out covering all the estates.

19.9 Managed timber trees include commercial timber plantations cultivated on estates. The above carrying amount as at 31st March 2026 includes a sum of Rs.436.4 Mn- (As at 31st March 2025 - Rs. 318.1 Mn) which is the cost of immature trees up to the age of 4 years which is treated as approximate fair value particularly on the ground of little biological transformation taking place and impact of such transformation on price is expected to be immaterial.

19.10 Borrowing costs of Rs. 84 Mn (2024/25 - NIL) have been capitalised during the year in to immature fields.

19.11 Measurement of Fair value

The valuation of consumable biological assets was carried by Mr. W. M. Chandrasena, an independent Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber, a physical verification was carried covering all the estates.

a) Fair value hierarchy

The fair value measurement for the bearer biological assets has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

b) Level 3 fair value

For the year ended 31 March	2026 Rs.000	2025 Rs.000
Gain/ (loss) included in Profit or Loss		
Due to change in the discount rate and price	2,039,663	585,321
Due to change in the physical condition	3,043,205	324,774
Total Gain/ (loss) for the year	5,082,868	910,095

19.11.1 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques in measuring Level 3 fair value of consumable biological asses as well as the significant unobservable inputs used.

Type	Valuation technique used	Significant unobservable inputs	Interrelationship between key inputs and fair value measurement
Timber older than 4 years.	Discounted cash flows. The valuation model considers present value of future net cash flows expected to be generated by the plantation from the timber content of managed timber plantation on a tree-per-tree basis.	Determination of timber content Timber trees in inter-crop areas and pure crop areas have been identified field-wise and spices were identified and harvestable trees were separated, according to their average girth and estimated age. Timber trees that have not come up to a harvestable size are valued working out the period that would take for those trees to grow up to a harvestable size.	The estimated fair value would increase/(decrease) if; the estimated timber content were higher/(lower). the estimated timber prices per cubic meter were higher/(lower) the estimated selling related costs were lower/(higher).

Type	Valuation technique used	Significant unobservable inputs	Interrelationship between key inputs and fair value measurement
	Expected cash flows are discounted using a risk-adjusted discount rate of 19% comprising a risk premium of 4%.	**Determination of price of timber** Trees have been valued as per the current timber prices per cubic meter based on the price list of the State Timber Corporation and prices of timber trees sold by the estates and prices of logs sawn timber at popular timber traders in Sri Lanka. In this exercise, following factors have been taken into consideration. a) Cost of obtaining approval of felling. b) Cost of felling and cutting into logs. c) Cost of transportation. d) Sawing cost Risk-adjusted discount rate 2025/2026 - 14.75% - 15% (Risk Premium - 4%) 2024/2025 - 15% (Risk Premium - 4%)	the risk-adjusted discount rate were lower/(higher). the estimated maturity age were higher/(lower).
Foreign Subsidiaries			
Timber trees namely Eucalyptus, Cypress have been taken into consideration in this valuation of timber trees.			
Trees (Standing timber for firewood)	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 10 years. The expected net cash flows are discounted using a risk-adjusted discount rate	• Estimated future timber market prices per cubic meter (3.63% - 5% of current prices of KShs 3,100 - 3500/M3) (2024/25: (5% of current prices of KShs 3,163/M3) • Estimated future costs (3.59% - 5% inflation of current cost of KShs 481 - 1,795/M3) (2024/25: (5% of current prices of KShs 2,520/M3) • Estimated yields per hectare (552-690M3) (2024/25: 690M3) • Risk-adjusted annual discount rate :13.45% - 17.8% (2024/25 : 17.35%)	The estimated fair value would increase / (decrease) if; - The estimated timber prices per cubic meter were lower (higher) - The estimated yields per hectare were similar - The estimated harvest, replanting, weeding and transportation costs were higher/ (lower) - The risk-adjusted discount rates were lower/ (higher)
Trees (Standing timber for timber	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 25 years. The expected net cash flows are discounted using a risk-adjusted discount rate	Estimated future timber market prices per cubic meter (3.63% of current prices of KShs 31,307/M3) (2024/25: 6% of current prices of KShs 37,278/M3) Estimated future costs (3.59%% inflation of current cost of KShs 24,947/M3) (2024/25: 5% of current prices of KShs 29,658/M3) Estimated yields per hectare (500M3) (2024/25: 500M3) Risk-adjusted annual discount rate 13.45%) (2024/25: 18.49%)	The estimated fair value would increase / (decrease) if; - The estimated timber prices per cubic meter were lower (higher) - The estimated yields per hectare were similar - The estimated harvest, replanting, weeding and transportation costs were higher/ (lower) - The risk-adjusted discount rates were lower/ (higher)

19.11.2 Sensitivity Analysis for biological assets- Group

Sensitivity variation on sales price

Values as appearing in the Statement of Financial Position are very sensitive to price changes with regard to the average sales prices applied. Simulations made for rubber, coconut and timber show that a rise or decrease by 10% of the estimated future selling price has the following effect on the net present value of biological assets:

As at 31st March	2026		2025	
	+10% Variance Rs.000	-10% Variance Rs.000	+10% Variance Rs.000	-10% Variance Rs.000
Managed timber	3,020,357	(3,020,357)	933,603	(933,603)

Sensitivity variation on discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for rubber, coconut and timber show that a rise or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets;

As at 31st March	2026		2025	
	+1% Variance Rs.000	-1% Variance Rs.000	+1% Variance Rs.000	-1% Variance Rs.000
Managed timber	(985,139)	985,139	(424,156)	424,156

19.11.3 Risk factors

The Group is exposed to a number of risks related to its timber plantations;

a) Regulatory and environmental risks

The Group is subject to laws and regulations imposed by the environmental authorities of Sri Lanka. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

b) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

c) Climate and other risks

The Group's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

20 Investments in subsidiaries

20.1 Company

As at 31st March	No. of Shares	Group Holding %		Company Holding %		Cost
		2026	2025	2026	2025	Rs.000
Continuing Operations						
Ajax Engineers (Pvt) Ltd	469,988	100	100	100	100	200,000
Browns Hotels & Resorts Limited	5,060,427,545	100	100	100	100	9,346,700
B G Air Service (Pvt) Ltd	50,000	100	100	100	100	12,628
Bodufaru Beach Resort (Pvt) Ltd	235,800	100	100	23	23	804,374
Browns Global Farm (Pvt) Ltd	46,457,720	80	80	80	80	222,792
BI Zhongtian Holdings (Pvt) Ltd	100	51	51	51	51	1
BI Commodities and Logistics (Pvt) Ltd	73,000,250	100	100	100	100	5,473,935
Browns Engineering & Construction (Pvt) Ltd	175,000,001	50	50	50	50	1,750,000
Browns Teas (Pvt) Ltd	1	100	100	100	100	-
Browns Power Holdings (Pvt) Ltd	100,000,000	100	100	100	100	-
Browns Properties (Pvt) Ltd	82,500,000	100	100	100	100	970,000
Ceylon Roots Lanka (Pvt) Ltd	2,000,000	60	60	60	60	12,000
Ceylon Real Estate (Pvt) Ltd	1	100	100	100	100	9,138,003
Colombo Marina Development (Pvt) Ltd	1	100	100	100	100	11,365,741
Excel Global Holdings (Pvt) Ltd	53,448,329	100	100	100	100	888,387
Enselwatte Power (Pvt) Ltd	10,000,000	100	100	100	100	10,000
FLC Estate Bungalows (Pvt) Ltd	100,000	100	100	100	100	1,000
ICONIC Trust (Pvt) Ltd	1	100	100	100	100	4,686,427
LOLC Investment Holdings Four (Pvt) Ltd	1	100	100	100	100	-
Marina Hotel Holdings (Pvt) Ltd	1	100	100	100	100	3,817,561
Samudra Beach Resorts (Pvt) Ltd	219,027,500	100	100	100	100	2,190,275
Browns Plantation Holdings (Pvt) Ltd	1,000	100	100	100	100	457,660
The Tea Leaf Resort Holding (Pvt) Ltd	250,000	50	50	50	50	2,500
Sierra Cable PLC	140,623,654	57	57	26	26	1,740,773
Equity Account Adjustment of Indirect Holdings						-
						53,090,757
Sharte of Equity Accounted Investees						11,576,105
						64,666,862
Discontinued Operations						
Browns Ari Resort (Pvt) Ltd						-
						64,666,862

Balance as 1st April 2025	New Investments	Restructuring of Investment	Share of Profit/ (loss) net of Tax	Share of other comprehensive income /(loss)	Equity accounting adjustments	Balance as 31st March 2026
-	-	-	-	-	-	-
9,870,885	-	-	(5,126,807)	693	(4,744,771)	-
-	-	-	-	-	-	-
14,866,100	-	-	(989,113)	-	909,775	14,786,762
-	-	-	-	-	-	-
880	-	-	(36)	-	(511)	333
5,917,758	-	-	3,364	-	(263)	5,920,859
2,142,923	2,595,000	-	(960,501)	(1,515)	(1,249,342)	2,526,565
-	-	-	-	-	-	-
-	4,800,000	-	732,945	-	(1,947,366)	3,585,579
3,661,391	-	(824,900)	130,905	-	-	2,967,396
15,607	-	-	(82)	-	-	15,525
33,017,556	1,251	-	(224,902)	-	-	32,793,905
34,658,069	549,826	-	1,708,608	-	-	36,916,503
191,909	-	-	(181)	-	-	191,728
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,246,952		(4,026,361)	887,713	-	-	4,108,304
-	-	-	-	-	-	-
7,609,434	7,589	-	233,375	-	-	7,850,398
-	-	-	-	-	-	-
457,563	-	-	(271)	-	5,940	463,232
-	-	-	-	-	-	-
3,752,816	86	-	1,434,222	16,106	(263,285)	4,939,945
105,812,862	-	-	(12,326,101)	7,669,015	3,638,475	104,794,251
229,222,706	7,953,752	(4,851,261)	(14,496,862)	7,684,299	(3,651,348)	221,861,285
5,138	(5,138)	-	-	-	-	-
229,227,844	7,948,614	(4,851,261)	(14,496,862)	7,684,299	(3,651,348)	221,861,285
-	-	-	(753,615)	-	-	(753,615)
229,227,844	7,948,614	(4,851,261)	(15,250,477)	7,684,299	(3,651,348)	221,107,670

20.2 Group holdings in subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows;

	Subsidiary	Principal place of business	Principal activities	2026	
				No. of shares	Control holding %
	Listed subsidiaries				
1	Dolphin Hotels PLC	Sri Lanka	Hotelier	43,849,317	69%
2	Eden Lanka PLC	Sri Lanka	Hotelier	1,508,252,227	95%
3	Hapugastenne Plantations PLC	Sri Lanka	Plantations	46,315,790	90%
4	Hotel Sigiriya PLC	Sri Lanka	Hotelier	11,300,770	64%
5	Palm Garden Hotels PLC	Sri Lanka	Investments holding	470,800,660	99%
6	Serendib Hotels PLC	Sri Lanka	Hotelier	259,773,140	100%
7	Udapussellawa Plantations PLC	Sri Lanka	Plantations	19,398,851	90%
8	Tea Smallholder Factories PLC	Sri Lanka	Plantations	30,000,000	75%
9	Sierra Cables PLC	Sri Lanka	Manufacturing	140,630,651	57%
	Non-listed subsidiaries				
1	Ajax Engineers (Pvt) Ltd	Sri Lanka	Aluminium Fabrication	469,988	100%
2	B Commodities ME (FZE)	United Arab Emirates	Investments holding	150,000	100%
3	B G Air Services (Pvt) Ltd	Sri Lanka	Air ticketing and outbound tours	50,000	100%
4	BI Leisure Holdings (FZE)	United Arab Emirates	Investments holding	300	100%
5	BI Commodities and Logistics (Pvt) Ltd	Sri Lanka	Manufacturing	73,000,250	100%
6	BI Zhongtian Holdings (Pvt) Ltd	Sri Lanka	Pre-operational	51	51%
7	Browns Global Farm (Pvt) Ltd	Sri Lanka	Plantations	58,295,328	80%
8	Browns Hotels and Resorts Ltd	Sri Lanka	Investments holding	5,060,427,545	100%
9	Browns Power Holding (Pvt) Ltd	Sri Lanka	Investing in ventures	100,000,000	100%
10	Browns Properties (Pvt) Ltd	Sri Lanka	Real estate business	97,000,000	100%
11	Browns Engineering & Construction (Pvt) Ltd	Sri Lanka	Fibre installation	184,500,001	50%
12	Bodufaru Beach Resort (Pvt) Ltd	Maldives	Pre-operational	235,800	100%
13	Browns Metal and Sands (Pvt) ltd	Sri Lanka	Metal crushing	1	100%
14	Browns Teas (Pvt) Ltd	Sri Lanka	Pre-operational	1	100%
15	Browns Raa Resort (Pvt) Ltd	Maldives	Pre-operational	100	100%
16	Browns Kaafu N Resort (Pvt) Ltd	Maldives	Pre-operational	100	100%
17	Browns Ari Resort (Pvt) Ltd	Maldives	Pre-operational	40,100	100%
18	Ceylon Real Estate Holdings (Pvt) Ltd	Sri Lanka	Real Estate Development	1	100%
19	Colombo Marina Development (Pvt) Ltd	Sri Lanka	Real Estate Development	1	100%
20	Ceylon Roots Lanka (Pvt) Ltd	Sri Lanka	Pre-operational	2,000,000	60%
21	Dikwella Resort (Pvt) Ltd	Sri Lanka	Hotelier	481,314	100%
22	Excel Global Holding (Pvt) Ltd	Sri Lanka	Investments holding	53,448,329	100%
23	Excel Restaurant (Pvt) Ltd	Sri Lanka	Operating restaurant	10,004	100%
24	F L C Estates Bungalows (Pvt) Ltd	Sri Lanka	Liquidation	1,000,000	100%
25	F L P C Management (Pvt) Ltd	Sri Lanka	Plantation management	96,552,842	95%
26	Frontier Capital Lanka (Pvt) Ltd	Sri Lanka	Hotelier	3,216,295	100%
27	Green Paradise Resorts (Pvt) Ltd	Sri Lanka	Hotelier	5,000,012	100%
28	Gurind Accor (Pvt) Ltd	Sri Lanka	Manufacturing	10,761,000	85%
29	General Accessories and Coating (Pvt) Ltd	Sri Lanka	Manufacturing	1,000,000	100%
30	Grey Reach Investments Ltd	United Arab Emirates	Investments holding	30,000	67%
31	ICONIC Trust (Pvt) Ltd	Sri Lanka	Investments holding	1	100%
32	LOLC Investment Holdings Four (Pvt) Ltd	Sri Lanka	Trading	1	100%
33	Marina Hotel Holdings (Pvt) Ltd	Sri Lanka	Real Estate Development	1	100%
34	Maturata Plantation Ltd	Sri Lanka	Plantations	35,000,001	72%

	Subsidiary	Principal place of business	Principal activities	2026	
				No. of shares	Control holding %
35	Millennium Development Ltd	Sri Lanka	Recreational activities	44,390,823	100%
36	Newburgh Green Teas (Pvt) Ltd	Sri Lanka	Plantations	6,500,000	54%
37	NPH Investments (Pvt) Ltd	Maldives	Pre-operational	141,555,600	51%
38	PL Resorts Ltd	Mauritius	Hotelier	100	100%
39	Riverina Resort (Pvt) Ltd	Sri Lanka	Hotelier - pre-operational	35,050,000	100%
40	Samudra Beach Resorts (Pvt) Ltd	Sri Lanka	Hotelier	219,027,500	100%
41	Sun & Fun Resorts Ltd	Sri Lanka	Hotelier	16,287,848	51%
42	Sunbird Bioenergy (SL) Ltd	Sierra Leonne	Plantations	3,750	75%
43	Serendib Leisure Management Ltd	Sri Lanka	Investments holding	6,050,000	100%
44	Sanctuary Resorts Lanka (Pvt) Ltd	Sri Lanka	Hotelier	2	100%
45	Browns Development Ltd	Sri Lanka	Construction	27,804,304	100%
46	Browns Piling (Pvt) Ltd	Sri Lanka	Construction	4,310,005	100%
47	Sierra Readymix (Pvt) Ltd	Sri Lanka	Construction	7,600,000	100%
48	Sunsun Boutique Hotels Ltd	Sri Lanka	Hotelier	56,637,118	100%
49	Sri Spice (Pvt) Ltd	Sri Lanka	Cinnamon export	100,000	65%
50	Tropical Island Commodities (Pvt) Ltd	Sri Lanka	Cinnamon export	100,000	65%
51	The Tea Leaf Resort (Pvt) Ltd	Sri Lanka	Leisure	250,000	50%
52	Tropical Villas (Pvt) Ltd	Sri Lanka	Non-operating	14,959,232	100%
53	Browns Plantations Holdings (Pvt) Ltd	Sri Lanka	Investments holding	601,000	100%
54	Browns Plantations Kenya Ltd	Kenya	Plantations	7,500,000	85%
55	Colombo Marina International (Pvt) Ltd	Sri Lanka	Pre-operational	1	100%
56	Marina Hotel (Private) Limited	Sri Lanka	Pre-operational	1	100%
57	Browns Plantations East Africa Ltd	Kenya	Plantations	65,644,010	99%
58	Browns Plantations Tanzania Ltd	Tanzania	Plantations	8,014,373,342	100%
59	Browns Plantations Rwanda Ltd	Rwanda	Plantations	20,745,293	100%
60	Browns Plantations (Guizhou) Tea Co., Ltd.	China	Plantations	1	100%
61	Browns Tea Trading FZCO	United Arab Emirates	Tea Trading	7,500	60%
62	Limuru Tea PLC	Kenya	Plantations	2,500,000	52%
63	FLMC Plantations (Pvt) Ltd	Sri Lanka	Plantations	10,000,000	100%
64	Pussellawa Plantation Ltd	Sri Lanka	Plantations	23,846,154	60%
65	Melfort Green Teas (pvt) Ltd	Sri Lanka	Plantations	1,400,000	54%
66	Ceylon Estate Teas (Pvt) Ltd	Sri Lanka	Plantations	7,550,020	100%

20.3 Maturata Plantations Ltd.

Debentures issued on 19th June, 1997 to the value of Rs.150 Mn have been converted to ordinary shares on 22nd June 2002 as stipulated in the agreement. The basis and/or ratio of conversion has been contested by the Golden shareholder in year 2008. The details of conversion are as follows:

i. Basis of conversion

Nos.4.575000732 ordinary shares at par value of Rs.10/= each per debenture of par value of Rs.10/- each.

ii. Number of shares resulting from the above conversion

Nos.15,000,000 ordinary shares (i.e. 21% incremental shareholding to the subsidiary of the group, FLPC Management Company (Pvt) Ltd.(from 51% to 72%)).

iii. Possible impact on group shareholding of Maturata Plantations Ltd.,

The number of shares resulting from the above conversion would be reduced from Nos.15,000,000 to 3,278,688 ordinary shares in the event the conversion is made as suggested by the Golden shareholder. (i.e. incremental shareholding to the group would be reduced from 72% to 57.90%).

20.4 Results on acquisition and disposal of group investments

20.4.1. Acquisition of Companies

Acquisition of Tea Smallholder Factories PLC

Udapussellawa Plantations PLC, a subsidiary of the Group, acquired a 75.27% equity stake in Tea Smallholder Factories PLC for Rs. 793.27 million during the year.

Acquisition of FLMC Plantations group

Browns Power Holdings (Pvt) Ltd, a subsidiary of the group, acquired 100% equity in FLMC Plantations (Pvt) Ltd, the holding company and managing agent of Pussellawa Plantations Ltd and Melfort Green Teas (Pvt) Ltd for Rs. 4.8 billion on 5 May 2025.

