24th August 2026

Ms Nilupa Perera
Chief Regulatory Officer
The Colombo Stock Exchange
04th Floor, World Trade Centre
Echelon Square
Colombo 01

Dear Madam,

ERRATA – ANNUAL REPORT 2025/2026

Further to the Annual Report 2025/2026 of the Company published on 19th August 2026, write to inform you that we have inadvertently uploaded a pre-finalized version which carries an omission in the **Nomination & Governance Committee Report** on Page 47, in that Mr T Sanakan's name had not been included.

Accordingly, the corrected table is appended below:-

- Information pertaining to Directors who have been proposed for re-election in terms of the Articles of Association (as required by Rule No. 9.11.6 of the Corporate Governance Rules of the Colombo Stock Exchange) are appended below:

Description	Mr A M S N Abeysinghe (Article 23(2))	Mr N C S K Nishankage (Article 23(2))	Mr R S I Gunawardhana (Article 23(6))	Mr T Sanakan (Article 23(6))
Date of first appointment as a Director	25.08.2025	25.08.2025	01.01.2023	07.02.2025
Date of last re-election as a Director at an AGM	-	-	19.09.2023	25.09.2025
Board Committees Served on during the year under review	None	None	None	None
Present directorships in listed and unlisted Companies	Please refer Director's Profiles	Please refer Director's Profiles	Please refer Director's Profiles	Please refer Director's Profiles
Any relationships including close family relationships between the Director proposed for re-election and other directors, the Co. or its shareholders holding more than ten per centum (10%) of the shares of the Company	None	None	None	None

The finalized copy of the Annual Report is also attached hereto for your ready reference.

Yours faithfully,

LOLC COPRORATE SERVICES (PVT)LIMITED
SECRETARIES

ANNUAL REPORT
2025/26

AgStar

CONTENTS

Scan this QR Code with your smart device to view a version of this annual report online at **https://agstaragri.lk/**

OUR VISION

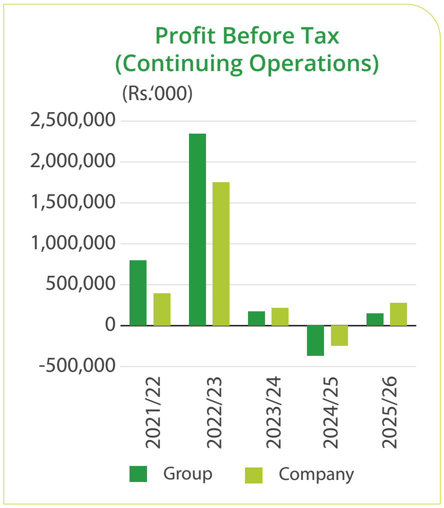
To be the one-stop agent of prosperity for Sri Lanka's farmer community and a gateway to the world for exotic local produce.

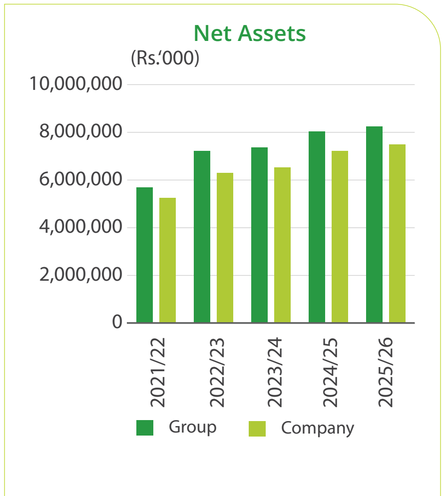
OUR MISSION

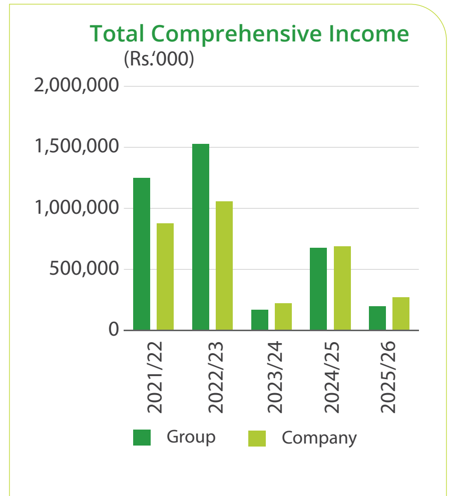
To provide best-in-class products, services and guidance our farmers need to reap prosperity by harnessing state-of-the-art technology, global best practices and inspirational leadership.

FINANCIAL HIGHLIGHTS

Year ended 31st March		2026	2025	Change
OPERATING RESULTS				
Group revenue (continuing operations)	(Rs'000)	**11,610,593**	9,522,313	22%
Gross profit (continuing operations)	(Rs'000)	**1,334,197**	646,382	106%
Net finance income/(costs) (continuing operations)	(Rs'000)	**(104,607)**	(159,889)	-35%
Profit before tax (continuing operations)	(Rs'000)	**147,031**	(368,222)	140%
Profit for the year (continuing operations)	(Rs'000)	**199,143**	(365,636)	154%
Profit for the year (continuing &discontinued operations)	(Rs'000)	**197,009**	(366,611)	154%
Profit attributable to owners of the company	(Rs'000)	**197,009**	(366,611)	154%
FINANCIAL POSITION				
Stated capital	(Rs'000)	**2,007,857**	2,007,857	0%
Property,plant & equipment (continuing operations)	(Rs'000)	**3,776,280**	4,319,620	-13%
Current assets	(Rs'000)	**10,696,742**	9,353,296	14%
Total assets	(Rs'000)	**15,543,457**	14,291,215	9%
Non current liabilities	(Rs'000)	**996,998**	1,059,571	-6%
Current liabilities	(Rs'000)	**6,310,292**	5,194,895	21%
Total equity	(Rs'000)	**8,236,167**	8,036,424	2%
FINANCIAL INDICATORS				
Basic earnings per share	(Rs)	**0.40**	(0.75)	34%
Net assets per share	(Rs)	**16.89**	16.48	3%
Return on equity	(%)	**2.39**	(4.56)	30%
Return on total assets	(%)	**1.27**	(2.57)	21%
Gross profit ratio	(%)	**11.49**	6.79	10%
Net profit ratio (continuing operations)	(%)	**1.72**	(3.84)	25%
Current ratio	(Times)	**1.70**	1.80	-2%
Liquidity ratio	(Times)	**1.14**	1.11	2%





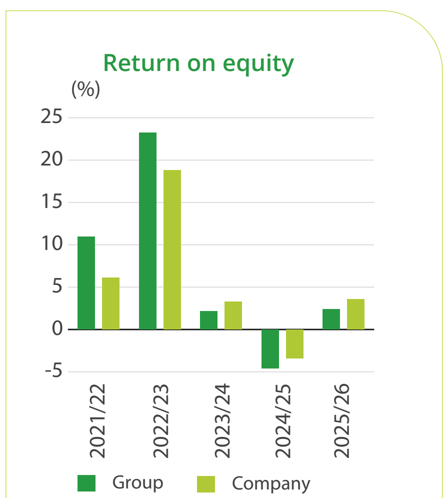


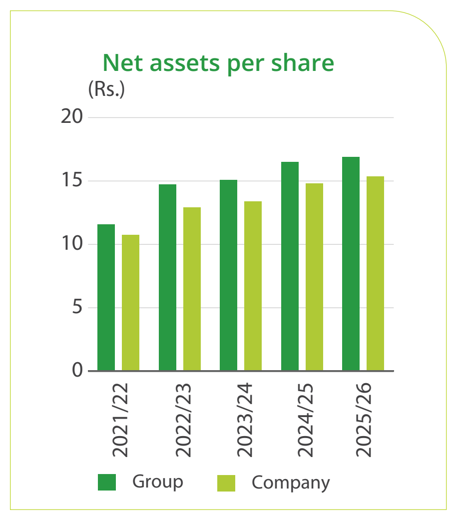
Rs.11.61Bn
Gross Revenue

Rs.1.3Bn
Gross Profit

2.39%
Return on Equity

Rs.16.89
Net Assets per Share





CHAIRMAN'S MESSAGE

It is my privilege to present the Annual Report and audited financial statements of AgStar PLC for the financial year ended 31st March 2026. Your Company entered 2025/26 with a clear, long-term vision and commitment to disciplined execution of transformational strategies after a period of recalibration in the previous financial year. The progress achieved during the year is particularly encouraging because it reflects an impressive turnaround to enhance the competitiveness and long-term sustainability of the business. A steadily recovering domestic economy and improving agricultural activity supported AgStar to restore profitability during the year under review and accelerate its evolution into a research-driven provider of integrated agricultural solutions.

Operating Landscape

Sri Lanka's economic recovery gathered further momentum during the year, with national GDP expanding by approximately 5%, supported by improving macroeconomic stability, renewed business confidence and strengthening domestic economic activity. Per capita income once again surpassed the USD 5,000 threshold, signalling a meaningful improvement in economic fundamentals. The agricultural sector also continued its gradual recovery, recording growth of approximately 1.4%, helped by favourable cultivation conditions, improved farmer sentiment and greater investment across the sector. Fertiliser consumption exceeded 600,000 metric tonnes during the year, reflecting renewed confidence among farmers and increased cultivation across major crops. Furthermore, the continuation of the tea fertiliser subsidy programme encouraged greater nutrient application among tea growers, contributing to improved productivity within one of Sri Lanka's most important export sectors.

The operating landscape, however, remained uncertain to a great degree. Severe weather events, including Cyclone Ditwah disrupted agricultural production across several regions during the early part of the financial year under consideration, while geopolitical tensions in the Middle East created considerable uncertainty across global fertiliser supply chains. Sri Lanka's dependence on imports from both the Gulf region and China exposed the industry to significant supply-side pressures, as shipping disruptions, regional instability and export restrictions constrained the availability of key raw materials. These developments necessitated precise procurement, diversified sourcing strategies and prudent inventory management. Notwithstanding periodic discussions surrounding pricing mechanisms by the government, the continuation of an open market environment without price controls enabled the industry to remain competitive and responsive to evolving market conditions.

Performance

The Maha and Yala cultivation seasons progressed favourably in 2025/26, backed by adequate rainfall and water availability across most agricultural regions. Consequently, the domestic fertiliser industry expanded by approximately 26% during the year. I am particularly pleased to report that AgStar significantly outperformed the broader market, recording a volume growth of 31%, increasing its fertiliser market share to approximately 14%. This performance reflects the confidence farmers continue to place in the AgStar brand, the strength of its nationwide distribution network and the value created through the Company's increasingly science-led approach to agricultural development.

The financial results achieved during the year demonstrate the success of the strategic decisions undertaken over the past two years. The Group recorded consolidated revenue of LKR 11,610.6 million in 2025/26, representing a notable 22% increase over the previous year's revenue of LKR 9,522.3 million. This is a landmark achievement because it marks the first occasion in AgStar's corporate history that consolidated revenue has exceeded the LKR 10 billion threshold, underscoring the Group's accelerating growth trajectory and the collective strength of its diversified business portfolio. The strong top-line performance translated into an operating profit of LKR 251.6 million, representing a remarkable turnaround from the operating losses recorded in 2024/25. Profit attributable to the owners of the Company amounted to LKR 197.0 million, compared with a loss in the previous financial year, clearly demonstrating the effectiveness of the restructuring initiatives undertaken and the successful restoration of shareholder value.

The turnaround was underpinned by disciplined execution across each strategic business pillar: Fertiliser, Crop Care, Seeds and Agricultural Machinery. Focused leadership within each business vertical, together with sharper commercial discipline and strengthened operational accountability, enabled the Group to recover strongly while positioning each business vertical for sustainable future growth. More importantly, the year represented a decisive shift in AgStar's strategic identity.

Having commenced operations over two decades ago as a trading enterprise, before evolving into a fertiliser blending business, AgStar has now firmly established itself as a research-based agricultural solutions provider, guided by science, innovation and technical expertise. This transformation is evident in the way the Company engages with the farming community. AgStar's vision extends beyond supplying agricultural inputs to deliver complete, scientifically validated crop solutions that improve productivity, optimise input utilisation and enhance farm profitability. Farmers increasingly recognise AgStar not simply as a supplier of fertiliser or crop protection products, but as a trusted technical partner capable of delivering measurable outcomes through integrated crop nutrition programmes tailored to specific cultivation requirements.

Innovation was at the core of this philosophy through the year under review. Among the Company's most significant achievements was the introduction of Sri Lanka's first mobile soil testing laboratory, representing an investment of approximately LKR 74 million. This pioneering initiative enables scientific soil analysis directly at farm level, allowing fertiliser recommendations to be customised according to the specific nutrient requirements of individual fields. More than 9,000 soil samples were analysed, enabling farmers to adopt precision nutrient management practices that improve productivity while minimising unnecessary fertiliser application. Complementing this initiative, AgStar further strengthened its internal research and quality assurance capabilities, ensuring that every product introduced to the market undergoes rigorous scientific evaluation and quality verification before reaching farmers.

Commitment to Sustainability

AgStar's sustainability agenda is intertwined with its commercial strategy as sustainability is integrated into every aspect of its business model. Balanced plant nutrition proved to be the pillar of its fertiliser business in 2025/26, while continued investment in advanced coated and compound fertiliser technologies further strengthened nutrient-use efficiency. The second and third-generation fertilisers significantly improve nutrient absorption by crops, reduce wastage and environmental runoff and support healthier soil ecosystems. Over the coming years, these technologies will play an increasingly important role in reducing fertiliser loading while delivering superior productivity for farmers.

Across the Crop Care business, the portfolio of environmentally responsible crop protection solutions was widened through the introduction of green-labelled chemistries. Within the Seeds business, new hybrid varieties were introduced only after comprehensive testing and validation in collaboration with the Department of Agriculture, ensuring their suitability for local growing conditions. The Company's partnership with the Tea Research Institute further positions AgStar as an extension partner responsible for translating research findings into practical field applications for tea smallholders. Such collaborations reaffirm the Company's conviction that the future of agriculture lies in combining scientific research with practical implementation at farm level.

ESG

Good governance, quality assurance and operational excellence were top priorities in 2025/26 amidst the transformation. During the year under review, AgStar successfully obtained ISO 9001 certification across all business verticals, reinforcing internationally recognised quality management systems across the organisation. In addition, ISO 14001 certification further strengthened its environmental management framework, embedding responsible resource management and environmental accountability across its operations. These achievements complement our broader governance framework and reinforce the Board's commitment to maintaining the highest standards of operational discipline and corporate stewardship.

CHAIRMAN'S MESSAGE

Creating long-term value also requires sustained investment in knowledge transfer. During the year, the Company's dedicated market development and extension teams conducted more than 1,300 farmer education programmes across the country, promoting balanced nutrient management, responsible input utilisation and scientific cultivation practices. These initiatives continue to empower farmers with practical knowledge that improves productivity while reducing unnecessary costs and environmental impact. AgStar's active participation in industry-led environmental initiatives, including pesticide container collection and responsible disposal programmes conducted together with CropLife Sri Lanka, further demonstrates commitment to safeguarding rural ecosystems and promoting responsible agricultural practices.

Outlook

Looking ahead, it's evident that the future of agriculture will be shaped by science, innovation and precision, and we believe AgStar PLC is well positioned to lead this transformation. Guided by a clearly defined three-year strategic roadmap, the Company is developing integrated scientific solution packages for Sri Lanka's most economically significant crops, combining fertiliser, crop protection, seed technologies and agronomic expertise into comprehensive productivity solutions.

Building on the success of the country's first mobile soil testing laboratory, we intend to deploy additional mobile laboratories, further strengthening our research partnerships and accelerating the commercial introduction of advanced compound and coated fertiliser technologies.

At the same time, we will continue expanding our portfolio of environmentally responsible crop protection products, strengthen our agricultural machinery offering, invest in our people and deepen our engagement with farmers through technical education and advisory services. Our ambition is to be recognised not merely as an agri-input supplier, but as Sri Lanka's foremost scientific partner in agriculture, delivering innovative, research-based solutions that enhance farmer prosperity, strengthen national food security and support the long-term sustainability of the agricultural sector.

Acknowledgements

On behalf of the Board, I extend my sincere appreciation to my fellow Directors for their invaluable counsel and stewardship throughout the year.

I also express my gratitude to our management team and employees whose dedication and commitment were instrumental in restoring the Company's performance.

My gratitude goes out to our distributors, dealers, financial institutions, research organisations, government agencies and business partners for their continued collaboration and confidence in AgStar.

Finally, I offer my heartfelt appreciation to our shareholders for their steadfast trust and support.

The progress achieved during 2025/26 demonstrates that AgStar has embarked upon a new phase of sustainable growth, and I remain confident that the foundations established during the year will continue to generate enduring value for all stakeholders who continue to place their confidence in us.

Manju Gunawardana
Chairman

13th August 2026

CHIEF EXECUTIVE OFFICER'S MESSAGE

The year 2025/26 will be remembered as a landmark chapter in AgStar PLC's journey, marked by collective efforts of employees and other stakeholders to achieve a remarkable operational and financial turnaround. Although we continued to operate in an environment characterised by volatile global fertiliser markets, supply chain disruptions and intense competition, we remained firmly focused on strengthening the fundamentals of the business. I am pleased to note that this focused approach restored profitability and laid the foundation for the next phase of sustainable growth.

Strategy & Execution

Right from the outset of the period under review, we concentrated on improving productivity across the organisation, building greater resilience into our supply chain, optimising working capital, strengthening our market presence and embedding operational discipline into every aspect of the business. These priorities were supported by a comprehensive review of our operations, enabling us to make better use of our resources, improve responsiveness and create a more agile organisation. The results achieved during the year affirm the efficacy of these decisions. Along with return to profitability, I believe the more important achievement was the enduring operational platform we built: one that gives us the confidence to pursue our long-term ambitions from a position of strength.

One of the most demanding challenges we faced during the year was the continued uncertainty across global procurement markets. Geopolitical developments fuelled significant volatility in international fertiliser prices, while restrictions affecting several traditional sourcing markets created periodic supply constraints. Rather than allowing these external pressures to disrupt our operations or compromise service to our customers, our procurement and supply chain teams responded with agility and foresight. Supplier relationships were broadened, alternative sourcing channels were secured and disciplined procurement strategies were implemented to ensure uninterrupted product availability while carefully managing escalating input costs.

At the same time, we placed renewed emphasis on strengthening our financial discipline. Working capital management became a key focus area throughout the organisation, supported by tighter inventory controls, improved debtor management and more rigorous cash flow planning. These measures enhanced liquidity, improved operational flexibility and created a healthier balance between commercial growth and financial sustainability.

Operationally, we also took important steps to prepare AgStar for the future. Capacity expansion initiatives were complemented by comprehensive productivity improvement programmes across our manufacturing operations. Along with increasing output, our aim was to produce more efficiently, improve quality consistency and reduce production costs through smarter processes and better utilisation of resources.

Our transformation extends beyond today's manufacturing environment. During the year, we laid the groundwork for a progressive automation strategy that will gradually reshape our production facilities into a smarter and more integrated manufacturing operation. Investments in automation, process standardisation and digitisation are designed to improve productivity, strengthen quality assurance, reduce operating costs and enhance our ability to respond quickly to changing market requirements. Supported by the continued guidance of our Board, these investments will play a pivotal role in supporting the Company's planned expansion over the coming years.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Financial Performance

The progress achieved across our operations translated into one of the strongest financial performances in the Company's recent history. Consolidated revenue increased by 22% to LKR 11.61 billion, surpassing the LKR 10 billion milestone for the first time since AgStar's inception. This was a landmark achievement for the Company that reflects far more than higher sales. It demonstrates stronger execution across every business unit, deeper engagement with our customers and growing confidence in the quality, reliability and technical expertise that define the AgStar brand.

Equally encouraging was the significant improvement in profitability. The Group recorded an operating profit of LKR 251.6 million following the operating losses reported in the previous financial year, while profit attributable to the owners of the Company reached LKR 197.0 million. Delivering this turnaround despite continued pricing pressures across several business segments is a testament to the resilience of our diversified business model, the commitment of our people and the effectiveness of the strategic decisions implemented over the past year.

Our financial recovery was underpinned by disciplined cost management. Throughout the year, we pursued efficiencies across the business while maintaining the quality of our products and the high standards of service our customers expect. Greater emphasis was placed on standardising operational processes, improving resource utilisation and fostering closer collaboration between our production, supply chain, sales and technical teams. These initiatives have strengthened organisational responsiveness, enhanced operational agility and established a more disciplined operating culture that will continue to deliver benefits well beyond the current financial year.

The achievements of 2025/26 have reinforced our belief that sustainable performance is built on strong operational foundations. While we take pride in the financial turnaround delivered during the year, we recognise that it is the beginning of a much broader transformation. The investments we have made in our people, processes, technology and manufacturing capabilities position AgStar to build on this momentum and create long-term value for all those who place their trust in our business.

Fertiliser

The Fertiliser Business once again demonstrated why it remains the cornerstone of AgStar's operations, delivering an exceptional turnaround and making the single largest contribution to the Group's recovery during the year. Against a backdrop of volatile global fertiliser prices, supply chain disruptions and intense competition, the business delivered one of its strongest performances to date. Revenue increased by 25% to LKR 9,718.3 million, while the division reversed the losses recorded in the previous financial year to report a profit before tax of approximately LKR 277.8 million.

While the domestic fertiliser market expanded by approximately 26% during the year, AgStar recorded an even stronger 31% increase in sales volumes.This outstanding performance enabled the Company to increase its market share to approximately 14%, firmly establishing AgStar among the country's leading fertiliser suppliers.

These results were the outcome of disciplined execution across every aspect of the business, including strengthened relationships with the dealer network, expanded technical engagement with farmers, enhanced seasonal marketing initiatives and increased field-level agronomic support. Together, these efforts enabled us to deepen customer relationships while expanding our presence across key agricultural regions.

One of the most significant differentiators during the year was the success of our Mobile Soil Testing Laboratory. By providing scientific, location-specific soil analysis and nutrient recommendations, this initiative has changed the way we engage with farmers. Rather than simply supplying fertiliser, we are helping farmers make informed decisions based on the actual nutrient requirements of their soil. This approach not only improves crop productivity and fertiliser efficiency but also reinforces AgStar's reputation as a trusted technical partner committed to advancing sustainable agriculture through science and innovation.

The year under review also tested our operational resilience. Global fertiliser markets remained highly volatile, shipping routes experienced periodic disruptions and restrictions in several key sourcing countries created additional procurement challenges. These developments demanded constant adjustments throughout the year. Our procurement and supply chain teams responded exceptionally well by expanding our network of suppliers, identifying alternative sourcing opportunities and implementing proactive inventory planning measures. As a result, we maintained uninterrupted product availability while effectively managing cost escalation, ensuring that our customers continued to receive reliable and timely supply despite an uncertain global environment.

Within our manufacturing operations, productivity improvement was a key focus area. Process enhancements, improved production planning and more efficient utilisation of resources strengthened manufacturing performance while preserving the quality standards that our customers expect. These operational improvements complemented our commercial achievements and contributed significantly to the division's return to profitability.

Innovation continues to be central to the future of our fertiliser business. During the year, we further strengthened our transition towards precision agriculture by introducing scientifically formulated, crop-specific nutrient programmes supported by laboratory testing and extensive field validation. Our investments in research and product development ensure that every fertiliser formulation introduced to the market is backed by rigorous quality assurance and scientific evaluation before reaching farmers.

At the same time, we accelerated the development of advanced coated fertiliser technologies designed to improve nutrient absorption, minimise wastage and reduce the environmental footprint of fertiliser application. These innovations form part of our broader strategy to provide farmers with smarter, more efficient nutrient solutions that improve productivity while promoting responsible agricultural practices.

Looking ahead, we intend to build on this strong momentum by accelerating the commercialisation of compound fertilisers and next-generation granular fertiliser technologies. Supported by continued investment in research, product innovation and manufacturing capabilities, we are confident that the Fertiliser Business will remain the primary engine of AgStar's growth while continuing to deliver practical, science-based solutions that enhance agricultural productivity and create lasting value for Sri Lanka's farming community.

Crop Care

The Crop Care Business operated in one of the most challenging segments of the agricultural inputs industry during 2025/26. Despite heightened competition, continued pricing pressure and weather-related disruptions that affected farming activity in several parts of the country, the business made meaningful progress in strengthening its operational foundations. While revenue moderated by 11% to LKR 999.6 million, gross profit improved by 7% to LKR 166 million, reflecting the benefits of tighter operational management and a more disciplined commercial approach. Although the business recorded a loss during the year, I am encouraged by the progress made, as the corrective measures implemented have positioned the division for a stronger recovery in the years ahead.

CHIEF EXECUTIVE OFFICER'S MESSAGE

The performance of the business was influenced by a combination of external and internal factors. Aggressive competition within the crop protection market continued to exert downward pressure on pricing, while unfavourable weather conditions across several agricultural regions temporarily softened demand for crop protection products. At the same time, inherited working capital constraints and legacy cost structures placed additional pressure on profitability.

Recognising these challenges, we undertook a comprehensive review of the business during the year. Particular attention was given to rationalising inventory, strengthening debtor recoveries, improving working capital management and streamlining operating costs. These initiatives have enhanced financial discipline while creating a healthier operating structure that will support future growth.