20.4.2. Consideration paid

	Control holding acquired	Cash and cash equivalents Paid	Consideration to be paid	Transfer from Associates	Intra Group Investment	Fair value of the consideration	Fair value of previously held interest	Total consideration of acquisition
For the year ended 31 March 2026	%	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Acquisition of Tea Smallholder Factories PLC (TSHF)	75.27%	793,271	-	-	-	793,271	-	793,271
FLMC Plantation Group (FLMC)	100.00%	4,800,000	-	-	(566,926)	4,233,074	-	4,233,074

20.4.3 The provisional fair values of the identifiable assets and liabilities of the acquire as at the date of acquisition were;

	TSHF Rs.000	FLMC Rs.000	Total Rs.000
Property, plant and equipment	962,618	1,658,416	2,621,034
Right-of-use assets (Land)	1,932	6,126,831	6,128,763
Intangible assets	7,303	-	7,303
Bearer biological assets	-	5,675,657	5,675,657
Consumable biological assets	-	5,027,207	5,027,207
Investment property	813,202	-	813,202
Deferred tax assets	-	627,582	627,582
Inventories	489,447	942,467	1,431,914
Trade and other receivables	115,464	2,186,686	2,302,150
Other Investments	-	591,181	591,181
Current Tax Assets	6,096	48,172	54,268
Cash and cash equivalents	2,246	102,921	105,167
	2,398,308	**22,987,120**	**25,385,428**
Liabilities			
Retirement benefit obligations	47,683	1,266,830	1,314,513
Deferred tax liabilities	332,670	5,395,694	5,728,364
Deferred income	382	563,627	564,009
Other short term borrowings	-	1,088,581	1,088,581
Lease liability	-	10,447	-
Current tax liabilities	4,214	61,503	65,717
Trade and other Payables	209,967	2,526,585	2,736,552
Bank overdrafts	65,746	-	65,746
	660,662	**10,913,267**	**11,563,482**
Fair value of identifiable net assets acquired	**1,737,646**	**12,073,853**	**13,821,946**

20.4.4 Goodwill on acquisition / (Gain on bargain purchase)

Goodwill on acquisition / (Gain on bargain purchase) is recognised as a result of the acquisitions as follows;

	TSHF Rs.000	FLMC Rs.000	Total Rs.000
Fair value of consideration paid	793,271	4,800,000	5,593,271
Less- Transaction cost	-	-	-
Net consideration paid	793,271	4,800,000	5,593,271
Less- Non-controlling interests arising from the acquisition	481,169	3,141,391	3,622,560
Intra Group Investment	-	566,926	566,926
Fair value of identifiable net assets acquired	1,737,646	12,073,853	13,811,499
Goodwill on acquisition/(Gain on bargain purchase)	(463,206)	(3,565,536)	(4,028,742)

As at 31st March	2026 Rs.000	2025 Rs.000
Gain on bargain purchase	4,028,742	99,273,608
Reclassification of Sierra Cables PLC to subsidiary	-	(579,633)
Gain/(loss) on other disposals	-	25,480
	4,028,742	98,719,455

20.4.5 Net cash used in acquisition

	TSHF Rs.000	FLMC Rs.000	Total Rs.000
Purchase consideration			
Fair value of consideration paid	(793,271)	(4,800,000)	(5,593,271)
	(793,271)	(4,800,000)	(5,593,271)
Less- Cash & cash equivalents acquired			
Positive cash balances	2,246	102,921	105,167
Net cash used in acquisition	(791,025)	(4,697,079)	(5,488,104)

21 Investments in equity accounted investees

As at 31st March		No of shares 2026	No of shares 2025	Holding % 2026	Holding % 2025	Carrying Value 2026 Rs.000	Carrying Value 2025 Rs.000
Group							
Taprobane Plantation Ltd	TPL	22,500	22,500	45	45	-	-
Virginia International (Pvt) Ltd	VIIL	800,000	800,000	40	40	-	5,138
NPH Developments (Pvt) Ltd	NPHDP	50	50	50	50	26,753	147
T & G Lanka (Private) Limited	TGL	30	30	22	22	15,242	3,300
Cables PTE Limited	CPTE	360,000	360,000	30	30	88,613	28,310
SEAMS Mule Ltd	SEAMS	51,000	51,000	50	50	1,028	1,126
						131,636	38,021
Company							
Taprobane Plantation Ltd	TPL	22,500	22,500	45	45	-	-
Virginia International (Pvt) Ltd	VIIL	800,000	800,000	40	40	-	5,138
						-	5,138

21.1 Group share of net assets of equity accounted investees

	TGL Rs.000	CPTE Rs.000	SEAMS Rs.000	NHPD Rs.000	VIIL Rs.000	HNB Rs.000	SCABLES Rs.000	Total Rs.000
Equity value of investment as at 31st March 2024	-	-	-	30,561	5,138	37,505,334	2,177,830	39,718,863
Acquisitions of equity accounted investees	3,300	28,310	1,126	-	-	-	-	32,736
Further investments in equity accounted investees	-	-	-	-	-	-	53,706	53,706
Transfer to subsidiaries	-	-	-	-	-	-	(2,012,043)	(2,012,043)
Reclassification	-	-	-	-	-	(45,485,326)	-	(45,485,326)
Disposals	-	-	-	-	-	-	(579,633)	(579,633)
Share of profit/(loss) of equity accounted investees (Net of tax)	-	-	-	(25,566)	-	8,117,155	274,833	8,366,422
Other comprehensive income of equity accounted investees (Net of tax)	-	-	-	(3,346)	-	1,343,282	85,307	1,425,243
Foreign Currency Translation				(1,502)	-	-	-	(1,502)
Dividend paid	-	-	-	-	-	1,480,445)	-	(1,480,445)
Equity value of investment as at 31st March 2025	3,300	28,310	1,126	147	5,138	-	-	38,021
Disposal	-	-	-	-	(5,138)	-	-	(5,138)
Share of profit/(loss) of equity accounted investees (Net of tax)	18,515	60,705	-	-	-	-	-	79,220
Other comprehensive income of equity accounted investees (Net of tax) to be classified to P&L	-	-	-	13,037	-	-	-	13,037
Foreign Currency Translation	-	(402)	(98)	12,529	-	-	-	12,029
Other adjustments	-	-	-	1,040	-	-	-	1,040
Dividend received	(6,573)	-	-	-	-	-	-	(6,573)
Equity value of investment as at 31st March 2026	15,242	88,613	1,028	26,753	-	-	-	131,636

Company

	TPL Rs.000	VIIL Rs.000	HNB Rs.000	Total Rs.000
Equity value of investment as at 1st April 2024	-	5,138	37,505,334	37,510,472
Reclassifications as held for sale	-	-	(45,485,326)	(45,485,326)
Share of profit/(loss) of equity accounted investees (Net of tax)	-	-	8,117,155	8,117,155
Other comprehensive income of equity accounted investees (Net of tax)	-	-	1,343,282	1,343,282
Dividend paid	-	-	(1,480,445)	(1,480,445)
Equity value of investment as at 31st March 2025	-	5,138	-	5,138
Share of profit/(loss) of equity accounted investees (Net of tax)	-	-	-	-
Other comprehensive income of equity accounted investees (Net of tax)	-	-	-	-
Disposal	-	(5,138)	-	(5,138)
Equity value of investment as at 31st March 2026	-	-	-	-

21.2 Summarised financial information of equity accounted investees

For the year ended 31st March	2026	
	TPL	NHPD
	Rs.000	Rs.000
Statement of Comprehensive Income		
Income	162,600	1,059,671
Expenses	(163,157)	(775,215)
Profit or loss	(557)	284,456
Other comprehensive income	(557)	284,456
Statement of Financial position		
Total assets	562,094	1,267,330
Total liabilities	724,681	2,047,574
Equity	(162,587)	(780,244)

For the year ended 31st March	2025			
	NHPD	VIIL	HNB	SCABLES
	Rs.000	Rs.000	Rs.000	Rs.000
Statement of Comprehensive Income				
Income	7,200,950	-	101,908,918	9,392,183
Expenses	(7,838,523)	-	(53,434,359)	8,488,523
Profit or loss	(637,573)	-	48,474,559	903,470
Other comprehensive income	-	-	6,603,390	280,430
Statement of Financial position				
Total assets	1,698,445	12,767	2,356,318,016	-
Total liabilities	2,607,460	190	2,080,514,771	-
Equity	(909,015)	12,577	275,803,245	-

22 Other financial assets

As at 31st March		Group		Company	
		2026	2025	2026	2025
	Note	Rs.000	Rs.000	Rs.000	Rs.000
Quoted equity securities	22.1.& 22.3	31,584	445	399	445
Unquoted equity securities	22.2 & 22.4	420,473	407,860	-	-
Long term deposits		97,590	88,210	-	-
		549,647	496,515	399	445

22.1 Quoted equity securities - Group

As at 31st March	No of Shares		Carrying Values	
	2026	2025	2026	2025
	Nos	Nos	Rs.000	Rs.000
Financial assets measured at fair value through other comprehensive income				
LOLC Finance PLC	75,363	75,363	399	445
Agstar PLC	3,150	-	31,185	-
			31,584	445

22.2 Unquoted equity securities - Group

As at 31st March	No of Shares		Carrying Values	
	2026	2025	2026	2025
	Nos	Nos	Rs.000	Rs.000
Financial assets measured at fair value through other comprehensive income				
Rain Forest Eco Lodge (Pvt) Ltd	7,717,997	7,717,997	34,024	38,409
Jada Resorts & SPA (Pvt) Ltd	24,449,480	24,449,480	122,222	122,222
Kenya Tea Parkers Ltd	4,215,142	4,215,142	264,227	247,229
			420,473	407,860

22.3 Movement in unquoted equity investments

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	407,860	173,751	-	-
On acquisition of subsidiaries	-	260,056	-	-
Exchange difference	(925)	(6,095)	-	-
Changes in fair value of investments	13,538	(19,852)	-	-
Balance at the end of the year	420,473	407,860	-	-

22.4 Quoted equity securities - Company

As at 31st March	No of Shares		Carrying Values	
	2026	2025	2026	2025
	Nos	Nos	Rs.000	Rs.000
Financial assets measured at fair value through other comprehensive income				
LOLC Finance PLC	75,363	75,363	399	445
			399	445

23 Deferred tax assets

23.1 Recognised deferred tax assets

Deferred tax assets are attributable to the originations of following temporary differences:

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Accelerated depreciation for tax purposes – Own assets	(1,303)	942	-	-
Accelerated depreciation for tax purposes – Leased assets	-	88,448	-	-
Lease Receivables	8,079	-	-	-
Unutilised tax losses	17,070,226	18,372,240	-	-
Provision for inventories	30,407	27,557	-	-
Employee benefits	4,024,329	2,398,059	-	-
General provisions	295,706	111,002	-	-
Other	3,319	-	-	
	21,430,763	20,998,248	-	-
Total recognised deferred tax assets	3,924,240	3,026,786	-	-

23.2 Movement in recognised deferred tax assets

Balance at beginning of the year	3,026,786	1,567,006	-	-
Originations / (reversal) to the income statement	350,910	277,280	-	-
On acquisition of subsidiaries	627,582	1,238,662	-	-
Exchange translation impact	(81,038)	(56,162)	-	-
Balance at the end of the year	3,924,240	3,026,786	-	-

24 Inventories

As at 31st March	Note	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Raw material		7,074,189	6,168,735	-	-
Work-in-progress		3,214,958	2,369,478	-	-
Finished goods and trading stocks		7,775,204	6,846,313	-	-
Input material		443,954	205,681	-	-
Growing crop nurseries		35,780	48,983	-	-
Harvested crop					
Tea		1,141,319	955,500	-	-
Rubber		92,137	4,411	-	-
Coconut		2,071	3,144	-	-
Cinnamon		3,420	3,880	-	-
Commercial cane		2,109,960	554,415	-	-
Ethanol		985,268	1,111,858	-	-
Others		860,195	1,144,413	-	-
Consumables and spares		4,598,672	4,114,643	-	-
		28,337,127	23,531,454	-	-
Allowance for impairment of inventories	24.1	(1,090,673)	(461,961)	-	-
		27,246,454	23,069,493	-	-

24.1 Allowance for impairment of inventories

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance at beginning of the year	461,961	222,698	-	-
Provision for the year	872,273	54,728	-	-
Write offs / (write backs)	(258,117)	(55,387)	-	-
On disposal of Subsidiaries	-	-	-	-
On acquisition of subsidiaries	(11,784)	244,539	-	-
Exchange translation impact	26,340	(4,617)	-	-
Balance at the end of the year	1,090,673	461,961	-	-

25 Trade and other receivables

As at 31st March	Notes	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Trade receivables		20,292,390	16,093,238	35,866	120,225
Allowance for impairment of trade receivables	25.1	(1,813,956)	(1,569,945)	-	-
		18,478,434	14,523,293	35,866	120,225
Other receivables	25.2	35,883,492	34,040,761	38,396,261	32,065,789
		54,361,926	48,564,054	38,432,127	32,186,014

25.1 Specific allowance for impairment

As at 31st March		Group		Company	
		2026	2025	2026	2025
		Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year		1,022,590	273,631	-	-
Impairment loss for the year					
Charge/(write-back) to the Income Statement		67,318	244,144	-	-
Effect of foreign currency movements		72,828	(12,982)	-	-
Transfer from Collective allowance for impairment		(98,291)	(6,662)	-	-
		1,064,445	498,131	-	-
Reversal for Write-offs		(9,361)	(204,158)	-	-
Acquisition of Subsidiaries		20,594	728,617	-	-
Balance at the end of the year		1,075,678	1,022,590	-	-
Collective allowance for impairment					
Balance at the beginning of the year		547,355	334,584	-	-
Charge/(write-back) to the Income Statement		240,863	140,726	-	-
Effect of foreign currency movements		102,752	(39,373)	-	-
Recoveries		-	-	-	-
		890,970	435,938	-	-
Reversal for Write-offs		(152,692)	(11,612)	-	-
Acquisition of Subsidiaries		-	123,029	-	-
Balance at the end of the year		738,278	547,355	-	-
Total allowances for impairment		1,813,956	1,569,945	-	-

25.2 Other receivables

Other tax assets					
Withholding tax recoverable		-	187,621	66,105	64,774
Economic Service Charge recoverable		-	3,192	-	-
VAT recoverable		-	7,142,346	1,916	17,674
Other tax recoverable		8,254,612	5,315	-	-
		8,254,612	7,338,474	68,021	82,448
Other financial assets					
Loans given to employees		6,485	8,340	-	-
Refundable deposits		131,310	129,860	1,352	1,352
Non controlling shareholder receivables		13,509,082	12,701,440	-	-
Other financial assets		6,273,684	4,999,253	35,861,837	27,836,480
		19,920,561	17,838,893	35,863,189	27,837,832
Other non-financial assets					
Deposits, advance and prepayments		5,714,209	6,362,634	2,411,197	2,632,731
Non refundable deposits		-	-	-	-
Dividend receivable		1,015	1,292,075	-	1,291,060
Others		1,993,095	1,208,685	89,382	257,246
Allowance for impairment of other receivables		-	-	(35,528)	(35,528)
		7,708,319	8,863,393	2,465,051	4,145,509
		35,883,492	34,040,761	38,396,261	32,065,789

26 Loans to related parties

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Ajax Engineers (Pvt) Ltd	-	-	-	2,840,406
Riverina Resorts (Pvt) Ltd	-	-	647,791	647,791
Sun & Fun Resorts (Pvt) Ltd	-	-	928,134	909,741
Maturata Plantation Ltd	-	-	45,088	45,088
Browns Hotels & Resorts Ltd	-	-	1,735,628	781,536
Millennium Development (Pvt) Ltd	-	-	544,187	529,187
Gurind Accor (Pvt) Ltd	-	-	182,615	182,616
B Commodities ME (FZE)	-	-	2,254,115	1,979,224
Browns Properties (Pvt) Ltd	-		217,788	138,728
Sierra Cables PLC	-	-	284,597	284,597
NPH Development Pvt Ltd	-	175,453	-	-
Brown & Co, PLC	186,610	-	-	-
LOLC Holdings PLC	-	2,009,384	-	-
LOLC Finance PLC	-	540,537	-	-
Melfort Green Teas (Pvt) Ltd	-	-	35,475	-
LOLC Financial Sector Holdings (Pvt) Ltd	-	111,168	-	-
Other related parties	1,757	-	-	-
	188,367	2,836,542	6,875,418	8,338,914

26.1 Security and repayment terms of related party loans

As at 31st March	Repayment	Security	2026	
			Group	Company
			Rs.000	Rs.000
Ajax Engineers (Pvt) Ltd	On demand	Unsecured	-	-
Riverina Resorts (Pvt) Ltd	On demand	Unsecured	-	647,791
Sun & Fun Resorts (Pvt) Ltd	On demand	Unsecured	-	928,134
Maturata Plantation Ltd	On demand	Unsecured	-	45,088
Browns Hotels & Resorts Ltd	On demand	Unsecured	-	1,735,628
Palm Garden Hotels PLC	On demand	Unsecured	-	-
Millennium Development (Pvt) Ltd	On demand	Unsecured	-	544,187
Brown & Co, PLC	On demand	Unsecured	186,610	-
Gurind Accor (Pvt) Ltd	On demand	Unsecured	-	182,615
B Commodities ME (FZE)	On demand	Unsecured	-	2,254,115
Browns Properties (Pvt) Ltd	On demand	Unsecured	-	217,788
NPH Development Pvt Ltd	On demand	Unsecured	-	-
Sierra Cables PLC	On demand	Trade receivable	-	284,597
LOLC Financial Sector Holdings (Pvt) Ltd	On demand	Unsecured	-	-
Melfort Green Teas (Pvt) Ltd	On demand	Unsecured	-	35,475
Other related parties	On demand	Unsecured	1,757	-
			188,367	6,875,418

27 Amounts due from related parties

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Amounts due from subsidiaries				
BG Air Services (Pvt) Ltd	-	-	1,305,518	1,054,797
BI Commodities & Logistics (Pvt) Ltd	-	-	954,422	884,786
BI Leisure Holdings FZE	-	-	17,366	17,054
BI Zhongtian Holdings (Pvt) Ltd	-	-	1,037	977
Bodufaru Resorts (Pvt) Ltd	-	-	11,051	10,923
Browns Ari Resort (Pvt) Ltd	-	-	4,208,245	1,087,711
Browns Engineering & Construction (Pvt) Ltd	-	-	5,556,893	8,294,608
Browns Global Farm (Pvt) Ltd	-	-	13,411	13,468
Browns Metal & Sand (Pvt) Ltd	-	-	687,198	581,527
Browns Power Holdings (Pvt) Ltd	-	-	740,930	1,063,401
Browns Raa Resort (Pvt) Ltd	-	-	2,955	2,955
Browns Teas (Pvt) Ltd	-	-	767	684
Marina Hotels (Pvt) Ltd	-	-	258	78
Colombo Marina International (Pvt) Ltd	-	-	258	78
Enselwatte Power (Pvt) Ltd	-	-	4,463	4,463
Excel Global Holdings (Pvt) Ltd	-	-	4,182	4,024
Excel Restaurants (Pvt) Ltd	-	-	3,636	3,636
FLC Estate Bungalows (Pvt) Ltd	-	-	150	150
ICONIC Trust (Pvt) Ltd	-	-	79,867	-
LOLC Investment Holdings Four (Pvt) Ltd	-	-	1,940,169	1,899,072
Maturata Plantation Ltd	-	-	90,531	3,373,210
NPH Investments (Pvt) Ltd	-	-	3,314,422	570,030
Samudra Beach Resorts (Pvt) Ltd	-	-	6,757,443	7,406,243
Browns Piling (Pvt) Ltd	-	-	653,978	628,806
Sun & Fun Resorts (Pvt) Ltd	-	-	2,492	2,492
Sunbird Bioenergy (SL) Ltd	-	-	1,085,457	954,726
The Tea Leaf Resort Holdings (Pvt) Ltd	-	-	3,601	3,596
Tropical Island Commodities (Pvt) Ltd	-	-	466,030	393,566
Udapussellawa Plantation PLC	-	-	30,000	30,000
Hotel Sigiriya PLC	-	-	-	17,700
Dolphin Hotels PLC	-	-	-	17,700
Browns Plantations Holdings (Pvt) Ltd	-	-	336	70
Serendib Leisure Management Ltd	-	-	54,428	-
Taprobane Plantations (Pvt) Ltd	-	-	34,991	-
Browns Development (Pvt) Ltd	-	-	906,608	-
Tea Smallholder Factories PLC	-	-	72,570	-
East Coast Holdings (Pvt) Ltd	-	-	500	500
F L P C Management (Pvt) Ltd	-	-	2,520,000	-

27 Amounts due from related parties (Contd.)

As at 31st March	Note	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Amounts due from other related companies					
Brown & Company PLC		26,619	67,119	-	37,193
Browns Tours (Pvt) Ltd		-	118,166	-	69,943
Browns Leisure (Pvt) Ltd		8,090	6,109	-	500
Browns Holdings Ltd		100	100	-	-
Galoya Plantation Ltd		30	30	-	-
LOLC Holdings PLC		6,855,556	55,451	-	-
Chain Holdings Ltd		126	-	-	-
LOLC GEO Technologies (Pvt) Ltd		3,914	104	3,914	104
LOLC Ventures FZE		-	127,429	-	-
LOLC Securities Ltd		658	158	-	-
LOLC Advanced Technologies (Pvt) Ltd		1,903	1,903	-	-
Patronus Holdings (Pvt) Ltd		26,606	25,015	-	-
Agstar PLC		-	8,731	-	-
Sun Yield Bio Ingredients (Pvt) Ltd		25,461	25,461	-	-
Sierra Cables PLC		8,731	-	-	-
Taprobane Plantations Ltd		220,196	112,500	-	-
Fusion X Global FZC (UAE)		-	1,812	-	-
East Coast Land Holdings (Pvt) Ltd		3,984	3,984	-	-
Three Tips Ella (Pvt) Ltd		739,675	53,850	-	-
Taprobane Holdings PLC		21,656	-	-	-
NPH Developments (Pvt) Ltd		181,640	181,640	-	-
Lanka ORIX Information Technology Services Ltd		-	14,102	-	14,102
		8,124,945	803,664	31,530,077	28,444,873
Allowance for impairment of amounts due from related parties	27.1	(32,940)	(5,932)	(65,670)	(2,673,828)
		8,092,005	797,732	31,464,407	25,771,045

27.1 Allowance for impairment of amounts due from related parties

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Enselwatte Power (Pvt) Ltd	-	-	4,463	4,463
FLC Estate Bunglows (Pvt) Ltd	-	-	150	150
The Tea Leaf Resort Holdings (Pvt) Ltd	-	-	3,596	3,596
Excel Global Holdings (Pvt) Ltd	-	-	4,025	4,025
Browns Global Farm (Pvt) Ltd	-	-	13,468	13,468
Excel Resturants (Pvt) Ltd	-	-	3,636	3,636
Ajax Engineers (Private) Limited	-	-	-	2,644,490
Taprobane Plantation (Pvt) Ltd	-	-	34,991	-
Browns Teas (Pvt) Ltd	-	-	825	-
Colombo Marina International (Pvt) Ltd	-	-	258	-
Marina Hotel (Pvt) Ltd	-	-	258	-
Other related parties	32,940	5,932	-	-
	32,940	5,932	65,670	2,673,828

27.2 Allowance for impairment of amounts due from related parties

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	5,932	74,780	2,673,828	37,321
Impairment loss for the year	-	-	36,332	-
Charge /(write- back) to the income statement	27,008	(68,848)	(2,644,490)	2,636,507
	32,940	5,932	65,670	2,673,828

28 Income tax recoverable

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	455,273	184,244	-	-
Current income tax expense	(56,483)	(37,907)	-	-
Transfer from income tax payable	98,588	8,948	-	-
Payment made/(recovered) during the year	13,047	(252,818)	-	-
On acquisition of Subsidiaries	322	560,267	-	-
Exchange Differences	33,228	(7,461)	-	-
Balance at the end of the year	543,975	455,273	-	-

29 Other financial assets

As at 31st March	Notes	Group		Company	
		2026	2025	2026	2025
		Rs.000	Rs.000	Rs.000	Rs.000
Investments in equity securities	29.1 & 29.2	1,460,800	637,133	3,862	73,403
Investment in fixed and call deposits		3,159,762	3,965,893	2,596,978	2,997,350
		4,620,562	4,603,026	2,600,840	3,070,753

29.1 Investments in equity securities- Group

As at 31st March	2026			2025		
	No.of shares	Cost of investment Rs.000	Market value of investment Rs.000	No.of shares	Cost of investment Rs.000	Market value of investment Rs.000
Hayleys PLC	1,050	64	226	1,050	40	144
CT Land Development PLC	-	-	-	19,500	470	663
Hatton National Bank PLC	1,039	-	368	-	-	-
Raigam Wayamba Salters PLC	26,200	66	511	26,200	66	223
DFCC Bank PLC	4,718	-	650	84,530	10,368	9,080
Hapugastenne Plantation PLC	100	1	5	100	1	3
Sierra Cables PLC	7,400	22	209	7,400	22	116
Vallibel Finance PLC	90,400	249	8,317	90,400	249	4,891
Pan Asia Banking Corporation PLC	-	-	-	298,698	4,500	10,533
Commercial Bank PLC	-	-	-	350,000	52,969	51,625
Agstar PLC	330,091	2,509	3,268	330,091	2,509	2,509
Wealth Trust Securities (Pvt) Ltd	110,476,800	1,104,768	1,447,246	3,156,480	250,000	557,346
		1,108,148	1,460,800		321,194	637,133

29.2 Quoted securities -Company

As at 31st March	2026			2025		
	No.of shares	Cost of investment Rs.000	Market value of investment Rs.000	No.of shares	Cost of investment Rs.000	Market value of investment Rs.000
Hayleys PLC	1,050	35	226	1,050	35	144
Hatton National Bank PLC	1,039	-	368	-	-	-
Pan Asia Banking Corporation PLC	-	4,500	-	296,698	4,500	10,532
DFCC Bank PLC	-	-	-	81,062	10,368	8,593
Commercial Bank PLC	-	-	-	350,000	52,969	51,625
Agstar PLC	330,091	2,509	3,268	330,091	2,509	2,509
		7,044	3,862		70,381	73,403

30 Non-Current assets held for sale and Discontinued Operations

30.1 Year 2026

Browns Ari Resorts (Pvt) Ltd

The Group was disposed of the assets and business of Barceló Whale Lagoon Maldives Resort held by Browns Ari Resorts (Pvt) Ltd on 19 December 2025. The loss after tax of the discontinued operation has been presented separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Comparative information in the Consolidated Statement of Profit or Loss and Other Comprehensive Income has also been restated to present the operation as a discontinued operation in accordance with SLFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

30.1.1 The results of aforesaid operations for the year are presented below:

	31-Mar-26
Revenue/ Income	2,305,151
Cost of sales	(918,201)
Gross profit / (Loss)	**1,386,950**
Other income	635,802
Distribution expenses	(380,514)
Administrative expenses	(1,346,949)
Impairment of amount due from related parties and other receivables	-
Depreciation and Amortisation	(505,445)
Results from operating activities	**(210,156)**
Finance income	11,857
Finance expense	(1,138,910)
Net Finance Cost	**(1,127,053)**
Profit/(loss) before taxation from discontinued operations	**(1,337,209)**
Income tax reversal/ (expense)	536,834
Profit/(loss) for the year from discontinued operations	**(800,375)**
Statement of cashflow	
Net cash flow from operating activities	(12,930,933)
Net cash flow from investing activities	15,671,103
Net cash generated from financing activities	(3,087,373)

30.1.2 Reclassification of Statement of Profit or loss and Other Comprehensive Income

	As disclosed Previous year 31st March 2025	Adjustment arising from reclassification	Current Presentation 31st March 2025
Continuing operations			
Revenue/ Income	64,790,500	2,969,676	61,820,824
Cost of sales	(50,931,832)	(1,090,044)	(49,841,788)
Gross profit / (Loss)	**13,858,668**	**1,879,632**	**11,979,036**
Other income	8,877,482	701,137	8,176,345
Distribution expenses	(2,474,676)	(663,778)	(1,810,898)
Administrative expenses	(16,502,758)	(1,436,670)	(15,066,088)
Impairment of amount due from related parties and other receivables	(2,563,218)	-	(2,563,218)
Depreciation and Amortisation	(4,880,284)	(737,998)	(4,142,286)
Results from operating activities	**(3,684,787)**	**(257,677)**	**(3,427,109)**
Finance income	2,158,115	1,190	2,156,925
Finance expense	(36,581,736)	(1,933,777)	(34,647,959)
Net Finance Cost	**(34,423,621)**	**(1,932,587)**	**(32,491,034)**
Results on acquisition of investments	98,719,455	-	98,719,455
Share of profit of equity accounted investees	249,266	-	249,266
Profit/(loss) before taxation from continuing operations	**60,860,313**	**(2,190,264)**	**63,050,578**
Income tax reversal/ (expense)	1,855,927	77,981	1,777,946
Profit/(loss) for the year from continuing operations	**62,716,240**	**(2,112,284)**	**64,828,524**
Discontinued operations			
Profit / (Loss) after tax for the year from discontinued operations	(9,382,324)	(2,112,284)	(11,494,606)
Total Comprehensive income for the year	**53,333,918**	**(4,224,567)**	**53,333,918**

30.2 Year 2025

Hatton National Bank PLC [HNB]

The Group's investment in Hatton National Bank PLC [HNB], previously classified as an equity-accounted investee in accordance with LKAS 28 – Investments in Associates and Joint Ventures, has been reclassified as a non-current asset held for sale in line with the requirements of SLFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations.

Following a strategic review, the Group's Investment Committee resolved to divest certain non-core long-term listed equity investments. As of the balance sheet date, the Group had initiated an active plan to sell the investment, including engagement with potential buyers. Subsequently, on 27th May 2025, the Group disposed of 45,529,624 listed ordinary voting shares of HNB, representing 9.99% of HNB's issued voting share capital.

Accordingly, the Group has assessed the investment under SLFRS 5 and determined that the criteria for classification as a non-current asset held for sale have been met. As required, the investment was remeasured at the lower of its carrying amount and fair value less costs to sell, resulting in a fair value loss of LKR 17.5 billion, which has been recognised in the income statement under "Fair value Gain/(Loss) on Non-Current Assets Held for Sale."

In accordance with SLFRS 5, both the current year and prior comparative period results relating to the investment in HNB (including the share of profit from the equity-accounted investee, net of tax) have been separately presented as part of discontinued operations in the Income Statement, Statement of Financial Position and Statement of Cash Flows of both the Separate and Consolidated Financial Statements of Browns Investments PLC.

	Group/ Company
	Rs.000
Carrying value of equity - accounted investees immediately before classifying to assets held for sale	45,485,325
Fair value Gain/ (loss) recognised to income statement	(17,499,477)
Fair value Gain/ (loss) recognised to Other comprehensive income	(535,098)
Carrying value non - current asset held for sale	27,450,750
Profit / (loss) after tax for the year from discontinued operations and assets held for sale	
Share of profits of equity accounted investees (net of tax) (Note 21)	8,117,155
Fair value Gain/ (Loss) recognised to income statement	(17,499,477)
	(9,382,322)

31 Cash and cash equivalents

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Cash in hand	80,288	245,695	30	30
Cash at banks	4,881,117	5,047,333	175,803	32,338
Other instruments which are less than 3 months maturity	89,840	1,322,472	-	-
Less: Expected credit loss/impairment allowance	(64)	-	-	-
	5,051,181	6,615,501	175,833	32,368
Bank overdrafts	(16,874,235)	(4,681,866)	-	(49,106)
Cash and cash equivalents for the purpose of statement of cash flows	(11,823,054)	1,933,635	175,833	(16,738)

32 Stated capital

As at 31st March	Group		Company	
	2026	2025	2026	2025
	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)
Issued and fully paid ordinary share capital				
Balance at the beginning of year	14,369,718	14,369,718	14,369,718	14,369,718
Balance at the end of year	14,369,718	14,369,718	14,369,718	14,369,718
	Rs.000	Rs.000	Rs.000	Rs.000
Value of shares				
Balance at the beginning of year	31,004,439	31,004,439	31,004,439	31,004,439
Balance at the end of year	31,004,439	31,004,439	31,004,439	31,004,439

The shares of Browns Investments PLC are quoted in the Colombo Stock Exchange under Diri Savi Board.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

33 Reserves

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
				Restated
33.1 Capital Reserves				
Revaluation reserve	28,922,998	36,980,947	28,922,998	36,980,947
Fair value reserve	2,544,852	2,535,706	2,544,852	2,535,706
Foreign exchange reserve	29,146,889	20,760,660	29,146,889	20,760,660
	60,614,739	60,277,313	60,614,739	60,277,313
33.2 Revenue Reserves				
Retained earnings	85,715,908	103,886,766	85,715,908	103,886,766
	85,715,908	103,886,766	85,715,908	103,886,766

Revaluation reserve

The Revaluation reserve relates to the revaluation surplus of property, plant & equipment. Once the respective revalued items have been disposed, the relevant portion of the revaluation surplus is transferred to retained earnings.

Fair valuation reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets at FVOCI includes changes in fair value of financial instruments designated as financial assets at FVOCI a until the assets are derecognised or impaired.

Foreign exchange reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Revenue Reserves

The carrying amount of the retained earnings represents the undistributed earnings held by the Group and the Company. This could be used to absorb future losses and dividend declaration.

34 Interest bearing loans and borrowings

As at 31st March	Note	Group		Company	
		2026	2025	2026	2025
		Rs.000	Rs.000	Rs.000	Rs.000
Long term borrowings	34.1	39,532,956	26,117,330	1,000,000	2,000,000
Debentures and Commercial Papers		465,407	5,457,864	-	-
		39,998,363	31,575,194	1,000,000	2,000,000
Amount payable after one year		27,329,196	24,588,113	-	1,000,000
Amount payable within one year		12,669,167	6,987,081	1,000,000	1,000,000
		39,998,363	31,575,194	1,000,000	2,000,000

34.1 Movements of interest bearing loans and borrowings

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Balance at the beginning of the year	26,117,330	23,195,338	2,000,000	3,000,000
Loans obtained during the year	27,462,619	19,661,671	-	-
Amortised interest	786,882	1,140,058	164,785	302,198
Repayments during the year	(22,910,749)	(20,007,389)	(1,164,785)	(1,302,198)
Acquisition of Subsidiaries	-	2,278,475	-	-
Foreign currency translations	8,076,874	(150,825)	-	-
Balance at the end of the year	39,532,956	26,117,330	1,000,000	2,000,000

34.2 Analysis by lending institutions

As at 31st March	Group 2026 Rs.000	Group 2025 Rs.000	Company 2026 Rs.000	Company 2025 Rs.000
Bank of Ceylon	1,386,840	2,320,576	-	-
National Development Bank PLC	200,000	362,500	-	-
Sampath Bank PLC	1,000,000	2,000,000	1,000,000	2,000,000
Seylan Bank PLC	700,000	-	-	-
Commercial Bank of Ceylon PLC	2,413,085	2,486,896	-	-
People's Bank	10,532,756	3,275,720	-	-
DFCC Bank PLC	28,947	-	-	-
Pan Asia Banking Corporation PLC	533,312	-	-	-
Agora Securities Pvt Ltd	3,583,417	-	-	-
Think Capital Partners Pvt Ltd	2,120,354	-	-	-
Capital One Partners	431,514	-	-	-
Sinan County Modern Agriculture Investment Co., Ltd.	114,135	-	-	-
I&M Bank Rwanda Limited	635,110	-	-	-
Mauritius Commercial Bank Ltd	-	867,363	-	-
Bank of Maldives	-	1,293,625	-	-
Barcelo Hotel Group Gulf DMCC	-	2,963,472	-	-
Bank of South Pacific	52,650	62,414	-	-
Diamond Trust Bank	7,500,214	4,612,155	-	-
James Finlay Ltd	5,990,491	5,872,609	-	-
Prime Bank Kenya Limited	1,025,589	-	-	-
Afrasia Bank Ltd.	1,284,540	-	-	-
	39,532,956	26,117,330	1,000,000	2,000,000

34.3 Security and Repayment Terms - Group

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2026 Rs.000
Maturata Plantation Limited				
Commercial Bank of Ceylon PLC	Term Loan	To be repaid in 59 equal monthly instalment of Rs.16,700,0000 and a final instalment of Rs.14,700,000 payable on 26th of each month commencing one month from the date of disbursement.	Floating Primary Registered mortgage bond totalling to Rs.1,500Mn Over Land 4 Building owned by Browns Properties (Pvt) Ltd	599,200
Commercial Bank of Ceylon PLC	Term Loan	To be repaid in 60 equal monthly instalment of Rs.5,000,000 commencing from the date of disbursement.	Floating Primary Registered mortgage bond totalling to Rs.1,500Mn Over Land 4 Building owned by Browns Properties (Pvt) Ltd	285,000
				884,200
Hapugastenne Plantations PLC				
Seylan Bank PLC	Term Loan	In 60 equal monthly installments of Rs.12,500,000 each commenced from 28.12.2025	Mortgage over Dammeria Estate	700,000
				700,000
Browns Engineering & Construction (FIJI) Pte Ltd				
Bank of South Pacific	Term Loan	In 60 equal monthly installments of 13,218 FJ$	Personal guarantee by Directors of the Group	52,650
				52,650
B Commodities ME (FZE)				
Peoples Bank	Term Loan	USD 2Mn upfront settlement Balance capital amount to be repaid by 16 quarterly installments commencing from 13.08.2023 while interest will be serviced monthly. USD 750,000 x 8 USD 800,000 x 7 USD 51,185.55 X 1	Personal guarantee by Directors of the Group	10,532,756
				10,532,756

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2026 Rs.000
Browns Development Ltd				
National Development Bank PLC	Term Loan	01) 12 monthly instalments X Rs 150,000,000.00 + interest 02) 24 monthly instalments X Rs 15,000,000.00 + interest 03) 27 monthly instalments X Rs 45,000,000.00 + interest 04) 30 monthly instalments X Rs 45,000,000.00 + interest 05) 33 monthly instalments X Rs 45,000,000.00 + interest 06) 36 monthly instalments X Rs 45,000,000.00 + interest 07) 39 monthly instalments X Rs 45,000,000.00 + interest 08) 42 monthly instalments X Rs 45,000,000.00 + interest 09) 45 monthly instalments X Rs 45,000,000.00 + interest 10) 48 monthly instalments X Rs 45,000,000.00 + interest 11) 51 monthly instalments X Rs 45,000,000.00 + interest 12) 54 monthly instalments X Rs 45,000,000.00 + interest 13) 57 monthly instalments X Rs 45,000,000.00 + interest 14) 60 monthly instalments X Rs 45,000,000.00 + interest 15) 63 monthly instalments X Rs 45,000,000.00 + interest 16) 66 monthly instalments X Rs 45,000,000.00 + interest 17) 69 monthly instalments X Rs 42,500,000.00 + interest 18) 72 monthly instalments X Rs 42,500,000.00 + interest 19) 75 monthly instalments X Rs 40,000,000.00 + interest 20) 78 monthly instalments X Rs 40,000,000.00 + interest 21) 81 monthly instalments X Rs 40,000,000.00 + interest 22) 84 monthly instalments X Rs 40,000,000.00 + interest 23) 87 monthly instalments X Rs 40,000,000.00 + interest 24) 90 monthly instalments X Rs 40,000,000.00 + interest 25) 93 monthly instalments X Rs 40,000,000.00 + interest 26) 96 monthly instalments X Rs 40,000,000.00 + interest	In year 2019 the company has fully settled Commercial Bank loan and obtained a finance facility from National Development Bank. The amount of the loan facility is Rs. 1,200 Mn. The agreement to mortgage for Rs. 1,200 Mn to be executed over the land at No. 112, Havelock Road, Colombo 05, owned by the subsidiary. Repayment terms of the loan facility is in 26 tranches after grace period of 11 months.	200,000
				200,000
Browns Investments PLC				
Sampath bank	Term Loan	10 Bi-annually installments.		1,000,000
				1,000,000

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2026 Rs.000
NPH Investments Pvt Ltd				
Bank of Ceylon PLC	Term Loan	105 monthly installments with the grace period of 45 months and capital to be repaid over remaining 60 months. The term loan facility were extended by further 12 months from 105 months up to 117 months including 42 months of capital moratorium period and 6 months interest moratorium in addition to the already granted 9 months interest moratorium.	1) Mortgage over the lease hold rights of Nasandhura Palace Hotel, Male, Maldives. 2) Joint and Several guarantee of Directors of the Company. 3) Corporate guarantee obtained from LOLC Holdings PLC.	1,386,840
				1,386,840
Browns Plantations (Guizhou) Tea Co., Ltd.				
Sinan County Modern Agriculture Investment Co., Ltd.	Government support funding (repayable)	Repayable in accordance with the Investment and Construction Agreement and subsequent supplementary agreements. The repayment is currently subject to contractual deferment conditions.		114,135
				114,135
PL Resorts Limited				
Afrasia Bank Ltd.	Term Loan	1) 2 bi annual installments X MUR 7,500,000 + interest 2) 2 bi annual installments X MUR 10,000,000 + interest 3) 2 bi annual installments X MUR 15,000,000 + interest 4) 2 bi annual installments X MUR 20,000,000 + interest 5) 4 bi annual installments X MUR 22,500,000 + interest 6) 3 bi annual installments X MUR 27,500,000 + interest 7) 1 bi annual installments X MUR 32,700,000 + interest	Mortgage over the leasehold rights of lot 18B and 18C at Roches - Noires and lot 1A and 1B at Posta Lafayette	1,284,540
				1,284,540
Tropical Island Commodities (Pvt) Ltd				
Commercial Bank of Ceylon PLC	Term Loan	In 60 equal monthly installments of Rs.5,000,000/- plus interest	Lien over saving account for USD 69,748.41	150,000
				150,000
Browns Plantations Rwanda Ltd				
I&M Bank Rwanda Limited	Term Loan	60 monthly instalments	Secured by a property on land title with UPI:2/03/05/01/6124. Factory building including machinery.	635,110
				635,110

Name of the Lending Institution	Nature of facility	Repayment Terms	Security	Outstanding Balance as at 31 st March 2026 Rs.000
Browns Plantations Kenya Ltd				
Diamond Trust Bank	Term Loan	36 monthly instalments	Secured by land parcels LR 5469/LR 5470 and LR 7797/4 in Kenya.	1,366,140
Diamond Trust Bank	Term Loan	60 monthly instalments	Secured by land parcels LR 5469/LR 5470 and LR 7797/4 in Kenya.	2,966,834
Diamond Trust Bank	Short Term Loan	3 Months	Secured by land parcels LR 5469/LR 5470 and LR 7797/4 in Kenya.	1,198,098
Diamond Trust Bank	Short Term Loan	3 Months	SEAMS Mule Ltd_ Burundi	213,451
Commercial Bank of Ceylon PLC	Term Loan	28 equal monthly instalments	Corporate guarantee obtained from LOLC Holdings PLC	1,141,346
James Finlay Limited -UK	Term Loan	against the Finlay Tea Extracts Limited leased assets	Secured leased assets - Finlay Tea Extracts Limited	5,990,491
Prime Bank Kenya Limited	Term Loan	96 Months	Secured by land parcels LR 5427/LR 5435/ LR6001/1/LR6024/LR6025/LR6027/LR6028 and LR 7797/4 in Kenya.	1,025,589
Diamond Trust Bank	Invoice Discounting	3 Months	Secured by Customer invoices	1,755,692
				15,657,640
Sierra Cable PLC				
Pan Asia Banking Corporation PLC	Short Term Loan	120 equal monthly installments	Series of Loan Agreements	533,312
DFCC Bank	Term Loan	60 equal monthly installments	A primary mortgage over Movable Assets	28,947
Commercial Bank of Ceylon PLC	Asset Receivable Back Facility	30 Months with a grace period of 07 months	Floating mortgage bond for Rs.450 Mn over land,building and machinery & Floating secondary mortgage bond for Rs.750 Mn over plant machinery and equipment	237,539
Agora Securities Pvt Ltd	Asset Receivable Back Facility	26 Months with a grace period of 11 months	Mortgage bond for Rs.1,382,081,157.68 over Intercompany Receivables &Mortgage bond for Rs.2,469,598,558.74 over selected Book Debts	2,595,133
	Asset Receivable Back Facility	26 Months with a grace period of 11 months	Mortgage bond for Rs.1,466,400,000/- over Intercompany Receivables	988,284
Think Capital Partners Pvt Ltd	Asset Receivable Back Facility	24 Months with a grace period of 10 months	Mortgage bond for Rs.3,282,520,100.10 over Intercompany Receivables	2,120,354
Capital One Partners	Asset Receivable Back Facility	24 Months with a grace period of 10 months	Mortgage bond for Rs.620,918,196.85 over Intercompany Receivables	431,514
				6,935,084
Group Total				39,532,956

The above interest-bearing borrowings and loans are secured by personal guarantees, corporate guarantees, pledged assets, , liens, assignments of receivables, and other security arrangements, as stipulated in the respective financing agreements.