Looking ahead, our focus will be on expanding the Crop Care Business into regions where AgStar's market presence remains relatively modest while introducing new technologies supported by rigorous regulatory approvals. Combined with stronger commercial execution and continued operational improvements, these initiatives are expected to progressively improve the financial performance of the business over the medium term.

Seeds

The Seeds Business delivered one of the most impressive performances within the Group during the year, successfully transforming itself from a loss-making operation into a profitable and growing business. Revenue increased by 30% to LKR 303.0 million, while gross profit more than doubled. Most notably, the Division achieved an outstanding gross profit margin of 52%, the highest among all four Strategic Business Units.

This remarkable recovery was the result of a carefully executed transformation programme that addressed both operational and commercial priorities. Legacy inventory was systematically rationalised, ageing stock was cleared, debtor management processes were strengthened, and the sales organisation was restructured to improve responsiveness to market opportunities. Collectively, these initiatives restored operational efficiency, strengthened customer confidence and significantly improved market execution.

Demand for maize and vegetable seed varieties remained particularly strong throughout the year, reflecting increasing confidence among farmers in the quality and performance of AgStar's seed portfolio. The introduction of carefully selected hybrid seed varieties, validated in collaboration with the Department of Agriculture, further reinforced our reputation as a trusted supplier of reliable, high-performing planting material suited to Sri Lanka's diverse agro-climatic conditions.

The Seeds Business is an important pillar of AgStar's long-term growth strategy. We will continue investing in product innovation through the introduction of additional high-yielding seed varieties across priority crop segments while expanding distribution into underserved agricultural regions. At the same time, stronger collaborations with research institutions will accelerate the development of improved seed technologies that support higher productivity and greater resilience for Sri Lankan farmers.

Agri Technology

The Agri Technology Business maintained its strong growth trajectory during 2025/26, recording revenue of over LKR 621.3 million, representing an impressive growth of approximately 45% over the previous financial year. As labour shortages and changing farming practices continue to accelerate the adoption of mechanisation, demand for our agricultural machinery portfolio remained robust throughout the year. Sales of two-wheel tractors increased by 38%, while four-wheel tractor sales recorded an even stronger 47% growth, reflecting the increasing acceptance of mechanised farming solutions across Sri Lanka's agricultural sector.

Although profitability eased marginally during the year due to pricing dynamics and continued investments to expand our market presence, these investments were both necessary and strategic. During the year, the business strengthened its long-term competitive position by introducing additional machinery brands, expanding after-sales service capabilities and enhancing customer financing partnerships. Together, these initiatives have made mechanised farming solutions more accessible while improving customer confidence in AgStar's technical expertise and service standards.

As the agriculture sector continues embracing technology at an unprecedented pace, we believe AgStar is well positioned to play a leading role in introducing practical, innovative and commercially viable solutions that improve farm productivity while supporting the long-term sustainability of the sector.

Operational Excellence, Digital Transformation and Manufacturing

While each of our Strategic Business Units recorded meaningful progress during the year, an equally important achievement was the improvement in overall operational capabilities. Throughout 2025/26, we remained focused on building a more efficient, agile and future-ready organisation, one that is well equipped to support the Company's long-term growth ambitions.

Expanding production capacity was a strategic priority, but our objective extended much beyond increasing output. We concentrated on improving productivity, enhancing quality consistency and reducing unit production costs by embedding greater operational discipline across our manufacturing operations. This approach enabled us to improve efficiency while ensuring that the quality and reliability of our products remained uncompromised.

Several productivity enhancement initiatives were implemented across factories during the year, supported by process standardisation, improved production planning and more effective utilisation of resources.

Digitisation continued to gather momentum across the organisation as we intensified efforts to integrate operational processes, improve the flow of information across functions and eliminate non-value-adding activities through technology-enabled process improvements. These initiatives have enhanced decision-making, improved operational visibility and created a stronger platform for future automation.

I am particularly excited about the journey we have now embarked upon towards establishing a smart manufacturing facility. Although this transformation will take place progressively over the coming years, we have already begun laying the foundations by integrating automation, process optimisation and data-driven technologies into our manufacturing strategy. Our vision is to develop a modern production environment that delivers higher productivity, stronger quality assurance, improved resource utilisation and greater operational agility. This initiative will become a defining pillar of AgStar's future manufacturing excellence as we continue modernising our operations.

Embedding Sustainability

Our operational achievements during the year were underscored by an unwavering commitment to responsible and sustainable business practices. Environmental stewardship continued to guide many of our operational decisions. During the year, we expanded the use of renewable energy, including greater adoption of solar power to reduce dependence on conventional energy sources. Waste reduction programmes, paper recycling initiatives, responsible waste disposal practices and awareness programmes on energy and water conservation strengthened environmental performance across the organisation.

Equally important was our commitment to promoting sustainable farming practices through the Mobile Soil Testing Laboratory, which helps farmers adopt balanced nutrient management by providing scientific soil analysis and site-specific fertiliser recommendations. These initiatives improve crop productivity, encourage the responsible use of fertiliser, minimise unnecessary nutrient losses and contribute to healthier soils over the long term.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Supporting Sri Lanka's farming community remained central to our purpose. Our technical and market development teams conducted farmer awareness programmes, field demonstrations and field day events across the country, equipping farmers with practical knowledge on crop management, safe input application and productivity enhancement. Estate visits, individual farmer consultations, digital product guides and regular knowledge-sharing through online platforms strengthened our engagement with farming communities further. Timely support was also extended to farmers affected by Cyclone Ditwah while strengthening our collaboration with the Tea Research Institute through dedicated programmes that provide tea smallholders with science-based agronomic solutions. These partnerships reflect our commitment to creating long-term value by combining research, innovation and practical field application.

Our dealer and distribution network remains one of AgStar's greatest strengths. Throughout the year, dealer engagement programmes, joint field visits, marketing support initiatives, recognition schemes for outstanding distributors and medical insurance benefits boosted these long-standing partnerships. Their continued trust and collaboration enable us to deliver consistent technical support and reliable access to quality agricultural solutions to farmers across Sri Lanka.

Our people have been equally instrumental in the progress we achieved during the year. We continued investing in employee wellbeing through welfare initiatives, leadership development activities and team-building programmes that foster a collaborative and inclusive workplace. The commitment and professionalism demonstrated by our employees throughout a demanding year have been central to the Company's successful turnaround and remain one of AgStar's greatest competitive strengths.

Looking Ahead

The achievements of 2025/26 represent the beginning of a much broader journey. Having restored profitability and strengthened our operational foundations, our focus now shifts towards building a more innovative, technology-driven and research-led organisation capable of delivering sustained growth over the long term. Our priorities for the years ahead are clear: continue strengthening operational excellence, accelerating automation, expanding manufacturing capacity and reinforcing AgStar's position as Sri Lanka's leading research-based agricultural solutions provider.

Investment in advanced compound and coated fertiliser technologies, precision nutrient management, crop-specific solution packages and scientific research partnerships will remain central to our strategy. At the same time, we will continue enhancing our laboratory capabilities and quality assurance systems to ensure every product that reaches our customers meets the highest standards of performance and reliability. We remain committed to strengthening AgStar and Browns Pohora by consistently delivering innovation, superior quality and dependable product performance.

The trajectory we are on over the past year gives us every reason to look ahead with confidence.

Appreciation

I would like to express my sincere gratitude to our Chairman, Executive Deputy Chairman and the Board of Directors for their unwavering guidance, strategic direction and continued confidence in the team. Their leadership and support have been invaluable throughout our transformation journey.

I also extend my appreciation to the Browns Group for its steadfast support in strengthening our operational capabilities and enabling many of the strategic initiatives undertaken during the year.

I am immensely proud of our employees, whose, professionalism, adaptability and commitment made this recovery possible.

My sincere thanks also go to our distributors, dealers, suppliers, logistics partners, research institutions, financial partners and government agencies for their continued collaboration and confidence.

I thank the farming community for the trust they continue to place in AgStar. Their confidence motivates us to innovate continuously and improve every aspect of our business to contribute meaningfully to their success.

Finally, I express my heartfelt appreciation to our shareholders for their continued confidence and support as our renewed optimism, stronger capabilities and an unwavering commitment to building on the momentum of this exceptional year advances the future of Sri Lanka's agriculture sector.

Sajeewa Ranasinghe
Chief Executive Officer

13th August 2026

BOARD OF DIRECTORS

Mr. Ishara Nanayakkara
Chairman/ Non - Executive Director
(resigned on 12.05.2026)

Mr. Ishara Nanayakkara is a distinguished entrepreneur who serves on the boards of numerous leading corporations and conglomerates internationally. Hailing from a strong business lineage and early involvement in his family enterprises, he strategically ventured into the financial services sector through a pivotal investment in LOLC Holdings PLC, where he was appointed to the Board in 2002.

Over three decades in business, his visionary guidance has established LOLC from a modest entity to a formidable conglomerate - with tie ups with foreign governments and partnerships with DFIs, most a first in Sri Lanka. The Group is now diversified across nine sectors, including financial services, leisure, agriculture and plantation, construction, manufacturing and trading, digital, advanced technology, mining and renewable energy. Spanning 27 countries across Asia, Africa, Central Asia and Australia, with a total asset base exceeding 6.0 Billion USD and an international workforce of over 49,000 employees, his strategic foresight and bold decision-making propelled LOLC to unforeseen heights, cementing its position as a powerhouse in both the local and global arena.

Mr. Nanayakkara's expertise in microfinance and MSME markets has been a driving force behind the success of financial institutions across Sri Lanka, Cambodia, Myanmar, Pakistan, Indonesia, the Philippines, India, Zambia, Nigeria, Egypt, Malawi, Tanzania, Zimbabwe, Kenya, Rwanda, DR Congo Kyrgyzstan, Kazakhstan, and Tajikistan. He was pivotal in establishing the Group's Life and General Insurance ventures, which are now the fastest growing insurance companies in Sri Lanka and pioneered the concept of Micro-Insurance in the region, providing essential protection to underserved populations at the bottom of the economic pyramid.

His business acumen spans the key growth sectors of emerging economies, with strategic investments across multiple industries . The non-financial sector investments have been clustered under Brown & Company PLC, a company with a legacy of 150 years in trading & manufacturing and commands market leadership in automotive batteries, agri equipment and vet pharma in Sri Lanka. In Leisure, he commands one of the largest hotel portfolios in Sri Lanka, the Maldives, and Mauritius. In Plantations, the Group has become the world's largest tea manufacturer with an annual production exceeding 100 million kilograms from 100,000 hectares in Sri Lanka, Kenya, Tanzania, China and Rwanda, as well as sugar plantations in Sri Lanka and Sierra Leone, creating a diversified plantation portfolio spanning cinnamon, tea, sugarcane, rubber, and related by-products. These are complemented by significant investments in Construction, Trading, and Manufacturing, and more recently, in pioneering scientific and innovation-driven initiatives.

He has held several distinguished positions, including serving as Chairman of the Sri Lanka Institute of Nanotechnology, the nation's premier institution for advanced nanotechnology solutions. Renowned for his innovative approach, he has steered the Group into pioneering nano tech ventures, such as the conversion of pure graphite to graphene, leveraging cutting-edge technologies to become a key player globally in manufacturing graphene and innovating applications. His strategic foresight has also extended to renewable energy initiatives in Sri Lanka and Sierra Leone enriching the Group's portfolio with multidimensional expertise across global markets, including the introduction of an affordable electric vehicle range for personal and commercial transport with innovative financially accessible schemes.

Mr Nanayakkara is a recognized businessman in the international community for his invaluable contributions to microfinance, acknowledged by independent international platforms such as INSEAD Business School. His entrepreneurial excellence was further distinguished by the prestigious 'Young Entrepreneur of the Year' Award at the Asia Pacific Entrepreneurship Awards (APEA) in 2012. His academic journey spans across Sri Lanka and Australia, culminating with an Honorary Fellowship of the Institute of Chartered Professional Managers of Sri Lanka.

Mr. Nanayakkara presently serves as the Executive Chairman of LOLC Holdings PLC, Brown & Company PLC and Browns Investments PLC. He also holds directorships on several other Group company boards, both locally and internationally.

He continues to lead the strategic direction of the LOLC Group, driving both financial and non-financial sector investments with a clear vision executed with precision, discipline, and a steadfast commitment to generating long-term value for all stakeholders.

Mr Manju Gunawardana

Chairman/ Independent Director (appointed as the Chairman on 12.05.2026)

Manju Gunawardana counts over 25 years in Research and Innovation in various subject areas, including Nano technology, Advanced Material & Engineering. He started his career as electronics engineer and specialised in military electronics. Mr. Gunawardana has worked in some of Sri Lanka's leading engineering companies, such as TOS Lanka Co Pvt Ltd and Orange Electric, as a Director Engineering and Head of Research responsible for product development and research management. He served as the CEO at CIC Precision Agriculture (Pvt) Ltd, Head of Research & Innovation at CIC Holdings PLC, and pioneered Precision Agriculture Technologies based on drone applications in Sri Lanka. Mr. Gunawardana has worked as a principal Research Engineer at MAS Holdings, Sabre Technologies, and was responsible for real-time system design. Currently, he is the CEO of the Research and Innovation arm of LOLC as well as a Consultant Senior Research Scientist/Director at Sri Lanka Institute of Nano Technology (SLINTEC). Also, his contribution in unveiling Sri Lanka's pristine graphite to the world is so far remarkable, being the pioneer and founder of Ceylon Graphene Technologies Pvt Ltd (CGTL), Sri Lanka's first graphene and advanced material company, and he currently serves as CEO/ Director. Mr. Gunawardana is the winner of multiple international awards, including 3 Geneva Innovation Congress Gold Medals and one Silver Medal. He has also twice won the national title as the Best Inventor in Sri Lanka. He is the Chairman of Browns Agri Solutions (Pvt) Ltd and Agstar PLC. Mr. Gunawardana is also a group CEO of LOLC holdings PLC and CEO of LOLC Advanced Technologies (Pvt) Ltd, Associated Battery Manufacturers (Ceylon) Limited, Director of Browns Pharma Limited , BI Holdings (Pvt) Ltd, Browns Plantations and Browns Commodities.

Mr. Indika Gunawardhana

Executive Deputy Chairman

Mr. Indika Gunawardhana is the former Chief Executive Officer of Browns Agri Solutions (Pvt) Ltd. He possesses over 33 years of management experience, including 20 years in senior management positions at listed companies engaged in the marketing of agricultural input products and the management of outgrower farming systems.

He is a scholar of the Japanese Association for Overseas Technical Scholarship (AOTS), Japan, in Corporate Management. Furthermore, he has undertaken studies in advanced management techniques and business innovation at the University of California, Berkeley, USA, and Nanyang Technological University, Singapore.

Mr. Gunawardhana holds a Bachelor of Science degree in Agriculture with Second Class Honours (Upper Division) from the University of Ruhuna, Sri Lanka.

Mr. Gunawardhana served as a member of the Executive Committee of CropLife Sri Lanka from 2003 to 2016 and was elected Chairman of the industry association in 2005 and 2006. He was subsequently reappointed to the same position in 2014 and 2015. In addition, he served as a member of the Executive Committee of the Toxicological Society of Sri Lanka from 2011 to 2016 and as a member of the Faculty Board of the Faculty of Agriculture, University of Ruhuna, Sri Lanka, from 2009 to 2012. He currently serves as a Board Director of the Agriculture Sector Skills Council of Sri Lanka.

Mr T. Sanakan

Executive Director

Thamotharampillai Sanakan joined Browns Group in 2013 as the Chief Financial Officer and was tasked with an additional role of leading the operations in 2020 as the Chief Operating Officer. He counts for over 25 years of experience where he held many senior management positions in multiple industries such as Financial Services,Trading, Export,   Manufacturing, Healthcare, Commodities and Consumer. Presently he serves as the Director/ Chief Executive Officer of the Browns Group of Companies.Driving the Group towards new revenue streams with multifaceted local and regional expansions while maintaining sustainable growth in a challenging environment has been a key factor for Sanakan. He previously held the position of Chief Operating Officer at LOLC Securities Ltd in the LOLC Group.

He excels in the areas of digital transformation, change management, new business start-ups, business process re-engineering, project management and strategic business management. He currently serves on several Boards of the Browns Group. He is an Associate Member of Chartered Institute of Management Accountants of UK and Chartered Global Management Accountants of USA.

Mr Sanjaya Nissanka
Non Executive Director
(appointed w.e.f. 25.08.2025)

A highly accomplished management professional with over 20 years of progressive leadership experience in the agricultural machinery industry, crop solutions, and agribusiness sector, he currently serves as the Cluster Chief Operating Officer – Agriculture & Heavy Equipment Cluster of Brown & Company PLC, overseeing a diverse portfolio of Strategic Business Units (SBUs) including Agriculture, Power Solutions, Heavy Machinery, Marine, and Air Conditioning Solutions. In parallel, he serves as the Chief Executive Officer of Browns Agri Solutions (Pvt) Ltd., where he has consistently demonstrated visionary leadership, strategic execution, and an unwavering commitment to transforming Sri Lanka's agricultural sector through modern technologies, innovation, and sustainable farming solutions.

As a Lifetime Fellow Member of the Institute of Chartered Professional Managers of Sri Lanka (CPM Sri Lanka), he is widely recognized for his strategic leadership, professional excellence, and outstanding contribution to business management and agricultural development.

Throughout his career, he has played a pivotal role in driving product diversification and innovation within Sri Lanka's agricultural landscape. His efforts have led to the successful introduction of globally recognized brands such as YANMAR, SUMO WORLD, TAFE POWER, HIMOINSA, HYUNDAI, SHAKTHIMAN, and FIELDKING agricultural machinery and implements. These initiatives have accelerated agricultural mechanization, enhanced operational efficiency, and significantly improved productivity for farmers across the country.

With extensive expertise across the agricultural value chain, he has played a leading role in identifying the evolving needs of Sri Lankan farmers by delivering Total Agriculture Solutions, an integrated, end-to-end approach encompassing land preparation, planting, crop establishment, crop protection, harvesting, and post-harvest operations. His customer-centric approach has enabled farmers to adopt efficient, technology-driven farming practices that enhance productivity, profitability, and long-term sustainability.

Recognizing the growing importance of precision agriculture, he has also spearheaded the introduction of advanced agricultural drone technology to Sri Lanka through XAG Agricultural Drones. engineered for high-efficiency precision farming, these innovative drone solutions enable precision spraying, fertilizer application, crop monitoring, and smart farm management, improving operational efficiency, sustainability, and agricultural productivity.

His leadership extends beyond organizational boundaries, as he currently holds the position of Vice President at AGGMA (Agricultural Machinery Manufacturers and Suppliers Association of Sri Lanka.) contributing to the development and advocacy of agricultural growth and mechanization in Sri Lanka.

Academically accomplished, he holds an MBA in International Marketing from Anglia Ruskin University, UK, a Diploma in Agriculture from the School of Agriculture, and advanced professional certifications in marketing from leading Sri Lankan institutions. His professional excellence has been recognized with the prestigious Great Manager Award (2017) by the Colombo Leadership Academy & People Business, a testament to his proven ability in driving results, execution, and organizational growth.

With a rare blend of strategic foresight, operational excellence, and deep industry expertise, continues to play a pivotal role in advancing Sri Lanka's agricultural sector, empowering farmers, and leading transformative business growth.

Mr Shamal Abeysinghe
Non Executive Director
(appointed w.e.f. 25.08.2025)

Shamal Abeysinghe is a transformative agribusiness leader with over 18 years of experience driving innovation, operational excellence, and sustainability in Sri Lanka's agricultural sector. He currently serves as Chief Operating Officer at Browns Agri Solutions Pvt Ltd, a fully owned subsidiary of Brown & Company PLC, alongside AgStar Crop Care Pvt Ltd, AgStar Seeds Pvt Ltd, and Prith Seeds Pvt Ltd.

In his role, Shamal oversees diverse operations spanning crop protection, specialty fertilizers, hybrid seed production, and trading, managing a robust agri-input marketing portfolio. His expertise lies in rural marketing, where he effectively combines below-the-line strategies with targeted digital campaigns to engage farming communities. By introducing innovative business models aligned with global multinational standards, he has empowered farmers with advanced solutions that improve productivity and sustainability.

Shamal's academic background reflects both breadth and depth in business and agriculture. He holds a Master's in Business Administration from the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, and is a Member of the Chartered Institute of Marketing UK (MCIM). He also earned a Bachelor's degree in Agriculture from the University of Peradeniya, Postgraduate qualifications in Computer Science and Marketing from the Postgraduate Institute of Science, University of Peradeniya, and Sri Lanka Institute of Marketing (SLIM).

Beyond his corporate leadership, Shamal plays a prominent role in advancing sustainable agriculture in Sri Lanka. He served as Director/ Treasurer of CropLife Sri Lanka (2022–2023) and lead as Chairman CropLife Sri Lanka during year 2024 & 2025, advocating for responsible farming practices that benefit farmers, consumers, and the environment. CropLife Sri Lanka is a member of CropLife Asia, one of six regional associations of CropLife International, a network of regional and national associations over 90 countries.

Mr. Sarath Jayasuriya
Independent Non Executive Director

Mr. Jayasuriya is an Associate Member of the Institute of Bankers of Sri Lanka (AIB, 1998), a Fellow Member of the Chartered Institute of Management Accountants (FCMA) (UK, 2015) and Member of the Institute of Chartered Global Management Accountants (CGMA) (UK, 2015). He holds a Bachelor of Science Degree from the University of Sri Jayewardenepura.

Mr. Jayasuriya has a proven track record of over 34 years in Banking, specializing in Treasury, Investment Banking, International Banking and Finance & Planning. Prior to his retirement from the Bank of Ceylon, he held positions such as the Deputy General Manager (International, Treasury & Investment Banking) and Deputy General Manager (Finance & Planning). He has served as a Director & Audit Committee Chairman of the BOC Property Development Ltd. (PDL) and as a Director of Transnational Lanka Records Solutions (Private) Ltd., Ceybank Asset Management Ltd and MBSL Insurance Co Ltd. In addition, he was an Alternative Director for BOC Property Development & Management (Pvt) Ltd and the Credit Information Bureau of Sri Lanka (CRIB). He has served as a member of the Standing Cabinet Appointed Procurement Committee (SCAPC), which is the body that approves all tenders for the procurement of petroleum and petroleum-related products for the Ministry of Petroleum Industry.

Mr. Jayasuriya is an Independent, non-executive Director at Sierra Cables PLC w.e.f December 2024 and hold the Chairmanship of the Board Nomination & Governance Committee and member of the Board Audit Committee.

He was appointed to the CBC Finance PLC as an Independent Non-Executive Director in December 2017. He is the Senior Director and Chairman of the Board Audit Committee, Board Nomination Committee, Board Investment Committee and Board HR & Remuneration Committee.

In addition, he is a member of the Board Risk Management Committee, Board Credit Committee and Board Related Party Transaction Review Committee.

Mr K. Sivanesan
Independent Non Executive Director
(appointed w.e.f. 01.07.2025)

Mr. Sivanesan, a well-known tax practitioner in Sri Lanka, holds the position of the Senior Partner and Head of Tax at Amerasekera & Co., Chartered Accountants. He has over twenty-five years of experience in the field of taxation. Mr. Sivanesan holds a Bachelor's Degree in Commerce from the University of Sri Jayewardenepura. He is also a Fellow Member of Institute of Chartered Accountants of Sri Lanka and a member of Certified Management Accountants of Sri Lanka.

LEADERSHIP TEAM

Mr. Indika Gunawardhana
Exectuive Deputy Chairman

Mr. Sajeewa Ranasinghe
Chief Executive Officer

Mr. Wajira Gamage
Director - Fertilizer

Mr. Sumudu Wijesinghe
Director - Market Development

Dr. Gamini Gunarathna
Consultant Director - Research and Development - Plant Nutrition

Mr. Lakmal Dissanayake
Head of Sales Fertilizer

Mr. Priyanjith Wimalarathna
Head of Tea and Exports Agriculture Crops

Mr. Samantha Dassanayake
Head of Manufacturing and Operations

Ms. Trisette Ferdinand
Head of Human Resources Management

Mr. Kusal Fernando
Head of Finance

Mr. Sandun Bandara
Head of Business Process Division

Mr. Chameera Sampath
Chief Manager Sales - Cropcare and Seeds

Mr. Shiron Rodrigo
Senior Manager - Sales Desk and Credit Control

Mr. Isuru Siriwardena
Chief Manager Sales - Agri Machinary

Mrs. Neranthika Madushani
Manager - Legal

STEWARDSHIP

MANAGEMENT DISCUSSION & ANALYSIS

During the financial year 2025/26, AgStar PLC delivered a strong performance, capitalising on strategic opportunities across a dynamic macro-economic and agricultural landscape. The Group focused its efforts across four Strategic Business Units : Fertilizer, Crop Care, Seeds, and Agri Technology.

Despite margin pressures and heightened market competition, the Group delivered a decisive turnaround, underpinned by strategic realignment, deeper market penetration across key product segments, and a strong push for innovation across the business.

From a financial performance perspective, the Group recorded a consolidated revenue of LKR 11,610.6 million in 2025/26, reflecting a robust 22% growth over the prior year revenue of LKR 9,522.3 million. This milestone is particularly significant as it marks the first occasion in AgStar's corporate history that the Group's consolidated top-line has surpassed LKR 10 Billion, a landmark achievement that underscores the Group's accelerating growth trajectory and the collective strength of its diversified business model. This strong top-line performance translated into an operational profit of LKR 251.6 million, marking a significant recovery from the losses recorded in 2024/25. Notably, profit attributable to owners of the Company reached LKR 197.0 million, compared to a loss in the prior year, a clear testament to the Group's return to profitability in 2025/26.