35 Lease liability

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Balance at the beginning of the year	15,191,570	14,368,182	-	-
Leases obtained during the year	547,440	232,135	-	-
Amortised interest	1,268,426	1,300,577	-	-
Lease rentals paid during the year	(606,505)	(674,059)	-	-
Acquisition of subsidiaries	10,447	5,157	-	-
Effect of Amalgamation	1,286	(1,318)	-	-
Exchange translation difference	(2,015,187)	(39,104)	-	-
Balance at the end of the year	14,397,477	15,191,570	-	-
Repayable within one year				
Gross lease rentals payable	1,763,034	1,868,179	-	-
Less: Unamortised finance cost	(1,228,170)	(1,407,831)	-	-
Net lease liability	534,864	460,348	-	-
Repayable after one year before five years				
Gross lease rentals payable	6,043,176	7,142,502	-	-
Less: Unamortised finance cost	(4,209,324)	(5,169,582)	-	-
Net lease liability	1,833,852	1,972,920	-	-
Repayable after five years				
Gross lease rentals payable	30,698,974	37,815,507	-	-
Less: Unamortised finance cost	(18,670,213)	(25,057,205)	-	-
Net lease liability	12,028,761	12,758,302	-	-
Total	14,397,477	15,191,570	-	-

36 Retirement benefit obligations

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
36.1 Movements of retirement benefit obligations				
Balance as the beginning of the year	5,418,280	3,496,124	4,290	5,194
On acquisition of subsidiaries	1,314,513	690,170	-	-
Payments made during the year	(1,919,949)	(455,936)	-	(3,405)
Expenditure recognised in the income statement	1,424,896	953,697	1,464	1,743
Expenses recognised to other comprehensive income	660,717	686,775	1,258	758
Transfers during the year	1,663	235	-	-
Exchange translation difference	66,925	47,215	-	-
Balance as at the end of the year	6,967,045	5,418,280	7,012	4,290
Expenditure recognised in the statement of comprehensive income				
Current service cost	735,664	677,070	949	675
Interest costs	689,232	276,627	515	1,068
	1,424,896	953,697	1,464	1,743
Expenditure recognised other comprehensive income.				
Actuarial (gain)/loss	660,717	686,775	1,258	758
	660,717	686,775	1,258	758

An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2026 by Messer. Units Actuaries & Consultants (Pvt) Ltd, a firm of professional Actuaries. The valuation method used by the actuaries to value the liability is the "Projected Unit Credit Method (PUC)", the method recommended by the Sri Lanka Accounting Standard - LKAS 19 on "Employee Benefits". This liability is not externally funded.

36.2 Actuarial Assumptions

The Principal assumptions used by the Group

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Discount rate	8% - 11%	11% - 13%	10%	11% - 13%
Future salary increment	8% - 12%	8% - 12%	8%	8% - 12%
Retirement age (Years)	55 - 60	55 - 60	55 - 60	55 - 60
Staff turnover	5% - 20%	5% - 20%	5% - 20%	5% - 20%

Assumptions regarding future mortality are based on the e IALM 2006–08 Mortality Table, developed by the Institute of Actuaries of India (IAI).

The demographic assumptions underlying the valuation are with respect to retirement age early withdrawals from service and retirement on medical grounds.

36.3 Sensitivity of assumptions employed in actuarial valuation

The sensitivity of the comprehensive income and the financial position to the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

As at 31st March	Discount rate		Salary escalation	
	-1%	1%	-1%	1%
	Rs.000	Rs.000	Rs.000	Rs.000
Financial year 2026				
Group				
Impact on comprehensive income	(200,052)	177,313	187,751	(208,809)
Impact on financial position	200,052	(177,313)	(187,751)	208,809
Company				
Impact on comprehensive income	(455)	511	549	(497)
Impact on financial position	455	(511)	(549)	497
Financial year 2025				
Group				
Impact on comprehensive income	(75,657)	78,350	87,232	(81,293)
Impact on financial position	75,657	(78,350)	(87,232)	81,293
Company				
Impact on comprehensive income	(287)	322	314	(348)
Impact on financial position	287	(322)	(314)	348

36.4 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Within the next 12 months	773,947	554,670	545	310
Between 1 and 2 years	684,897	759,466	803	561
Between 2 and 5 years	1,733,975	1,100,673	1,293	873
Between 5 and 10 years	1,619,914	1,220,982	2,774	1,660
Beyond 10 years	2,154,312	1,782,489	1,597	886
Total expected payments	6,967,045	5,418,280	7,012	4,290

37 Deferred tax liabilities

37.1 Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the origination of following temporary differences:

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Accelerated depreciation for tax purposes – Own assets	53,916,455	36,948,167	3,351	48,990
Accelerated depreciation for tax purposes – Leased assets	46,164,032	35,172,568	48,818	-
Revaluation of properties	48,044,377	65,580,512	46,000	46,000
Investment property	5,922,012	6,825,157	1,522,209	1,377,619
Lease receivables	9,640	(294,860)	-	-
Unutilised tax losses	(1,186,328)	(4,276,510)	-	-
Provision for inventories	(3,311)	(244,697)	-	-
Employee benefits	(256,199)	(2,596,599)	-	(4,289)
General Provisions	399,219	(573,931)	-	-
Consumable biological assets	15,642,530	13,591,354	-	-
Bearer biological assets	9,660,797	3,838,091	-	-
Unrealised loss on exchange	345,409	(177,086)	-	-
Other	16,510,947	15,160,554	-	-
	195,169,580	168,952,720	1,620,378	1,468,320
Total recognised deferred tax liabilities	58,550,874	50,827,901	-	440,497

37.2 Movement in recognised deferred tax liabilities

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	50,827,901	27,509,864	440,497	358,239
Origination / (reversal) to the income statement	(59,937)	(1,931,267)	(422,778)	64,540
Acquisition of Subsidiaries	5,728,364	21,798,482	-	-
Origination / (reversal) to other comprehensive income	497,881	3,981,159	(17,719)	17,718
Foreign currency translations	1,556,665	(530,337)	-	-
Balance at the end of the year	58,550,874	50,827,901	-	440,497

38 Deferred income

	Capital grants	Operating lease receivables - PHDT	Transfer of shares - Rain Forest Eco Lodge (Pvt) Ltd (RFELL)	Income received in advance	Others	Total
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Note	38.1	38.2	38.3			
Group						
Gross deferred income						
Balance as at 01 April	473,645	10,735	63,994	9,292	-	557,666
Acquisition of subsidiaries	988,865	-	-	-	-	988,865
Deferred Income received	33,912	-	-	4,102	6,967	44,981
Transfers/re-classifications / Adjustments	269	-	-	-	-	269
Balance as at 31 March	1,496,691	10,735	63,994	13,394	6,967	1,591,781
Accumulated amortisation						
Balance as at 01 April	173,427	10,544	26,357	9,292	-	219,620
Acquisition of subsidiaries	424,856	-	-	-	-	424,856
Amortised to profit & loss	45,568	191	1,861	-	6,967	54,587
Balance as at 31 March	643,851	10,735	28,218	9,292	6,967	699,063
Carrying amount						
Balance as at 31 March 2026	852,840	-	35,776	4,102	-	892,718
Balance as at 31 March 2025	300,218	191	37,637	-	-	338,046

38.1 Capital grants

The above capital grants represent the following:

1 The funds received from the Plantation Housing and Social Welfare Trust (PHSWT), MTIP, PDP and PHDT for the development of Workers 'welfare facilities and improvement to institutional facilities.

2 The funds received from the plantation reform project for the development of forestry plantations.

The amount spent is capitalised under the relevant classification of property, plant and equipment and corresponding grant component is reflected under capital grants and is being amortised over the useful life span of the related asset.

Grants related to the biological assets which are measured at fair value less point to sell costs are directly charged to the carrying value of such assets in accordance with the applicable financial framework.

38.2 Operating lease receivables - PHDT

Premises at St. Andrew's Drive in Nuwara Eliya has been leased out to Plantation Human Development Trust (PHDT) for a period of 20 years commencing from August 2005 at a total lease rental of Rs.10.7 Mn.

Lease rentals received are deferred and amortised over the lease period commencing from August 2005.

The timing of future operating lease rentals are as follows;

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Less than one year	191	191
Between one and five years	(191)	-
More than five years	-	-
	-	191

38.3 Rain Forest Eco Lodge (Pvt) Ltd (RFELL)

This represents the value of 6,399,375 nos. of ordinary shares received by Maturata Plantations Ltd equivalent to 20% of the issued ordinary Shares of RFELL at Rs. 10/- each in lieu of releasing the leasehold rights of 488 hectares in Enselwatte Estate, Deniyaya for eco tourism project. The value of ordinary Shares are deferred and amortised over the unexpired balance lease period. However due to the rights issue shareholdings percentage has come down from 20% to 13.44%.

The timing of future operating lease rentals are as follows;

As at 31st March	Group	
	2026	2025
	Rs.000	Rs.000
Not later than one year	1,861	1,861
Later than one year and not later than five years	7,445	7,445
Later than five years	26,470	28,331
	35,776	37,637

39 Trade and other payables

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Trade payables	23,674,200	26,353,157	-	-
Value Added Tax payable	2,953,250	2,794,207	-	-
Nation Building Tax payable	22,180	4,816	-	-
Other tax payables	1,140,097	1,124,113	-	-
Staff payables	1,872,141	1,491,561	-	-
Interest payable	82,355,830	58,938,267	68,863,715	51,703,171
Accrued expenses	4,998,283	3,934,423	20,210	24,280
Dividend payable	71,589	68,783	-	-
Payable on acquisition of property	24,378,904	24,378,904	-	-
Purchase consideration payable	11,699,318	15,825,836	-	-
Other payables	8,832,454	6,348,373	10,225	10,225
Advance received	197,487	936,982	-	-
Security deposits received	176,440	169,782	-	-
	162,372,173	142,369,204	68,894,150	51,737,676

40 Loans from related parties

40.1 Due after one year

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
LOLC Holdings PLC	741,541	685,541	-	-
	741,541	685,541	-	-

40.2 Due within one year

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
LOLC Global (Pvt) Ltd	432,626	-	-	-
Fusion X Global FZC (UAE)	1,958,676	-	-	-
Patronus Holdings (Pvt) Ltd	1,414,008	1,329,471	-	-
LOLC Life Assurance Ltd	1,138,115	2,201,443	-	-
Brown & Company PLC	916	16,066	-	-
I Pay Global FZC	454,884	144,469	-	-
Green Paradise Resorts (Pvt) Ltd	-	-	12,322	12,329
Other related parties	143,177	-	-	-
	5,542,402	3,691,449	12,322	12,329

40.3 Security and repayment terms of related party loans - Due within one year

As at 31st March	Repayment	Security	2026	
			Group Rs.000	Company Rs.000
Patronus Holdings (Pvt) Ltd	On demand	Unsecured	1,414,008	-
LOLC Life Assurance Ltd	On demand	Unsecured	1,138,115	-
Brown & Company PLC	On demand	Unsecured	916	-
Green Paradise Resorts (Pvt) Ltd	On demand	Unsecured	-	12,322
I Pay Global FZC	On demand	Unsecured	454,884	-
Fusion X Global FZC (UAE)	On demand	Unsecured	1,958,676	-
LOLC Global (Pvt) Ltd	On demand	Unsecured	432,626	-
Other related parties	On demand	Unsecured	143,177	-

41 Amounts due to related parties

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Amounts due to holding company				
Brown & Company PLC	1,034,080	876,865	7,664	-
LOLC Holdings PLC	84,013,874	107,073,216	43,231,548	66,223,617
Amounts due to other related companies				
LOLC Technologies (Pvt) Ltd	283,338	221,404	-	-
LOLC Motors Ltd	2,012	2,128	-	-
LOLC Finance PLC	2,356,584	2,332,798	-	-
LOLC Corporate Services (Pvt) Ltd	1,849	1,091	-	-
LOLC Property Five (Pvt) Ltd	-	16	-	-
LOLC Finance Sector Holdings Ltd	38,841	118,600	-	-
Taprobane Plantations Ltd	194,603	176,503	-	8
Browns Tours (Private) Limited	87,814	74,948	-	-
Ceylon Roots Lanka (Pvt) Ltd	-	-	11,599	11,673
Hapugastenne Plantations PLC	-	-	2,272	2,272
Iconic Trust (Pvt) Ltd	-	-	-	1,916,787
Patronus Holdings (Pvt) Ltd	316,979	163,569	-	-
LOLC Global (Pvt) Ltd	9,599,809	2,199,135	-	-
Agstar PLC	62,390	103,617	-	-
LOLC Ventures FZE	16,063	-	-	-
IPay Global FZC (UAE)	36,611	-	-	-
Fusion X Global FZC (UAE)	47,861	102,152	-	-
Chain Holdings (Pvt) Ltd	12,853	12,084	-	-
Browns Leisure (Pvt) Ltd	5,593	7,823	-	-
LOLC General Insurance Ltd	-	636	-	-
NPH Development Pvt Ltd	6,609	6,213	-	-
LOLC Finance Sector Holding (Pvt) Ltd	-	226,661	38,841	38,841
LOLC Motors (Pvt) Ltd	-	-	33	33
Serendib Leisure Management (Pvt) Ltd	-		-	2,662
Galaxy Enterprises Maldives (Pvt) Ltd	187,296	171,899	-	-
LOLC Corporate Services (Pvt) Ltd	-	-	200	100
Dolphin Hotels PLC	-	-	56,870	-
LOLC Technologies Ltd	-	-	1,205	-
Dikwella Resort (Pvt) Ltd	-	-	150	-
Eden Hotel Lanka PLC	-	-	397,000	-
Serendib Hotels PLC	-	-	108,000	-
Hotel Sigiriya PLC	-	-	28,265	-
Pussellawa Plantation (Pvt) Ltd	-	-	429,465	-
	98,305,059	113,871,360	44,313,112	68,195,993

42 Income tax payable

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Balance at the beginning of the year	698,251	368,138	-	125,053
Current income tax expense	1,298,776	439,873	-	-
Transfer to/from other liabilities	2,538	(50,943)	-	-
Over/under provision in respect of previous year	38,910	(125,160)	-	(125,053)
On acquisition of subsidiaries	61,762	325,854	-	-
Transfer to income tax receivables	(98,588)	8,948	-	-
Foreign currency translations	109,460	-	-	-
	2,111,109	966,710	-	-
Payments made during the year				
Income tax	(1,360,967)	(268,459)	-	-
Balance at the end of the year	750,142	698,251	-	-

43 Net assets per ordinary share

Computation of the net assets per ordinary share has been done based on the total equity attributable to equity Holders of the Company divided by the number of ordinary shares in issue as at the reporting date and calculated as follows.

As at 31st March	Group		Company	
	2026	2025	2026	2025
Total equity attributable to equity holders of the Company (Rs 000)	177,335,086	195,168,518	177,335,086	195,168,518
Number of ordinary shares in issue as at the reporting date (Nos 000)	14,369,717	14,369,717	14,369,717	14,369,717
	14,369,717	14,369,717	14,369,717	14,369,717
Net assets per ordinary share (Rs.)	12.34	13.58	12.34	13.58

44 Related party disclosures

Transactions with key management personnel

Transactions with related parties are carried out in the ordinary course of the business. These transactions carried at management agreed terms basis. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business with the parties who are defined as related entities in Sri Lanka Accounting Standard LKAS 24. The list of Directors at each of the subsidiary, and associate companies have been disclosed in the group directory under the financial Information section of the Annual Report.

Non-recurrent related party transactions

There were no non-recurrent related party transactions whose aggregate value exceeded 10% of the equity or 5% of the total assets whichever is lower of the Company as at 31 March 2026 audited Financial Statements, which required additional disclosures in the 2025/26 Financial Statements under Colombo Stock Exchange listing Rule 9.18.8 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.

Recurrent related party transactions

All the transactions which are disclosed under note 44.3 with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of the Company and Subsidiaries, in the opinion of the Related Party Transactions Review Committee, terms for all these transactions are not favourable to the Related Party than those generally available to the public.

Except note 44.3.1 & 44.3.2, there were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2026 audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.18.8 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.

44.1 Key management personnel compensation

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Director's emoluments	139,732	109,810	13,451	13,429

44.2 Substantial shareholding and immediate and ultimate parent company

The Company's parent entity is Brown & Company PLC which holds 64.55% of the issued ordinary shares of the Company as at the reporting date. The ultimate controlling party of the Group is LOLC Holdings PLC .

44.3 Transactions with Related Parties

All related party transactions are carried out in the normal course of business and transacted at normal business terms. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and comparable with those that would have been charged from un-related companies. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The Group does not have any material commitments to related parties.

Transactions of Browns Investments PLC with related companies

As at 31st March	Note	Company	
		2026	2025
		Rs.000	Rs.000
Subsidiaries			
Fund transfers in		5,016,496	6,324,675
Fund transfers out		1,803,614	14,669,979
Loans			
Recovered		-	10,000
Interest			
Income	44.3.2	9,943,588	9,722,779
Expense	44.3.2	159,060	903,725
Payments made onbehalf		1,135,553	441,426
Expenses transferred from		-	216,219
Investments in subsidiaries		558,664	136,257
Other related companies			
Fund transfers in	44.3.1	41,245,750	39,179,901
Fund transfers out	44.3.1	59,683,520	37,524,252
Interest			
Income	44.3.2	5,038	4,686
Expense	44.3.2	17,000,332	17,739,626
Payments made onbehalf		3,810	-
Expenses transferred from		278,738	491,512
Rental income		531	531

44.3.1 Following funds transferred received and made by Browns Investments PLC with its subsidiaries and related entities

As at 31st March Company	Relationship	Nature of the transactions	2026 Funds in Rs.000	2026 Funds out Rs.000	2025 Funds in Rs.000	2025 Funds out Rs.000
Other related companies						
LOLC Holdings PLC	Ultimate holding company	Fund transfer	41,245,750	59,682,420	39,179,901	37,522,952
LOLC Corporate Services (Pvt) Ltd	Other related company	Fund transfer	-	1,100	-	1,300
			41,245,750	59,683,520	39,179,901	37,524,252

44.3.2 The Company has earned interest income and incurred interest expenses from following related parties during the year

As at 31st March	2026		2025	
Company	Interest income Rs.000	Interest expenses Rs.000	Interest income Rs.000	Interest expenses Rs.000
Subsidiaries				
Ajax Engineers (Pvt) Ltd	-	-	707,181	-
Riverina Resort (Pvt) Ltd	186,449	-	167,157	-
Sun & Fun Resorts (Pvt) Ltd	262,534	-	235,398	-
Maturata Plantation Ltd	859,425	-	955,137	-
Browns Hotels and Resorts Ltd	304,229	-	201,669	-
Palm Garden Hotels PLC	-	155,536	-	894,160
Millennium Development Ltd	154,720	-	136,552	-
Gurind Accor (Private) Limited	32,165	-	24,991	-
B Commodities ME FZE	52,082	-	43,090	-
Browns Properties (Pvt) Ltd	-	1,744	12,747	-
Samudra Beach Resorts (Pvt) Ltd	2,045,033	-	1,835,284	-
BI Commodities and Logistics (Pvt) Ltd	324,861	-	288,664	7,677
B G Air Services (Pvt) Ltd	308,615	-	247,665	-
Eden Hotel Lanka PLC	367,392	-	337,617	-
Browns Engineering & Construction (Pvt) Ltd	2,625,982	-	2,999,494	-
Browns Tours (Pvt) Ltd	11,270	-	18,048	-
Tropical Island Commodities (Pvt) Ltd	120,062	-	101,392	-
Green Paradise Resorts (Pvt) Ltd	-	1,780	-	1,888
Sierra Piling (Pvt) Ltd	173,623	-	152,236	-
Browns Power Holdings (Pvt) Ltd	366,290	-	377,442	-
Hapugastenne Plantation PLC	-	-	15,143	-
Iconic Trust (Pvt) Ltd	1,655	-	-	-
Browns Metal and Sands (Pvt) Ltd	167,844	-	143,262	-
NPH Investments (Pvt) Ltd	136,349	-	122,241	-
LOLC Investments Holdings 4 (Pvt) Ltd	509,823	-	447,631	-
F L P C Management (Private) Limited	171,442	-	-	-
Bodufaru Beach Resorts (Pvt) Ltd	2,772	-	2,491	-
Browns Ari Resorts (Pvt) Ltd	661,745	-	77,019	-
Sierra Cable PLC	72,527	-	73,228	-
Browns Development Ltd	24,699	-	-	-
	9,943,588	159,060	9,722,779	903,725
Other related companies				
LOLC Holdings PLC	-	17,000,332	-	17,700,966
Brown & Company PLC	5,038	-	4,686	38,660
	5,038	17,000,332	4,686	17,739,626

Name of the Company	Relationship	Nature of the transactions	Aggregate value	As a % of gross revenue	Terms and conditions
LOLC Holdings PLC	Ultimate holding company	Interest expenses	17,000,332	17%	Unsecured loan at interest rate of AWPLR + 7.5%

45 Contingent liabilities and assets

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard – LKAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

To meet the financial needs of customers and subsidiaries, the Company/ Group enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letter of credit and other undrawn commitments to lend. Letter of credit, guarantees and acceptance commit the group to make payments on behalf of customers or subsidiaries in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans.

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless its occurrence is remote.

Operating lease commitments of the Group (as a lessor and as a lessee) form part of commitments and pending legal claims against the Group form part of contingencies.

In the normal course of business, the group makes various irrevocable commitments and incurs certain contingent liabilities with legal recourse to its customers. Even though these obligations may not be recognised on the date of the Statement of Financial Position, they do contain credit risk and are therefore form part of the overall risk profile of the group.

45.1 Contingent liabilities

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Guarantees issued to banks and other institutions	-	-	-	-
Corporate guarantees given to subsidiary companies to obtain loans	4,942,725	4,939,863	3,984,000	4,859,600
Performance bonds	1,891,734	1,741,269	-	-
	6,834,459	6,681,132	3,984,000	4,859,600

45.2 Commitments

Letter of credits opened	276,503	874,116	-	-
	276,503	874,116	-	-

45.3 Operating lease commitments

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Within one year	509,854	1,543,952	-	-
Between one and five years	5,988,968	5,996,015	-	-
More than five years	25,145,800	32,294,732	-	-
	31,644,622	39,834,699	-	-

45.4 Contingent assets

There are no contingent assets which require adjustment to or disclosure in financial statement as at the reporting date.

46 Capital Commitment

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Commitments in relation to property, plant & equipment				
Approved and contracted for	627,876	14,382,098	-	-
Approved but not contracted for	56,930,000	34,765,414	-	-
	57,557,876	49,147,512	-	-

46.1 Company

There have been no capital commitments contracted but not provided for, or authorised by the board but not contracted for, outstanding as at the reporting date.

46.2 Group

a) Marina Hotel Holdings (Pvt) Ltd.

Capital Commitments of Marina Hotel Holdings (Pvt) Ltd. as at 31st March amounted to USD 76.5 Mn. or the equivalent amount in LKR.

b) Colombo Marina Developments (Pvt) Ltd

The Board of Directors of Colombo Marina Developments (Pvt) Ltd has approved US$ 47.4 Mn budget for the construction of a luxury retail mall and a world-class events hall at the Port City Colombo.

c) Bodufaru Beach Resort Private Limited

The Board of Directors of Bodufaru Beach Resort Private Limited has approved US$ 102 Mn budget for the construction of a tourist resort in Republic of Maldives.

d) Riverina Resort (Private) Limited

Capital Commitments of Riverina Resort (Private) Limited as at 31st March amounted to Rs. 4,538 Mn.

e) Browns Metal and Sands (Pvt) ltd

The Board of Directors of the company has approved Rs.300 Mn budget for the Granite dimension stone project commenced from November 2025.

47 Assets pledged as collaterals

Refer Note 34.3 for details of the assets pledged as collaterals in relation to the interest bearing borrowings and loans.

48 Events occurring after the reporting date

There have been no material events occurring after the reporting date that require adjustment to or disclosure in these Financial Statements.

Primary Segments (Business Segments)

Group

	Investments		Leisure and travel		Construction/ Trading & Manufacturing	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Segment Results						
Revenue	102,595	114,298	14,318,944	10,690,046	21,905,292	9,674,170
Cost of sales	-	-	(3,841,303)	(3,984,936)	(17,128,166)	(8,331,121)
Gross profit/(loss)	102,595	114,298	10,477,641	6,705,110	4,777,126	1,343,049
Other income	4,871,201	4,570,477	2,579,329	1,818,592	346,935	(14,576)
Operating Expenses	(1,572,551)	(5,835,131)	(11,305,745)	(7,259,778)	(3,988,903)	(589,770)
Results from Operating Activities	3,401,245	(1,150,356)	(248,775)	1,263,924	1,135,158	738,703
Net Finance Cost	(18,720,787)	(18,445,580)	(7,669,799)	(4,573,262)	(2,108,513)	(4,701,308)
Share of profit/ (loss) of equity accounted investees	-	-	-	-	-	-
Results on acquisition of group investments	4,028,742	98,719,455	-	-	-	-
Profit / (loss) before taxation from continuing operations	(11,290,800)	79,123,519	(5,918,574)	(3,309,338)	(973,355)	(3,962,605)
Less : Taxation	1,077,649	260,026	(474,922)	1,217,416	(372,456)	51,244
Profit / (loss) after taxation from continuing operations	(10,213,151)	79,383,545	(6,393,496)	(2,091,922)	(1,345,811)	(3,911,361)
Profit / (Loss) after tax for the year from discontinued operations	-	(9,382,322)	(800,375)	(2,112,284)	-	-
Total comprehensive income /(loss)	(10,213,151)	70,001,223	(7,193,871)	(4,204,206)	(1,345,811)	(3,911,361)
Segment Assets						
Non-current assets	176,917,381	155,879,922	238,228,533	252,159,910	14,392,549	14,688,883
Current assets	111,409,149	116,504,196	51,251,018	39,373,617	48,336,418	39,383,420
	288,326,530	272,384,118	289,479,551	291,533,527	62,728,967	54,072,303
Segment Liabilities						
Non-current liabilities	11,716,451	2,484,350	22,033,946	31,120,583	10,550,343	5,849,625
Current liabilities	234,896,117	219,631,484	133,386,610	115,840,849	37,572,925	37,667,910
	246,612,568	222,115,834	155,420,556	146,961,432	48,123,268	43,517,535

	Plantation and Agriculture		Real estate		Adjustments		Total	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
	63,912,704	41,140,168	597,736	563,246	(1,702,953)	(361,104)	99,134,318	61,820,824
	(59,270,560)	(37,748,810)	(61,624)	(52,676)	-	275,755	(80,301,653)	(49,841,788)
	4,642,144	3,391,358	536,112	510,570	(1,702,953)	(85,349)	18,832,665	11,979,036
	11,984,846	4,328,882	212,614	266,756	(2,587,548)	(2,793,785)	17,407,377	8,176,346
	(16,072,740)	(11,477,814)	(306,020)	(510,891)	4,990,211	2,090,893	(28,255,748)	(23,582,491)
	554,250	(3,757,574)	442,706	266,435	699,710	(788,241)	7,984,294	(3,427,109)
	(6,080,041)	(4,404,644)	(373,576)	(441,359)	(222,794)	75,119	(35,175,510)	(32,491,034)
	-	-	-	-	79,220	249,266	79,220	249,266
	-	-	-	-	-	-	4,028,742	98,719,455
	(5,525,791)	(8,162,218)	69,130	(174,924)	556,136	(463,856)	(23,083,254)	63,050,578
	(937,457)	302,295	(163,170)	(53,035)	-	-	(870,356)	1,777,946
	(6,463,248)	(7,859,923)	(94,040)	(227,959)	556,136	(463,856)	(23,953,610)	64,828,524
	-	-	-	-	-	-	(800,375)	(11,494,606)
	(6,463,248)	(7,859,923)	(94,040)	(227,959)	556,136	(463,856)	(24,753,985)	53,333,918
	344,004,700	301,871,465	14,143,383	13,902,540	(201,851,623)	(182,757,557)	585,834,923	555,745,164
	68,334,588	46,872,861	1,165,144	1,826,451	(180,391,848)	(129,568,176)	100,104,470	114,392,371
	412,339,288	348,744,326	15,308,527	15,728,991	(382,243,471)	(312,325,733)	685,939,393	670,137,535
	78,525,420	59,945,665	2,625,438	2,635,198	(17,107,609)	(5,446,316)	108,343,987	96,589,103
	74,896,445	52,265,024	4,228,720	3,773,581	(163,611,606)	(127,131,951)	321,369,211	302,046,895
	153,421,865	112,210,689	6,854,158	6,408,779	(180,719,215)	(132,578,267)	429,713,198	398,635,998

50 Assets and Liabilities Measured at Fair Value and Fair Value Hierarchy

50.1 Fair value hierarchy

The Group's accounting policy on fair value measurements is discussed in accounting policy note No 3.14

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

1 Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

When available, the Group measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

2 Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using:

a) quoted market prices in active markets for similar instruments;

b) quoted prices for identical or similar instruments in markets that are considered less than active; or

c) other valuation techniques where all significant inputs are directly or indirectly observable from market data.

3 Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models comparison with similar instruments for which observable market prices exist, option pricing models and other valuation models.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, risk premiums in estimating discount rates, bond and equity prices, foreign exchange rates, expected price volatilities and corrections.

Observable prices or model inputs such as market interest rates are usually available in the market for listed equity securities and government securities such as treasury bills and bonds. Availability of observable prices and model inputs reduces the need for management judgement and estimation while reducing uncertainty associated in determining the fair values.

Models are adjusted to reflect the spread for bid and ask prices to re-elect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

The following table provides an analysis of assets and liabilities measured at fair value as at the Reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. These amounts were based on the values recognised in the Statement of Financial Position.

There were no material transfers between levels of fair value hierarchy during 2025 and 2026.

The independent Valuers provide the fair value of land and buildings once in three years according to the Group's policy. Therefore the fair value exist in the recent valuation which was carried out by professionally qualified independent Valuers in compliance with Sri Lanka Accounting Standards - SLFRS 13 (Fair Value Measurement) less subsequent accumulated depreciation and impairment losses is considered as the fair value exist as at the reporting date.

In determining the fair value, highest and best use of the property has been considered including the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the Valuers have made reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

Group	Notes	As at 31st March 2026			
		Level 1	Level 2	Level 3	
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		Rs.000	Rs.000	Rs.000	Rs.000
Financial Assets					
Other financial assets - fair value through profit or loss					
Equity securities	29	1,460,800	-	-	1,460,800
		1,460,800	-	-	1,460,800
Investment securities					
Other financial assets - fair value through other comprehensive income					
Designated FVOCI investment securities	22	31,584	-	-	31,584
Equity securities with readily determinable fair values	22	-	420,473	-	420,473
		31,584	420,473	-	452,057
Total financial assets at fair value		1,492,384	420,473	-	1,912,857
Non-Financial Assets					
Investment Properties	15	-	-	108,080,842	108,080,842
Consumable biological assets	19	-	-	26,508,725	26,508,725
Property, plant & equipment					
- Land	14	-	-	42,793,816	42,793,816
- Buildings	14	-	-	102,431,545	102,431,545
Total non-financial assets at fair value		-	-	279,814,928	279,814,928
Total assets at fair value		1,492,384	420,473	279,814,928	281,727,785

Group	Notes	As at 31st March 2025 Level 1 Quoted prices in active markets Rs.000	Level 2 Significant observable inputs Rs.000	Level 3 Significant unobservable inputs Rs.000	Total Rs.000
Financial Assets					
Other financial assets - fair value through profit or loss					
Equity securities	29	637,133	-	-	637,133
		637,133	-	-	637,133
Investment securities					
Other financial assets - fair value through other comprehensive income					
Government securities	22	88,210	-	-	88,210
Designated FVOCI investment securities	22	445	-	-	445
Equity securities with readily determinable fair values	22	-	407,860	-	407,860
		88,655	407,860	-	496,515
Total financial assets at fair value		725,788	407,860	-	1,133,648
Non-Financial Assets					
Investment Properties	15	-	-	103,948,645	103,948,645
Consumable biological assets	19	-	-	16,128,681	16,128,681
Property, plant & equipment					
- Land	14	-	-	49,379,053	49,379,053
- Buildings (Leasehold & Freehold)	14	-	-	75,544,381	75,544,381
Total non-financial assets at fair value		-	-	245,000,760	245,000,760
Total assets at fair value		725,788	407,860	245,000,760	246,134,408

Company	Notes	As at 31st March 2026			
		Level 1	Level 2	Level 3	
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
		Rs.000	Rs.000	Rs.000	Rs.000
Financial Assets					
Other financial assets - fair value through profit or loss					
Equity securities	29	3,862	-	-	3,862
		3,862	-	-	3,862
Investment securities					
Financial assets measured at fair value through other comprehensive income					
Designated FVOCI investment securities	22	399	-	-	399
		399	-	-	399
Total financial assets at fair value		4,261	-	-	4,261
Non-Financial Assets					
Investment Properties	15	-	-	3,324,500	3,324,500
Property, plant & equipment					
- Land	14	-	-	61,000	61,000
Total non-financial assets at fair value		-	-	3,385,500	3,385,500
Total assets at fair value		4,261	-	3,385,500	3,389,761

Company	Notes	As at 31st March 2025 Level 1 Quoted prices in active markets Rs.000	Level 2 Significant observable inputs Rs.000	Level 3 Significant unobservable inputs Rs.000	Total Rs.000
Financial Assets					
Other financial assets - fair value through profit or loss					
Corporate securities	29	2,997,350	-	-	2,997,350
Equity securities	29	73,403			73,403
		3,070,753	-	-	3,070,753
Investment securities					
Financial assets measured at fair value through other comprehensive income					
Designated FVOCI investment securities	22	445	-	-	445
		445	-	-	445
Total financial assets at fair value		3,071,198	-	-	3,071,198
Non-Financial Assets					
Investment Properties	15	-	-	2,836,200	2,836,200
Property, plant & equipment					
- Land	14	-	-	61,000	61,000
Total non-financial assets at fair value		-	-	2,897,200	2,897,200
Total assets at fair value		3,071,198	-	2,897,200	5,968,398

50.2 Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

As at 31st March	Notes	2026		2025	
		Carrying amount	Fair Value	Carrying amount	Fair Value
		Rs.000	Rs.000	Rs.000	Rs.000
Group					
Financial Assets					
Financial assets at amortised cost					
Trade and other receivables	25	46,653,357	46,653,357	39,022,155	39,022,155
Loans to related parties	26	188,367	188,367	2,836,542	2,836,542
Amounts due from related parties	27	8,092,255	8,092,255	797,732	797,732
		54,933,979	54,933,979	42,656,429	42,656,429
Financial Liabilities					
Financial liabilities at amortised cost					
Interest bearing loans and borrowings	34	39,998,363	40,998,322	31,575,194	32,364,574
Trade and other payables	39	154,129,384	154,129,384	134,629,994	134,629,994
Amounts due to related parties	41	98,305,059	98,305,059	113,871,360	113,871,360
Loan from related parties	40	6,283,943	6,283,943	4,376,990	4,376,990
Short term borrowings (including bank overdraft)		41,195,404	41,195,404	33,969,202	33,969,202
		339,912,153	340,912,112	318,422,740	319,212,120
Company					
Financial Assets					
Financial assets at amortised cost					
Trade and other receivables	25	35,967,076	35,967,076	27,362,250	27,362,250
Loans to related parties	26	6,875,418	6,875,418	8,338,914	8,338,914
Amounts due from related parties	27	31,464,407	31,464,407	25,771,045	25,771,045
		74,306,901	74,306,901	61,472,209	61,472,209
Financial Liabilities					
Financial liabilities at amortised cost					
Interest bearing loans and borrowings	34	1,000,000	1,000,000	2,000,000	2,000,000
Trade and other payables	39	68,873,940	68,873,940	51,713,396	51,713,396
Amounts due to related parties	41	44,313,112	44,313,112	68,195,993	68,195,993
Loan from related parties	40	12,322	12,322	12,329	12,329
Short term borrowings (including bank overdraft)		13,545,268	13,545,268	11,491,039	11,491,039
		127,744,642	127,744,642	133,412,757	133,412,757

The fair value of the financial assets and liabilities is included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. The following methods and assumptions were used to estimate the fair values:

- The carrying value of available for sale financial instruments at fair value through OCI and financial instruments at fair value through profit or loss at fair value
- Cash and cash equivalents, short term deposits, trade and other, amounts due to/ from subsidiaries, amounts due from equity accounted investees and trade and other payables approximate their carrying values largely due to the short term maturities of these instruments.
- The Fair value of financial assets at amortised cost and financial liabilities at amortised cost is not significantly different from the value based on amortised cost methodology.

50.3 Assets measured at level 3

The following table shows a reconciliation from the beginning balances to the ending balances of fair value measurements in Level 3 of the fair value hierarchy.

Note 14 & 15 provides information on significant unobservable inputs used as at March 31, 2026 in measuring fair value of land and buildings categorised as Level 3 in the fair value hierarchy.

Note 14 & 15 provides details of valuation techniques used and sensitivity of fair value measurement to changes in significant unobservable inputs.

As at 31st March	Consumable Biological Assets		Investment Property		Freehold Land and Buildings	
	Group Rs.000	Company Rs.000	Group Rs.000	Company Rs.000	Group Rs.000	Company Rs.000
Balance as at 31st March 2024	10,599,662	-	102,311,438	2,637,715	86,957,492	50,000
Additions	24,858	-	56,054	-	411,906	11,000
Revaluations	910,095	-	1,527,944	198,485	13,298,164	-
Disposals / deductions	(251,002)	-			(63,838)	-
Transfers	(218)	-	-	-	207,189	-
On acquisition of subsidiaries	4,971,146	-	-	-	26,374,877	-
Exchange differences	(121,590)	-	53,209	-	(347,725)	-
Impairment	(4,270)		-	-	-	-
Depreciation of buildings	-	-	-	-	(1,914,631)	-
Balance as at 31st March 2025	16,128,681	-	103,948,645	2,836,200	124,923,434	61,000
Additions	90,003	-	372,224	343,710	1,701,478	-
Revaluations	5,082,868	-	2,987,179	144,590	440,731	-
Disposals / deductions	(233,334)	-	-		(20,170,537)	-
Transfers	1,298	-	40,277	-	34,585,222	-
On acquisition of subsidiaries	5,027,207	-	813,202	-	1,549,907	-
Exchange differences	414,129	-	(80,685)	-	4,909,742	-
Impairment	(2,127)	-	-	-	-	-
Depreciation of buildings	-	-	-	-	(2,714,616)	-
Balance as at 31st March 2026	26,508,725	-	108,080,842	3,324,500	145,225,361	61,000

51 Analysis of financial instruments by measurement basis

Financial instruments are measured on an on-going basis either at fair value or at amortised cost. The Accounting Policies describe how each category of financial instrument is measured and how income and expenses, including fair value gain and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in Sri Lanka Accounting Standards – SLFRS 9 Financial Instruments: Recognition & Measurement) under headings of the Statement of Financial Position.

As at 31st March 2026	Group					
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Other assets/ liabilities	Total carrying amount	Fair value
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets						
Cash in hand and favourable bank balances	-	-	5,051,181	-	5,051,181	5,051,181
Other financial assets-Current	1,460,800	-	3,159,762	-	4,620,562	4,620,562
Other financial assets-Non- current	-	31,584	518,063	-	549,647	549,647
Loans to related parties	-	-	188,367	-	188,367	188,367
Amounts due from related parties	-	-	8,092,005	-	8,092,005	8,092,005
Trade and other current assets	-	-	46,653,357	7,708,319	54,361,926	54,361,926
Total financial assets	1,460,800	31,584	63,662,985	7,708,319	72,863,688	72,863,688
Financial liabilities						
Bank overdrafts	-	-	16,874,235	-	16,874,235	16,874,235
Trade and other payables	-	-	154,129,384	8,242,789	162,372,173	162,372,173
Amounts due to related parties	-	-	98,305,059	-	98,305,059	98,305,059
Loan from related parties	-	-	6,283,943	-	6,283,943	6,283,943
Short term borrowings	-	-	24,321,169	-	24,321,169	24,321,169
Interest bearing loans and borrowings	-	-	39,998,363	-	39,998,363	39,998,363
Total financial liabilities	-	-	339,912,153	8,242,789	348,154,942	348,154,942

As at 31st March 2025	Group					
	Fair value through profit or loss	Fair value through OCI	Amortised cost	Other assets/ liabilities	Total carrying amount	Fair value
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Financial assets						
Cash in hand and favourable bank balances	-	-	6,615,501	-	6,615,501	6,615,501
Other financial assets-Current	637,133	-	3,965,893	-	4,603,026	4,603,026
Other financial assets-Non- current	-	445	496,070	-	496,515	496,515
Loans to related parties	-	-	2,836,542	-	2,836,542	2,836,542
Amounts due from related parties	-	-	797,732	-	797,732	797,732
Trade and other current assets	-	-	39,022,155	8,863,394	47,885,549	47,885,549
Total financial assets	637,133	445	53,733,893	8,863,394	63,234,865	63,234,865
Financial liabilities						
Bank overdrafts	-	-	4,681,866	-	4,681,866	4,681,866
Trade and other payables	-	-	134,629,994	7,739,210	142,369,204	142,369,204
Amounts due to related parties	-	-	113,871,360	-	113,871,360	113,871,360
Loan from related parties	-	-	4,376,990	-	4,376,990	4,376,990
Short term borrowings	-	-	29,287,336	-	29,287,336	29,287,336
Interest bearing loans and borrowings	-	-	31,575,194	-	31,575,194	31,575,194
Total financial liabilities	-	-	318,422,740	7,739,210	326,161,950	326,161,950

Analysis of Financial Instruments by Measurement Basis

	Company					
As at 31st March 2026	Fair value through profit or loss Rs.000	Fair value through OCI Rs.000	Amortised cost Rs.000	Other assets/ liabilities Rs.000	Total carrying amount Rs.000	Fair value Rs.000
Financial assets						
Cash in hand and favourable bank balances	-	-	175,833	-	175,833	175,833
Other financial assets-Current	3,862	-	2,596,978	-	2,600,840	2,600,840
Other financial assets-Non- current	-	399	-	-	399	399
Loans to related parties	-	-	6,875,418	-	6,875,418	6,875,418
Amounts due from related parties	-	-	31,464,407	-	31,464,407	31,464,407
Trade and other current assets	-	-	35,967,076	2,465,051	38,432,127	38,432,127
Total financial assets	3,862	399	77,079,712	2,465,051	79,549,024	79,549,024
Financial liabilities						
Bank overdrafts	-	-	-	-	-	-
Trade and other payables	-	-	68,873,940	20,210	68,894,150	68,894,150
Amounts due to related parties	-	-	44,313,112	-	44,313,112	44,313,112
Loan from related parties	-	-	12,322	-	12,322	12,322
Short term borrowings	-	-	13,545,268	-	13,545,268	13,545,268
Total financial liabilities	-	-	126,744,642	20,210	126,764,852	126,764,852

	Company					
As at 31st March 2025	Fair value through profit or loss Rs.000	Fair value through OCI Rs.000	Amortised cost Rs.000	Other assets/ liabilities Rs.000	Total carrying amount Rs.000	Fair value Rs.000
Financial assets						
Cash in hand and favourable bank balances	-	-	32,368	-	32,368	32,368
Other financial assets-Current	73,403	-	2,997,350	-	3,070,753	3,070,753
Other financial assets-Non- current	-	445	-	-	445	445
Loans to related parties	-	-	8,338,914	-	8,338,914	8,338,914
Amounts due from related parties	-	-	25,771,045	-	25,771,045	25,771,045
Trade and other current assets	-	-	27,362,250	4,145,509	31,507,759	31,507,759
Total financial assets	73,403	445	64,501,927	4,145,509	68,721,284	68,721,284
Financial liabilities						
Bank overdrafts	-	-	49,106	-	49,106	49,106
Trade and other payables	-	-	51,713,396	24,280	51,737,676	51,737,676
Amounts due to related parties	-	-	68,195,993	-	68,195,993	68,195,993
Loan from related parties	-	-	12,329	-	12,329	12,329
Short term borrowings	-	-	11,441,933	-	11,441,933	11,441,933
Total financial liabilities	-	-	131,412,757	24,280	131,437,037	131,437,037

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds available-for-sale investments and may enter into derivative transactions. The Group's principal financial liabilities, comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group has exposure to the following risk from financial instruments:

01. Credit risk

02. Liquidity risk

03. Market risk

Risk management framework

The board of directors of each Company has overall responsibility for the establishment and oversight of Group's risk management framework for the companies within the group. The Board has established Integrated Risk Management Committees (IRMC) for each financial sector company, which are responsible for developing and monitoring financial services risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Audit Committee of each Company is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the each Group of Company. Each financial sector Company's audit committee is assisted in these functions by Enterprise Risk Management division (ERM). ERM undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to each financial sector Company's Audit Committee.