Fertilizer

The Fertilizer business delivered an exceptional performance in 2025/26. Recording revenue of LKR 9,718.3 million, a 25% growth over the previous financial year. This growth was underpinned by targeted product positioning and strengthened market execution across key agricultural regions. Most notably, the division achieved a profit before tax Rs.277.8 million, making a decisive turnaround from the losses recorded in 2024/25.

The Sri Lankan fertilizer market recorded a robust volume growth of 26% during 2025/26, reflecting renewed agricultural activity and heightened demand for fertilizer across key crop segments. Against this backdrop, the Fertilizer business outperformed the market, achieving a volume growth of 31%, surpassing the industry growth rate. This above-market performance was primarily driven by the division's strategic product positioning and targeted marketing initiatives, including proactive dealer engagement, farmer-level outreach through the extended marketing team and mobile soil testing lab and seasonal promotional programs, which collectively enabled the division to capture a disproportionate share of market growth and strengthen its competitive presence across key crop segments.

Notwithstanding the strong performance recorded during the year, the fertilizer division was not without its challenges. The Division faced the adverse impact of the Ditwah weather conditions, which disrupted agricultural activity across affected farming regions and dampened fertilizer demand during the period. Concurrently, the escalation of geopolitical tensions in the Middle East exerted significant upward pressure on global fertilizer prices, creating a challenging procurement and cost environment for the division, during last month of the financial year.

Despite these headwinds, the Division demonstrated considerable resilience and operational agility in navigating both challenges effectively. Through proactive supply chain management, strategic inventory positioning and disciplined cost controls, the division was able to mitigate the adverse effects of these external factors and sustain its growth momentum ultimately delivering a commendable financial performance for the year.

Crop Care Business

The Crop Care business recorded a revenue of LKR 999.6 million in 2025/26, reflecting an 11% decline compared to the previous financial year. The contraction in revenue was primarily attributable to intensifying competition in the market for commodity crop protection products, sustained competitive pricing pressures that compressed realisations, and the adverse impact of Ditwah weather conditions, which disrupted normal agricultural activity and consequently reduced farmer demand for crop protection inputs during the affected periods.

Notwithstanding the revenue decline, the Division's internal profitability was further challenged by elevated working capital and an inherited cost structure that weighed on overall margins during the year.

These factors collectively impacted the division's financial performance and underscored the need for focused operational intervention. In response, the division has initiated a structured remediation programme centred on inventory rationalisation, disciplined debtor management and a systematic review of its cost base measures that are expected to restore the division's profitability and position it for a sustainable recovery in 2026/27.

Seeds

The Seeds Division delivered a strong performance in 2025/26, recording revenue of LKR 303.0 million, a compelling 30% growth over the previous financial year. This momentum was primarily driven by a significant increase in maize and vegetable seed sales, reflecting growing farmer confidence in AgStar's seed portfolio and the Division's strengthened market presence across strategically selected crop segments. Notably, the Division achieved a gross profit margin of 52%, a remarkable improvement from 32% recorded in 2024/25, and the highest gross profit margin among all four Divisions within the AgStar Group, a clear demonstration of the superior quality, value differentiation and improved product mix of its portfolio. This strong top-line performance translated into solid bottom line recovery, with the Division recording an operational profit of LKR 67.9 million, Profit Before Tax of LKR 56.7 million and Profit After Tax of LKR 49.7 million, a decisive turnaround from the loss-making position of 2024/25, underscoring the effectiveness of the strategic and operational interventions executed during the year.

The loss recorded in 2024/25 was primarily attributable to elevated inventory levels, the carry-forward of aged and slow-moving stock, structural weaknesses in the field sales team, and a legacy of unresolved outstanding debtor balances. During 2025/26, the Division undertook a focused remediation programme to address each of these root causes, rationalising inventory, resolving legacy debtor outstanding balances, restructuring the field sales team and strengthening debtor collection processes. Notwithstanding this recovery, the Division was partially impacted by Ditwah weather conditions, which disrupted agricultural activity across certain farming regions and moderated seed demand during the affected periods. Competitive pressure from imported seed brands further weighed on market realisations, which the Division navigated through disciplined pricing and a focus on higher-margin, differentiated varieties.

Looking ahead, product innovation and deeper market penetration remain central to the Seeds Division's strategy for 2026/27. The Division is committed to expanding its portfolio with improved, high-yielding varieties that address the evolving needs of Sri Lanka's farming community. Key priorities include the introduction of new seed varieties across targeted crop segments, further expansion of the distribution network into underserved agricultural regions, and the exploration of strategic partnerships with research institutions to strengthen the product development pipeline.

These initiatives, built upon the solid operational foundations established during 2025/26, position the Seeds Division for continued and accelerated growth in the year ahead.

Agri Technology

The Agri Technology Division delivered performance in 2025/26, recording revenue of LKR 621.3 million, a 45% growth over the previous financial year. This growth was principally driven by a strong acceleration in machinery sales, with two wheel tractor volumes growing by 38% and four wheel tractor volumes expanding by 47% compared to 2024/25. This above market performance reflects the division's adoption of a focused and adaptive marketing strategy, which enabled it to effectively capture growing farmer demand for mechanised agricultural solutions across key farming regions.

Beyond Agri Technology, the Division continued to make meaningful progress in positioning smart farming technologies as long term strategic differentiators within Sri Lanka's evolving agricultural landscape. Drone-based crop services, coated fertilizer solutions and post-harvest technologies are being actively developed and commercialised as the Division transitions towards a broader, technology-driven agribusiness model.

Group Strategy and Outlook

In 2025/26, AgStar PLC embarked on a broader strategic restructuring exercise across the Group, aimed at strengthening its core business foundations, improving operational efficiency and positioning each Strategic Business Unit for sustainable long-term growth. This restructuring encompassed product portfolio realignment, field sales reorganisation, working capital discipline and a renewed focus on innovation and technology-driven agricultural solutions, collectively forming the strategic backbone of the Group's turnaround in 2025/26.

Key milestones the Agstar Group on 2025/26,

- Introduced site specific fertilizer formulations based on scientific soil analysis.
- Ensuring precise nutrient delivery tailored to individual crop and soil requirements.
- Strengthened the technical field extension team to enhance ground level agronomic advisory and farmer support services.
- Conducted over 9,000 soil sample tests across farming communities through the deployment of a dedicated mobile soil testing bus.
- Signed a Memorandum of Understanding with the Tea Research Institute to leverage scientific expertise in support of fertilizer focused farmer education programmes,
- launched new fertilizer blends developed specifically for root crops, vegetable crops and the Kalpitiya range.

Looking ahead to 2026/27, Agstar focus on,

- Expand market reach into the urban home garden segment through a dedicated home garden fertilizer range.
- Introduce a compound fertilizer range targeted at selected crop segments.
- Commence a one-year field trial in partnership with the Browns Plantation Limited for new fertilizer products developed for the tea sector, covering both soil-based and foliar application methods.

AgStar enters 2026/27 with renewed confidence, a stronger operational foundation and a clear strategic agenda across all four Divisions. The Group remains firmly committed to supporting Sri Lankan agriculture with innovative, science-based solutions tailored to the evolving needs of the farming community. With disciplined execution, continued investment in product innovation and a deepening focus on farmer-centric value creation, the Board and Management are confident in AgStar's ability to deliver sustained growth and long-term value for all its stakeholders in the years ahead.

FINANCIAL REVIEW

The Group concluded financial year 2025/26 on a strong note, delivering a robust 22% growth in revenue to LKR 11,610.6 million, up from LKR 9,522.3 million in FY 2024/25. This growth reflects the Group's continued efforts to strengthen its market presence and respond to emerging demand within the agricultural sector.

This milestone is particularly significant, as it marks the first occasion in AgStar's corporate history that consolidated Group revenue has surpassed LKR 10 Billion, a landmark achievement that underscores the Group's accelerating growth trajectory and the collective strength of its diversified business model.

Gross profit increased by 106% year-on-year, rising to LKR 1,334.1 million from LKR 646.3 million in FY 2024/25, with the gross profit margin improving in tandem. This growth was driven by strategic decisions taken by management in response to evolving dynamics within the global and Sri Lankan agriculture sectors.

Building on this momentum, the Group recorded an operating profit of LKR 251.6 million, a strong turnaround from the operating loss of LKR 208.3 million reported in the previous financial year. This recovery was primarily driven by the timely execution of strategic decisions and the strengthening of each business segment through targeted initiatives, including a strengthened sales and marketing team, and improved sales growth through capitalizing on main dealer networks.

Effective management of finance costs, supported by improved working capital management throughout the year, further contributed to the bottom line. As a result, profit before tax stood at LKR 147.0 million, a marked improvement from the loss before tax of LKR 368.2 million recorded in 2024/25.

Overall, the Group has successfully turned around its profitability from a loss-making position in the prior year, a strong recovery underpinned by sound strategic decision-making that positions the Group well for continued performance in the years ahead.

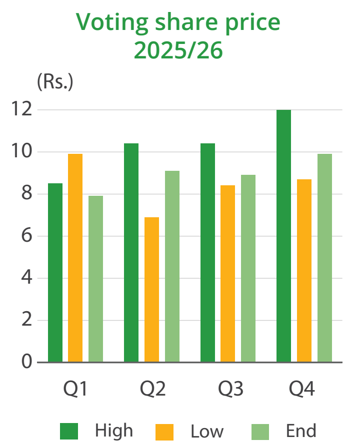
Shareholder Information

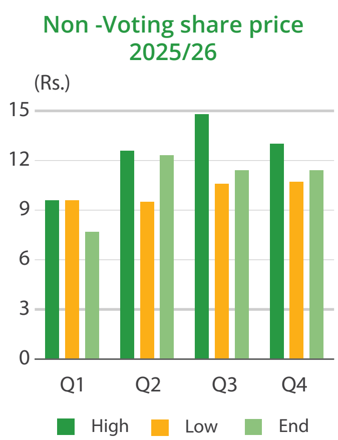
AgStar PLC was listed on the Colombo Stock Exchange on 16 February 2012. In accordance with the Listing Rules, the Company submits unaudited interim financial statements for the first three quarters within 45 days, and for the final quarter within 60 days, to the Colombo Stock Exchange (CSE).

Financial year end	31st March 2026
Announcement of results	
1st Quarter ended 30th June 2025	13th August 2025
2nd Quarter ended 30th September 2025	10th November 2025
3rd Quarter ended 31st December 2025	12th February 2026
4th Quarter ended 31st March 2026	27th May 2026

Share Prices

During the financial year under review, the highest price recorded for the voting share was LKR. 12.00 (Non-voting: LKR. 13.00), while the lowest was LKR. 6.90 (Non-voting: LKR. 9.50). The share price experienced notable fluctuation throughout the year, closing at LKR. 9.90 (Non-voting: LKR. 11.40) as at 31st March 2026.





The graph below illustrates the price movement of the AgStar voting share over the course of the financial year.

DIVIDENDS

In view of the prevailing market volatility and the challenging macroeconomic environment, the company has adopted a prudent approach focused on rationalizing operations and optimizing resource allocation to safeguard the Company's long-term sustainability during this period of uncertainty. Accordingly, the management does not recommend the declaration of a dividend for the financial year under review.

SUSTAINABILITY REPORT

Sustainability Roadmap

At Agstar PLC, sustainability is not a separate initiative but an integral part of who we are, shaping both our strategic direction and our identity as a company. Positioned at the Sri Lanka's agricultural sector, company carries a distinct responsibility to pursue growth that is economically sound, environmentally conscious, and socially meaningful.

Our approach to sustainability is embedded across our operations, spanning initiatives from farmer empowerment to the adoption of greener technologies. This integrated approach supports a resilient agricultural value chain, generating long-term value for our key stakeholders: our employees, our farming partners, the local communities we serve, and the environment we are committed to protecting.

Strengthening Our Human Capital

Building on the foundations laid in prior years, our workforce strategy in 2025/26 continued to emphasise structured onboarding, technical upskilling, and leadership development. During the year, the company invested in several programs aimed at strengthening employee capabilities across the organization.

Key initiatives included:

- Mentoring sessions with industry experts, giving employees direct exposure to specialised knowledge and real-world insights from experienced professionals in the agricultural sector.
- Targeted training programs covering different functional areas, designed to improve process efficiency through enhanced technical and operational knowledge.
- Onboarding programs for new hires, ensuring a smooth transition into the company culture, systems, and role-specific expectations from day one.
- Leadership development workshops, equipping high-potential employees and managers with the skills needed to guide teams and drive performance.
- Cross functional knowledge sharing sessions, encouraging collaboration between departments such as agronomy, sales, and distribution to build a more holistic understanding of the business.
- Digital and soft-skills training, supporting employees in areas such as communication, customer engagement, and the use of digital tools to improve day to day efficiency.

These combined efforts continue to shape a workforce that is technically skilled, customer-oriented, and equipped to support our long-term growth ambitions.

Health, Safety & Well-being

Occupational health and safety remain a first-order priority. Our teams continue to receive structured training in safe handling of agri inputs and adherence to workplace safety protocols, benchmarked against both internal standards and industry practice.

Our key programs this year included:

- Spot checks across field and warehouse teams to reinforce correct use of gloves, masks, and protective clothing during input application.
- Regular fire safety training sessions and mock evacuation drills were conducted for employees, equipping them with the knowledge and confidence to respond effectively in the event of an emergency.
- Conducted monthly safety awareness programs aimed at reinforcing safe work practices and building a strong safety culture among employees.

Together, these initiatives have strengthened our safety culture and reinforced our commitment to protecting the wellbeing of every employee across our operations.

Diversity, Equity & Inclusion

We remain committed to a workplace built on fairness, transparency and equal opportunity, with recruitment and advancement decisions grounded in merit. We continue to encourage diverse perspectives across all levels of the organisation.

During the year, the following initiatives to strengthen inclusion across the workforce:

- Our workforce spans multiple generations, combining experienced professionals with early-career talent to support knowledge transfer and innovation.
- Introduced measures such as enhanced maternity leave and flexible working arrangements to support employees' work life balance.
- Recruitment, promotion and compensation decisions are guided by skill, performance and merit.
- Training, upskilling and career progression opportunities are extended fairly across all employee groups, including field and operational staff.
- Open communication channels, supervisor-level dialogue, and structured grievance mechanisms enable employees to raise concerns and contribute ideas without barriers of hierarchy.

This continued focus on fairness and inclusion reflects our belief that every employee deserves the opportunity to grow and thrive within our organization.

Continuous Professional Development

We remains committed to the continuous professional development of its employees, ensuring our teams are equipped with the technical knowledge, industry insights, and leadership capabilities needed to support the company's long-term growth. Through structured training programs, technical workshops, and career development initiatives, we continue to build a skilled and future ready workforce capable of meeting evolving business needs. Key initiatives included:

- Leadership development programs aimed at building management capabilities among high potential employees.
- Conducted training on ISO standards and continuous improvement methodologies, reinforcing employees' understanding of quality management systems and process excellence.
- Technical and product knowledge training to strengthen employees' understanding of agri inputs, formulations, and application practices.
- Cross-functional learning opportunities to broaden employees' understanding of different business areas, including agronomy, sales, and distribution.
- Structured onboarding and induction programs to support new employees in transitioning smoothly into their roles.
- Access to external certifications and industry recognized training programs to support career progression.
- Regular performance reviews and individual development plans to guide employees' growth pathways.

These combined efforts reflect company continued investment in its people, ensuring a workforce that is technically capable, adaptable, and well positioned to drive the company's future success.

Employee Engagement & Community

The group remains committed to fostering a connected workplace culture through milestone celebrations, recreational events, and team building activities. Following are the key initiatives conducted during the year.

- Celebrated employee long-service and loyalty through formal recognition programs, in addition to personal milestone celebrations.
- Family support benefits, including enhancements such as school supplies for employees' children and emergency welfare assistance for staff facing hardship.
- Outbound training facility programmes, offering experiential, activity based learning and team building exercises.
- Team entertainment and leisure outings, creating relaxation for employees to bond and strengthen interpersonal relationships.

These initiatives reflect our continued commitment to fostering a strong sense of community and belonging within our workplace.

Partnering with Farmers

As a company built on serving the agricultural sector, the company recognises that our long term success is intrinsically linked to the prosperity of the farming communities we serve. During the year, we continued to invest in initiatives that support farmers with the knowledge, tools, and resources needed to improve productivity, adopt safer practices, and build more resilient livelihoods.

Our key initiatives included:

- Conducted farmer awareness programs to promote best practices in crop management and safe input use.
- Organised crop-based demonstrations to showcase the practical benefits of recommended products and techniques.
- Held field day programs, bringing farmers together to observe live demonstrations and share farming knowledge.
- Operated Mobile Soil Testing Lab programs (MSTL), giving farmers convenient access to soil analysis for more informed input decisions.
- Conducted estate visits and offered tailored development plans to support farmers' long-term, sustainable growth.
- Carried out individual farmer visits to provide personalised technical guidance suited to specific farming needs.
- Shared regular social media updates to keep farmers informed with timely tips and product information.
- Introduced e-product booklets, providing farmers with digital reference guides on crop-specific products and usage.
- Signed an MOU with the Tea Research Institute (TRI) for a collaborative nematode control campaign supporting tea smallholders.
- Extended support to farmers affected by Cyclone Ditwah to help rehabilitate their damaged cultivation lands.

As we move forward, we remain dedicated to nurturing the resilience and prosperity of the farming communities that form the foundation of our business.

Partnering with Our Distribution Network

The company recognises that our distribution partners play a vital role in connecting our products and expertise with farmers across the country. As trusted intermediaries between the company and the farming community, strengthening these partnerships remains a key priority in ensuring farmers receive consistent, timely, and accurate support. During the year, we continued to invest in initiatives that build capability, trust, and long-term collaboration across our distribution network.

Our key initiatives included:

- Organised dealer meetings and engagement sessions to strengthen relationships and align on marketing strategies.
- Provided marketing and promotional support, including point of sale materials, to help distributors effectively reach farmers.
- Conducted joint field visits with distributors to farmers, ensuring consistent messaging and technical guidance at the point of sale.
- Recognised best performing distributors through incentive programs, encouraging continued excellence and long term partnership.

- Provided medical insurance coverage for dealers, extending our commitment to their wellbeing.
- These efforts underscore the importance we place on our distributors, not merely as business partners, but as an extension of our commitment to the farming community.

Green Operations & Energy Efficiency

Agstar PLC recognises the importance of minimising our environmental footprint as we grow our operations across the agricultural value chain. As a responsible corporate citizen, we continued during the year to invest in initiatives that improve energy efficiency, reduce emissions, and promote more sustainable practices across our facilities and operations.

Our key initiatives included:

- Invested in energy efficient equipment and technologies to reduce overall energy consumption across our facilities.
- Adopted renewable energy solutions, including solar power, to reduce reliance on grid electricity and lower our carbon footprint.
- Implemented waste reduction and responsible disposal practices across our warehouses and operational sites.
- Upgraded facility infrastructure to improve energy efficiency and reduce operational wastage.
- Conducted employee awareness sessions on environmental responsibility and sustainable practices.
- Soil management practices including soil testing, balanced fertilization guidance, and integrated nutrient management help farmers protect long term land productivity while minimizing environmental degradation through MSTL program.

As we continue to grow, we remain committed to reducing our environmental impact and supporting a more sustainable future for agriculture.

Shaping the Future of Farming

As we look ahead, Agstar PLC remains focused on building a stronger, more resilient agricultural ecosystem, one that supports farmers, strengthens our partners, and contributes meaningfully to Sri Lanka's food security and rural livelihoods. The year ahead will see us build on the foundations laid across our people, our farmer partnerships, our distribution network, and our environmental commitments.

Our strategic priorities going forward include:

- Agstar continues to strengthen its role as a research-based, innovative solutions provider to Sri Lanka's agricultural sector, supporting farmers with proven, science-driven advancements.
- Strengthened our quality assurance processes through continuous lab testing, ensuring farmers can rely on consistently high-quality products to support their productivity and livelihoods.
- Introduce new generation compound and granular fertilizers to the Sri Lankan market, helping farmers apply nutrients more efficiently while improving productivity and reducing wastage.
- Investing in our people, building on our training, leadership development, and wellbeing programs to build a skilled and motivated workforce for the future.
- Continue to support farmers and local communities in adapting to increasing climate related risks, strengthening long term climate resilience.
- Positioning "Browns Pohora" as a forward looking brand dedicated to delivering innovative, reliable solutions for the future of agriculture.

At Agstar PLC, we believe that the future of farming will be shaped by collaboration, resilience, and innovation. We remain committed to standing alongside farmers, partners, and employees as we work together to build a more sustainable and prosperous agricultural future for Sri Lanka.

CORPORATE GOVERNANCE

General Governance Policy

AgStar PLC ("AgStar") has continued its commitment to maintain high standards of corporate governance in order to ensure the integrity, accountability and transparency of all transactions as well as to ensure equal importance to business performance in order to ensure value creation.

It is the firm belief of the Board of Directors that an effective self-regulatory framework is vital to pursue stakeholder confidence in the context of increasing trends in deregulation and lack of regulations in certain areas.

The concept of corporate governance covers the entire accountability framework of an organization. It encompasses aspects of both corporate and business governance and is based on the premise that a good governance policy alone cannot make an organization successful. It is only by having in place good corporate governance practices, which are strategically linked to performance management that an organization is able to focus on the key drivers of the business. This concept emphasizes the dual role of the Board of Directors in ensuring conformity to good governance and strategic management for value creation.

AgStar's Adoption of Corporate Governance

Being a listed company committed to maintaining ethics and professionalism in every sphere of activity, AgStar adheres to high standards of corporate governance. It defines governance as the set of processes, customs, policies, laws and institutions affecting the way in which the corporation is directed, administered and controlled.

Key aspects of the corporate governance framework established by the Company are described below.

In keeping with its vision and mission and with the continued goodwill and confidence of customers very much in mind, the Company is careful not to undertake any business activity that might adversely affect the welfare of the community and the environment.

A detailed description of the status of compliance with Corporate Governance rules is given below;

Status of compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023

Corporate Governance Principle	Principle No.	Level of Compliance
The Board	A.1	The Board provides the leadership in realizing business objectives, value creation and risk management while promoting a culture of transparency and integrity in carrying out the Company's business functions. **Frequency of Board Meetings** Four Board Meetings are scheduled to evaluate the performance and to discuss strategy and other matters of the Company. Ad-hoc meetings are scheduled to deal with specific matters which require the attention of the Board in-between scheduled meetings. The table below depicts the attendance of Directors at the Board and Committee meetings held during the year;

Name of Director	Board Meeting	Audit Com Meeting	TD & Rem Com Meeting	RPTRC Meeting	NGC Meeting
Directors					
Mr. Manju Gunawardana	1/4	1/4	1/1	1/4	1/1
Mr. I. C. Nanayakkara (Resigned w.e.f. 12th May 2026)	2/4				
Mr. R.S. I. Gunawardhana	4/4				
Mr.T.Sanakan	3/4				
Mr.Sarath Jayasuriya	4/4	4/4	1/1	4/4	1/1
Mr K Sivanesan (Appointed on 01.07.2025)	3/4	3/4	1/1	3/4	1/1
Mr. C.S.K.Nishanka Nishankage (Appointed w.e.f. 25th August 2025)	2/4				
Mr. A.M. Shamal Nalinda Abeysinghe (Appointed w.e.f. 25th August 2025)	2/4				
Mr. P.Weerasinghe (Resigned w.e.f. 25.08.2025)	1/4	1/4		1/4	
Dr.Mrs.A.D. Nandanie De Zoysa (Resigned w.e.f. 30th May 2025)	1/4				
Mrs. V.G.S.S. Kotakadeniya (Resigned on 6th June 2025)	1/4				
Mr. W. K. D. T. Abeyrathne (Resigned on 6th June 2025)					

Corporate Governance Principle	Principle No.	Level of Compliance
The Board (Continued)	A.1 (Continued)	**The Responsibilities of the Board** The Board is ultimately accountable for ensuring that, as a collective body, it has the appropriate skills, knowledge and experience to perform its role effectively. The Board is responsible for the following: - • formulation, implementation and monitoring of strategy • effective systems to secure integrity of information, internal controls and risk management • compliance with laws, regulations and ethical standards • ensuring all stakeholder interests are considered in corporate decisions The Board has delegated several functions to Board Committees, while retaining final decision rights pertaining to matters under the purview of the Committees. The composition and the functions of these sub-committees are discussed in detail under the relevant sections of this Report. **Obtaining Independent Professional Advice** In discharging their duties, the Directors are permitted to seek independent professional advice from external parties when necessary at the expense of the Company. **Company Secretary** The Directors have access to the advice and services of the Company Secretary. The Company Secretary advises on the need to comply with Board procedures, relevant statutory obligations and other applicable rules and regulations.
		Independent Judgment All Directors employ independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct and acts free from any undue influence and bias from other parties. **Dedication of adequate time and effort to matters of the Board and the Company** The Board members dedicate adequate time and effort to fulfil their duties as Directors of the Company and ensure that they are satisfactorily discharged. Newly appointed Directors who do not have previous public company experience at Board level are provided with appropriate training on their role and responsibilities. New Directors participate in a comprehensive and tailored induction program including meetings with members of the senior management. The induction program includes a full review of corporate responsibility. Subsequent training is available on an ongoing basis to meet any particular needs.