52.1 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 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.

With respect to credit risk arising from the other financial assets of the group, such as cash and cash equivalents, financial investments, short term investments, and certain derivative instruments, the group's exposure to credit risk arises from default of the counterparty. The group manages its operations to avoid any excessive concentration of counterparty risk and the group takes all reasonable steps to ensure the counterparties fulfil their obligations.

Management of credit risk

The Board of Directors of each financial sector Company has delegated responsibility for the oversight of credit risk to its Credit Committee. A separate Credit department, reporting to each Credit Committees, is responsible for management of the Financial sector Companies' credit risk, including:

01. Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

02. Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Credit Officers. Larger facilities require approval by Group Credit, Head of Group Credit, Credit Committee or the board of directors as appropriate.

03. Reviewing and assessing credit risk. Group Credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subjected to the same review process.

04. Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports on the credit quality of local portfolios are provided to Group Credit who may require appropriate corrective action to be taken.

05. Providing advice, guidance and specialist skills to business units to promote best practice throughout the financial sector in the management of credit risk.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Trade and other receivable	54,361,926	48,564,054	38,432,127	32,186,014
Loans to related companies	188,367	2,836,542	6,875,418	8,338,914
Amount due from related companies	8,092,005	801,982	31,464,407	25,771,045
Cash at Bank	5,051,181	6,615,501	175,833	32,368
	67,693,479	58,818,079	76,947,785	66,328,341

Trade and other receivable

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the default risk of the industry in which customers operate, as this factor may have an influence on credit risk.

Each new customer is analysed individually for creditworthiness before the Group's Standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available and in some cases bank references. Sales limits are established for each customer, which represents the maximum open amount without requiring approval from the management. These limits are reviewed periodically. The Group has obtained customer deposits as collateral from major customers by reviewing their past performance and credit worthiness. In addition, receivable balances are monitored on an ongoing basis with the result that Group's exposure to bad debts is not significant.

Loans Given to Related Parties

The Group's amount due from related parties consist of the balances from affiliate companies.

52.2 Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting the Obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the group has available funds to meet its short and medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The group holds cash and undrawn committed facilities to enable the group to manage its liquidity risk.

The group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including debentures, bank loans, loan notes, overdrafts and finance leases over a broad spread of maturities.

Maturity analysis of financial assets and liabilities

Maturity analysis for the financial liabilities is shown below with their contractual cash flows over the future periods

Financial year 2026

	On demand Rs.000	Less than 3 months Rs.000	3 to 12 months Rs.000	1 to 5 years Rs.000	More than 5 years Rs.000	Total Rs.000
Group						
Interest bearing borrowings	-	3,167,292	9,501,875	27,329,196	-	39,998,363
Short term borrowings and Bank overdrafts	-	16,874,235	24,321,169	-	-	41,195,404
Trade and other payables	-	71,773,554	82,355,830	-	-	154,129,384
Amounts due to related parties	98,305,059	-	-	-	-	98,305,059
Loans from related parties	5,542,402	-	-	741,541	-	6,283,943
	103,847,461	91,815,081	116,178,874	28,070,737	-	339,912,153
Company						
Interest bearing borrowings	-	-	1,000,000	-	-	1,000,000
Short term borrowings and Bank overdrafts	-	-	12,545,268	-	-	12,545,268
Trade and other payables	-	30,435	68,863,715	-	-	68,894,150
Amounts due to related parties	44,313,112	-	-	-	-	44,313,112
Loans from related parties	12,322	-	-	-	-	12,322
	44,325,434	30,435	82,408,983	-	-	126,764,852

Financial year 2025

	On demand Rs.000	Less than 3 months Rs.000	3 to 12 months Rs.000	1 to 5 years Rs.000	More than 5 years Rs.000	Total Rs.000
Group						
Interest bearing borrowings	-	1,746,770	5,240,311	24,588,113	-	31,575,194
Short term borrowings and Bank overdrafts	-	4,681,866	29,287,336	-	-	33,969,202
Trade and other payables	-	83,430,937	58,938,267	-	-	142,369,204
Amounts due to related parties	113,871,360	-	-	-	-	113,871,360
Loans from related parties	3,691,449	-	-	685,541	-	4,376,990
	117,562,809	89,859,573	93,465,914	25,273,654	-	326,161,950
Company						
Interest bearing borrowings	-	1,000,000	1,000,000	-	-	2,000,000
Short term borrowings and Bank overdrafts	-	49,106	11,441,933	-	-	11,491,039
Trade payables	-	34,505	51,703,171	-	-	51,737,676
Amounts due to related parties	68,195,993	-	-	-	-	68,195,993
Loans from related parties	12,329	-	-	-	-	12,329
	68,208,322	1,083,611	64,145,104	-	-	133,437,037

Maturity analysis for the financial liabilities is shown below with their undiscounted contractual cash flows over the future periods

Financial year 2026

	On demand Rs.000	Less than 3 months Rs.000	3 to 12 months Rs.000	1 to 5 years Rs.000	More than 5 years Rs.000	Total Rs.000
Group						
Interest bearing borrowings	-	3,917,261	13,251,722	36,328,828	-	53,497,811
Short term borrowings and Bank overdrafts	-	17,646,649	28,183,238	-	-	45,829,887
Trade and other payables	-	73,317,726	90,076,689	-	-	163,394,415
Amounts due to related parties	98,305,059	-	-	-	-	98,305,059
Loans from related parties	5,542,402	-	-	908,388	-	6,450,790
	103,847,461	94,881,636	131,511,649	37,237,216	-	367,477,962
Company						
Interest bearing borrowings	-	-	1,093,750	-	-	1,093,750
Short term borrowings and Bank overdrafts	-	-	13,721,387	-	-	13,721,387
Trade and other payables	-	30,435	75,319,688	-	-	75,350,123
Amounts due to related parties	44,313,112	-	-	-	-	44,313,112
Loans from related parties	12,322	-	-	-	-	12,322
	44,325,434	30,435	90,134,825	-	-	134,490,694

Financial year 2025

	On demand Rs.000	Less than 3 months Rs.000	3 to 12 months Rs.000	1 to 5 years Rs.000	More than 5 years Rs.000	Total Rs.000
Group						
Interest bearing borrowings	-	2,338,805	8,200,485	31,692,532	-	42,231,822
Short term borrowings and Bank overdrafts	-	5,318,789	32,471,949	-	-	37,790,738
Trade and other payables	-	84,536,030	64,463,730	-	-	148,999,760
Amounts due to related parties	113,871,360	-	-	-	-	113,871,360
Loans from related parties	3,691,449	-	-	839,788	-	4,531,237
	117,562,809	92,193,624	105,136,164	32,532,320	-	347,424,917
Company						
Interest bearing borrowings	-	1,037,500	1,187,500	-	-	2,225,000
Short term borrowings and Bank overdrafts	-	549,106	12,019,218	-	-	12,568,324
Trade payables	-	34,505	56,553,578	-	-	56,588,083
Amounts due to related parties	68,195,993	-	-	-	-	68,195,993
Loans from related parties	12,329	-	-	-	-	12,329
	68,208,322	1,621,111	69,760,296	-	-	139,589,729

52.2.1 Net Debt

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Other current financial assets	4,620,562	4,603,026	2,600,840	3,070,753
Cash in hand and at bank	5,051,181	6,615,501	175,833	32,368
Total liquid assets	9,671,743	11,218,527	2,776,673	3,103,121
Non current portion of borrowings	27,329,196	24,588,113	-	1,000,000
Short term borrowings	24,321,169	29,287,336	12,545,268	11,441,933
Current portion of borrowings	12,669,167	6,987,081	1,000,000	1,000,000
Bank overdrafts	16,874,235	4,681,866	-	49,106
Loans from related parties	6,283,943	4,376,990	12,322	12,329
Total liabilities	87,477,710	69,921,386	13,557,590	13,503,368
Net external debt	(77,805,967)	(58,702,860)	(10,780,917)	(10,400,247)

Liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against a combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreements or other secured borrowings.

52.3 Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Market risk comprise of the following types of risk:

- Interest Rate Risk
- Currency Risk
- Commodity price risk
- Equity Price Risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The group's risk management is controlled by group treasury under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The analysis excludes the impact of movements in market variables on the carrying values of other post-retirement obligations, provisions, and the non-financial assets and liabilities.

52.3.1 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 Group treasury continuously monitors the interest rate environment to advice to group on the most suitable strategy with regard to borrowings.

As at 31st March	Group		Company	
	2026 Rs.000	2025 Rs.000	2026 Rs.000	2025 Rs.000
Variable rate borrowings	24,321,169	29,287,336	12,545,268	11,441,933
Fixed rate borrowings	39,998,363	31,575,194	1,000,000	2,000,000
	64,319,532	60,862,530	13,545,268	13,441,933

An analysis of the Groups' sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows;

Sensitivity of projected	Impact on Net interest		Reported equity	
Group	1% parallel increase Rs.000	1% parallel decrease Rs.000	1% parallel increase Rs.000	1% parallel decrease Rs.000
For the year ended 31 March 2026	643,195	(643,195)	176,691,891	177,978,281

Sensitivity of projected	Impact on Net interest		Reported equity	
Group	1% parallel increase Rs.000	1% parallel decrease Rs.000	1% parallel increase Rs.000	1% parallel decrease Rs.000
For the year ended 31 March 2025	608,625	(608,625)	194,559,893	195,777,143

52.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements. Group treasury analyses the market condition of foreign exchange and provides market updates to the board, with the use of external consultants' advice. Based on the suggestions made by Group treasury, the board takes decisions on whether to hold, sell, or make forward bookings of foreign currency.

The Group has exposure to the currency fluctuations through its foreign assets and liabilities held by following main foreign subsidiaries

Subsidiary	Country of incorporation	Functional currency
B Commodities ME(FZE)	UAE	United States Dollar - USD
BI Leisure Holdings ME(FZE)	UAE	United States Dollar - USD
Browns Tea Trading (FZCO)	UAE	United States Dollar - USD
Bodufaru Beach Resorts (Private) Limited	Maldives	United States Dollar - USD
Browns Kaafu N Resort (Pvt) Ltd	Maldives	United States Dollar - USD
Browns Raa Resort (Pvt) Ltd	Maldives	United States Dollar - USD
Grey Reach Investments Ltd	British Virgin Island	United States Dollar - USD
Sunbird Bioenergy (SL) Ltd	Sierra Leone	Euro
PL Resorts Ltd	Mauritius	Mauritian rupee (MUR)
Browns Plantations Kenya Ltd	Kenya	British Sterling Pound (GBP) and Kenyan Shilling (Ks)
Grey Reach Investments Ltd	British Virgin Islands	United States Dollar - USD
NPH Investments (Pvt) Ltd	Maldives	United States Dollar - USD
Browns Plantations East Africa Ltd	Kenya	Kenyan shilling
Browns Plantations Tanzania Ltd	Tanzania	Tanzanian shilling
Browns Plantations Rwanda Ltd	Rwanda	Rwanda Franc
Browns Plantations (Guizhou) Tea Co., Ltd	China	Chinese Yuan

A reasonably possible strengthening (weakening) of USD, EURO, GBP,KES and MUR against all other currencies as at 31 March 2026, would have affected the measurement of individual assets and liabilities denominated in a foreign currency and affected equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant and any change in assets and liability positions.

As at 31 March 2026	100 basis points movement in	
	strengthening Rs.000	Weakening Rs.000
CNY	11,485	(11,485)
EUR	514,059	(514,059)
GBP	604,693	(604,693)
KES	1,014,689	(1,014,689)
MUR	16,872	(16,872)
RWF	69,359	(69,359)
TZS	122,252	(122,252)
USD	204,914	(204,914)
AED	(1,304)	1,304

52.3.3 Equity price risk

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as at fair value through other comprehensive income (FVOCI)

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Below table summarises the impact of a shock of 10% on equity price on profit, other comprehensive income (OCI) and equity.

	Group		Company	
	Financial assets recognised through profit or loss Rs.000	Financial assets fair value through other comprehensive income Rs.000	Financial assets recognised through profit or loss Rs.000	Financial assets fair value through other comprehensive income Rs.000
Market value of Equity Securities	1,460,800	31,584	3,862	399

	Group		Company	
Stress Level	Impact on Income Statement Rs.000	Impact on OCI Rs.000	Impact on Income Statement Rs.000	Impact on OCI Rs.000
Shock of 10% on equity price (upward)	146,080	3,158	386	40
Shock of 10% on equity price (downward)	(146,080)	(3,158)	(386)	(40)

52.4 Capital Management

For the purpose of the Group's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt.

As at 31st March	Group		Company	
	2026	2025	2026	2025
	Rs.000	Rs.000	Rs.000	Rs.000
Non current portion of borrowings	27,329,196	24,588,113	-	1,000,000
Short term borrowings	24,321,169	29,287,336	12,545,268	11,441,933
Current portion of borrowings	12,669,167	6,987,081	1,000,000	1,000,000
Bank overdrafts	16,874,235	4,681,866	-	49,106
Loans from related parties	6,283,943	4,376,990	12,322	12,329
Less: cash and short-term deposits	(9,671,743)	(11,218,527)	(2,776,673)	(3,103,121)
Net external debt	77,805,967	58,702,860	10,780,917	10,400,247
Equity attributable to equity holders	177,335,086	195,168,518	177,335,086	195,168,518
Capital and Net Debt	255,141,053	253,871,378	188,116,003	205,568,765
Gearing ratio	30.50%	23.12%	5.73%	5.06%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2026 and 2025.

53 Non Controlling Interests

The following table summaries the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

As at 31st March 2026 NCI%	SHOTPLC 49.40% Rs.000	DOLPHINPLC 64.92% Rs.000	SIGIRIYAPLC 67.47% Rs.000	PALM 10.62% Rs.000	EDEN 13.11% Rs.000	DRS 13.11% Rs.000	FRONTIER 49.40% Rs.000	MPL 31.36% Rs.000	Sun & Fun 55.69% Rs.000	NPHI 49.00% Rs.000	Total Rs.000
Summarised Balance Sheet											
Total assets	4,134,232	6,441,842	1,904,148	23,632,413	15,084,742	5,244,888	1,556,485	12,347,584	2,464,532	47,130,538	119,941,404
Total liabilities	1,168,368	1,781,475	657,092	4,498,689	4,028,243	5,178,513	559,588	10,235,462	3,817,365	41,263,350	73,188,145
Net assets	2,965,864	4,660,367	1,247,056	19,133,724	11,056,499	66,375	996,897	2,112,122	(1,352,833)	5,867,188	46,753,259
carrying value of NCI	1,465,272	3,025,500	841,397	2,032,001	1,449,507	8,702	492,467	662,361	(753,393)	2,874,922	12,098,738
Summarised statement of comprehensive income											
Revenue	968,423	1,699,367	732,104	-	1,536,310	719,151	393,820	5,690,589	480,260	3,034,345	15,254,369
Profit/(loss) after tax	129,633	221,118	101,957	(313,895)	(442,219)	(454,337)	69,560	(379,975)	(553,244)	(1,892,420)	(3,513,822)
Other comprehensive income	(3,591)	1,664	(91)	(161)	(3,476)	438,171	(1,152)	(26,168)	629	-	405,825
Profit/ (loss) allocated to NCI	64,045	143,549	68,791	(33,336)	(57,975)	(59,564)	34,363	(119,160)	(308,102)	(927,286)	(1,194,674)
OCI allocated to NCI	(1,774)	1,080	(61)	(17)	(456)	57,444	(569)	(8,206)	350	-	47,791
Summarised cash flows											
Cash flows from operating activities	5,749	(36,975)	(163,352)	(561,649)	65,708	(33,810)	131,488	31,629	71,039	1,486,799	996,626
Cash flows from investing activities	10,362	41,768	(24,002)	52	(125,752)	(131,817)	(6,218)	(278,026)	(41,647)	(1,084,328)	(1,639,608)
Cash flows from financing activities	(79,889)	(3,754)	(16,445)	560,100	185,021	-	(76,922)	45,246	(668)	(710,845)	(98,156)
Net increase/(decrease) in cash and cash equivalents	(63,778)	1,039	(203,799)	(1,497)	124,977	(165,627)	48,348	(201,151)	28,724	(308,374)	(741,138)

As at 31st March 2025 NCI%	SHOTPLC 49.40% Rs.000	DOLPHINPLC 64.92% Rs.000	SIGIRIYAPLC 67.47% Rs.000	PALM 10.62% Rs.000	EDEN 13.11% Rs.000	DRS 13.11% Rs.000	FRONTIER 49.40% Rs.000	MPL 31.36% Rs.000	SUNFUN 55.69% Rs.000	NPHI 49.00% Rs.000	Total Rs.000
Summarised Balance Sheet											
Total assets	4,182,263	6,010,230	1,628,800	23,363,957	15,225,073	5,281,963	1,533,773	11,874,920	2,478,585	44,268,392	115,847,956
Total liabilities	1,345,603	1,576,399	485,993	3,916,177	3,722,879	5,199,421	605,285	11,884,184	3,278,803	36,689,113	68,703,859
Net assets	2,836,659	4,433,831	1,142,807	19,447,779	11,502,195	82,541	928,488	(9,264)	(800,219)	7,579,280	47,144,098
carrying value of NCI	1,401,439	2,878,433	771,060	2,065,354	1,507,938	10,821	458,673	(2,905)	(445,642)	3,713,847	12,359,017
Summarised statement of comprehensive income											
Revenue	859,399	1,446,897	624,872	-	1,324,303	652,491	362,054	5,045,665	427,625	-	9,883,907
Profit/(loss) after tax	204,179	167,434	48,493	1,924,132	239,248	(401,467)	51,167	(501,756)	(283,109)	503,530	1,951,851
Other comprehensive income	236,883	862,122	166,395	(80)	867,953	761,677	172,476	165,059	533,446	-	3,765,930
Profit/ (loss) allocated to NCI	100,874	108,698	32,718	204,343	31,365	(52,632)	25,276	(157,351)	(157,663)	246,730	382,358
OCI allocated to NCI	117,031	559,688	112,268	(9)	113,789	99,856	85,203	51,763	297,076	2,486,287	3,922,952
Summarised cash flows											
Cash flows from operating activities	84,053	54,879	(56,611)	4,588,187	112,951	101,721	77,235	1,759,690	106,934	6,578,099	13,407,138
Cash flows from investing activities	2,334	(56,761)	(20,957)	(5,366,152)	(118,616)	(28,374)	(14,598)	(77,366)	(37,700)	(10,568,522)	(16,286,712)
Cash flows from financing activities	(66,175)	(593,545)	(3,818)	-	(61,130)	-	(36,126)	(237,714)	(60,573)	3,422,728	2,363,647
Net increase/(decrease) in cash and cash equivalents	20,213	(595,426)	(81,386)	(777,965)	(66,795)	73,347	26,511	1,444,610	8,661	(567,696)	(515,927)

Ten Year Summary

	2026 Rs.000	2025 Rs.000	2024 Rs.000
OPERATING RESULTS			
Group revenue	99,134,318	61,820,824	47,429,333
EBIT	12,092,256	95,541,611	54,454,239
Net Finance expenses	(35,175,510)	(32,491,033)	(44,415,236)
Profit/(loss) before tax	(23,083,254)	63,050,578	10,039,003
Tax expense	(870,356)	1,777,946	(4,255,639)
Profit for the year	(23,953,610)	64,828,524	5,783,364
Profit/(loss) after tax for the year from discontinued operations and assets held for sale	(800,375)	(11,494,606)	
	(24,753,985)	53,333,918	5,783,364
Attributable to:			
Equity holders of the company	(21,881,661)	57,664,102	10,037,388
Non-controlling interests	(2,872,324)	(4,330,184)	(4,254,024)
	(24,753,985)	53,333,918	5,783,364
CAPITAL EMPLOYED			
Stated capital	31,004,439	31,004,439	31,004,439
Capital reserves	60,614,739	60,277,313	50,454,862
Revenue reserves	85,715,908	103,886,766	48,142,254
Share holders fund	177,335,086	195,168,518	129,601,555
Non-controlling interests	78,891,109	76,333,019	54,077,127
Total equity	256,226,195	271,501,537	183,678,682
Total external debt	87,477,710	69,921,386	54,946,448
	343,703,905	341,422,923	238,625,130
ASSETS EMPLOYED			
Property, plant and equipment (PP&E)	247,115,894	249,015,461	188,636,512
Non-current assets other than PP&E	338,719,029	306,729,703	233,969,647
Current assets	100,104,470	114,392,371	74,726,265
Liabilities net of debt	(342,235,488)	(328,714,612)	(258,707,294)
	343,703,905	341,422,923	238,625,130
CASH FLOW			
Net cash flows from/(used in) operating activities	(45,784,587)	12,305,022	11,906,826
Net cash flows from/ (used in) investing activities	35,543,710	(20,120,913)	(6,056,859)
Net cash flows from / (used in) financing activities	(3,515,812)	4,583,020	(4,207,614)
Net increase/ (decrease) in cash and cash equivalents	(13,756,689)	(3,232,871)	1,642,353
KEY INDICATORS			
Earnings per share (Rs.)	(1.52)	4.01	0.70
Net Assets per share (Rs.)	12.34	13.58	9.02
Market capitalisation (Rs'000')	87,655,280	104,898,941	77,596,477
Market price per share (Rs.)	6.10	7.30	5.40
Price earning ratio (times)	-	1.82	7.73
Dividend per share (Rs.)	-	-	-
Return on shareholders' funds (%)	(0.12)	29.55	7.74
Return on capital employed (%)	4.57	36.04	29.51
Interest cover (times covered)	0.34	2.94	1.23
Current ratio (times)	0.31	0.38	0.31
Debt to equity Ratio (%)	49.33	35.83	42.40
Number of shares ('000)	14,369,718	14,369,718	14,369,718
Pending share allotment	-	-	-