Corporate Governance Principle	Principle No.	Level of Compliance
Chairman & CEO	A.2	A clear division of responsibility of both roles are maintained by the Company.
Chairman's role	A.3	During the year under review Mr. I C Nanayakkara served as the Non-Executive Chairman while Mr. R.S.I Gunawardana served as the Executive Deputy Chairman. The Chairman being responsible for the running of the Board facilitates the effective discharge of Board proceedings and ensures that: • Effective participation of both Executive and Non-Executive Directors is secured • All Directors are encouraged to make effective contributions to proceedings • The views of Directors on issues under consideration are ascertained, and • The Board is in control of the affairs of the Company and alert to its obligations to all stakeholders
Financial acumen	A.4	The members of the Board possess the necessary knowledge and competence to offer guidance on matters of finance.

<table>
<tr><th>Corporate Governance Principle</th><th>Principle No.</th><th>Level of Compliance</th></tr>
<tr><td>Board balance</td><td>A.5</td><td>
Composition
During the year under review, the Board comprised of eight Directors comprising six Non- Executive Directors and two Executive Directors. Three out of six Non-Executive Directors are Independent.

The Board has an appropriate balance of skills, experience, independence and knowledge to enable it to discharge its duties and responsibilities effectively

The Board considers the Independent Directors as free of any business relationship or other circumstance and independent of management that could materially interfere with or could be reasonably perceived to materially interfere with the exercise of their unfettered or independent judgment

To determine their independence, the Board reviews all Directors' interests that may give rise to a potential or perceived conflict, and any circumstances relevant to their current or ongoing independence as set out in the Rules and Regulations of the Colombo Stock Exchange

The present composition is as follows :-
<table>
<tr><td>M. S. Gunawardana</td><td>Non-Executive Chairman</td></tr>
<tr><td>Ishara Chinthaka Nanayakkara
(Resigned w.e.f. 12.05.2026)</td><td>Non-Executive Chairman</td></tr>
<tr><td>R. S. I. Gunawardena</td><td>Executive Deputy Chairman</td></tr>
<tr><td>T. Sanakan</td><td>Executive Director</td></tr>
<tr><td>S. Jayasuriya</td><td>Independent Non-Executive Director</td></tr>
<tr><td>K. Sivanesan
(a.w.e.f. 01.07.2025)</td><td>Independent Non-Executive Director</td></tr>
<tr><td>C. S. K. N. Nishankage
(a.w.e.f. 25.08.2025)</td><td>Non-Executive Director</td></tr>
<tr><td>A. M. S. N. Abeysinghe
(a.w.e.f. 25.08.2025)</td><td>Non-Executive Director</td></tr>
<tr><td>Prof. S. Seneweera
(Resigned w.e.f. 01.07.2025)</td><td>Independent Non-Executive Director</td></tr>
<tr><td>Dr. (Mrs.) A. D. N. de Zoysa
(Resigned w.e.f. 30.05.2025)</td><td>Non-Executive Director</td></tr>
<tr><td>W K D T Abeyrathne
(Resigned w.e.f. 06.06.2025)</td><td>Executive Director</td></tr>
<tr><td>Mrs. V. G. S. S. Kotakadeniya
(Resigned w.e.f. 06.06.2025)</td><td>Non-Executive Director</td></tr>
</table>
During the year under review, Mr. S Jayasuriya, Mr K Sivanesan and Mr. M S Gunawardana met the criteria for independence specified by Rule 9.8.3 of the Listing Rules of the Colombo Stock Exchange. These Directors have submitted written declarations of their independence as required by section 9.8.5. of the Listing Rules.
</td></tr>
</table>

Corporate Governance Principle	Principle No.	Level of Compliance
Appraisal of the Board performance	A.9	The Annual appraisals of the Board of Directors were carried out for the period under review.
Disclosure of Information in respect of Directors	A.10	**Complied with.** The current Directors' biographical details such as name, qualifications and brief profile are set out on pages 14 to 17 of this Annual Report. These include their main externalcommitments.
Level and makeup of remuneration	B.2	The level of remuneration for both Executive and Non-Executive Directors is sufficient to attract and retain the Directors to run the Company successfully. The Talent Development & Remuneration Committee compares the levels of remuneration of the Company in relation to other companies in the industry. The report of the Remuneration Committee appears on page 49 of this Report.
Disclosure of remuneration	B.3	The total remuneration of the Directors' is disclosed in Note 09 to the Financial Statements.
Constructive use of the Annual General Meeting	C.1	The Shareholders of the Company have the opportunity to meet and question the Board at the Annual General Meeting. Each item of business to be considered at the Annual General Meeting is included with the Notice of Meeting which is sent to shareholders at least 15 working days prior to the meeting. The Chairpersons of the Audit, Related Party Transaction Review Committee, Talent Development & Remuneration Committees as well as the Nominations & Governance Committee are present at the Annual General Meeting to answer any questions raised by the shareholders.
Major transactions	C.3	There were no major transactions during the year as defined by Section 185 of the Companies Act No. 07 of 2007 which materially affects the net asset base of AgStar PLC or Consolidated Group net asset base.
Financial and business reporting	D.1	The Board ensures that the quarterly and annual Financial Statements of the Company are prepared and published in compliance with the requirements of the Companies Act No. 07 of 2007, Sri Lanka Accounting Standards and the Colombo Stock Exchange. The Statement of Directors' Responsibility in the preparation of the Financial Statements is given on page 48 of this Report. The Chief Executive Officer's and Head of Finance's Reports are given on page 65 of this Report. The declaration by the Board that the Company is a going concern is given in the Directors' Report on the state of affairs of the Company.
Risk Management Process	D.2	The report on Risk Management given on pages 41 to 45 of this report discusses the risk management process of the Company.

Corporate Governance Principle	Principle No.	Level of Compliance
Audit Committee	D.3	The Audit Committee consists of three Independent Directors. The members of the Committee are indicated in the Report of the Audit Committee. The Committee is empowered to examine and report on the following :- • Review the financial reporting system • Review internal control framework and identify business risks. Review the quality of external and internal audit performance • Review compliance with laws, regulations and professional standards • Recommend the appointment and fees of external auditors The Committee met four times during the year. The Executive Deputy Chairman, CEO and Head of Finance of the Company attended all meetings by invitation. Refer the Audit Committee report given on pages 66 to 67 of this Report for further details.
Related Party Transactions Review Committee (RPTR)	D.4	The Definition of a Related Party and Related Party Transactions is given in the Notes to the Financial Statements. The composition of the Committee, their responsibilities and other information are given on pages 51 to 53 of this Report for further details.
Code of Business Conduct and Ethics	D.5	The Directors have adopted and adhered to the Code of Business Conduct and Ethics for Directors. A set of Guidelines for ethical behaviour has also been compiled to help employees to act with responsibility and to make the right decisions in their daily work. This Code of Conduct explains the principles for dealings with business associates, general partners, colleagues and in the community in which we operate. Thus, it supports all employees in acting ethically not only in their dealings with one another but also outside the company.
Shareholder voting	E.1	The company is committed to maintaining good communications with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole. All shareholders are encouraged to participate at meetings of the Company, and a form of proxy accompanies each notice providing shareholders who are unable to attend such meetings the opportunity to cast their vote.

Compliance with Section 9 of the Listing Rules issued by Colombo Stock Exchange

Section	Principle, compliance and implementation	Complied
9.1.3	Disclosure in the Annual report with regard to the extent of compliance with the Rule The status of compliance with the Rule 9 is given below,	**Complied with**
9.2.1	The Company shall establish and maintain the following policies and disclose the existence of such policies together with the details relating to the implementation of such policies by the Company on its website. (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	**Complied with**
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	**None**
9.2.3	(i) List of policies in place as per Rule 9.2.1, with reference to website	**Complied with**
	(ii) Any changes to policies adopted	
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	Noted for compliance should the need arise
9.3.1/9.3.2	The following Board subcommittees should be established and maintained at a minimum and shall function effectively :	
	a) Nomination & Governance Committee	**Complied with**
	b) Talent Development &Remuneration Committee	**Complied with**
	c) Audit Committee	**Complied with**
	d) Related Party Transactions Review Committee	**Complied with**

Section	Principle, compliance and implementation	Complied
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	**Complied with**
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	**Complied with** All records of resolutions and information relating to General Meetings; i.e. upon a resolution being considered, valid proxy votes, votes in favour, against and abstained for the resolutions, etc. are maintained by the Company Secretaries.
9.4.2	Communication and relations with shareholders and investors	**Complied with** A policy on communication with shareholders and investors is in place and has been hosted on the Company's website.
9.5.1 & 9.5.2	A Policy on governing matters relating to the Board of Directors should be established and to disclose the level of compliance or non-compliance with reasons/remedial actions	**Complied with** A policy on Matters relating to the Board of Directors is in place and has been hosted on the Company's website
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	**Complied with** Mr. M S Gunawardana, Chairman of the Board is an Independent Non-Executive Director whilst the position of CEO is held by Mr. Sajeewa Ranasinghe
9.6.2 & 9.6.3	Market announcement with regard to the non-compliance with Rule 9.6.1 and the rationale for appointing the SID	Noted for compliance should the need arise.
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	**Complied with** All the Directors have submitted written declarations confirming that they are fit and proper to hold their respective positions in the Company. The said criteria were considered by the Nominations & Governance Committee as well as the Board, in recommending the re-election of directors retiring by rotation before the AGM.
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	**Complied with** During the year under review, the Board comprised of 08 Directors including 3 Independent Non- Executive Directors.

Section	Principle, compliance and implementation	Complied
9.8.3	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.	**Complied with** Annual declarations have been obtained as per the requirement and the Board has determined that M/s S Jayasuriya, K Sivanesan and M Gunawardana were considered independent during the year under review.
9.8.5	The listed entity shall ensure;	**Complied with**
	a) Each independent director submits a declaration with criteria specified by the Exchange	**Complied with**
	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	**Complied with**
	c) If the Board determines that the independence of and independent director has been impaired against any criteria set out in 9.8.3 it shall make an immediate market announcement thereof	**Complied with**
	The Company has established a process for determination of independence based on the requirements of this Rule.	**Complied with**
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 had been appointed during the year under review
9.10.1	Policy on the maximum number of directorships its board members shall be permitted to hold	**Complied with.** The maximum number of directorships a Board member is permitted to hold includes 10 Specified Business Entities (SBEs) and 10 non-SBEs. This is specified in the Policy on Matters Relating to the Board of Directors which is hosted on the corporate website.
9.10.2	Immediate market announcement upon appointment of new director setting out resume, capacity of directorship, statement indicating if such appointment has been reviewed by the Nominations & Governance Committee	**Complied with**

Section	Principle, compliance and implementation	Complied
9.10.3	Immediate market announcement regarding any changes to the composition of the Board Committees specified in Rule 9.3	**Complied with** The following market announcements with regard to the changes to the composition of the Board were made during the year under review and as of report date a) Retirement of Dr (Mrs) A D N de Zoysa w.e.f. 30th May 2025 b) Resignation of Mr W K D T Abeyratne w.e.f. 6th June 2025 c) Resignation of Mrs V G S S Kotakadeniya w.e.f. 6th June 2025 d) Resignation of Mr S Seneweera w.e.f 01st July 2025 e) Resignation of Mr Panduka Weerasinghe w.e.f. 25th August 2025 f) Appointment of Mr A.M.S.N. Abeysinghe w.e.f 25th August 2025 g) Appointment of Mr N.C.S.K. Nishankage w.e.f. 25th August 2025 h) Reclassification Mr M S Gunawardana as an Independent Director w.e.f. 2nd September 2025 i) Appointment of CEO-Mr S Ranasinghe w.e.f. 22nd October 2025 j) Resignation of Mr I C Nanayakkara and appointment of Mr M S Gunawardana as Chairman w.e.f. 12th May 2026

Section	Principle, compliance and implementation	Complied
9.10.4	Disclosure on the following details relating to Directors in the Annual report;	Complied with The profiles of Board members are provided on pages 14 to 17. Please refer Reports of the Board of Directors and subcommittee reports and the Corporate Governance Report for details.
	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,	
	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	
9.11	Disclosure requirements regarding the Nomination and Governance Committee under Rule 9.11.6	**Complied with** Please refer Committee Report on Page 46 to 47
9.12.8	Disclosure requirements regarding the Remuneration Committee under Rule 9.12.8	Complied with Please refer Committee Report on Page 49 to 50. The Remuneration Committee is comprised of three Independent Non-Executive Directors
9.13	9.13.1 -The listed entity shall have an Audit Committee conforming with the requirements set out in Rule 9.13	**Complied with** Please refer Committee Report on Page 66 to 67
9.14.1 9.14.4	Composition, functions and general requirements of the Related Party Transactions Review Committee	**Complied with** Please refer Report on page 51 to 53
9.14.5 - 10	In terms of Sec. 9.14.8(4), affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect.	There were no RPTs during the year under review 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 acquisition or disposal of substantial assets from / to Related Parties. Please refer Report of the RPTR Committee on pages 51 to 53 and Board of Directors report on pages 56 to 64.
9.16	Additional disclosures by Board of Directors under Rule 9.16	The relevant declarations by the Board of Directors are included in their report on pages 56 to 64.

REPORT ON RISK MANAGEMENT

At Agstar PLC, risk management is integral to our strategy and the achievement of our long-term objectives. As a research-driven and innovative solutions provider for agricultural market, our ability to operate safely, efficiently, and competitively depends on how effectively we identify, assess, and manage both risks and opportunities across our supply chains, operations, and the farming communities we serve. Risk management is therefore embedded across our entire value chain.

Risk Management Framework

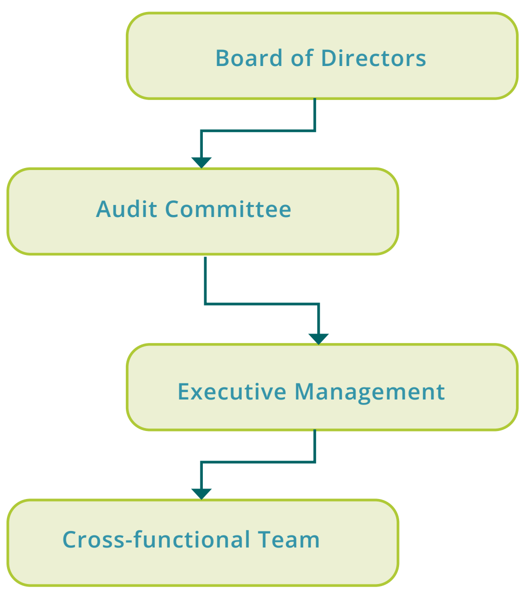
The Board holds overall accountability for overseeing the management of risks and opportunities across Agstar PLC's, and for reviewing the effectiveness of risk management and internal control systems. The company has established clear accountabilities for addressing principal risks over the short, medium, and long term. Executive management is responsible for day to day risk management, supported by relevant cross-functional teams.

The Board also sets Agstar PLC's risk appetite, determining the level of risk, it's prepared to accept in pursuing its strategic objectives. This provides reasonable assurance that assets are safeguarded and that relevant risk information is reported appropriately to senior management and the board.

Risk Governance Structure

The Board holds ultimate responsibility for overseeing risk management across Agstar PLC, supported by the audit committee. Risks identified at the operational level are escalated through defined reporting lines to executive management, which consolidates and presents an aggregated risk profile to the audit committee and the board.

Our risk governance structure is as follows:



Risk Categorization and Management Approach

A consolidated view of the principal risks facing the Agstar PLC during FY2025/26 is presented below, categorized by risk type and assessed for risk level in accordance with the Group's risk management framework. Each risk has been evaluated based on its potential effect on the its operations, financial performance, and strategic objectives, drawing on inputs from executive management, operational teams, and the Board's ongoing risk oversight process. This structured approach ensures that risks are consistently identified, prioritised, and addressed through appropriate mitigation strategies across the value chain.

Business Risk		
Risk Area	**Key Impact**	**Risk Level**
The company operates in a dynamic and seasonally driven market, with business risk shaped by climate variability, import dependency, regulatory conditions, and the evolving needs of the farming communities it serves.	• Seasonal demand shifts tied to Sri Lanka's cultivation cycles may affect order volumes and revenue. • Shifts in government agricultural policy affect demand patterns and market accessibility. • Extreme weather events may disrupt supply chain timing and farmer purchasing capacity.	High
Key mitigations • Weather-linked demand forecasting integrated into seasonal stock planning. • Comprehensive insurance coverage and contingency planning for inventory and operations. • Proactive engagement with regulatory authorities.		

Climate & Whether Risk		
Risk Area	**Key Impact**	**Risk Level**
The company's agri-based remain highly dependent on favorable weather conditions. Droughts, irregular rainfall, and adverse climate patterns can affect planting seasons and crop yields across multiple crops lines simultaneously.	• Reduced or delayed cultivation activity during droughts or irregular rainfall may lower demand for agri-inputs. • Simultaneous impact across multiple crop lines increases the risk of revenue decline. • Unpredictable weather patterns make demand forecasting and inventory planning more difficult, raising the risk of stock imbalances.	High
Key mitigations • Diversified product portfolio across multiple crop lines to reduce reliance on any single crop's performance. • Continued development of climate-resilient product solutions.		

Operational Process & Control Risk		
Description	Key Impact	Risk Level
Seasonal peaks in demand during key cultivation periods place significant pressure on production capacity, increasing the complexity of operations, supply chain coordination, and internal controls, and raising the likelihood of process inefficiencies or control gaps.	• Production capacity constraints during seasonal periods may lead to delayed order fulfilment. • Increased operational complexity during seasonal periods may raise the likelihood of quality control lapses or process errors. • Strain on internal controls may create gaps in oversight, increasing exposure to operational or compliance issues.	High
Key mitigations • Capacity planning and production scheduling aligned with seasonal demand forecasts. • Process digitization and automation to improve efficiency. • Strengthened internal control checkpoints and quality assurance protocols. • Continuous monitoring and post season reviews to identify and address process gaps.		

Import and Foreign Exchange Risk		
Description	Key Impact	Risk Level
The Company's operations across all segments remain heavily reliant on imports, resulting in exposure to currency fluctuations, import cost volatility, and supply chain disruptions.	• Currency depreciation may increase the cost of imported raw materials and finished products, affecting margins. • Volatility in global input prices may create unpredictability in cost planning and pricing strategies. • Disruptions in supply chains may delay product availability.	High
Key mitigations • Diversified supplier base across multiple countries and markets to reduce dependency on any single source. • Regular monitoring of foreign exchange exposure. • Strategic procurement planning and forward purchasing to manage cost volatility.		

Funding and Liquidity Risk		
Description	**Key Impact**	**Risk Level**
The nature of the business, working capital cycles are inherently tied to seasonal periods with import payments and inventory build-up.	• Increased short-term borrowing costs. • Delayed debtor collections may strain cash flow and constrain funding for imports. • Reduced financial flexibility to respond to unexpected opportunities or disruptions.	High
Key mitigations • Proactive cash flow forecasting and working capital planning. • Structured credit policies and stronger debtor collection processes to reduce collection delays. • Diversified funding sources and credit facilities to manage short-term liquidity needs.		

Competition Risk		
Description	**Key Impact**	**Risk Level**
Sri Lanka's open market conditions and low barriers to entry make it relatively easy for new competitors and products to enter the agri-input sector.	• Increased price competition may compress margins across product categories. • Entry of new competitors or substitute products may erode market share. • Weakening customer loyalty may reduce repeat business and long-term revenue stability.	Medium
Key mitigations • Continued investment in product innovation and differentiation. • Strengthened farmer and dealer relationships through training, technical support, and engagement programs. • Brand positioning and value-added product/services to reinforce customer loyalty beyond price competition.		

Cybersecurity and Data Privacy Risk		
Description	**Key Impact**	**Risk Level**
As reliance on digital systems across operations, sales, and farmer engagement increases, exposure to cyber threats grows including system attacks, data breaches, and unauthorized access to sensitive information.	• System downtime from a cyber incident may disrupt daily operations and delay service. • Data breaches may compromise sensitive customer, employee, or business information, leading to reputational damage. • Loss of stakeholder trust and confidence may result if sensitive data is compromised, affecting relationships.	High
Key mitigations • Robust cybersecurity infrastructure, including firewalls, monitoring systems, regular vulnerability assessments, and periodic system upgrades. • Ongoing employee training on data protection practices and cyber security awareness. • Incident response and business continuity plans to minimise disruption in the event of a cyber incident.		

Social Responsibility and Community Risk		
Description	**Key Impact**	**Risk Level**
Insufficient engagement with farming communities, or shortfalls in environmental responsibility, could undermine the Company's social license to operate, given its direct interface with rural livelihoods through agri-input distribution.	• Erosion of trust with farming communities may reduce cooperation and long-term customer loyalty. • Negative public perception or community pushback could affect the company's reputation and brand value. • Strained community relationships may create operational challenges in specific regions, including resistance to distribution or field activities.	Medium
Key mitigations • Continued investment in farmer engagement, training, and community development programs. • Transparent communication with local communities and stakeholders on environmental and social initiatives. • Regular monitoring of community sentiment and proactive resolution of concerns.		

Talent Retention and Capability Risk		
Description	**Key Impact**	**Risk Level**
The company's success depends on attracting, motivating, and retaining skilled staff. Rising attrition among management and field employees, combined with growing competition for talent has increased the risk of capability gaps.	• Loss of institutional knowledge and technical expertise as experienced staff leave the organization. • Leadership and succession gaps may affect continuity and decision making at management level. • Increased recruitment and training costs to replace departing staff, along with productivity loss during transition periods.	High
Key mitigations • Development of a structured employee retention framework, including career progression pathways and succession planning. • Competitive compensation and benefits benchmarking to align with market standards. • Enhanced employee engagement initiatives, recognizing staff contributions and strengthening organizational culture.		

Looking Ahead

Agstar PLC's risk management framework continues to evolve alongside the sector it serves, moving from static annual reviews toward continuous, season-aware risk monitoring that reflects the rhythms of the agricultural sector. Through systematic risk identification, proactive mitigation, and ongoing monitoring, we maintain the organizational resilience needed to navigate uncertainty while capitalizing on opportunities for sustainable growth. This evolving approach reflects our continued commitment to protecting the interests of shareholders, employees, and the farming communities that depend on us. This foundation enables us to pursue our strategic objectives with confidence, while upholding strong standards of corporate governance and operational excellence.

REPORT OF THE NOMINATION & GOVERNANCE COMMITTEE

The Nomination & Governance Committee is a sub-committee of the Board, established to support the Board in maintaining effective governance practices and ensuring an appropriate composition of the Board and its committees. The Committee plays a key role in promoting high standards of corporate governance and ensuring compliance with regulatory requirements.

Composition and Independence

As at 31 March 2026, the Committee comprised entirely of Independent Non-Executive Directors

K Sivanesan	Committee Chairman	Independent Director	Appointed on 01.07.2025
S M S C Jayasuriya	Committee Member	Independent Director	Appointed on 09.06.2025
M S Gunawardana	Committee Member	Independent Director	Appointed on 09.06.2025

The Board is satisfied that the Committee members possess the appropriate balance of skills, experience, and independence required to effectively discharge their responsibilities.

Terms of Reference

The Company has board approved Terms of reference which sets out its authority, composition, scope and responsibilities taking into consideration the Corporate Governance requirements set out in the Listing Rules of the Colombo Stock Exchange and are reviewed periodically to ensure continued relevance.

Role and Responsibilities

The primary mandate of the Committee is to assist the Board in fulfilling its oversight responsibilities regarding:

- Identifying and evaluating candidates qualified to become Board members.
- Revising the structure, size, and composition of the Board.
- Overseeing succession planning for the Board and Key Management Personnel (KMP).
- Reviewing and monitoring the company's corporate governance framework and code of conduct.
- Evaluating the overall effectiveness and independence of the Board, its committees, and individual directors.

Key Activities During the Year

During the financial year ended 31st March 2026, the Committee successfully executed the following key initiatives:

- Governance and Regulatory Compliance: The Committee monitored evolving corporate governance regulations and ensured that the Policy on Disclosure and Maintenance of Beneficial Ownership was reviewed and recommended for board approval in line with the amended Companies Act No. 12 of 2025.
- Board Evaluation & Independence : During the year under review, the Board conducted its Fit & Proper Evaluations and Declaration of Independence on the directions of the Committee. Results of the Board evaluation were discussed by the committee and noted by the Board.
- Board Diversity: To ensure a well-rounded and effective Board, the Committee continued to implement the Board Diversity Policy, prioritizing diversity in professional experience, skill sets, geographic knowledge, age, and gender.
- Re-election of Directors: The Committee reviewed the performance, fitness, and propriety of directors seeking re-election at the Annual General Meeting (AGM) and recommended their continuation on the Board.

As required by the Articles of Association of the Company the Committee recommended the following Directors for re-election at the Annual General Meeting:

- Mr A M S N Abeysinghe – retiring by rotation in terms of Article 23(2) of the Articles of Association
- Mr N C S K Nishankage - retiring by rotation in terms of Article 23(2) of the Articles of Association
- Mr R S I Gunawardhana - retiring by rotation in terms of Article 23(6) of the Articles of Association
- Mr T Sanakan - retiring by rotation in terms of Article 23(6) of the Articles of Association

The Committee ensures that all Directors are required to submit themselves for re-election at regular intervals and at least once in three years in accordance with the provisions of the Articles of Association of the Company.

- Information pertaining to Directors who have been proposed for re-election in terms of the Articles of Association (as required by Rule No. 9.11.6 of the Corporate Governance Rules of the Colombo Stock Exchange) are appended below:

Description	Mr A M S N Abeysinghe (Article 23(2))	Mr N C S K Nishankage (Article 23(2))	Mr R S I Gunawardhana (Article 23(6))	Mr T Sanakan (Article 23(6))
Date of first appointment as a Director	25.08.2025	25.08.2025	01.01.2023	07.02.2025
Date of last re-election as a Director at an AGM	-	-	19.09.2023	25.09.2025
Board Committees Served on during the year under review	None	None	None	None
Present directorships in listed and unlisted Companies	Please refer Director's Profiles	Please refer Director's Profiles	Please refer Director's Profiles	Please refer Director's Profiles
Any relationships including close family relationships between the Director proposed for re-election and other directors, the Co. or its shareholders holding more than ten per centum (10%) of the shares of the Company	None	None	None	None

Assessment of Independence

The Committee is of the opinion that M/s S M S C Jayasuriya, K Sivanesan and M S Gunawardana have met the criteria for determining their independence based on their professionalism, conduct, expertise and experience. The said Directors have also submitted declarations in accordance with the requirements of the revised CSE Listing Rules 9.8.5. Based on the recommendation of the Committee the Board has endorsed that M/s S M S C Jayasuriya, K Sivanesan and M S Gunawardana can appropriately be classified Independent Directors as of report date.

Compliance with Listing Rules of the Colombo Stock Exchange

The Committee has received reports from the management regarding the Company's compliance with the corporate governance framework. Based on this review, the Committee confirms that, to the best of its knowledge, the Company has complied with all applicable Corporate Governance requirements set out in the Listing Rules of the Colombo Stock Exchange during the year under review.

Meetings

The Committee met once during the year under review.

All Committee members were present at the meeting, ensuring full participation in discussions and decision-making.

Conclusion

The Committee is satisfied that:

- The Board composition remains appropriate and effective
- Governance frameworks and policies are robust and compliant
- Processes relating to Board evaluation, succession, and independence are operating effectively

The Committee will continue to support the Board in strengthening governance practices and maintaining high standards of accountability and transparency.

On behalf of the Committee

K Sivanesan
Committee Chairman

13th August 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Statement sets out the responsibility of the Directors, in relation to the Financial Statements of the AgStar PLC (the Company). The responsibilities of the External Auditors in relation to the Financial Statements are set out in the 'Auditors Report' given on pages 70 to 74.

In terms of Sections 150 (1) and 151 of the Companies Act No. 07 of 2007, the Board of Directors of the Company are responsible for ensuring that the Company keep proper books of account of all the transactions and prepare Financial Statements that give a true and fair view of the financial position of the Company as at end of each financial year and of the financial performance of the Company for each financial year and place them before a general meeting.

The Financial Statements comprise of the Statement of Financial Position as at 31st March 2026, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the Company give a true and fair view of the:

- Appropriate Accounting policies have been selected and applied consistently;
- Financial Statements have been prepared and presented in accordance with Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS);
- The Financial Statements provide the information required by the Companies Act and Listing Rules of the Colombo Stock Exchange; and
- Reasonable and prudent judgments and estimates have been made.

The Directors have taken reasonable measures to safeguard the assets of the Company and of the Group and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view of preventing and detecting fraud and other irregularities.

The Directors have a reasonable expectation, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the Financial Statements.

Messrs KPMG, Chartered Accountants, the Auditors of the Company, have examined the Financial Statements made available by the Board of Directors together with all relevant financial records, related data, and minutes of Shareholders' and Directors' meetings and expressed their opinion in their Report on page of 70 to 74 the Annual Report.

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the government that were due on behalf of the Company and the Group as at the date of the statement of financial position have been paid, or where relevant provided for, except as disclosed in note 31 to the Financial Statements covering contingent liabilities.

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

By Order of the Board

Manju Gunawardhana
Chairman

13th August 2026

REPORT OF THE TALENT DEVELOPMENT & REMUNERATION COMMITTEE

REPORT OF THE TALENT DEVELOPMENT & REMUNERATION COMMITTEE

The Talent Development & Remuneration Committee is a sub-committee of the Board and reports directly to the Board. The Committee supports the Board in establishing a fair, transparent, and performance-driven remuneration framework aligned with the Company's long-term strategic objectives and shareholder interests.

COMMITTEE COMPOSITION AND INDEPENDENCE

As of 31 March 2026, the Committee comprised entirely of Independent Directors

Mr. K. Sivanesan	Committee Chairman(a.w.e.f 01.07.2025)	Independent Director
Mr. Sarath C. Jayasuriya	Member	Independent Director
Mr. Manju S. Gunawardana	Member (a.w.e.f 06.06.2025)	Independent Director
Past Committee Members		
Dr. (Mrs.) Damitha de Zoysa (retired w.e.f 30.05.2025)	Committee Chairperson Up to 30.05.2025	Independent Director
Mrs.V.G.S.S.Kotakadeniya (resigned w.e.f 06.06.2025)	Committee Member Up to 06.06.2025	Non-executive Director

The Board is satisfied that the Committee has the appropriate expertise and independence to discharge its responsibilities effectively.

COMMITTEE MEETINGS

The committee met once during the year under review as per the table on page 30 of this report and the minutes of the meeting were presented to the Board. 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.

ATTENDANCE

The Deputy Chairman and representatives of the Group HR attended the meeting of the Remuneration Committee by invitation as the Senior Executives, to discuss the management performance and to make proposals as deemed necessary except where their own remunerations were discussed.

ROLE OF THE COMMITTEE

The role of the Remuneration Committee is to;

- formulate remuneration policy of the company to attract and retain high calibre personnel and motivate them;
- make recommendations to the Board and monitor the level and structure of remuneration for senior management;
- make recommendations to the Board on the Company's framework of executive remuneration and its costs, and to determine on behalf of the Board specific remuneration packages and conditions of employment (including compensation entitlement) for Executive Directors;
- make recommendations to the Board regarding the content of the Board's Annual Report to the shareholders on Directors' remuneration (including the Company's policy and Executive Director's remuneration, details of individual remuneration and other terms and conditions).

KEY ACTIVITIES DURING THE YEAR

During the financial year ended 31 March 2026, the Committee carried out the following activities:

- Reviewed the effectiveness of the Company's remuneration policies and practices
- Assessed whether remuneration structures appropriately support performance and strategic objectives
- Evaluated the alignment of rewards with long-term shareholder value creation
- Reviewed overall remuneration disclosures for inclusion in the Financial Statements

The Committee is satisfied that the remuneration framework remains appropriate to attract, retain, and motivate individuals capable of delivering the Company's strategic objectives.

REMUNERATION TO DIRECTORS

The Committee discussed on the Key Performance Indicator System and reviewed the performance of the Company. The Remuneration Policy of the Company also was reviewed in line with the latest developments in the market. The remuneration paid to Directors during the year under review is indicated in note 09 to the financial statements.

CONCLUSION

The Committee is satisfied that:

- The remuneration framework is aligned with the Company's strategic objectives
- Policies are fair, transparent, and competitive
- Remuneration practices support long-term sustainable performance

On behalf of the Committee

K. Sivanesan
Committee Chairman

13th August 2026

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee (RPTRC) is a sub-committee of the Board.

ADOPTION OF THE CODE OF BEST PRACTICES ON RELATED PARTY TRANSACTIONS

The Committee functions on behalf of the Board in complying with the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions ("the Code") issued by the Securities and ExchangeCommission of Sri Lanka.

PURPOSE OF THE COMMITTEE

The purposes of the Related Party Transactions Review Committee ("the Committee") of AgStar PLC ("Company") is to conduct an appropriate review of all of the Company's related party transactions and to ensure that the Company complies with regulatory requirements and in the best interest of the Company and its stakeholders.

The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into related party transactions and to prevent directors, key management personnel or substantial shareholders taking advantage of their positions.

COMPOSITION AND INDEPENDENCE

As of 31 March 2026, the Committee comprised entirely of Non-Executive Directors and was chaired by an Independent Director.

Name	Position Position	Category	Meetings Attended
Sarath Jayasuriya	Committee Chairman	Independent Director	4/4
Manju S.Gunawardana (appointed wef 06.06.2025)	Committee Member	Independent Director	3/4
K Sivanesan (appointed wef 01.07.2025)	Committee Member	Non-Executive Director	3/4
Past Committee Members			
Dr. A.D.N.de Zoysa (Retired w.e.f. 30.05.2025)	Committee Member	Independent Director	1/4
W. K. D. T. Abeyrathne (Resigned w.e.f. 06.06.2025)	Committee Member	Non-Executive Director	1/4
Saman P.Seneweera Arachchilage (Resigned w.e.f. 01.07.2025)	Committee Member	Independent Director	-

The Board is satisfied that the Committee maintains an appropriate level of independence and expertise to oversee Related Party Transactions effectively.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

CHARTER OF THE COMMITTEE

The Charter of the Related Party Transactions Review Committee clearly sets out the purpose, membership, authority and the duties and responsibilities of the Committee. In order to discharge the duties and responsibilities effectively and efficiently, the Committee has been authorized to:

- Receive regular reports from the Management, and be provided with any information it requests relating to its responsibilities;
- Establish policies and procedures that provide general preapprovals to certain classes or types of related party transactions;
- Review and evaluates the terms and conditions, and to determine the advisability of any related party transaction;
- Determine whether the relevant Related Party Transaction is fair, and in the best interests of the Company and its shareholders as a whole;
- Recommend to the Board what action, if any, should be taken by the Board with respect to any Related Party Transaction;
- Obtain the advice and assistance from legal, technical, financial and other advisors from internal or external to the Company as deemed necessary by the Committee in order to carry out its duties; and
- Form and delegate authority to sub-committees consisting of one or more members where appropriate, provided that the decision of such sub-committees shall be presented to the full Committee at its next meeting.

RESPONSIBILITIES

The following key responsibilities have been set out in the Charter;

- Ensure that the company complies with the rules set out in the Code, subject to the exceptions given under Section 9of the Code, the Committee shall review in advance all proposed related party transactions.
- Regularly report to the Board on the Committee's activities. The committee will share information with the Audit Committee as necessary and appropriate to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities with regard to related party transactions.

MEETINGS

The Committee shall meet on a quarterly basis and attendance at meetings is given on page 30 of this Annual Report. The Committee met four times during the year to review proposed related party transactions.

REVIEW OF RELATED PARTY TRANSACTIONS

The Committee reviewed all related party transactions of the Company for the financial year 2025/26 and the major observations were reported to the Board. All related party transactions entered during the year were of a recurrent, trading nature and which is necessary for day-to-day operations of the Company. The effectiveness of the Committee was reviewed at year end by each member and results reviewed and gaps communicated to the Board. In the opinion of the Committee, terms of these transactions were not more favourable to the related parties than to those generally available to the public. The details of related party transactions entered during the year are given in Note 29 to the financial statements on pages 132 to 134 of this Annual Report.

POLICIES AND PROCEDURES

In order to enhance transparency and good governance, the members of the Board of Directors of the Company have been identified as Key Management Personnel (KMP). In accordance with the Related Party Transactions Policy, declarations were obtained from each KMPfor the purpose of identifying any RPTs that were carried out by the Company and to comply with the disclosure requirements, if any. The Committee's key focus is to review all proposed Related Party Transactions (RPT) prior to entering into or completion of the transaction according to the procedures laid down by Section 9 of the Listing rules of the Colombo Stock Exchange. In addition, the Head of Finance through the Group CFO is required to report to the Committee the previous quarter's actual related party transactions on a quarterly basis.

DECLARATION

The Committee confirms that the company has complied with the Rules pertaining to Related Party Transactions as stipulated by the Colombo Stock Exchange. A declaration by the Board of Directors as an affirmative statement of compliance with the Listing rules pertaining to RPTs is given on pages 58 to 66 of this report.

The Committee will continue to strengthen oversight to ensure the highest standards of governance are maintained.

On behalf of the Committee

Sarath Jayasuriya
Committee Chairman

13th August 2026

FINANCIAL CALENDAR

Year ended 31 March 2026	
Financial Year end	31st March 2026
Announcement of Results	
1st quarter ended 30th June 2025	13th August 2025
2nd quarter ended 30th September 2025	10th November 2025
3rd quarter ended 31st Decemeber 2025	12th February 2026
4th quarter ended 31st March 2026	27th May 2026

FINANCIAL INFORMATION

DIRECTORS' REPORT ON THE STATE OF AFFAIRS OF THE COMPANY

The Directors of AgStar PLC have pleasure in presenting to members their Report and the Audited Consolidated Financial Statements for the year ended 31st March 2026.

The Financial Statements and the disclosures made herein conform to the requirements of the Companies Act No. 7 of 2007. The Report also includes relevant disclosures required to be made under the Listing Rules of the Colombo Stock Exchange and is guided by the recommended best practices on accounting and corporate governance.

REVIEW OF PERFORMANCE FOR THE YEAR ENDED 31ST MARCH 2026

The operations of the Company and its subsidiaries for the year ended 31st March 2026 are reviewed in the Chairman's Report.

AgStar PLC is a public limited liability Company incorporated in Sri Lanka on 25th June 2002 under the Companies Act No. 17 of 1982 and re-registered as required under the provisions of the Companies Act No. 07 of 2007 on 26th December 2007. The Company was listed on the Diri Savi Board with effect from 16th February 2012. The Registered Office of the Company is No. 93, Minuwangoda Road, Ekala, Ja-Ela.

PRINCIPAL ACTIVITIES AND GROUP REVIEW

During the year the principal activity of the Company was to carry out the business of importing, blending and marketing of fertiliser products and agriculture machineries.

The Company has six subsidiaries, and their activities are given on page 78 of this Annual Report.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation and presentation of the Financial Statements of the Company and its subsidiaries as to the true and fair view of the State of Affairs of the Company and its subsidiaries.

The statement of Directors responsibility for financial reporting is given on Page No. 48.

The Chief Executive Officer's and Head of Finance's statement is given on page 65.

The financial statements of the Company and the Group are given on pages 73 to 145

AUDITORS

The Financial Statements for the year ended 31st March 2026 have been audited by Messrs KPMG (Chartered Accountants.)

A resolution for the re-appointment of Messrs. KPMG, Chartered Accountants and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

The fees paid to the Auditors are disclosed in Note No 09 on Page 97 to the Financial Statements.

The Auditors of the Company, Messrs KPMG, Chartered Accountants, do not have any relationship with the Company other than that of Auditors.

ACCOUNTING POLICIES

The accounting policies adopted in preparation of financial statements are given on pages 78 to 94.

There were no other material changes in the accounting policies of the Group during the year under review.

INDEPENDENT AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on pages 68 to 72 of this Report.

RESULTS AND APPROPRIATIONS

The profit after tax of the AgStar PLC, was Rs. 269.1 Mn (the loss after tax of 2025 - Rs. 243.7 Mn), whilst the Group profit for the year was Rs.197.0 Mn (loss for 2025 - Rs. 366.6 Mn). Results of the Company and of the Group are given in the Income Statement.

Detailed description of the Group results and appropriation is given below.

Financial Results	31st March 2026	31st March 2025
Operating Profit/ (loss)	**251,637,864**	(208,332,723)
Finance Cost	**(401,313,867)**	(344,606,467)
Finance Income	**296,706,644**	184,717,068
Profit/ (loss) before Tax	**147,030,641**	(368,222,122)
Income tax revesal	**52,112,776**	2,585,900
Profit/ (loss) from continuing operations	**199,143,417**	(365,636,222)
Loss from discontinued operations (net of tax)	**(2,134,329)**	(975,104)
Profit/ (loss) for the Year	**197,009,088**	(366,611,326)
Other comprehensive income (net of tax)	**2,734,208**	2,215,020
Profit/ (loss) and OCI (retained earning portion) available to Group's Shareholders	**199,743,296**	(364,396,305)
Balance brought forward from previous year	**3,632,036,921**	3,996,433,227
Amount available for appropriation	**3,831,780,217**	3,632,036,931
Balance to be carried forward next year	**3,831,780,217**	3,632,036,921

PROPERTY, PLANT AND EQUIPMENT

An analysis of the Property, Plant and Equipment of the Company and the Group is disclosed in Note No.13 to the Financial Statements on pages 102 to 110. The book value of property, plant and equipment as at the reporting date amounted to Rs. 3,776.3 Mn (2025 - Rs. 4,319.6 Mn) and Rs. 3,450.4 Mn (2025 - Rs.3,933.7 Mn) for the Group and Company respectively.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2026 was Rs. 2,007,856,833/-comprising 461,289,465 ordinary voting shares and 26,210,535 non-voting shares (2025 - Rs. 2,007,856,833 comprising 461,289,465 ordinary voting shares and 26,210,535 non-voting shares)

DONATIONS

The Company has made Rs. 179,083/- as donations during the year (2025 – Rs. 40,000/-).

CAPITAL COMMITMENTS

The Capital Expenditure Commitments as at 31st March 2026 is given on page 133

REVENUE RESERVES

The revenue reserves as at 31st March 2026 for the Group and Company amounted to Rs. 3,831.7 million (2025- Rs. 3,632 Mn) and Rs. 3,765.4 million (2025 - Rs.3,493.4 Mn).

PROVISION FOR TAXATION

The provision for taxation is computed at the rates as disclosed in Note No. 10 on page 97 of the Financial Statements.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge and belief, all statutory payments in relation to all relevant regulatory and statutory authorities have been paid or adequately provided for in the Financial Statements. A statement of compliance by the Board of Directors in relation to statutory payments is included in the Statement of Directors Responsibilities on page 48 of this Report.

CONTINGENT LIABILITIES

Contingent Liabilities outstanding as at 31st March 2026 are given in Notes No. 31on page 133 to the Financial Statements.

EVENTS AFTER THE REPORTING PERIOD

The events occurring after the reporting dates are given in Notes No. 32 on page No 133 of the report.

DIRECTORS' REPORT ON THE STATE OF AFFAIRS OF THE COMPANY

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Board of Directors has acknowledged the responsibility to ensure good governance in conducting the Business activities of the Company and confirms that the Company is compliant with section 9 of the Listing Rules of the Colombo Stock Exchange and has also adopted the relevant Corporate Governance practices recommended by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors declare that they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management through the Audit Committee.

The Enterprise Risk Management Division (ERM) periodically assesses procedures in relation to established guidelines for risk management and internal controls. The Audit Committee receives the ERM findings, and any flaws or vulnerabilities found are communicated with the pertinent operational staff to ensure that the gravity of the position is understood by all and to expedite remedial action. Decisions are followed up on in later Board or Committee meetings. For the year under review, the Directors affirm that they have received a reasonable guarantee of their effectiveness and successful adherence.

The following Committees function as Board sub committees with Directors who possess the requisite qualifications and experience:

- Audit Committee
- Talent Development & Remuneration Committee
- Related Party Transactions Review Committee
- Nominations & Governance Committee

The Company's compliance with rules on corporate governance are given in the Corporate Governance Report on pages 29 to 40. The Audit Committee Report, Related Party Transactions Review Committee Report, Talent Development & Remuneration Committee Report and the Nominations & Governance Committee Report are disclosed in page 66 to 67 , 51 to 53 and page 49 to 53 respectively.

The Board of Directors is satisfied with the effectiveness of the systems of internal controls for the year under review and up to the date of the Annual Report.

COMPLIANCE WITH RULES & REGULATIONS

The Company has complied with Tax and other regulations applicable to the Company and has submitted all the returns and the details to the relevant parties by the due dates

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 the 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.

The Company is fully compliant with the Listing Rules of the Colombo Stock Exchange.

In terms of Rule 9.10.4(c), the Directors confirm that they or their close family members do not have any material business relationships with other Directors of the Company.

GOING CONCERN

After considering the financial position as at 31st March 2026 and considering the future prospects of the Company and its subsidiaries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operations in the foreseeable future. Therefore, the Directors have adopted the assumption of going concern in preparing these Financial Statements.

EMPLOYMENT POLICY

The Group policy is to respect the merits of the individuals and provide career opportunities, irrespective of sex, race or religion. The Company's strength of man-power as at 31st March 2026 was 200 (2025 – 162).

EQUITABLE TREATMENT TO STAKEHOLDERS AND THEIR INTERESTS

The Company has taken all steps to ensure equitable treatment to all stakeholders. The Directors assure that the Company has taken necessary precautions to safeguard the interests of its stakeholders.

ENVIRONMENTAL PROTECTION

The Directors have ensured that every possible step has been taken to comply with the relevant environmental laws and regulations in the country. The Group has not engaged in any activity that is harmful or hazardous to the environment.

DIRECTORATE

The Directors of the Company are as follows:

M. Gunawardana
Chairman/ Independent Director
(Appointed Chair w.e.f.12.05.2026)

I. C. Nanayakkara
Chairman (Resigned on 12.05.2026)

R. S. I. Gunawardhana
Executive Deputy Chairman

Mr. T. Sanakan
Executive Director

Mr. S. Jayasuriya
Independent Non-Executive Director

Mr. K. Sivanesan
Independent Non-Executive Director
(Appointed w.e.f. 01.07.2025)

Mr. C. S. K. N. Nishankage
Non-Executive Director
(Appointed w.e.f. 25.08.2025)

Mr. A. M. S. N. Abeysinghe
Non-Executive Director
(Appointed w.e.f. 25.08.2025)

Dr. (Mrs.) A. D. N. de Zoysa –
Non-Executive Director
(Resigned w.e.f. 30.05.2025)

Mr. W. K. D. T. Abeyrathne
Executive Director
(Resigned w.e.f. 06.06.2025)

Mrs. V. G. S. S. Kotakadeniya
Non-Executive Director
(Resigned w.e.f. 06.06.2025)

Prof.Saman Seneweera
Independent Non-Executive Director
(Resigned w.e.f. 01.07.2025)

The detailed profiles of the Board of Directors of the Company are given on pages 14 to 17 of this Report.

ROTATION/ RE-ELECTION OF DIRECTORS

1. Mr. C.S.K. N. Nishankage retires in terms of Article 23(2) of the Articles of Association of the Company and, being eligible, offers himself for re-election.
2. Mr. A. M. S. N. Abeysinghe retires in terms of Article 23(2) of the Articles of Association of the Company and being eligible offers himself for re-election.

3) Mr. R S I Gunawardena who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company and being eligible, offers himself for re-election.

4) Mr. T. Sanakan who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company and being eligible, offers himself for re-election.

DIRECTORS INTEREST REGISTER

In terms of the Companies Act No 07 of 2007 an Interest Register was maintained during the financial year under review.

DIRECTORS' INTEREST IN CONTRACTS

The Directors, in terms of Section 192 of the Companies Act No 7 of 2007, have declared their interest in contracts with the Company. The Directors confirm that all material interest in contracts involving the Company has 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 the Group's business except those disclosed in Note 29 to the Financial Statements. Other directorships held by the Directors are disclosed in Board profiles on pages 14 to 17 and Directors of subsidiaries are given on page 64.

DIRECTORS' REPORT ON THE STATE OF AFFAIRS OF THE COMPANY

DIRECTORS' INTEREST IN SHARES

Name of The Director	As At 31st March 2026		As At 31st March 2025	
	Ordinary voting shares	Non-voting shares	Ordinary voting shares	Non-voting shares
Mr. I. C. Nanayakkara	**Nil**	**Nil**	Nil	Nil
Mr. Indika Gunawardhana	**Nil**	**Nil**	Nil	Nil
Mr. Manju Gunawardana	**Nil**	**Nil**	Nil	Nil
Mr. T. Sanakan	**Nil**	**Nil**	Nil	Nil
Mr. Sarath Jayasuriya	**Nil**	**Nil**	Nil	Nil
Mr. K. Sivanesan	**Nil**	**Nil**	Nil	Nil
Mr. C.S.K.Nishanka Nishankage	**Nil**	**Nil**	N/A	N/A
Mr. A.M.Shamal Nalinda Abeysinghe	**Nil**	**Nil**	N/A	N/A
Dr. (Mrs) A.D.N. de Zoysa (Resigned w.e.f.30th May 2025)	**Nil**	**Nil**	N/A	N/A
Mr. W. K. D. T. Abeyrathne (Resigned w.e.f.6th June 2025)	**Nil**	**Nil**	N/A	N/A
Prof. Saman Seneweera ((Resigned on 01st July 2025))	**Nil**	**Nil**	N/A	N/A

FIT AND PROPER ASSESSMENT OF DIRECTORS

In accordance with Rule 9.7.4 of the Colombo Stock Exchange's Listing Rules, declarations were obtained from the directors attesting to their continuous satisfaction of the Listing Rules' fit and proper assessment criteria as of the declaration date and throughout the financial year under review.

DIRECTORS' FEES AND REMUNERATION

The amount of the Directors fees and Remuneration paid during the year is given in Note No 09 to the Financial Statements on page 97.

According to the Remuneration policy of the Company, compensation must be commensurate with performance and input in order to encourage and motivate employees. Both staff and Director's compensation has been determined with consideration for this policy.

The Remuneration Committee report is given on page 49.