2023 Rs.000	2022 Rs.000	2021 Rs.000	2020 Rs.000	2019 Rs.000	2018 Rs.000	2017 Rs.000
42,015,935	22,329,590	8,359,852	5,556,739	5,123,307	5,147,888	8,910,227
26,027,862	41,174,013	(412,491)	12,051,308	1,252,172	3,991,826	5,048,598
(38,021,609)	(9,419,414)	(4,156,995)	(4,542,520)	(2,912,420)	(2,100,319)	(2,200,622)
(11,993,747)	31,754,599	(4,569,486)	7,508,788	(1,660,248)	1,891,507	2,847,976
(240,546)	(156,207)	(216,325)	(323,346)	(363,441)	(431,371)	(379,799)
(12,234,293)	31,598,392	(4,785,811)	7,185,442	(2,023,689)	1,460,136	2,468,177
(12,234,293)	31,598,392	(4,785,811)	7,185,442	(2,023,689)	1,460,136	2,468,177
(9,228,112)	31,458,203	(3,396,642)	9,029,410	(1,905,285)	847,288	1,016,927
(3,006,181)	140,186	(1,389,169)	(1,843,968)	(118,405)	612,848	1,451,250
(12,234,293)	31,598,389	(4,785,811)	7,185,442	(2,023,689)	1,460,136	2,468,177
31,004,439	31,004,439	31,004,439	11,844,816	11,844,816	7,705,000	7,705,000
46,213,827	46,086,825	24,047,826	4,878,168	3,098,926	2,518,542	1,728,558
36,394,949	46,039,453	12,746,865	15,896,208	6,495,389	7,143,611	6,392,183
113,613,215	123,130,717	67,799,130	32,619,192	21,439,131	17,367,153	15,825,741
58,297,498	59,455,216	31,236,486	21,440,273	2,903,860	7,339,483	6,106,454
171,910,713	182,585,933	99,035,616	54,059,465	24,342,991	24,706,636	21,932,195
48,731,478	58,671,553	24,433,209	25,824,505	15,855,384	8,823,130	8,502,611
220,642,191	241,257,486	123,468,825	79,883,970	40,198,375	33,529,766	30,434,806
170,044,607	157,296,253	102,734,455	77,714,110	31,724,124	26,456,648	20,724,926
174,508,186	152,140,501	40,167,889	26,054,692	21,892,475	18,700,466	15,879,814
70,256,583	63,344,513	20,489,483	12,377,065	6,065,711	5,671,816	8,629,424
(194,167,185)	(131,523,781)	(39,923,001)	(36,261,896)	(19,483,935)	(17,299,164)	(14,799,358)
220,642,191	241,257,486	123,468,826	79,883,971	40,198,375	33,529,766	30,434,806
26,042,870	30,864,314	(12,239,344)	3,824,917	(1,795,239)	(3,720,925)	406,092
(8,966,880)	(67,596,135)	(5,409,655)	(11,062,588)	(6,883,341)	(2,092,665)	(5,351,248)
(15,438,556)	36,065,739	18,952,216	7,991,364	8,773,354	1,459,804	8,312,887
1,637,434	(666,078)	1,303,217	753,693	94,774	(4,353,786)	3,367,731
0.64	2.19	(0.24)	1.89	(0.51)	0.23	0.27
7.91	8.57	4.72	4.48	4.48	4.72	4.25
86,218,308	107,772,885	79,033,449	9,100,822	5,580,000	10,044,000	5,208,000
6.00	7.50	5.50	1.90	1.50	2.70	1.40
-	3.43	-	1.01	-	11.74	5.19
-	-	-	-	-	-	-
8.12	25.55	(5.01)	27.68	(8.89)	4.88	6.43
16.03	22.65	(0.45)	20.62	3.36	15.24	20.75
0.68	4.37	(0.10)	2.65	0.43	1.90	2.29
0.37	0.45	0.53	0.31	0.25	0.30	0.49
42.89	47.67	36.04	47.77	65.13	35.71	38.77
14,369,718	14,369,718	14,369,718	4,789,906	3,720,000	3,720,000	3,720,000
-	-	-	-	1,069,906	-	-

Share Analysis as at 31st March 2026

Market Price per Share

	2025/2026	Q4	Q3	Q2	Q1	2024/2025
Highest during the year	8.5	7.4	8	8.3	8.5	9.40
Lowest during the year	5.2	5.2	6.3	7.2	6.6	4.70
Last traded as at the end of the year	6.1	6.1	6.6	7.7	7.6	7.30

Composition of Shareholders

	2026			2025		
	No. of Shareholders	No. of Shares	% of Shares	No. of Shareholders	No. of Shares	% of Shares
Individuals	36,444	2,685,964,203	18.69	35,241	2,582,532,597	17.97
Institutions	922	11,683,753,257	81.31	991	11,787,184,863	82.03
Total	37,366	14,369,717,460	100	36,232	14,369,717,460	100

Distribution of Shareholders

	2026			2025		
	No. of Shareholders	No. of Shares	% of Shares	No. of Shareholders	No. of Shares	% of Shares
1 to 1,000 shares	10,044	4,291,925	0.03	9,276	4,071,627	0.03
1,001 to 10,000 shares	15,686	70,729,736	0.49	15,458	70,033,125	0.49
10,001 to 100,000 shares	8,650	296,847,380	2.06	8,666	299,437,991	2.08
100,001 to 1,000,000 shares	2,562	769,045,646	5.35	2,435	747,905,066	5.21
Over 1,000,000 shares	424	13,228,802,773	92.06	397	13,248,269,651	92.19
TOTAL	37,366	14,369,717,460	100	36,232	14,369,717,460	100

Public Shareholding	31st March 2026	31st March 2025
	%	%
Public Holding percentage	19.668	19.668
Number of public shareholders	37,354	36,221
Float adjusted market capitalisation (Rs.)	17,240,471,827	20,569,826,536

The Company complies with the Minimum Public Holding Requirement under Option 1 and Option 2 of the Colombo Stock Exchange Listing Rule 7.13.1.i (b)

20 Major Shareholders

	Name of shareholder	31.03.2026 No. of shares	%		Name of shareholder	31.03.2025 No. of shares	%
1	Hatton National Bank Plc/Brown & Company PLC	4,608,280,773	32.07	1	Hatton National Bank PLC/ Brown & Company PLC	4,608,280,773	32.1
					Brown & Company PLC A/C No: 01	1,210,000,000	8.42
					Commercial Bank of Ceylon PLC/ Brown & Company PLC	800,000,000	5.57
2	B I Holdings (Pvt) Ltd	2,257,300,594	15.71	2	BI Holdings (Pvt) Ltd	2,657,300,594	18.50
3	Brown & Company PLC A/C No. 1	1,210,000,000	8.42	3	LOLC Finance PLC / Don and Don Holdings (Pvt) Ltd	500,000,000	3.48
					People's Leasing & Finance PLC / Don and Don Holdings (Private) Limited	400,000,000	2.78
					Don and Don Holdings (Private) Limited	327,750,536	2.28
4	Commercial Bank Of Ceylon PLC/ Brown & Company PLC	800,000,000	5.57	4	Mr. D.S.K. Amarasekera	722,000,000	5.02
5	Mr. D.S.K. Amarasekera	722,000,000	5.02	5	Mrs. P.S.W. Rupasinghe	277,722,000	1.93
6	Lolc Finance PLC/Don & Don Holdings (Pvt) Ltd	500,000,000	3.48	6	Commercial Bank of Ceylon Ltd / Phantom Investments (Pvt) Ltd	155,782,610	1.08
7	People's Bank / B I Holdings (Pvt) Ltd	400,000,000	2.78	7	Sri Lanka Insurance Corporation Ltd - Life Fund	125,835,986	0.88
8	People's Leasing & Finance PLC / Don and Don (Private) Limited	400,000,000	2.78	8	People's Leasing & Finance PLC/Capital Trust Holdings Limited	52,659,230	0.37
9	Don and Don (Private) Limited	327,750,536	2.28	9	Nuwara Eliya Property Developers (Pvt) Ltd	48,140,625	0.34
10	Mrs. P. S. W. Rupasinghe	277,722,000	1.93	10	Sampath Bank PLC/ Ishara Chinthaka Nanayakkara	40,000,000	0.28
11	Commercial Bank Of Ceylon PLC/ Phantom Investments (Private) Limited	155,782,610	1.08	11	Simonas Trust Service (Pvt) Ltd	40,000,000	0.28
12	Sri Lanka Insurance Corporation Ltd- Life Fund	116,834,001	0.81	12	Sri Lanka Insurance Corporation Ltd- General Fund	38,166,514	0.27
13	People's Leasing & Finance PLC/ Capital Trust Holdings Limited	65,471,508	0.46	13	G.B.D. Thilakaratne	31,731,436	0.22
14	Nuwara Eliya Property Developers (Pvt) Ltd	60,959,451	0.42	14	Synamon Global (Pvt) Ltd	29,135,781	0.2
15	Sampath Bank PLC/Ishara Chinthaka Nanayakkara	40,000,000	0.28	15	Sisil Investment Holdings (Private) Limited	25,072,432	0.17
16	Hatton National Bank PLC/Dinesh Nagendra Sellamuttu	22,898,949	0.16	16	Assetline Finance Limited/Ceylon Capital Management (Pvt)Ltd	23,000,000	0.16
17	Hatton National Bank PLC/Ruwan Prassana Sugathadasa	21,687,221	0.15	17	Hatton National Bank PLC/Dinesh Nagendra Sellamuttu	22,398,949	0.16
18	Merchant Bank Of Sri Lanka & Finance PLC/J A S M Jayawickrama	21,036,717	0.15	18	Sampath Bank PLC/Mr. S.M. Dissanayake	20,000,000	0.14
19	Sisil Investment Holdings (Private) Limited	20,203,798	0.14	19	Hatton National Bank PLC/ Ruwan Prasanna Sugathadasa	18,031,529	0.13
20	Citizens Development Business Finance PLC/A C Senanka	20,122,440	0.14	20	Metrocorp (Pvt) Ltd	16,926,108	0.12
		12,048,050,598	83.83			12,189,935,103	84.85
	Other	2,321,666,862	16.17		Other	2,179,782,357	15.15
	Total	14,369,717,460	100		TOTAL	14,369,717,460	100

Parent, Subsidiaries, Sub-Subsidiaries and Associate companies of Browns Investments PLC

Company	Registration Number	Directors
LOLC Holdings PLC	PQ 70	I C Nanayakkara
		W D K Jayawardena
		Mrs. K U Amarasinghe
		F K C P N Dias
		K Sundararaj
		K Sivanesan
		G S Kalidasa
Brown & Company PLC	PQ 25	I C Nanayakkara
		W D K Jayawardena
		Mrs. K U Amarasinghe
		W D K T Abeyrathne
		T Sanakan
		K Sundararaj
		C Wijesinha
Dolphin Hotels PLC	PQ 224	W D K Jayawardena
		D S K Amarasekera
		Dr. J M Swaminathan
		S Furkhan
		T Dharmarajah
		R L E C Wijeratne
Eden Hotels Lanka PLC	PQ 199	W D K Jayawardena
		Mrs. K U Amarasinghe
		D S K Amarasekera
		J Selvaratnam
		T Dharmarajah
		S Furkhan
		Dr. J M Swaminathan
Hotel Sigiriya PLC	PQ 81	W D K Jayawardena
		Mrs. K U Amarasinghe
		D S K Amarasekera
		Dr. J M Swaminathan
		S Furkhan
		T Dharmarajah
Palm Garden Hotels PLC	PQ 132	W D K Jayawardena
		Mrs. K U Amarasinghe
		D S K Amarasekera
		R L E C Wijeratne
		J Selvaratnam
		T Dharmarajah
		Dr. J M Swaminathan
Serendib Hotels PLC	PQ 223	W D K Jayawardena
		Mrs. K U Amarasinghe
		D S K Amarasekera
		Dr. J M Swaminathan
		E J D Rajakarier
		T Dharmarajah

Company	Registration Number	Directors
		W A T M Wijesinghe
		S A Chojnacki (R.W.E. 15.06.2026)
		J Selvaratnam (A.W.E 09.07.2026)
		W R Williams (A.W.E 15.06.2026)
Tropical Villas (Pvt) Ltd	PV 4043	D S K Amarasekera
		P D G Jayasena
		R L E C Wijeratne (A.W.E 01.05.2026)
		J B W Kelegama (R.W.E 01.05.2026)
Dikwella Resort (Private) Limited	PV 11742	R L E C Wijeratne (A.W.E 01.05.2026)
		J B W Kelegama (R.W.E 01.05.2026)
		P D G Jayasena
Frontier Capital Lanka (Pvt) Ltd	PV 74570	D S K Amarasekera
		Dr. J M Swaminathan
Green Paradise Resorts (Private) Limited	PV 60519	D S K Amarasekera
		R L E C Wijerathne
		Mrs. K U Amarasinghe
		P D G Jayasena
LOLC Investment Holdings Four (Private) Limited	PV 00245502	D S K Amarasekera
		P D G Jayasena
		W K D T Abeyrathne
Riverina Resort (Private) Limited	PV 87378	R L E C Wijeratne
		D S K Amarasekera
Sanctuary Resorts Lanka (Pvt) Ltd	PV 75715	D S K Amarasekera
		Dr. J M Swaminathan
Serendib Leisure Management Ltd	PB 1075	D S K Amarasekera
		Dr. J M Swaminathan
		E J D Rajakarier
Browns Hotels and Resorts Limited	PB 3805	D S K Amarasekera
		J B W Kelegama (R.W.E 01.05.2026)
		N R Nanayakkara (A.W.E 01.01.2026)
		R L E C Wijeratne (A.W.E 01.05.2026)

Company	Registration Number	Directors
B.G.Air Services (Pvt) Ltd	PV 1807	D S K Amarasekera
		T Sanakan
		W K D T Abeyrathne
		M A P N Weerasinghe
		P D G Jayasena
Samudra Beach Resorts (Pvt) Ltd	PV 78179	D S K Amarasekera
		R L E C Wijeratne
		P D G Jayasena
Millennium Development (Pvt) Ltd	PV 1792	D S K Amarasekera
		T Sanakan
		R L E C Wijeratne
Excel Global Holdings (Pvt) Ltd	PV 1625	D S K Amarasekera
		T Sanakan
Taprobane Plantations Ltd	PB 152	Dr. (Mrs.) R N A Nanayakkara
		H M Siripala
Excel Restaurants (Pvt) Ltd	PV 9123	D S K Amarasekera
		T Sanakan
		R L E C Wijeratne
Ajax Engineers (Pvt) Ltd	PV 1556	D S K Amarasekera
		T Sanakan
		V Gunarathne
		C S Jayasinghe
Sun & Fun Resorts Ltd	PB 3870	V K Vemuru
		D S K Amarasekera
		T Selviah
		R L E C Wijeratne
		P D G Jayasena
Browns Global Farm (Pvt) Ltd	PV 92172	D S K Amarasekera
		P D G Jayasena
B I Commodities and Logistics (Pvt) Ltd	PV 105139	D S K Amarasekera
		P D G Jayasena
		W K D T Abeyrathne
		M Gunawardena
		A A G Vithanage
BI Zhongtian Holdings (Pvt) Ltd	PV 106789	D S K Amarasekera
		P D G Jayasena
Ceylon Roots Lanka (Pvt) Ltd	PV 121788	P D G Jayasena
		D S K Amarasekera
		P A D F Perera

Company	Registration Number	Directors
Browns Teas (Pvt) Ltd	PV 121691	D S K Amarasekera
		M A P N Weerasinghe
		P D G Jayasena
Browns Metal & Sands (Private) Ltd	PV 121690	D S K Amarasekera
		W K D T Abeyrathne
		Mrs. V G S S Kotakadeniya
		M A P N Weerasinghe
Browns Engineering and Construction (Pvt) Ltd	PV 129313	D S K Amarasekera
		D N N Lokuge
		K A K P Gunawardena
		J K Pathirena
		P D G Jayasena
Sri Spice (Private) Limited	PV 104388	W K D T Abeyrathne
		M Gunawardena
		N J Wickramasinghe
Tropical Island Commodoties (Private) Limited	PV 662	W K D T Abeyrathne
		M Gunawardena
		M D D N Mallawarachchi
		N J Wickramasinghe
Ceylon Real Estate Holdings (Pvt) Ltd	PV 00239413	M I I Ibrahim
		D S K Amarasekera
		K A K P Gunawardena
Colombo Marina Development (Pvt) Ltd	PV00239868	M I I Ibrahim
		D S K Amarasekera
		K A K P Gunawardena
Marina Hotel Holdings (Pvt) Ltd	PV00239989	M I I Ibrahim
		D S K Amarasekera
		K A K P Gunawardena
F L P C Management (Pvt) Ltd	PV 18888	D S K Amarasekera
		P D G Jayasena
		M A P N Weerasinghe
Browns Power Holdings (Pvt) Ltd	PV 70021	D S K Amarasekera
		Dr. P S H Uluwaduge (A.W.E 01.01.2026)
		N R Nanayakkara (A.W.E 01.01.2026)

Parent, Subsidiaries, Sub-Subsidiaries and Associate companies of Browns Investments PLC

Company	Registration Number	Directors
Browns Properties (Pvt) Ltd	PV 75864	D S K Amarasekera
		P D G Jayasena
		M A P N Weerasinghe
		D W Batagoda
Maturata Plantations Ltd	PB 214	Dr. P S H Uluwaduge
		D S K Amarasekera
		K A K P Gunawardena
		Mrs. V G S S Kotakadeniya
		G D V Perera
		M Gunawardena
		Ms. N Dharmaratne
		A S Perera
		N R Nanayakkara (A.W.E 25.03.2026)
Marina Hotel (Private) Limited	PV00260099	S A Bartholomeuz
		M I I Ibrahim
		D R Samaraweera (R.W.E 19.09.2026)
		Ms. G Ramachandran (A.W.E 19.09.2026)
Colombo Marina International (Pvt) Ltd	PV00260078	S A Bartholomeuz
		M I I Ibrahim
		D R Samaraweera (R.W.E 19.09.2026)
		Ms. G Ramachandran (A.W.E 19.09.2026)
The Tea Leaf Resort Holding (Pvt) Ltd (Winding up in progress)	PV72507	W A P Perera
		D S Panditha
		D S K Amarasekera
		G A Aloysius
Sierra Cables PLC	PQ 166	I C Nanayakkara
		W D C H Jayathunga
		D S Panditha
		P E A B Perera
		Mrs. V G S S Kotakadeniya
		M A P N Weerasinghe
		D S K Amarasekera
		P D G Jayasena
		S M S C Jayasuriya
		G I U S Perera

Company	Registration Number	Directors
Browns Developments Limited	PB673	D W Batagoda
		D S K Amarasekera
		M A P N Weerasinghe
Browns Pilling (Private) Limited	PV 2158	D S K Amarasekera
		M A P N Weerasinghe
		J K Pathirana
		N N Lokuge
Sansun Boutique Hotels Limited	PB 299	M A P N Weerasinghe
		R L E C Wijeratne
		P D G Jayasena
		D S K Amarasekera
Iconic Trust (Pvt) Ltd	PV 00232531	D S K Amarasekara
		K A K P Gunawardena
		M A P N Weerasinghe
Hapugastenne Plantations PLC	PQ 62	Dr. P S H Uluwaduge
		D J Ratwatte (R.W.E 31.03.2026)
		T Dharmarajah
		D S K Amarasekara
		Mrs. V G S S Kotakadeniya
		A S Perera
		U H E Silva
		G D V Perera
		K M Mohotti
		M Gunawardena
		N R Nanayakkara (A.W.E 02.04.2026)
		K Sivanesan (A.W.E 07.08.2026)
Udapussellawa Plantations PLC	PQ 63	Dr. P S H Uluwaduge
		D J Ratwatte (R.W.E 31.03.2026)
		T Dharmarajah
		D S K Amarasekara
		Mrs. V G S S Kotakadeniya
		A S Perera
		U H E Silva
		G D V Perera
		K M Mohotti
		M Gunawardena
		N R Nanayakkara (A.W.E 02.04.2026)
		K Sivanesan (A.W.E 07.08.2026)

Company	Registration Number	Directors
Tea Smallholder Factories PLC	PQ 32	Dr. P S H Uluwaduge
		Ms. A Goonetilleke
		D S K Amarasekara
		G D V Perera
		A S Perera
		T Dharmarajah
		U H E Silva
		N R Nanayakkara (A.W.E 02.04.2026)
		K Sivanesan (A.W.E 07.08.2026)
Browns Plantation Holdings (Pvt) Ltd	PV 00297365	M I I Ibrahim
		N W K M S Chandrasekara
		Dr. P S H Uluwaduge
		N R Nanayakkara
Newburgh Green Teas (Private) Limited	PV 72507	C B De Sliva
		D J Ratwatte
		A Gurusinghe
		J P Karunaratne
		A A N M Amarasinghe
		W P S J Pushpakumara
		Dr. P S H Uluwaduge
		A S Perera
		A R Dayananda
		A Fernando (Alternate director to C B De Silva)
		H H Smaranayake (Alternate Director to A Gurusinghe)
		J P Karunaratne (Alternate Director to J P Karunaratne)
Ceylon Estate Teas (Pvt) Ltd	PV5528	Dr. P S H Uluwaduge
		D S K Amarasekera
		M Gunawardena
		A S Perera
FLMC Plantations (Pvt) Ltd	PV4027	D S K Amarasekera
		Dr. P S H Uluwaduge
		M Gunawardena
		A S Perera

Company	Registration Number	Directors
Melfort Green Teas (Pvt) Ltd	PV8588	H D A D Perera
		Ms. R V Perera
		D S K Amarasekara
		M Gunawardena
		A S Perera
		Dr. P S H Uluwaduge
		N R Nanayakkara (A.W.E 10.04.2026)
Pussellawa Plantations Limited	PB951	Ms. K P G U Kariyawasam
		D S K Amarasekera
		Dr. P S H Uluwaduge
		M Gunawardena
		A S Perera
		N R Nanayakkara
Grey Reach Investment Limited	1856468	N W K M S Chandrasekara
		D S K Amarasekera
		K A K P Gunawardena
		W K D T Abeyrathne
		D Kohli
		R Bennet
		L D Nguyen
Bodufaru Beach Resort (Pvt) Ltd	C-0890/2014	D S K Amarasekera
		M Niham
		K A K P Gunawardena
Browns Ari Resort (Pvt) Ltd	C-1006/2015	D S K Amarasekera
		M Niham
		S Mohmed
		Dr. P S H Uluwaduge
Browns Kaafu N Resort (Pvt) Ltd	C-1015/2015	D S K Amarasekera
		O A Razzak
Browns Raa Resort (Pvt) Ltd	C-1014/2015	D S K Amarasekera
		M Niham
		Dr. P S H Uluwaduge
NPH Investment (Pvt) Ltd	C-0660/2010	A Niman
		D S K Amarasekera
		K A K P Gunawardena
		Mrs. V G S S Kotakadeniya
		T S Selviah
		I Ishan
		M Azmee

Parent, Subsidiaries, Sub-Subsidiaries and Associate companies of Browns Investments PLC

Company	Registration Number	Directors
P L Resort Ltd	96705	J P S Kurumbalapitiya
		D S K Amarasekera
		Mrs. K U Amarasinghe
		S N Khadija
Sunbird Bioenergy Limited	C/F/576/2008	D S K Amarasekara
		W K D T Abeyrathne
		D Kohli
		N W K M S Chandrasekara
		R Bennet
B Commodities ME FZE	17125	M I I Ibrahim
B.I. Leisure Holdings FZE	7897	M I I Ibrahim
		D S K Amarasekera
Browns Plantations Guizhou) Tea Co., Ltd (Former James Finlay (Guizhou) Tea Co. Limited)	91520600 MA6GTKNW3K	Dr. P S H Uluwaduge
		D S K Amarasekera
		D J Ratwatte
Browns East Africa Plantations PLC (Formerly known as Lipton Tea Kenya PLC)	C.12/72	S K Korir (R.W.E 09.09.2025)
		M R Razik
		D S K Amarasekera
		Dr. P S H Uluwaduge
		K O Odire (R.W.E 15.10.2025)
		E J Darren
		R N A Bandaranayake (A.W.E 20.08.2025)
Browns Plantations Rwanda Limited (Formerly known as Lipton Tea Rwanda Ltd)	103454179	Dr. P S H Uluwaduge
		M R Razik
		F K Mutai
		E Iyakaremye
		D S K Amarasekera
Browns Plantations Tanzania Ltd (Formerly known as Lipton Tea Tanzania Ltd)	452	Dr. P S H Uluwaduge
		M R Razik
		F N Goonetilleke (A.W.E 23.07.2025)

Company	Registration Number	Directors
Browns Plantations Kenya Limited	13800	D S K Amarasekera
		D J Edwards
		S D A Hutchinson (R.W.E 30.05.2025)
		D K Kirui (R.W.E 30.04.2026)
		Dr. P S H Uluwaduge
		J Kipkoech, Ambassador Terer
		D J Ratwatte (A.W.E 15.07.2025)
NPH Development (Pvt) Ltd	C-0771/2015	I Mohamed
		A Niman
		S Vajirabuddhi
Brooke Bond Mombasa Ltd	P051091778D	R N A Bandaranayake
		K Jayasinghe
		P Ngeno
Ngoina Tea Estate Ltd	C.1370	R N A Bandaranayake
		D S K Amarasekera
		Dr. P S H Uluwaduge
		D J Ratwatte
		K J Jayasinghe
		M R Razik
Limuru Tea PLC	P000591112Z	D Muli
		R N A Bandaranayake
		M R Razik
		F Omollo
		S Mbwaya
Lipton Teas and infusion Organics Kenya Ltd	PVT-AJUX37Z8	S K Korir
		K O Odire
		G T Den

Glossary of Financial Terms

ACCRUAL BASIS

Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED

Shareholders' funds plus non-controlling interests and debt.

CONTINGENT LIABILITIES

A condition or situation existing at the balance sheet date due to past events, where the obligation is crystallised by the occurrence or non-occurrence of one or more future events.

CURRENT RATIO

Current assets divided by current liabilities.

DEBT/EQUITY RATIO

Debt as a percentage of shareholders' funds and non-controlling interests.

DIVIDEND PAYOUT RATIO

Dividend as a percentage of company profits.

EARNINGS PER SHARE

Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the year.

EBIT

Earnings Before Interest and Tax (includes other income).

INTEREST COVER

Consolidated profit before interest and tax over finance expenses.

MARKET CAPITALISATION

Number of shares in issue at the end of year multiplied by the market price at the end of the year.

NET ASSETS

Total assets minus current liabilities minus long term liabilities minus non-controlling interests.

NET ASSETS PER SHARE

Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

PRICE EARNINGS RATIO

Market price per share over earnings per share. PUBLIC HOLDING

Percentage of shares held by the public calculated as per the Colombo Stock Exchange Listing Rules as of the date of the Report.

RETURN ON CAPITAL EMPLOYED (ROCE)

Consolidated profit before interest and tax as a percentage of capital employed.

RETURN ON SHAREHOLDERS' FUND

Profit attributable to shareholders as a percentage of shareholders' funds. SHAREHOLDERS' FUNDS Total of stated capital, capital reserves and revenue reserves.

TOTAL DEBT

Long term loans plus short term loans plus overdrafts.

TOTAL EQUITY

Shareholders' funds plus non-controlling interest.

Risk Management at Browns Investments PLC

EMBEDDING RESILIENCE ACROSS A DIVERSIFIED INVESTMENT PORTFOLIO

In an increasingly dynamic and interconnected business environment, effective risk management is considered a fundamental requirement for sustainable growth and strategic value creation. Browns Investments Plc, as one of Sri Lanka's leading diversified investment companies, Browns Investments PLC recognises that proactive risk management is critical to preserving asset value, and supporting strategic decision-making across its portfolio of businesses.

Operating across multiple sectors including agriculture, leisure, manufacturing, trading, and strategic investments, the Company is exposed to a wide spectrum of risks arising from economic, regulatory, operational, market, geopolitical, environmental, and technological developments. Accordingly, Browns Investments PLC maintains a structured Risk Management and Internal Control Framework designed to identify, assess, monitor, and mitigate risks that may impact the achievement of corporate objectives.

A RISK-AWARE CULTURE

Risk management at Browns Investments PLC is viewed as an integral component of strategy , business planning and operational management. The Company promotes a strong risk-aware culture where risk considerations are embedded into strategic decisions, investment evaluations, operational processes, and governance practices.

The Board of Directors provides overall direction and oversight of risk governance, while management is responsible for identifying and managing risks within their respective areas of responsibility. Risk ownership remains with business and functional management, ensuring that risks are managed by those closest to the activities and decisions that create them.

ENTERPRISE-WIDE RISK MANAGEMENT APPROACH

The Company's risk management framework adopts an enterprise-wide perspective, enabling management to evaluate risks holistically across its operations and investment portfolio. Risks are regularly assessed based on their potential likelihood and impact, ensuring timely identification of emerging threats and opportunities and is fully aligned to sector level risk monitoring initiatives adopted at group level.

Key risk categories monitored by the Company include:

- **Strategic Risks**

  Risks arising from changes in business strategy, investment decisions, competitive dynamics, mergers and acquisitions, and macroeconomic developments that may affect long-term objectives.

- **Market Risks**

  Exposure to fluctuations in interest rates, commodity prices, inflation, investment valuations, and broader market conditions which may influence financial performance and asset values.

- **Operational Risks**

  Risks resulting from inadequate or failed internal processes, systems, people, or external events that may disrupt business operations and service delivery.

- **Regulatory and Compliance Risks**

  Risks associated with changes in laws, regulations, industry standards, and governance requirements across both local and international jurisdictions.

- **Country and Geopolitical Risks**

  Risks arising from changes in political, economic, social, and regulatory conditions in countries where the Company maintains investments or business interests.

- **Reputational Risks**

  Risks that could adversely affect stakeholder confidence, brand value, investor perception, and the Company's public image.

- **Industry and Sector Risks**

  Sector-specific risks affecting industries in which the Company has strategic investments, including shifts in consumer behaviour, technological disruption, climate-related impacts, and structural market changes.

- **Foreign Exchange Risks**

  Risks resulting from currency volatility, particularly given the Company's exposure to international operations and overseas investments.

Strengthening Internal Controls

The Company maintains a robust system of internal controls framework designed to provide reasonable assurance regarding the effectiveness of operations, reliability of financial reporting, safeguarding of assets, and compliance with applicable laws and regulations.

Key control mechanisms include:

- Segregation of duties across critical processes.
- Defined authorisation and approval hierarchies.
- Financial and operational monitoring controls.
- Information security and cybersecurity safeguards.
- Physical security and asset protection measures.
- Periodic risk reviews and management reporting.
- Continuous monitoring of key risk indicators and emerging risks.

These controls are regularly reviewed and enhanced to address evolving business risks and regulatory expectations.

RISK MITIGATION AND CONTINUOUS MONITORING

Recognising that not all risks can be eliminated, Browns Investments PLC adopts a balanced approach to risk treatment. Depending on the nature and significance of the risk, management may choose to avoid, reduce, transfer, share, or knowingly accept risks within approved tolerance levels.

Risk assessments are conducted periodically, and significant risk exposures are escalated through established governance channels to enable timely intervention. This process supports informed decision-making and contributes to operational resilience across the Group's diverse business sectors.

GOVERNANCE AND ASSURANCE

The effectiveness of the Company's risk management framework is supported through multiple layers of governance and assurance. Management is responsible for implementing appropriate controls and monitoring risk exposures, while independent assurance is provided through internal audit reviews and oversight by relevant governance committees.

Regular reporting to the Board and its committees ensures transparency, accountability, and effective oversight of material risks facing the business. This structured governance framework enables the Company to respond proactively to emerging challenges while maintaining strategic focus.

DRIVING SUSTAINABLE GROWTH

As Browns Investments PLC continues to expand and diversify its investment footprint, effective risk management remains central to achieving sustainable growth and long-term shareholder value. By fostering a strong risk culture, maintaining robust internal controls, and continuously monitoring the evolving risk landscape, the Company strengthens its resilience and enhances its ability to seize opportunities in an increasingly complex business environment.

Risk management is therefore not simply about protecting against uncertainty; it is about enabling confident decision-making, supporting innovation, and ensuring the long-term sustainability of the organisation and its stakeholders. "By integrating risk management into strategy, operations, and governance, Browns Investments PLC creates a resilient foundation for sustainable growth and responsible value creation.

Notice of the Annual General Meeting

BROWNS INVESTMENTS PLC - REG. NO. PV 66136 PB/PQ

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING of the Company will be held as a virtual meeting on 24th September 2026 at 10:00 a.m.

The business to be brought before the meeting will be to:

1. Receive and consider the Annual Report and Financial Statements for the year ended 31st March 2026 with the Report of the Auditors thereon.
2. Re-elect as a Director Mr. W. D. K. Jayawardena who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.
3. Re-elect as a Director Mr. D. S. K. Amarasekera who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.
4. Re-appoint M/s Deloitte Partners, Chartered Accountants as Auditors for the ensuing financial year at a remuneration to be fixed by the Directors.
5. Approve in terms of the Companies (Donations) Act No. 26 of 1951, the making of donations by the Directors as determined by them for the current Financial Year and until the next Annual General Meeting of the Company.

By order of the Board

Browns Investments PLC

L O L C Corporate Services (Private) Limited
Secretaries

25th August 2026
Rajagiriya (in the greater Colombo)

Form of Proxy

BROWNS INVESTMENTS PLC – REG. NO. PV 66136 PB/PQ

I/We...

holder of NIC/ Reg. No.. of...

.... being a member/members of Browns Investments PLC hereby appoint

....of... ....

....whom failing

Mr. I. C. Nanayakkara	of Colombo or failing him
Mr. W. D. K. Jayawardena	of Colombo or failing him
Mrs. K. U. Amarasinghe	of Colombo or failing her
Mr. D. S. K. Amarasekera	of Colombo or failing him
Mr. K. Sivanesan	of Colombo or failing him
Mr. C. N. Wijesinha	

as my/our proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held on 24th September 2026 at 10:00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage:

	For	Against	Abstained
1. To re-elect as a Director Mr. W. D. K. Jayawardena who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.			
2. To re-elect as a Director Mr. D. S. K. Amarasekera who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company			
3. To re-appoint M/s Deloitte Partners, Chartered Accountants as Auditors for the ensuing financial year at a remuneration fixed by the Directors.			
4. To approve in terms of Companies (Donations) Act No. 26 of 1951 the making of donations by the Directors as determined by them for the current Financial Year.			

Dated this..day of ....Two Thousand Twenty Six

....

Signature of Shareholder/s

(Please delete inappropriate words and refer overleaf for instructions)

Form of Proxy

Notes:

1 Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.

2 The Proxy shall:

a) In the case of an individual, be under the hand of the shareholder or his or her attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.

b) If the shareholder is a company or a corporation, be either under its common seal or under the hand of an officer or attorney authorised by such organisation in that behalf in accordance with its Articles of Association or constitution.

3 Please indicate with an 'X' how the proxy should vote on each Resolution. If no indication is given, the proxy shall exercise his/her discretion and vote as he/she thinks fit.

4 The completed Form of Proxy should be deposited at LOLC Corporate Services (Pvt) Ltd Secretaries for Browns Investments PLC, at No. 100/1 Sri Jayawardenepura Mawatha, Rajagiriya or scanned and emailed to corporateservices@lolc.com with the email subject "BIPLC AGM PROXY" not less than 48 hours before the time appointed for the holding of the meeting.

REGISTRATION FORM FOR ONLINE PARTICIPATION

To: LOLC Corporate Services (Private) Limited
Secretaries for BROWNS INVESTMENTS PLC
No: 100/1, Sri Jayawardenapura Mawatha, Rajagiriya

Details of Shareholder		
1. Full Name/s of Shareholder/s		
2. Address		
3. National Identity Card Number/ Company Registration number		
4. CDS Account number		
5. Contact number (mandatory)	Land line (residence/work):	Mobile:
6. Email address (it is mandatory for the shareholder to provide an email address in order to forward the login information for the on-line meeting link)		
In the event a Proxy Holder is appointed by the Shareholder		
7. Name of the Proxy holder		
8. Proxy holders NIC/PP No.		
9. Proxy holders contact No. (mandatory)	Land line (residence/work):	Mobile:
10. Proxy holder's email(it is mandatory for the proxy holder to provide an email address in order to forward the login information for the on-line meeting link)		

Important – Only registered shareholders and registered proxy holders will be permitted to log in and participate at the AGM on-line. Duly filled Form should be scanned and emailed to: corporateservices@lolc.com or Sent by facsimile to + 94 112865602 not less than 48 hours before the meeting.

I/My Proxy holder am/is willing to participate at the AGM online: Yes ☐ No ☐

Signature/s & date:

....	....	....
Principal Shareholder	1st Joint Holder	2nd Joint Holder

FORM OF REQUEST

To: LOLC Corporate Services (Private) Limited
Secretaries for BROWNS INVESTMENTS PLC
No: 100/1, Sri Jayawardenapura Mawatha,
Rajagiriya. Tele: +94 11 7248512
Email: corporateservices@lolc.com

REQUEST FOR A PRINTED COPY OF THE ANNUAL REPORT 2025/2026

I/We..
being a shareholder/s of the Company wish to receive a printed copy of the Annual Report 2025/2026.

(Please mark (✓) as appropriate)

1. I will collect a copy from your office
2. Please hand over an annual report to the bearer of this form - Full name of bearer

....NIC..

3. Please post it to my address given below .

My/Our details are as follows: : ....

Full Name of the Shareholder (as stated in the CDS Account) : ....

Shareholders NIC/PP/Company Registration No. : ....

Folio No : ....

Address : ....

Contact Tel No : ....

....
Signature

....
Date

Notes:

1. Please complete the Form of Request by filling in legibly the required information in BLOCK LETTERS and signing in the space provided and filling in the date of signature.

2. Please forward the completed Form by facsimile on +94112865602 or email to corporateservices@lolc.com or by post/delivery to LOLC Corporate Services (Private) Limited, 100/1, Sri Jayawardenapura Mawatha, Rajagiriya.

Stakeholder Feedback Form

Browns Investments PLC values your opinions and feedback. We invite you to share your thoughts to help us enhance our governance, operations, financial condition, and future prospects. Please take a moment to fill out this form with your comments and suggestions. Your feedback will be treated confidentially and used solely for the purpose of improving our stakeholder communication and overall performance.

Contact Information

Name : ....

Email : ....

Phone : ....

Company/Organisation : ....

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

- [ ] Shareholder
- [ ] Customer
- [ ] Community
- [ ] Public Authority
- [ ] Employee
- [ ] Student
- [ ] Regulatory Body
- [ ] Journalist
- [ ] Service Provider
- [ ] Supplier
- [ ] Special Interest Group

GENERAL FEEDBACK

1. How would you rate your overall satisfaction with the Company's communication practices?

- [ ] Very Satisfied
- [ ] Satisfied
- [ ] Neutral
- [ ] Dissatisfied
- [ ] Very Dissatisfied

2. How often do you feel the Company provides timely and accurate information?

- [ ] Always
- [ ] Often
- [ ] Sometimes
- [ ] Rarely
- [ ] Never

3. How effective do you find the Company's use of its website and social media for communication?

- [ ] Very Effective
- [ ] Effective
- [ ] Neutral
- [ ] Ineffective
- [ ] Very Ineffective

SPECIFIC FEEDBACK

1. What specific aspects of the Company's communication do you find most useful?

- [ ] Financial Reports
- [ ] Annual Reports
- [ ] Press Releases
- [ ] Investor Briefings
- [ ] Social Media Updates
- [ ] Website Content
- [ ] Other (please specify): _________________________

2. How would you rate the accessibility of the Company's spokespersons for providing information and responding to queries?

- [ ] Very Accessible
- [ ] Accessible
- [ ] Neutral
- [ ] Inaccessible
- [ ] Difficult to Access

3. How effectively does the Company address your concerns and queries?

- [ ] Very Effective
- [ ] Effective
- [ ] Neutral
- [ ] Ineffective
- [ ] Very Ineffective

Stakeholder Feedback Form

Forward-Looking Information & Major Developments

1. How useful do you find the Company's forward-looking comments and information on future prospects?

- [ ] Very Useful
- [ ] Useful
- [ ] Neutral
- [ ] Not Useful
- [ ] Not Useful at All

2. How effectively does the Company handle the communication of major corporate developments (e.g., mergers, acquisitions, new products)?

- [ ] Very Effectively
- [ ] Effectively
- [ ] Neutral
- [ ] Ineffectively
- [ ] Very Ineffectively

Crisis Communication & Confidentiality

1. How confident are you in the Company's ability to manage crisis communications?

- [ ] Very Confident
- [ ] Confident
- [ ] Neutral
- [ ] Not Confident
- [ ] Not Confident at All

2. How well does the Company maintain the confidentiality of sensitive information?

- [ ] Very Effectively
- [ ] Effectively
- [ ] Neutral
- [ ] Ineffectively
- [ ] Very Ineffectively

Additional Comments

Please provide any additional comments or suggestions you have for improving the Company's communication practices.

....

....

Submission

Please return the completed form to:

Investor Relations/ Communications

Browns Investments PLC, 100/1 Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka

Email: DulipS@lolc.com and SusaanB@lolc.com

Corporate Information

NAME OF THE COMPANY

BROWNS INVESTMENTS PLC

COUNTRY OF INCORPORATION

Sri Lanka

DATE OF INCORPORATION

10th November 2008

LEGAL FORM

A quoted public company with limited liability

COMPANY REGISTRATION NO.

PV 66136 PB/PQ

PRINCIPAL ACTIVITIES

Managing strategic investments across high-growth sectors while providing support services across the Group.

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

REGISTERED OFFICE

No. 481, T. B. Jayah Mawatha (Darley Road)

P. O. Box 200, Colombo 10, Sri Lanka.

BUSINESS OFFICE

No.100/1, Sri Jayewardenepura Mawatha, Rajagiriya, Sri Lanka.

Tel: 011-7248248

Fax: 011 2865602

Website: www.brownsinvestments.com

DIRECTORS

Ishara Chinthaka Nanayakkara
Executive Chairman

Waduthantri Dharshan Kapila Jayawardena
Non-Executive Director

Kalsha Upeka Amarasinghe
Non-Executive Director

Don Soshan Kamantha Amarasekera
Non-Executive Director

Kanthimany Sivanesan
Senior Independent Director

Chitral Nalin Wijesinha
Independent Director

BOARD SUB COMMITTEES

Audit Committee

K.Sivanesan - Committee Chairman

C.N.Wijesinha

D.S.K.Amarasekera

Talent Development & Remuneration Committee

K.Sivanesan - Committee Chairman

C.N.Wijesinha

K.U.Amarasinghe

Related Party Transactions Review Committee

C.N.Wijesinha - Committee Chairman

K Sivanesan

D.S.K.Amarasekera

Nominations & Governance Committee

C.N.Wijesinha - Committee Chairman

K Sivanesan

W.D.K.Jayawardena

COMPANY SECRETARIES

M/s L O L C Corporate Services (Private) Limited

No. 100/1, Sri Jayewardenepura Mawatha, Rajagiriya, Sri Lanka

Telephone: 011-7248512, 011-7248248

AUDITORS

Deloitte Partners,

Chartered Accountants

REGISTRARS

S S P Corporate Services (Pvt) Ltd

101, Inner Flower Road, Colombo 03

Tel: 011 2573894

Fax: 011 2573609

INVESTOR RELATIONS

Dulip Samaraweera

Email: DulipS@LOLC.com

COMMUNICATIONS

Susaan Bandara

Email: SusaanB@LOLC.com

BANKERS

Bank of Ceylon

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

National Development Bank PLC

Sampath Bank PLC

Seylan Bank PLC

Union Bank of Colombo PLC

Bank of China

Nations Trust Bank PLC

Standard Chartered Bank

Pan Asia Banking Corporation PLC

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www.brownsinvestments.com

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Website: www.brownsinvestments.com