RELATED PARTY TRANSACTIONS

The Directors have disclosed the transactions with Related Parties in terms of the Sri Lanka Accounting Standards which are set out in note 29 to the Financial Statements.

The Related Party Transactions of the Company during the Financial Year have been reviewed by the Related Party Transactions Review Committee and are in compliance with Section 9.14 of the Listing Rules of the CSE.

In terms of Section 9 of the Listing Rules of the CSE, there were no related party transactions that required shareholder approval or non-recurrent related party transactions that required immediate market disclosures during the year under review except those which were duly disclosed by way of market announcements via CSE website.

The Directors declare that the Company has complied with Section 9.14 of the Listing Rules of the CSE.

SHAREHOLDERS

During the year, the share price of the voting share ranged from Rs.6.90 to Rs.12.00. As at the end of trading on 31st March 2026, the voting share price was Rs.9.90 The Shareholding structure is given on pages 62 to 63.

The Market price for Non-voting shares as at 31st March 2026 was Rs.11.40 .

VOTING

Name of The Director	As At 31st March 2026			As At 31st March 2025		
	No. of Share Holders	No. of Shares	% of Total	No. of Share Holders	No. of Shares	% of Total
1-1000	**2,070**	**568,717**	**0.12%**	1,766	515,487	0.11%
1001-10000	**1,181**	**5,167,585**	**1.12%**	1,342	6,050,958	1.31%
10001-100000	**641**	**22,654,124**	**4.91%**	884	31,306,181	6.79%
100001-1000000	**152**	**41,106,636**	**8.91%**	214	58,659,357	12.72%
1000001- & Over	**20**	**391,792,403**	**84.93%**	24	364,757,482	79.07%
Total	**4,064**	**461,289,465**	**100%**	4,230	461,289,465	100%

NON-VOTING

Name of The Director	As At 31st March 2026			As At 31st March 2025		
	No. of Share Holders	No. of Shares	% of Total	No. of Share Holders	No. of Shares	% of Total
1-1000	**151**	**36,418**	**0.14%**	19	2,696	0.01%
1001- & Over	**60**	**26,174,117**	**99.86%**	2	26,207,839	99.99%
Total	**211**	**26,210,535**	**100%**	21	26,210,535	100%

RESIDENT / NON RESIDENT (VOTING)

Name of The Director	As At 31st March 2026			As At 31st March 2025		
	No. of Share Holders	No. of Shares	% of Total	No. of Share Holders	No. of Shares	% of Total
Resident	**4,050**	**460,000,614**	**99.73%**	4,220	460,797,315	99.89%
Non Resident	**14**	**1,288,851**	**0.27%**	10	492,150	0.11%
Total	**4,064**	**461,289,465**	**100%**	4,230	461,289,465	100%

RESIDENT / NON RESIDENT (NON-VOTING)

Name of The Director	As At 31st March 2026			As At 31st March 2025		
	No. of Share Holders	No. of Shares	% of Total	No. of Share Holders	No. of Shares	% of Total
Resident	**210**	**26,210,335**	**100%**	20	26,210,535	100%
Non Resident	**1**	**200**	**0%**	-	-	-
	211	**26,210,535**	**100%**	20	26,210,535	100%

INDIVIDUAL/INSTITUTION (VOTING)

Name of The Director	As At 31st March 2026			As At 31st March 2025		
	No. of Share Holders	No. of Shares	% of Total	No. of Share Holders	No. of Shares	% of Total
Individual	**3,890**	**71,312,975**	**15.46%**	4,015	107,315,361	23.26%
Institution	**174**	**389,976,490**	**84.54%**	215	353,974,104	76.74%
	4,064	**461,289,465**	**100%**	4,230	461,289,465	100%

INDIVIDUAL/INSTITUTION (NON-VOTING)

Name of The Director	As At 31st March 2026			As At 31st March 2025		
	No. of Share Holders	No. of Shares	% of Total	No. of Share Holders	No. of Shares	% of Total
Individual	**199**	**8,259,615**	**31.51%**	16	8,739,312	33.34%
Institution	**12**	**17,950,920**	**68.49%**	5	17,471,223	66.66%
	211	**26,210,535**	**100%**	21	26,210,535	100%

LIST OF 20 MAJOR SHAREHOLDERS (VOTING)

Name of shareholders	As At 31st March 2026		As At 31st March 2025	
	Number of shares	Holding %	Number of shares	Holding %
Brown & Company PLC A/C No. 01	**269,038,370**	**58.32%**	269,038,370	58.32%
Sri Lanka Insurance Corporation Ltd - Life Fund	**31,472,000**	**6.82%**	31,472,000	6.82%
Hatton National Bank PLC/Almas Holdings (Private) Limited	**30,254,335**	**6.56%**	–	–
Sri Lanka Insurance Corporation Ltd - General Fund	**21,300,000**	**4.62%**	21,300,000	4.62%
Almas Holdings (Private Limited	**8,963,492**	**1.94%**	–	–
Mr. A.P. Weerasekera	**6,625,000**	**1.44%**	9,604,036	2.08%
Senkadagala Finance PLC/S. Gobinath	**5,370,000**	**1.16%**	1,700,000	0.37%
F L M C Plantations (Private) Limited	**3,150,000**	**0.68%**	3,150,000	0.68%
Mr. A.A. Marikar (Joint Mr.M.A.Marikar)	**2,000,000**	**0.43%**	1,750.000	0.38%
MRS. F.S. Shafei (Joint with Mr.S.A.Mohamed Basheer)	**1,500,000**	**0.33%**	1,600,000	0.35%
Mr. S.A. Mohamed Basheer	**1,499,672**	**0.33%**	1,500,000	0.33%
Mr. R.E. Rambukwelle	**1,405,500**	**0.30%**	1,388,000	0.30%
Mr. D.N.P. Rathnayake	**1,274,880**	**0.28%**	1,274,880	0.28%
Nuwara Eliya Property Developers (PVT) Limited	**1,268,210**	**0.27%**	–	–
Dialog Finance PLC/S.A.De Silva and D.R.De Silva	**1,259,672**	**0.27%**	1,916,772	0.42%
Ventura Crystal Investments LTD	**1,183,962**	**0.26%**	1,183,962	0.26%
Hatton National Bank PLC/Ravindra Erle Rambukwelle	**1,120,000**	**0.24%**	1,120,000	0.24%
Mr. C.K. Sangakkara	**1,057,300**	**0.23%**	–	–
Mr.G. Wickramasinghe	**1,050,000**	**0.23%**	1,200,000	0.26%
Mr. A.R.N. Roshan	**1,000,010**	**0.22%**	–	–
	391,792,403	**84.93%**	349,198,020	75.71%

LIST OF 20 MAJOR SHAREHOLDERS (NON-VOTING)

Name of shareholders	As at 31/03/2026 Number of shares	As at 31/03/2026 Holding %	As at 31/03/2025 Number of shares	As at 31/03/2025 Holding %
Brown & Company PLC A/C No. 1	**17,471,014**	**66.66%**	17,471,014	66.66%
Mr. A.P. Weerasekera	**7,344,085**	**28.02%**	8,736,825	33.33%
Mr.C.R. Narangoda	**313,641**	**1.20%**	-	-
Sampath Bank PLC/ MR.N.A.J.A.K.Nissanka	**208,000**	**0.79%**	-	-
Mr. A.K.S. Mendis	**188,361**	**0.72%**	-	-
Citizens Development Business Finance PLC/K.D.C. Somalatha and K. Nandasiri	**119,590**	**0.46%**	-	-
Senkadagala Finance PLC/ A.K.S.Mendis & C.R.Narangoda	**69,868**	**0.27%**	-	-
Mr. M.A.M. Azlam	**53,362**	**0.20%**	-	-
Senkadagala Finance PLC/ C.R.Narangoda	**49,055**	**0.19%**	-	-
Dr. M.D.A. Fernando	**35,000**	**0.13%**	-	-
Mr. K. Nandasiri joint with Mr.T.B. Ratna Sujeewa	**24,498**	**0.09%**	-	-
Mr. H.P.N. Wajirajith	**24,104**	**0.09%**	-	-
Senkadagala Finance PLC/ W.G.M.L.K.Wanigasekera	**20,000**	**0.08%**	-	-
Mr. B.G. Weeratunga	**19,900**	**0.08%**	-	-
Mr. K.A.D.A. Meththasena	**19,303**	**0.07%**	132	0.00%
Mr.M.V.M.Gunasekara	**17,493**	**0.07%**	100	0.00%
Mr. R.R.Mohamed	**15,000**	**0.06%**	-	-
Mr. A.A. Marikar joint with Mr. M.A.Marikar	**14,900**	**0.06%**	-	-
Mr. W.A.K. Perera	**14,332**	**0.05%**	-	-
Mr. A.M.M. Risvi	**11,000**	**0.04%**	-	-
	26,032,506	**99.33%**	26,208,171	99.99%

PUBLIC SHAREHOLDING

The percentage of public holding in voting and non-voting shares as at 31st March 2026 were,

Name of The Director	Public holding %	No of Shareholders	No. Shares held by public shareholders	Float Adjusted Market Capitalisation
-Voting Shares	30.15	4,059	139,085,504	Rs. 1,376.00 Mn
-Non-Voting Shares	5.32	209	1,395,436	N/A

FLOAT ADJUSTED MARKET CAPITALISATION

The float adjusted market capitalisation of the Company falls under option 2 as per section 7.14.1 (b) of the Listing Rules of Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said options.

DIRECTORS' REPORT ON THE STATE OF AFFAIRS OF THE COMPANY

PARENT, SUBSIDIARIES, SUB-SUBSIDIARIES COMPANIES AND ITS DIRECTORS

The Directors of parent, subsidiaries and sub-subsidiaries as at 31st March 2026 are given below:

ULTIMATE PARENT COMPANY

LOLC Holdings PLC	Mr. I. C. Nanayakkara
	Mr. W. D. K. Jayawardena
	Mrs. K. U. Amarasinghe
	Mr. F.K.C.P.N. Dias
	Mr. K. Sivanesan
	Mr. K. Sundararaj
	Mr. G. S. Kalidasa

PARENT COMPANY

Brown and Company PLC	Mr. I.C.Nanayakkara
	Mr. W.D.Kapila Jayawardena
	Mrs. K.U.Amarasinghe
	Mr. D Abeyrathne
	Mr. T. Sanakan
	Mr. K. Sundararaj
	Mr. Chitral Wijesinha

SUBSIDIARIES

Company	Name of the Director
AgStar Cropcare (Pvt) Ltd	Mr. W. K. D. T. Abeyrathne
	Mr.T. Sanakan
	Mr. I. Gunawardhana
AgStar Seeds (Pvt) Ltd	Mr. W. K. D. T. Abeyrathne
	Mr.T. Sanakan
	Mr. I. Gunawardhana
Prith Seeds (Pvt) Ltd	Mr. W. K. D. T. Abeyrathne
	Mr.T. Sanakan
	Mr. I. Gunawardhana

Company	Name of the Director
Mahaweli Agro Trading (Pvt) Ltd	Mr. W. K. D. T. Abeyrathne
	Mr. T. Sanakan
	Mr. I. Gunawardhana
AgStar Grains (Pvt) Ltd	Mr. W. K. D. T. Abeyrathne
	Mr. T. Sanakan
	Mr. I. Gunawardhana
Royal Seed Company (Pvt) Ltd	Mr. W. K. D. T. Abeyrathne
	Mr. T. Sanakan
	Mr. I. Gunawardhana

ANNUAL REPORT

The Board of Directors approved the Company Financial Statements together with the reviews which forms part of the Annual Report on 13th August 2026. The appropriate number of copies will be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standard Monitoring Board and the Registrar of Companies within the time frame.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 10th September 2026 at 10.00 a.m at LOLC Holdings PLC, as an on-line audio-visual meeting centered from No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya. The notice of the Annual General Meeting is given on page no 151.

On behalf of the Board of Directors,

Manju Gunawardena
Chairman

Indika Gunawardhana
Executive Deputy Chairman

LOLC Corporate Services (Private) Limited
Secretaries
Colombo

13th August 2026

CHIEF EXECUTIVE OFFICER'S AND HEAD OF FINANCE'S REPORT

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. KPMG, 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.

Sajeewa Ranasinghe
Chief Executive Officer

Kusal Fernando
Head of Finance

13th August 2026.

AUDIT COMMITTEE REPORT

The Audit Committee is a sub-committee of the Board of Directors of the Company and reports directly to the Board.

PURPOSE OF THE COMMITTEE

The committee is vested with the responsibility to assist the Board of Directors in the oversight of the effectiveness of the internal controls over financial reporting, including the integrity of the financial statements of the company and the group. The committee ensures the qualifications and the independence of the External Auditors and monitors the performances of the Internal Auditors. The oversight of compliance with the legal and regulatory requirements is also a key purpose of the committee

COMPOSITION

As of 31st March 2026 the Committee comprised primarily Independent Non-Executive Directors.

Name	Category	Meetings Attended
Mr. Sarath Jayasuriya (Independent Director)	**Committee Chairman**	**4/4**
Mr. K Sivanesan (Independent Director)	**Committee Member**	**3/4**
Mr. Manju Gunawardena (Independent Director)	**Committee Member**	**3/4**
Dr.(Mrs) A.D.N. de Zoysa (Resigned w.e.f. 30.05.2025)	**Committee Member**	**1/4**

The Committee is headed by Mr. Sarath Jayasuriya who is a Fellow Member of the Chartered Institute of Management Accountants (FCMA) (UK).

Mr. Manju Gunawardana, Non-Executive Director was appointed to the Committee with effect from 6th June 2025 while Mr. K Sivanesan, Independent Director was appointed with effect from 01st July 2025.

The Executive Deputy Chairman, CEO and Head of Finance attend the Committee meetings by invitation.

MEETINGS

During the year under review four meetings were held and the details of attendance were as stated above.

TERMS OF REFERENCE

The Audit Committee charter defines the purpose, composition, role and responsibilities, provisions regarding the meetings, authority, etc. of the Committee and it is being periodically reviewed by the committee in order to ensure that it addresses the emerging business trends in the business.

RESPONSIBILITIES OF THE COMMITTEE

1. Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the financial statements and review significant reporting issues and judgements which they contain
2. Review with the management and external auditors the results of the audit.
3. Review annual financial statements to ensure consistency with known information and appropriate accounting standards and policies.
4. Review other sections of the annual report and related regulatory filings before the release to ensure accuracy and completeness.
5. Review interim financial reports with management and if required with external auditors before filing with regulators, and ensure its accuracy and completeness.
6. Review analyses prepared by management and/ or independent auditors on significant financial reporting issues, judgments and key audit matters in connection with preparation of financial statements.
7. Annual review of the effectiveness of the system of internal controls.

KEY ACTIVITIES DURING 2025/26

The committee assisted the Board of Directors in fulfilling its oversight responsibility to the shareholders and other stakeholders relating to the Company's financial statements and the financial reporting process. Further, the committee reviewed the internal audit function of the company as well as the risk management system and the statutory audit of the financial statements of the company and the group.

Following a quarterly examination of internal audit reports provided by the Enterprise Risk Management Division (ERM), the Committee approved the Internal Audit Plan for the Company and the Group given by the DGM Enterprise Risk Management at the commencement of the financial year. These studies address controls, procedures, and operational difficulties, including IT systems. The relevant officials are invited to the meetings to facilitate meaningful discussion and implementation of the identified risk or control weakness and its mitigation.

The recommendation of the quarterly and annual financial statements was given to the Board whilst ensuring the company's compliance with the legal and regulatory affairs of the company.

The committee ensured the reliability and consistency of the accounting policies and methods adopted in preparing the financial statements and their compliance with the Sri Lanka Financial Reporting Standards and the adequacy of disclosures required by other applicable laws, rules and guidelines.

INTERNAL AUDIT, RISK AND INTERNAL CONTROLS

The review of identification, evaluation and management of operational risks encountered by the Company was conducted by the Committee periodically. The Committee is satisfied with the existing system of internal controls, which will provide necessary assurance to safeguarding Company's assets and liabilities of the financial statements. Further, the Committee ensures that good governance practices cascade down to every single level of the organization and are strictly adhered to.

EXTERNAL AUDIT

The committee has recommended to the Board of Directors that Messer. KPMG, Chartered Accountants, be re-appointed as the auditors of the company for the year ending 31st March 2027, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The Audit Committee is satisfied that the independence of the External Auditors has not been adversely influenced by any event or service that could result in a conflict of interest, as per their declarations made for the year. Due consideration has been given to the level of audit and non-audit fees received by the External Auditors from the company.

The Audit Committee has recommended to the Board of Directors on the fees payable to the Auditors for approval.

CONCLUSION

Based on the work performed during the year, the Committee is satisfied that:

- Financial reporting processes are robust and reliable.
- Internal controls and risk management systems are effective.
- Audit functions operate independently and efficiently.

The Committee continues to support the Board in strengthening governance and maintaining high standards of transparency and accountability.

On behalf of the Committee

Sarath Jayasuriya
Committee Chairman

13th August 2026

INDEPENDENT AUDITOR'S REPORT

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF AGSTAR PLC

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31st 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Impairment on Goodwill and Exclusive Dealership

(Refer to Note 3.10 material accounting policies and explanatory Note 16 to the financial statements).

Risk description	Our responses
The goodwill recognized in the consolidated financial statements relating to Prith Seeds (Pvt) Ltd amounted to Rs. 56.4 million as at 31 March 2026. In addition, AgStar Seeds (Pvt) Ltd, a subsidiary of the Group, holds the exclusive dealership right for Tohoku Seed in Sri Lanka, which is recognized as an intangible asset with a carrying value of Rs. 50 million as at 31 March 2026. The dealership right provides the Group with the exclusive right to import, distribute and sell hybrid vegetable seeds sourced from Tohoku Japan, as disclosed in Note 16 to the financial statements. Management performed an impairment assessment of the goodwill and exclusive dealership right as at 31 March 2026. The recoverable amounts of the respective cash-generating units ("CGUs") to which these assets are allocated were determined based on value-in-use calculations derived from discounted cash flow forecasts. The impairment assessment involves significant management judgement and estimation, particularly in relation to forecast revenue growth, operating margins, future cash flows, terminal growth rates and discount rates. Changes in these assumptions could have a material impact on the recoverable amounts of the related CGUs and the determination of any impairment charge. Given the significance of the carrying values involved and the degree of estimation uncertainty associated with the impairment assessment, we identified the impairment assessment of goodwill and the exclusive dealership right as a key audit matter.	Our audit procedures included, • Assessing the appropriateness of the Group's accounting policy for impairment testing of goodwill and exclusive dealership and evaluating compliance with the relevant accounting policies, as referred to in the financial statements. • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over impairment testing process. • Evaluating goodwill and exclusive dealership rights for impairment indicators and comparing carrying amounts with recoverable values to assess whether any impairment provision was required. • Reviewing the robustness of management's budgeting process by comparing the actual financial results against previous projections. • Assessing cash flow forecasts and value-in-use calculations prepared by the management against our own expectations based on our knowledge of the Company and experience of the industry in which it operates. • Testing the mathematical accuracy of the underlying calculations in the Group's discounted cash flow valuation models. • With the assistance of our own internal valuation specialties, challenging the reasonableness of the key assumptions in the valuation models. • Evaluating the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjective and key assumptions.

Carrying value of Inventories

(Refer to Note 3.11 material accounting policies and explanatory Note 18 to the financial statements).

Risk description	Our responses
The Company and the Group recorded inventories amounting to Rs. 2,924.6 Mn and Rs. 3,492 Mn respectively at 31st March 2026, representing 20% and 22% of the Company's and Group's total assets. Inventories are required to be carried at the lower of cost and net realizable value ("NRV"). The determination of NRV and the assessment of provisions for slow-moving, aged and obsolete inventories involve significant management judgement and estimation. Management assesses the recoverability of inventory balances by considering factors such as inventory ageing, historical sales patterns, expected future demand, inventory turnover trends, selling prices achieved subsequent to year end, and the condition of inventory items. Changes in market conditions, customer preferences, product shelf life and sales performance could result in additional provisions being required. Given the significance of the inventory balances to the financial statements and the judgement involved in estimating provisions and determining NRV, we identified the valuation of inventories as a key audit matter.	Our audit procedures included, • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over inventory valuation and identifying slow moving and obsolete inventories. • Observing physical inventory counts and reconciling the count results to the inventory listings compiled by management to support amounts reported. • Obtaining an understanding of the movements in the inventory for the year and assessing the scale of the provision for non-moving and slow-moving inventory. • Assessing the net realizable value (NRV) on a sample basis of stock items by agreeing their subsequent sales price to customer invoices to ensure that the items were being held at the lower of cost and NRV. • Testing the accuracy and completeness of inventory ageing reports used in the estimation of allowances. • Assessing whether the accounting policies had been consistently applied and the adequacy of the disclosures in respect of the judgment and estimation made in respect of inventory provisioning.

Other Information

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 auditors' report is 3544.

Kpmg

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

13th August 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(All amounts in Sri Lankan Rupees)

		Group		Company	
For the Year ended 31st March,	Note	2026	2025	2026	2025
Continuing operations					
Revenue	6	**11,610,592,503**	9,522,312,686	**10,339,611,549**	8,180,582,735
Cost of sales		**(10,276,395,204)**	(8,875,931,063)	**(9,330,646,922)**	(7,787,234,797)
Gross profit		**1,334,197,299**	646,381,623	**1,008,964,627**	393,347,938
Other income	7	**85,415,941**	86,098,085	**116,126,819**	145,254,819
Selling and distribution expenses		**(245,599,702)**	(203,837,240)	**(178,552,389)**	(118,739,550)
Administrative expenses		**(922,375,674)**	(736,975,191)	**(609,795,339)**	(506,262,032)
Operating profit/(loss)		**251,637,864**	(208,332,723)	**336,743,718**	(86,398,825)
Finance income		**296,706,644**	184,717,068	**324,909,488**	193,160,665
Finance costs		**(401,313,867)**	(344,606,467)	**(382,738,150)**	(352,829,720)
Net finance cost	8	**(104,607,223)**	(159,889,399)	**(57,828,662)**	(159,669,055)
Profit/(loss) before taxation	9	**147,030,641**	(368,222,122)	**278,915,056**	(246,067,880)
Income tax (expense)/reversal	10	**52,112,776**	2,585,900	**(9,759,674)**	2,283,997
Profit/(loss) from continuing operations		**199,143,417**	(365,636,222)	**269,155,382**	(243,783,883)
Discontinued operations					
Loss from discontinued operations, net of tax	11	**(2,134,329)**	(975,104)	**-**	-
Profit/(loss) for the year		**197,009,088**	(366,611,326)	**269,155,382**	(243,783,883)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of right of use assets	15.1	**-**	13,161,993	**-**	319,329
Deferred tax impact on revaluation of right of use assets	25.2	**-**	(3,948,598)	**-**	(95,799)
Revaluation of property, plant and equipments	13	**-**	1,441,581,918	**-**	1,328,661,315
Deferred tax impact on revaluation of property, plant and equipments	25.2	**-**	(408,316,141)	**-**	(398,598,394)
Actuarial gain on defined benefit obligations	24	**3,906,012**	3,164,314	**3,906,012**	3,164,314
Deferred tax impact on actuarial gain	25.2	**(1,171,804)**	(949,294)	**(1,171,804)**	(949,294)
Other comprehensive income, net of tax		**2,734,208**	1,044,694,192	**2,734,208**	932,501,471
Total comprehensive income for the year		**199,743,296**	678,082,866	**271,889,590**	688,717,588
Profit attributable to:					
Owners of the Company		**197,009,088**	(366,611,326)	**269,155,382**	(243,783,883)
Profit/(loss) for the year		**197,009,088**	(366,611,326)	**269,155,382**	(243,783,883)
Total comprehensive income attributable to:					
Owners of the Company		**199,743,296**	678,082,866	**271,889,590**	688,717,588
Total comprehensive income for the year		**199,743,296**	678,082,866	**271,889,590**	688,717,588
Earnings per share					
Basic and diluted earnings per share (Rs.)	12	**0.40**	(0.75)	**0.55**	(0.50)

The notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lankan Rupees)

		Group		Company	
As at 31st March,	Note	2026	2025	2026	2025
Assets					
Non-current assets					
Property, plant and equipments	13	**3,776,280,205**	4,319,619,665	**3,450,391,600**	3,933,723,951
Investment property	14	**855,000,000**	270,000,000	**1,038,490,000**	545,010,000
Right of use assets	15.1	**49,786,693**	51,500,000	**20,750,687**	21,000,000
Intangible assets and goodwill	16	**131,694,660**	140,822,660	**12,101,666**	16,441,667
Investments in subsidiaries	17	**-**	-	**205,083,991**	230,733,991
Deferred tax assets	25.1	**33,953,574**	13,556,720	**-**	-
Total non-current assets		**4,846,715,132**	4,795,499,045	**4,726,817,944**	4,746,909,609
Current assets					
Inventories	18	**3,492,060,607**	4,329,236,950	**2,924,696,093**	3,538,958,501
Trade and other receivables	19	**2,939,865,952**	2,520,513,828	**2,400,702,970**	2,160,576,674
Subsidy receivable	20	**389,513,396**	389,513,396	**351,939,808**	351,939,808
Amounts due from related companies	21.1	**2,508,614,015**	-	**2,885,830,218**	340,339,405
Current tax receivable	28	**-**	508,117	**-**	-
Cash and cash equivalents	22	**1,366,688,070**	2,113,523,313	**1,322,181,777**	2,075,719,934
		10,696,742,040	9,353,295,604	**9,885,350,866**	8,467,534,322
Assets as held for sale	11	**-**	142,419,928	**-**	-
Total current assets		**10,696,742,040**	9,495,715,532	**9,885,350,866**	8,467,534,322
Total assets		**15,543,457,172**	14,291,214,577	**14,612,168,810**	13,214,443,931
Equity					
Stated capital	23	**2,007,856,833**	2,007,856,833	**2,007,856,833**	2,007,856,833
Revaluation reserve		**2,396,529,905**	2,396,529,905	**1,706,829,751**	1,706,829,751
Retained earnings		**3,831,780,217**	3,632,036,921	**3,765,353,169**	3,493,463,579
Total equity		**8,236,166,955**	8,036,423,659	**7,480,039,753**	7,208,150,163
Liabilities					
Non-current liabilities					
Employee benefits	24	**25,455,103**	46,507,393	**25,455,103**	46,507,393
Deferred tax liabilities	25.2	**964,276,776**	1,006,183,806	**953,323,268**	942,391,790
Lease Liability	15.2	**7,266,067**	6,880,012	**2,436,832**	2,080,230
Total non-current liabilities		**996,997,946**	1,059,571,211	**981,215,203**	990,979,413
Current liabilities					
Trade and other payables	26	**323,088,105**	647,251,794	**280,142,111**	351,553,535
Loans and borrowings	27	**5,931,832,845**	4,520,690,607	**5,820,028,138**	4,471,849,927
Amounts due to related companies	21.2	**45,640,987**	17,623,254	**50,738,573**	191,887,832
Lease Liability	15.2	**15,188**	72,120	**5,032**	23,061
Current tax payable	28	**9,715,146**	-	**-**	-
Bank overdrafts	22	**-**	9,257,363	**-**	-
		6,310,292,271	5,194,895,138	**6,150,913,854**	5,015,314,355
Liabilities directly associated with assets held for sale	11	**-**	324,569	**-**	-
Total current liabilities		**6,310,292,271**	5,195,219,707	**6,150,913,854**	5,015,314,355
Total liabilities		**7,307,290,217**	6,254,790,918	**7,132,129,057**	6,006,293,768
Total equity and liabilities		**15,543,457,172**	14,291,214,577	**14,612,168,810**	13,214,443,931

The notes form an integral part of these financial statements.
Figures in brackets indicate deductions.

I certify that the financial statements of the Company and the Group comply with the requirements of the companies Act No. 07 of 2007.

Kusal Fernando
Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board;

R.S.I. Gunawardena
Director

T. Sanakan
Director

13th August 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

(All amounts in Sri Lankan Rupees)

Company	Stated capital	Revaluation reserve	Retained earnings	Total
Balance as at 01st April 2024	2,007,856,833	776,543,300	3,735,032,442	6,519,432,575
Loss for the year	-	-	(243,783,883)	(243,783,883)
Other comprehensive income	-	930,286,451	2,215,020	932,501,471
Total comprehensive income	-	930,286,451	(241,568,863)	688,717,588
Balance as at 31st March 2025	2,007,856,833	1,706,829,751	3,493,463,579	7,208,150,163
Balance as at 01st April 2025	2,007,856,833	1,706,829,751	3,493,463,579	7,208,150,163
Profit for the year	-	-	269,155,382	269,155,382
Other comprehensive income	-	-	2,734,208	2,734,208
Total comprehensive income	-	-	271,889,590	271,889,590
Balance as at 31st March 2026	**2,007,856,833**	**1,706,829,751**	**3,765,353,169**	**7,480,039,753**

Revaluation reserve relates to the revaluation of land ,building and motor vehicles.

The notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Sri Lankan Rupees)

Group	Stated Capital	Revaluation reserve	Retained earnings	Total
Balance as at 01st April 2024	2,007,856,833	1,354,050,733	3,996,433,227	7,358,340,793
Loss for the year	-	-	(366,611,326)	(366,611,326)
Other comprehensive income	-	1,042,479,172	2,215,020	1,044,694,192
Total comprehensive income	-	1,042,479,172	(364,396,306)	678,082,866
Balance as at 31st March 2025	2,007,856,833	2,396,529,905	3,632,036,921	8,036,423,659
Balance as at 01st April 2025	2,007,856,833	2,396,529,905	3,632,036,921	8,036,423,659
Profit for the year	-	-	197,009,088	197,009,088
Other comprehensive income	-	-	2,734,208	2,734,208
Total comprehensive income	-	-	199,743,296	199,743,296
Balance as at 31st March 2026	**2,007,856,833**	**2,396,529,905**	**3,831,780,217**	**8,236,166,955**

Revaluation reserve relates to the revaluation of land, buildings and motor vehicles.

The notes on form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS

(All amounts in Sri Lankan Rupees)

		Group		Company	
For the Year ended 31st March	Note	2026	2025	2026	2025
Cash flow from operating activities					
Profit before tax from continuing operations		**147,030,641**	(368,222,122)	**278,915,056**	(246,067,880)
Profit/(loss) before tax from discontinued operations		**(2,134,329)**	(975,104)	**-**	-
Adjustment for:					
Depreciation on Property, plant and equipments	13	**238,746,879**	128,881,005	**138,079,851**	117,261,246
Amortization on intangible assets	16	**9,128,000**	2,774,547	**4,340,001**	1,577,548
Amortization on right-of-use assets	15.1	**2,269,845**	1,620,660	**805,851**	773,107
Interest income	8	**(290,486,401)**	(182,692,551)	**(321,107,431)**	(193,160,665)
Interest expenses	8	**401,218,647**	344,570,683	**382,642,930**	352,802,715
Trade receivables write off	9	**-**	2,714,299	**-**	2,153,913
Gain on disposal of property plant and equipments	7	**(275,000)**	(21,483,333)	**(275,000)**	(21,183,333)
Change in fair value of investment property	7	**(33,000,000)**	(17,800,000)	**(41,580,000)**	(69,570,000)
Impairment of trade receivables	19.2	**68,126,914**	137,228,601	**9,842,878**	118,762,324
Impairment loss/(reversal) on inventory	18.1	**44,229,366**	20,368,317	**(738,128)**	805,441
(Gain)/loss on Disposal of Subsidiary		**2,436,149**	-	**(9,650,000)**	-
Provision for retirement gratuity	24	**7,488,284**	10,513,362	**7,488,284**	10,513,362
Operating profit before working capital changes		**594,778,995**	57,498,364	**448,764,292**	74,667,778
Changes in:					
Decrease/(increase) in inventories		**792,946,977**	(754,481,294)	**615,000,536**	(525,188,264)
(Increase) in trade and other receivables		**(476,692,584)**	(1,620,478,068)	**(239,182,719)**	(1,451,008,691)
(Increase) in amounts due from related companies		**(2,508,614,015)**	-	**(2,545,490,813)**	(118,909,160)
Decrease/(increase) in trade and other payables		**(355,773,437)**	434,818,622	**(71,411,342)**	188,892,089
Decrease/(increase) in amounts due to related companies		**15,234,345**	17,623,254	**(141,149,344)**	19,069,942
Cash (used in)/ generated from operating activities		**(1,938,119,719)**	(1,865,019,120)	**(1,933,469,390)**	(1,812,476,306)
Lease interest expense paid	15.2	**(703,103)**	(161,826)	**(343,910)**	(73,100)
Interest expense paid		**(400,515,544)**	(343,918,658)	**(382,299,020)**	(352,506,949)
Income tax paid	28	**(1,440,765)**	(333,361,689)	**-**	(322,176,311)
Employee benefit paid	24	**(24,634,562)**	(10,367,367)	**(24,634,562)**	(10,209,699)
Net cash flow used in operating activities		**(2,365,413,693)**	(2,552,828,660)	**(2,340,746,882)**	(2,497,442,365)
Cash flows from investing activities					
Interest income received		**279,699,946**	188,427,727	**310,320,976**	198,895,841
Acquisition of property, plant and equipments	13	**(97,162,736)**	(18,554,760)	**(93,328,195)**	(18,525,760)
Addition to work in progress	13	**(13,319,306)**	(9,433,621)	**(13,319,305)**	(9,433,621)
Proceeds disposal of property, plant and equipments		**9,453,502**	58,750,000	**275,000**	58,450,000
Proceeds disposal of investment in subsidiaries		**35,300,000**	-	**35,300,000**	-
Acquisition of intangible assets	16	**-**	(36,252,000)	**-**	(17,100,000)
Net cash generated from investing activities		**213,971,406**	182,937,346	**239,248,476**	212,286,460
Cash flows from financing activities					
Proceeds from loans and borrowings	27.1	**12,335,972,416**	9,517,531,119	**11,798,066,319**	9,111,795,327
Repayment of loans and borrowings	27.1	**(10,924,830,178)**	(5,678,100,166)	**(10,449,888,105)**	(5,321,205,055)
Repayment of lease liabilities	15.2	**(227,415)**	(420,999)	**(217,965)**	(202,525)
Net cash from financing activities		**1,410,914,823**	3,839,009,954	**1,347,960,249**	3,790,387,747
Net cash increase/(decrease) in cash and cash equivalents		**(740,527,464)**	1,469,118,640	**(753,538,157)**	1,505,231,841
Cash and cash equivalents as at 01st April		**2,107,215,534**	638,096,894	**2,075,719,934**	570,488,093
Cash and cash equivalents as at 31st March	22	**1,366,688,070**	2,107,215,534	**1,322,181,777**	2,075,719,934

The notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting entity

Agstar PLC, ("the Company") is a public limited liability Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is located at 93, Minuwangoda Road, Ekala, Ja-ela, Sri Lanka.

The consolidated financial statements of the Company as at, and for the year ended 31st March 2026 comprise the financial statements of Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Company and the other entities consolidated with it are as follows:

- AgStar PLC – Business of importing, blending, and marketing of fertilizer products and agri machineries.
- AgStar Cropcare (Private) Limited – Business of importing formulating and marketing of chemicals, fertilizers, and specialty products.
- AgStar Seeds (Private) Limited – Business of producing, trading, and marketing of seeds and planting materials.
- Prith Seeds (Private) Limited - Business of importing, producing, trading, and marketing of seeds and planting materials.
- Mahaweli Agro Trading (Private) Limited - Currently in the process of commencing the business of fertilizer trading.
- AgStar Grains (Private) Limited – Business of procurement, processing and marketing of rice and other grains. (Discontinued operation)
- Agstar Exports (Pvt) Limited - Business of exporting agriculturally based products and marketing of consumer goods. The company was disposed on 14th August 2025.

In the opinion of the Board of Directors, the Group's immediate parent company is Browns & Company PLC and ultimate parent undertaking and controlling party as at the date of financial position is LOLC Holdings PLC.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements and the separate financial statements comprise the statements of profit or loss and other comprehensive income, financial position, changes in equity, and cash flows, together with the accounting policies and notes to the financial statements.

The financial statements have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as LKASs and SLFRSs), laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No. 07 of 2007.

2.2 Responsibility for financial statements

The Board of Directors of the Company acknowledges their responsibility for the Financial Statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities for Financial Statements" and the "certification on the Statement of Financial Position".

2.3 Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2026 were approved and authorised for issue by the Board of Directors on the13th August 2026. These financial statements include the following components:

- a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review. Refer pages 73;
- a Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end. Refer page 74;
- a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company. Refer pages 75 to 76;
- 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 utilization of those cash flows. Refer page 77;

- Notes to the financial statements comprising material accounting policies and other explanatory information. Refer pages 78 to 145;.

2.4 Basis of measurement

The consolidated financial statements have been preared on the historical cost basis, except for land and buildings, investment properties and motor vehicles measured at fair value and the retirement benefit obligations are measured at the present value of the defined benefit obligation as explained in the respective Notes to the financial statements.

2.5 Functional currency

The financial statements are presented in Sri Lankan Rupees, which is the Group's functional currency. There was no change in the Group's presentation and functional currency during the year under review.

2.6 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.

2.7 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

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

2.8 Use of estimates and judgments

The preparation of financial statements of the Group and the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, is provided below:

2.8.1 Judgment

Going concern

The Group has prepared the financial statements for the year ended 31st March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Group Companies in determining the going concern basis for preparation of financial statements.

2.8.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

- Property plant and equipment – Note 3.6
- Depreciation – Note 3.6.4
- Investment properties – Note 3.7
- Leases – Note 3.8
- Intangible assets – Note 3.9
- Impairment – Note 3.12
- Measurement of employee benefits – Note 3.14
- Provisions – Note 3.15
- Taxation – Note 3.20
- Commitments and contingencies – Note 3.24

2.9 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows,

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Basis of consolidation

3.1.1 Business combinations and goodwill

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce inputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date, as excess of aggregate fair value of the consideration transferred; the recognised amount of any non-controlling interests in the acquiree. If the business combination is achieved in stages, the fair value of the pre-existing interest in the acquiree; and the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed measured at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; The contractual arrangement with the other vote holders of the investee, Rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Entities that are subsidiaries of another entity which is a subsidiary of the Company are also treated as subsidiaries of the Company.

3.1.3 Non-controlling interest

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading "Non – controlling interests "in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading "Non-controlling interests" in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with the equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Changes to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3.1.4 Loss of control

On the loss of control, the Group immediately derecognises the assets including goodwill and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a FVTOCI financial asset depending on the level of influence retained.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.1.5 Intra-group transactions

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24.

3.1.6 Transactions with key management personnel

According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) and their immediate family members have been classified as Key Management Personnel of the Company.

The immediate family member is defined as spouse or dependent. Dependent is defined as anyone who depends on the respective Director for more than 50% of his/her financial needs.

3.1.7 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currencies

3.2.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Non-monetary assets and liabilities which are measured in terms of historical cost in a foreign currency are translated using exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e., translation differences on items of which fair value gain or loss is recognised in OCI or Profit or Loss are also recognised in OCI or Profit or Loss, respectively)

3.3 Financial instruments

3.3.1 Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.3.2 Classification and subsequent measurement

3.3.2.1 Financial Assets

(a) Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designed as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- This assessment in referred to as the SPPI test and it is performed at an instrument level. The Company's financial assets classified under amortised cost includes trade and other receivable and cash and cash equivalents

(b) Business model assessment

The Group assesses the objective of the business model in which a financial asset is held at a portfolio levels because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management,
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed,
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

(c) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows,
- terms that may adjust the contractual coupon rate, including variable-rate features,
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represent ts unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(d) Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(e) Impairment

Trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

ECL are discounted at the effective interest rate of the financial asset.

(f) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the trade receivables.

(g) Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. However, financial assets that written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

(h) De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or its transfers the rights to receive the, contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets, The Group enters into transactions whereby it transfers assets recognized in its statements of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

3.4 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.5 Assets held for sale and discontinued operations

(i) Assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

(ii) Changes to a plan of Sale

If the Company / Group has classified an asset (or disposal group) as held for sale, but the criteria for classification as an asset held for sale are no longer met, the company shall cease to classify the asset (or disposal group) as held for sale. The Company / Group will include any required adjustment to the carrying amount of a non-current asset that ceases to be classified as held for sale in profit or loss from continuing operations in the period in which the criteria for held for sale is no longer met.

(iii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations, and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale,

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

3.6 Property, plant & equipment

3.6.1 Recognition and measurement

Items of property, plant, and equipment other than land and buildings and motor vehicles are measured at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use and borrowing costs if the recognition criteria are met. This also includes cost of dismantling and removing the items and restoring them in the site on which they are located.

All items of property, plant and equipment are recognised initially at cost.

The Group subsequently recognises land, building and motor vehicles owned by it in the statement of financial position at their re-valued amount. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and building does not change other than by an insignificant amount at each reporting period, the Group will revalue such land and buildings and motor vehicles every 3 years.

Any revaluation increase arising on the revaluation of such assets are recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in the carrying amount arising on a revaluation of such assets are recognised in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the assets.

3.6.2 Significant components of property, plant & equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

3.6.3. Subsequent cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

3.6.4 Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of Property, Plant and Equipment's for current and comparative periods are as follows:

Buildings	10-20 years
Plant and machinery	05-15 years
Motor vehicles	5 years
Furniture and fittings	05-10 years
Computer hardware / software	4 years
Office equipment	5-10 years
Pallets	3-5 years
Factory equipments	10 years
Solar panels	25 years
Lab Equipments	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6.5 Reclassification to investment property

When the use of property changes from owner occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in profit or loss to the extent that is reverse a previous impairment loss on the specific property, with any remaining gain recognised the OCI and presented in the revaluation reserve.

Any loss is recognised in profit or loss. However, to the extent that an amount is included in the revaluation surplus for that property, the loss is recognized in OCI and reduced the revaluation surplus within equity.

3.7 Investment properties

3.7.1 Recognition and measurement

Properties held to earn rental income and properties held for capital appreciation has been classified as investment property.

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair value, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the statement of profit or loss in the year in which they arise. Fair values are evaluated at frequent intervals by an accredited external, independent valuer. Rental income from investment property is recognised as other income on straight line basis over the term of lease.

Investment properties are de-recognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on de-recognition or disposal are recognised in the Income Statement in the year of de-recognition or disposal. Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory, the group accounts for such property in accordance with the policy stated under property, plant, and equipment up to the date of change in use. Where group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant, and equipment in the consolidated financial statements, and accounted using Group accounting policy for property, plant, and equipment. When investment property previously classified under Property Plant and Equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contact is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the lease of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those or property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rate from various external financing sources and make certain adjustment to reflect the term of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following.

- Fixed payments, including in-substance fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and

- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments from a change in an index or a rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of use asset has been reduced to zero.

3.9 Intangible assets

3.9.1 Initial Recognition and measurement

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

3.9.2 Subsequent costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

3.9.3 Subsequent measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.10 Intangible assets recognized by the Group

3.10.1 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. (Note 16)

3.10.2 Computer software

All computer software costs incurred and licensed for use by the Group, which do not form an integral part of related hardware, and can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

In accordance with 3.9.3 above, the Group companies assess the useful life of each computer software that has a finite useful life. Based on this assessment the Group companies amortise computer software over approximately 3 to 5 years.

3.10.3 Tohuku exclusive dealership

Intangible assets include trademarks and exclusive dealership acquired by the Group. The Tohoku Seed exclusive dealership of the Company is expected to have an indefinite life and the Group tests the exclusive dealership with an indefinite life for impairment by comparing its recoverable value with its carrying value annually or whenever there is an indication that the intangible assets may be impaired.

3.10.4 De-recognition

Intangible assets are de-recognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as difference between the net disposal proceeds and the carrying amount of the asset.

3.10.5 Amortization

Amortization is recognized in the income statement 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.

Software	3-5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.11 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on a weighted average cost. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses based on normal operating capacity.

3.12 Impairment – Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

The recoverable amount of goodwill is estimated at each reporting date, or as and when an indication of impairment is identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

3.12.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

3.12.2 Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are recognised in the statement of profit or loss and other comprehensive income.

3.13 Liabilities and provisions

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand of the creditor or within one year of the reporting date. Non-current liabilities are those balances that become repayable after one year from the reporting date.

All known liabilities have been accounted for in preparing the financial statements.

3.14 Employee benefits

3.14.1 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 Group has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee, and the obligation can be measured reliably.

3.14.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

3.14.2.1 Employee provident fund and Employee trust fund

The Group contributes a sum not less than 12% of the gross emoluments of employees employed in Sri Lanka as provident fund benefits and 3% as trust fund benefits.

3.14.2.2 Defined benefit plan - retiring gratuity.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service. The liability is not externally funded.

Remeasurements of the defined benefit liability actuarial gains and losses are recognized immediately in OCI. When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that related to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on resettlement of a defined plan when the settlement occurred.

3.15 Provisions

A provision is recognised if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.16. Revenue

a) Sale of goods

The Group is engaged in the business of importing, blending, and marketing of fertilizer products, formulating and marketing of chemicals, producing, trading, and marketing of seeds, planting materials and other grains, import and trading Agri machineries and in exporting agriculturally based products.

The Group shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

b) Interest Income

Interest income is recognized on a accrual basis, using the effective interest method.

c) Dividend income

Dividend income is recognized in the income statement on the date that the Group's right to receive payment is established, which is generally when the dividend is declared

d) Rental income

Rental income is recognized on a straight-line basis over the period of rental contracts. When the customer initially enters into a rental contract, the Group usually receives an advance or a deposit or both which is recognized as a liability. The advance is recognized as revenue with the passage of time while deposit is refunded to the customer in accordance with the rental contract on termination.

e) Others

Other income is recognized on an accrual basis.

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a Company of similar transactions which are not material, are aggregated, reported, and presented on a net basis.

3.17 Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency are recognised in the statement of profit or loss on an accrual basis.

3.18 Finance income /(expenses)

Finance income comprises interest income on funds invested, net changes in fair value of financial assets classified as fair value through profit or loss and gains on the disposal of interest generating investments whether classified under fair value through profit or loss.

Finance expenses comprise interest expense on borrowings and leases, and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method.

3.19 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 on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Grants and subsidies which intend to compensate an expense or loss already incurred or received for the purpose of immediate financial support with no future related costs, are recognised in the income statement in the period in which the grant becomes receivable.

Grants and subsidies related to assets are immediately recognised in the statement of financial position as deferred income and recognised in the income statement on a systematic and rational basis over the useful life of the asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and recognised in the income statement over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

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

3.20 Income tax expenses

Income tax expense comprises of current and deferred tax. The income tax expense is recognised in the income statement except to the extent that it relates to the items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Company has determined that interest and penalties related to income taxes including uncertain tax treatments, do not meet the definition of income taxed, and therefore accounted for them under LKAS 37 Provisions, contingent liabilities, and contingent assets.

3.20.1 Current tax

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

3.20.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and the differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

3.21 Movement of reserves

Movements of reserves are disclosed in the statement of changes in equity.

3.22 Statement of Cash flows

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with Sri Lanka Accounting Standard-LKAS 7 on 'Statement of Cash Flows'. Cash and cash equivalents comprise of cash at bank and in hand and deposits with short-term maturity (i.e. three months or less from date of investment). Cash and bank balances are stated at recoverable values. There were no cash and cash equivalents held by the Group companies that were not available for use. Bank overdrafts form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of preparing the Statement of Cash Flows.

3.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.24 Commitments and contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Group's control.

Commitments and Contingent liabilities are disclosed in note 30 and 31 to the financial statements.

4. ACCOUNTING STANDARDS

Issued but not yet effective as at the reporting date

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued several new accounting standards and amendments/improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards are allowed, but the Group has not early adopted any of the new or amended standards in the preparation of these consolidated financial statements.

4.1 General requirements for disclosure of sustainability related financial information (SLFRS S1) and climate related disclosures (SLFRS S2)

In June 2023, the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Company from 1st January 2026. No financial impact is expected on the Company except for additional disclosures.

Further, the institute of Chartered Accountants of Sri Lanka has issued following new Sri Lanka Accounting standards (SLFRSs/LKASs) which will become applicable for financial periods beginning on 1st January 2026 and 1st January 2027 respectively and no material financial impact is expected on the Company except for additional disclosures.

Accordingly, the Company has not applied these standards in preparing these financial statements.

4.2 Amendments to SLFRS 9 and SLFRS 7 – Classification and measurement of financial instruments

The requirements will be effective for annual reporting periods beginning on or after 01 January 2026, with early application permitted.

4.3 SLFRS 18 – Presentation and disclosure in financial instruments

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and is applicable for annual reporting periods beginning on or after 01 January 2027.

4.4 SLFRS 19 – Subsidiaries without Public Accountability Disclosure

SLFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements and is applicable for annual reporting periods beginning on or after 01 January 2027.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Executive Board that are used to make strategic decisions.

Trading - Items which are directly imported and sold without further processing are categorized under this.

Processing - This segment includes the items which are further processed at the Group before sold.

	2026			2025		
	Trading	Processing	Total	Trading	Processing	Total
Revenue	**7,872,267,802**	**3,738,324,701**	**11,610,592,503**	7,327,948,834	2,194,363,852	9,522,312,686
Cost of sales	**(7,045,931,049)**	**(3,230,464,155)**	**(10,276,395,204)**	(6,876,130,619)	(1,999,800,444)	(8,875,931,063)
Gross profit	**826,336,753**	**507,860,546**	**1,334,197,299**	451,818,215	194,563,408	646,381,623
Unallocated income and expenses						
Other income			**85,415,941**			86,098,085
Selling and distribution expenses			**(245,599,702)**			(203,837,240)
Administrative expenses			**(922,375,674)**			(736,975,191)
Operating profit/(loss)			**251,637,864**			(208,332,723)
Net finance costs			**(104,607,223)**			(159,889,399)
Profit/(loss) before tax			**147,030,641**			(368,222,122)
Income tax reversal			**52,112,776**			2,585,900
Profit/(loss) for the year from continuing operations			**199,143,417**			(365,636,222)
Total Assets for reportable segments			**15,543,457,172**			14,148,794,649
Total Liabilities for reportable segments			**7,307,290,217**			6,254,466,349

6 REVENUE

	Group		Company	
	2026	2025	2026	2025
Revenue from contracts with customers	**11,610,592,503**	9,522,312,686	**10,339,611,549**	8,180,582,735
	11,610,592,503	9,522,312,686	**10,339,611,549**	8,180,582,735

Revenue of the Company consist of local sales of fertilizers, agri machineries and technological items which have been disclosed net of taxes and the revenue of the Group includes sale of seeds, cropcare products and other local sales.

Revenue increased during the year, primarily attributable to higher sales volumes and improved sales margins compared to the previous year.

6.1 Performance obligation

Information about the Company's performance obligation is summarized as follows.

Type of products/ Services	Nature and timing of satisfaction of performance obligation	Revenue recognition under SLFRS 15
Fertilizers	The company sells straight and blended fertilizers to customers. Performance obligation is satisfied when control is transferred upon delivery.	Revenue from fertilizer sales is recognized at the point in time when control is transferred to the customer, generally upon invoicing.
Agri machineries and technologies	The company sells agricultural machinery and post-harvest technology solutions to customers. Performance obligation is satisfied upon delivery or installation, depending on contract terms.	Revenue is recognized at the point in time when control of the machinery or solution is transferred to the customer, typically upon delivery or installation.

7 OTHER INCOME

		Group		Company	
	Note	2026	2025	2026	2025
Change in fair value of investment property	14	33,000,000	17,800,000	41,580,000	69,570,000
Used bag sales		17,350,848	13,572,130	17,350,848	13,572,130
Solar power income		28,279,437	30,506,364	26,715,171	28,557,356
Rent income		2,761,000	1,350,000	20,555,800	12,372,000
Sundry income		3,749,656	1,386,258	-	-
Gain on disposal of property, plant and equipments		275,000	21,483,333	275,000	21,183,333
Gain on disposal of investment in subsidiary		-	-	9,650,000	-
Total other income		**85,415,941**	86,098,085	**116,126,819**	145,254,819

8 NET FINANCE COSTS

	Group		Company	
	2026	2025	2026	2025
Finance income				
Interest income on deposits	290,486,401	182,692,551	321,107,431	193,160,665
Gain on translation of foreign currency	6,220,243	2,024,517	3,802,057	-
Total finance income	**296,706,644**	184,717,068	**324,909,488**	193,160,665
Finance costs				
Interest expense on term loans	400,515,544	343,918,658	382,299,020	352,506,949
Interest expense on lease liability	703,103	652,025	343,910	295,766
Loss on translation of foreign currency	95,220	35,784	95,220	27,005
Total finance costs	**401,313,867**	344,606,467	**382,738,150**	352,829,720
Net finance costs recognized in profit or loss	**(104,607,223)**	(159,889,399)	**(57,828,662)**	(159,669,055)

The increase in finance income during the year was primarily attributable to higher interest income earned on deposits, advances, and loans.

9 PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Stated after charging all expenses including the following :

		Group		Company	
For the year ended 31st March,	Note	2026	2025	2026	2025
Directors' emoluments		**29,122,511**	48,307,048	**29,122,511**	29,468,197
Auditors' remuneration - Statutory audit		**2,668,500**	2,503,000	**1,243,000**	1,081,000
Employee benefit expenses	9.1	**378,586,908**	451,001,914	**282,729,545**	274,985,865
Depreciation on property, plant and equipments	13	**238,746,879**	128,881,005	**138,079,851**	117,261,246
Amortisations of intangible assets	16	**9,128,000**	2,774,547	**4,340,001**	1,577,548
Amortisations of right of use assets	15.1	**2,269,845**	1,620,660	**805,851**	773,107
Provision for inventory	18.1	**44,229,366**	20,368,317	**(738,128)**	805,441
Donation		**179,083**	40,000	**179,083**	40,000
Inventory write off		**17,319,812**	37,318,948	**16,531,928**	26,848,225
Trade receivable write off		**-**	2,714,299	**-**	2,153,913
Impairment loss on trade receivables	19.2	**68,226,914**	137,228,601	**9,842,878**	118,762,324
Legal expenses		**26,452,135**	31,520,260	**5,529,097**	29,353,464

9.1 Employee benefit expenses

Salaries, wages and other related cost		**353,478,260**	410,536,846	**262,514,013**	249,101,454
Contributions to defined contribution plans		**17,620,364**	29,951,706	**12,727,248**	15,371,049
Provision for retirement benefit obligations	24.1	**7,488,284**	10,513,362	**7,488,284**	10,513,362
Total of employee benefit expenses		**378,586,908**	451,001,914	**282,729,545**	274,985,865
Number of employees		**200**	162	**200**	162

10 INCOME TAX EXPENSE

		Group		Company	
For the year ended 31st March,	Note	2026	2025	2026	2025
Current tax expense - continuing operation					
Current income tax on taxable profit	10.1	**11,473,025**	1,192,590	**-**	-
Under provision in respect of previous year		**307,343**	6,825,567	**-**	11,502,143
		11,780,368	8,018,157	**-**	11,502,143
Deferred tax expense/(reversal)					
(Reversal)/temporary differences	25.1/25.2	**(63,893,144)**	(10,604,057)	**9,759,674**	(13,786,140)
Income tax expense/(reversal) on continuing operation		**(52,112,776)**	(2,585,900)	**9,759,674**	(2,283,997)

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act, No. 45 of 2022 and its subsequent amendments. Accordingly, tax rate of 30% has been used for income tax and deferred tax during the year.

Income tax under provision arises when the actual tax liability for a previous period exceeds the amount of tax provision that was initially estimated.

10.1 Reconciliation between current tax expense and the accounting profit

		Group		Company	
For the year ended 31st March,	Note	2026	2025	2026	2025
Profit/ (loss) before taxation - continuing operations		**147,030,641**	(368,222,124)	**278,915,056**	(246,067,879)
Loss before taxation - discontinuing operations	11.1	**(2,134,329)**	(975,104)	**-**	-
Consolidation adjustments		**111,162,770**	60,816,275	**-**	-
Adjusted profit/(loss) before tax		**256,059,082**	(308,380,953)	**278,915,056**	(246,067,879)
Non business income - taxable		**(367,240,610)**	(274,329,084)	**(351,588,231)**	(247,930,814)
Non business income - non taxable		**(41,580,000)**	(84,006,421)	**(41,580,000)**	(81,970,599)
Aggregate disallowable expense		**281,584,473**	188,247,353	**176,391,507**	142,788,641
Aggregate allowable expense		**(186,828,923)**	(107,941,491)	**(120,764,020)**	(89,758,930)
Statutory income / (loss) from business		**(58,005,978)**	(586,410,596)	**(58,625,688)**	(522,939,581)
Non-business income liable to tax		**367,240,610**	274,329,084	**351,588,231**	247,930,814
Tax loss claimed during the year		**(337,026,221)**	(13,672,338)	**(292,962,543)**	-
Taxable loss		**(27,791,589)**	(325,753,850)	**-**	(275,008,767)
Tax loss of group companies for the year		**(66,035,010)**	(329,729,150)	**-**	(275,008,767)
Tax Profit of group companies for the year		**38,243,421**	3,975,300	**-**	-
		(27,791,589)	(325,753,850)	**-**	(275,008,767)
Income Tax @ 30%		**11,473,025**	1,192,590	**-**	-
Current income tax on taxable profit		**11,473,025**	1,192,590	**-**	-
Current tax expense on continuing operations		**11,473,025**	1,192,590	**-**	-
		11,473,025	1,192,590	**-**	-

10.2 Tax loss reconciliation: Continuing operations

Tax loss brought forward	**515,734,233**	221,555,687	**275,008,767**	-
Adjustments	**48,491,759**	(21,878,266)	**38,835,937**	-
Tax losses expired	**(133,948,298)**	-	**-**	-
Loss incurred during the year	**64,799,341**	329,729,150	**(133,948,298)**	275,008,767
Loss utilised during the year	**(337,026,221)**	(13,672,338)	**(292,962,543)**	-
Tax loss carried forward	**158,050,814**	515,734,233	**20,882,161**	275,008,767

10.2.1 Details of the expiry of carried forward tax losses in group are provided below:

Description	Amount	Expiry Year
Brought forward tax losses - 2020/21	2,841,300	2026
Brought forward tax losses - 2021/22	260,647	2027
Brought forward tax losses - 2022/23	470,459	2028
Brought forward tax losses - 2023/24	29,423,402	2029
Brought forward tax losses - 2024/25	60,255,665	2030
Brought forward tax losses - 2025/26	64,799,341	2031
	158,050,814	

10.3 Effective tax rate

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Effective tax rate	-	-	3.50%	-
Effective(excluding deferred tax)	8.01%	-	-	-

11 DISCONTINUED OPERATIONS

In March 2017, the Directors resolved to discontinue the operations carried out by Agstar Grains (Private) Limited.

The results of aforesaid operations for the year are presented below:

11.1 Loss after tax from discontinued operations

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Administrative expenses	(2,234,329)	(1,510,304)	-	-
Reversal/(provision) of impairment of receivables	100,000	535,200	-	-
Operating loss	(2,134,329)	(975,104)	-	-
Loss for the year from discontinued operations	(2,134,329)	(975,104)	-	-
Other comprehensive income				
Total comprehensive income	(2,134,329)	(975,104)	-	-

11.2 Major Classes of Assets and Liabilities

		Group		Company	
For the year ended 31st March,	Note	2026	2025	2026	2025
Classified as held for sale assets					
Property, plant and equipments	11.2.1	-	139,470,344	-	-
Cash in hand and cash at bank		-	2,949,584	-	-
Assets classified as held for sale		-	142,419,928	-	-
Liabilities					
Trade and other payables		-	324,569	-	-
Liabilities directly associated with assets held for sale		-	324,569	-	-
Net assets directly associated with disposal group		-	142,095,359	-	-

11.2.1 Movement in Property, Plant & Equipment Held for Sale (Group)

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Balance as at 31st March 2026	**139,470,344**	139,470,344	-	-
Transfer to property, plant & equipments	**(139,470,344)**	-	-	-
Balance as at 31st March 2026	-	139,470,344	-	-

On 31st March 2026, a rice processing plant , which was classified under Assets held for Sales in Agatar Grains (Pvt) Ltd was sold to Mahaweli Agro Trading (Pvt) Ltd for use in continuing operations. Accordingly, at the Group level, the asset was reclassified and accounted as a transfer from Assets Held for Sale to Property, Plant and Equipment (PPE).

11.3 Cash flows generated from discontinued operations

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Net cash flow from operating activities	**(131,599,750)**	2,079,910	-	-
Net cash flow from investing activities	**138,335,894**	-	-	-
Net cash flow	**6,736,143**	2,079,910		-

11.4 Basic and diluted earnings per share

Loss per share for the year from discontinued operations	**(0.0044)**	(0.0020)	-	-

12. EARNINGS PER SHARE/LOSS

12.1 Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated, based on the net profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. Basic earnings for an ordinary share is as follows.

	Group		Company	
For the Year ended 31st March,	2026	2025	2026	2025
Basic earnings per share is calculated as follows:				
Profit/(loss) attributable to ordinary shareholders (Rs.)	**197,009,088**	(366,611,326)	**269,155,382**	(243,783,882)
Weighted average number of ordinary shares				
Issued ordinary shares at the beginning of the year (Nos)	**487,500,000**	487,500,000	**487,500,000**	487,500,000
Weighted average number of ordinary shares in issue (Nos)	**487,500,000**	487,500,000	**487,500,000**	487,500,000
Earnings/(loss) per share (Rs.)	**0.40**	(0.75)	**0.55**	(0.50)

There were no potentially dilutive ordinary shares at any time during the year, hence diluted earnings per share is equal to the basic earnings per share.

13 PROPERTY, PLANT AND EQUIPMENT- COMPANY

Cost / valuation	Land	Freehold and leasehold building	Plant and machinery	Motor vehicles
Balance as at 1st April 2024	1,180,984,000	1,345,987,291	146,129,574	129,400,000
Additions during the year	-	3,737,801	956,262	-
Transfer from capital work-in-progress	-	-	-	-
Revaluation	589,516,000	698,305,315	-	40,840,000
Adjustments on revaluation	-	(172,500,407)	-	(36,840,000)
Disposals	-	-	-	(68,000,000)
Balance as at 31st March 2025	1,770,500,000	1,875,530,000	147,085,836	65,400,000
Balance as at 1st April 2025	**1,770,500,000**	**1,875,530,000**	**147,085,836**	**65,400,000**
Additions during the year	**-**	**22,961,214**	**4,133,158**	**38,686,985**
Transfer for property, plant and equipments	**-**	**-**	**-**	**-**
Reclassification to investment property	**(149,500,000)**	**(302,400,000)**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**
Balance as at 31st March 2026	**1,621,000,000**	**1,596,091,214**	**151,218,994**	**104,086,985**
Accumulated Depreciation				
Balance as at 1st April 2024	-	102,443,477	98,171,918	51,760,000
Depreciation for net of transfer	-	70,056,930	5,918,613	15,813,333
Adjustments on revaluation	-	(172,500,407)	-	(36,840,000)
Disposals	-	-	-	(30,733,333)
Balance as at 31st March 2025	**-**	**-**	**104,090,531**	**-**
Balance as at 1st April 2025	**-**	**-**	**104,090,531**	**-**
Depreciation for net of transfer	**-**	**80,738,058**	**6,632,821**	**18,312,374**
Disposals	**-**	**-**	**-**	**-**
Balance as at 31st March 2026	**-**	**80,738,058**	**110,723,352**	**18,312,374**
Net carrying amount as at 31st March 2025	1,770,500,000	1,875,530,000	42,995,305	65,400,000
Net carrying amount as at 31st March 2026	**1,621,000,000**	**1,515,353,156**	**40,495,642**	**85,774,611**

	Furniture and fitting	Factory equipment	Pallets	Office and computer equipments	Solar Panels	Lab Equipments	Capital work-in-progress	Total
	59,006,337	5,357,568	7,138,752	55,836,388	126,451,476	10,642,101	12,965,324	3,079,898,811
	109,963	174,500	-	13,547,234	-	-	9,433,621	27,959,381
	11,803,800	-	-	5,694,909	-	580,320	(18,079,029)	-
	-	-	-	-	-	-	-	1,328,661,315
	-	-	-	-	-	-	-	(209,340,407)
	-	-	-	-	-	-	-	(68,000,000)
	70,920,100	5,532,068	7,138,752	75,078,531	126,451,476	11,222,421	4,319,916	4,159,179,100
	70,920,100	**5,532,068**	**7,138,752**	**75,078,531**	**126,451,476**	**11,222,421**	**4,319,916**	**4,159,179,100**
	-	**156,459**	**2,152,285**	**5,786,925**	**-**	**19,451,169**	**13,319,305**	**106,647,500**
	-	**856,504**	**-**	**-**	**-**	**(856,504)**	**-**	**-**
	-	**-**	**-**	**-**	**-**	**-**	**-**	**(451,900,000)**
	-	**-**	**-**	**(275,000)**	**-**	**-**	**-**	**(275,000)**
	70,920,100	**6,545,031**	**9,291,037**	**80,590,456**	**126,451,476**	**29,817,086**	**17,639,221**	**3,813,651,600**
	28,152,153	5,056,484	4,441,223	41,372,894	16,603,441	266,053	-	348,267,643
	10,254,454	178,826	1,099,352	7,773,945	5,058,059	1,107,734	-	117,261,246
	-	-	-	-	-	-	-	(209,340,407)
	-	-	-	-	-	-	-	(30,733,333)
	38,406,607	**5,235,310**	**5,540,575**	**49,146,839**	**21,661,500**	**1,373,787**	**-**	**225,455,149**
	38,406,607	**5,235,310**	**5,540,575**	**49,146,839**	**21,661,500**	**1,373,787**	**-**	**225,455,149**
	10,693,293	**337,006**	**1,373,947**	**12,244,361**	**5,169,651**	**2,578,340**	**-**	**138,079,851**
	-	**-**	**-**	**(275,000)**	**-**	**-**	**-**	**(275,000)**
	49,099,900	**5,572,316**	**6,914,522**	**61,116,200**	**26,831,151**	**3,952,127**	**-**	**363,260,000**
	32,513,493	296,758	1,598,177	25,931,692	104,789,976	9,848,634	4,319,916	3,933,723,951
	21,820,200	**972,715**	**2,376,515**	**19,474,256**	**99,620,325**	**25,864,959**	**17,639,221**	**3,450,391,600**

13 PROPERTY, PLANT AND EQUIPMENT - GROUP

Cost / valuation	Land	Freehold and leasehold building	Plant and machinery	Motor vehicles
Balance as at 1st April 2024	1,276,984,000	1,541,606,026	245,190,620	129,825,000
Additions during the year	-	3,737,801	956,262	-
Transfer from capital work-in-progress	-	-	-	-
Revaluation	637,516,000	762,525,918	-	41,540,000
Adjustments on revaluation	-	(201,715,009)	-	(37,115,000)
Disposals	-	-	-	(68,150,000)
Balance as at 31st March 2025	1,914,500,000	2,106,154,736	246,146,882	66,100,000
Balance as at 1st April 2025	**1,914,500,000**	**2,106,154,736**	**246,146,882**	**66,100,000**
Additions during the year	**-**	**22,961,214**	**4,133,158**	**38,686,985**
Transfer for property, plant and equipments	**-**	**-**	**-**	**-**
Non current assets transfer from held for sale	**-**	**-**	**187,771,301**	**-**
Reclassification from investment property	**(173,500,000)**	**(378,500,000)**	**-**	**-**
Disposals	**-**	**(854,735)**	**(6,115,114)**	**-**
Balance as at 31st March 2026	**1,741,000,000**	**1,749,761,215**	**431,936,227**	**104,786,985**
Accumulated depreciation				
Balance as at 1st April 2025	-	122,774,614	193,993,142	52,185,000
Depreciation for net of transfer	-	79,795,131	6,501,316	15,813,333
Disposals	-	-	-	(30,883,333)
Adjustments on revaluation		(201,715,009)	-	(37,115,000)
Balance as at 31st March 2025	-	854,736	200,494,458	-
Balance as at 1st April 2025	**-**	**854,736**	**200,494,458**	**-**
Depreciation for net of transfer	**-**	**95,536,832**	**89,809,373**	**18,452,374**
Disposals	**-**	**(854,735)**	**(3,632,986)**	**-**
Non current assets transfer from held for sale		**-**	**49,435,407**	**-**
Balance as at 31st March 2026	**-**	**95,536,833**	**336,106,252**	**18,452,374**
Net carrying amount as at 31st March 2025	1,914,500,000	2,105,300,000	45,652,424	66,100,000
Net carrying amount as at 31st March 2026	**1,741,000,000**	**1,654,224,382**	**95,829,975**	**86,334,611**

Furniture and fitting	Factory equipment	Pallets	Office and computer equipments	Solar Panels	Lab Equipments	Capital work-in-progress	Total
62,962,331	5,913,832	7,338,152	62,526,763	132,925,364	10,642,101	12,965,323	3,488,879,512
109,963	174,500	-	13,576,234	-	-	9,433,621	27,988,381
11,803,800	-	-	5,694,909	-	580,320	(18,079,029)	-
-	-	-	-	-	-	-	1,441,581,918
-	-	-	-	-	-	-	(238,830,009)
-	-	-	-	-	-	-	(68,150,000)
74,876,094	6,088,332	7,338,152	81,797,906	132,925,364	11,222,421	4,319,915	4,651,469,802
74,876,094	**6,088,332**	**7,338,152**	**81,797,906**	**132,925,364**	**11,222,421**	**4,319,915**	**4,651,469,802**
3,310,852	**156,459**	**2,152,285**	**6,310,615**	**-**	**19,451,169**	**13,319,305**	**110,482,042**
-	**856,504**	**-**	**-**	**-**	**(856,504)**	**-**	**-**
575,837	**-**	**67,891**	**1,577,942**	**-**	**-**	**-**	**189,992,971**
-	**-**	**-**	**-**	**-**	**-**	**-**	**(552,000,000)**
(735,884)	**-**	**-**	**(1,747,769)**	**-**	**-**	**-**	**(9,453,502)**
78,026,899	**7,101,295**	**9,558,328**	**87,938,694**	**132,925,364**	**29,817,086**	**17,639,220**	**4,390,491,313**
30,428,029	5,529,082	4,627,791	45,433,717	17,445,046	266,053	-	472,682,474
10,536,646	222,293	1,104,852	8,482,685	5,317,015	1,107,734	-	128,881,005
-	-	-	-	-	-	-	(30,883,333)
-	-	-	-	-	-	-	(238,830,009)
40,964,675	5,751,375	5,732,643	53,916,402	22,762,061	1,373,787	-	331,850,137
40,964,675	**5,751,375**	**5,732,643**	**53,916,402**	**22,762,061**	**1,373,787**	**-**	**331,850,137**
11,596,782	**377,206**	**1,403,880**	**13,563,486**	**5,428,607**	**2,578,340**	**-**	**238,746,879**
(703,321)	**-**	**-**	**(1,716,281)**	**-**	**-**	**-**	**(6,907,323)**
94,494	**-**	**43,458**	**948,055**	**-**	**-**	**-**	**50,521,414**
51,952,630	**6,128,581**	**7,179,981**	**66,711,662**	**28,190,668**	**3,952,127**	**-**	**614,211,107**
33,911,419	336,957	1,605,509	27,881,504	110,163,303	9,848,634	4,319,915	4,319,619,665
26,074,269	**972,714**	**2,378,347**	**21,227,032**	**104,734,696**	**25,864,959**	**17,639,220**	**3,776,280,205**

13 PROPERTY, PLANT AND EQUIPMENT CONTD.

13.1 Information on the land and buildings of the Group

Location	Revalued Date	Land extent (Perches)	Building (Squarefeet)	No.of Buildings
Land and building held under company and group				
Dambulla	31st March 2025	63.75	8,645	4 buildings
Ihalakatupotha Watta, Pannampitiya Village, Lenadora				
Ekala	31st March 2025	1,419.55	190,988	13 buildings
No.93, Minuwangoda Road, Ekala				
Building on lease hold land				
Polonnaruwa	31st March 2025	-	15,320	3 building
Ambalamkele				
Sandunpura, Dehiattakandiya	31st March 2025	-	41,600	9 buildings

The lands and buildings at Dambulla and Ekala belong to AgStar PLC and valued by an Independent valuer Mr. W. M Chandrasena, a member of the Institute of Valuers of Sri Lanka in determining the fair value of the land and buildings as at 31st March 2025. The Valuer considered the market evidences and trends in determining the fair value of the property. The building constructed on the land has been measured initially at its cost. After initial recognition, the Company adopts fair value model for Motor Vehicle, Land and Building as per the Sri Lanka Accounting Standard LKAS 16.

The Group have not pledged any property, plant and equipment as security for liabilities or have temporary idle assets as at 31st March 2026.

	Cost or revaluation of land (Rs)	Cost or revaluation of buildings (Rs)	Total value (Rs)	Accumulated depreciation (Rs)	Net book value of the buildings (Rs)	Total net book value (Rs)
	38,000,000	38,000,000	76,000,000	(1,900,000)	36,100,000	74,100,000
	1,703,000,000	1,486,261,215	3,189,261,215	(82,361,833)	1,403,899,382	3,106,899,382
	-	108,000,000	108,000,000	(5,400,000)	102,600,000	102,600,000
	-	117,500,000	117,500,000	(5,875,000)	111,625,000	111,625,000
	1,741,000,000	1,749,761,215	3,490,761,215	(95,536,833)	1,654,224,382	3,395,224,382

13 PROPERTY, PLANT AND EQUIPMENT CONTD.

13.2 Motor vehicles

The Group has revalued it's motor vehicles as at 31st March 2025 by a professional independant valuer.

Type of the vehicle	No of vehicles	Revalued Date	Cost / Revalued amount (Rs.)	Accumulated depreciation (Rs)	Net book value of the motor vehicles (Rs)
Motor vehicle held under company and group					
Motor cars	3	31st March 2025	49,000,000	(9,800,000)	39,200,000
Cab	1	31st March 2025	2,400,000	(480,000)	1,920,000
Van	1	31st March 2025	14,000,000	(2,800,000)	11,200,000
Tractor	1	31st March 2025	700,000	(140,000)	560,000
Tractor	2		12,329,214	(2,557,870)	9,771,344
Mobile Soil Testing Lab (Bus)	1		26,357,771	(2,674,504)	23,683,267

13.3 The carrying amount of revalued land, buildings and motor vehicles if they were carried at cost less depreciation, would be as follows;

	Group		Company	
As at 31st March,	2026	2025	2026	2025
Cost				
Land	**849,887,500**	886,269,976	**849,887,500**	886,269,976
Buildings	**1,027,954,875**	1,195,353,589	**959,042,198**	1,126,440,912
Motor vehicles	**67,031,584**	28,344,600	**66,756,584**	28,069,600
	1,944,873,959	2,109,968,165	**1,875,686,282**	2,040,780,488
Accumulated depreciation				
Buildings	**(314,854,981)**	(262,745,669)	**(251,016,359)**	(204,533,256)
Motor vehicles	**(33,439,830)**	(28,344,600)	**(33,164,830)**	(28,069,600)
	(348,294,811)	(291,090,269)	**(284,181,189)**	(232,602,856)
Carrying value	**1,596,579,148**	1,818,877,896	**1,591,505,093**	1,808,177,632

13 PROPERTY, PLANT AND EQUIPMENT CONTD.

13.4 Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, that are measured at fair value.

Fair value measurement hierarchy

31st March 2026	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets measured at fair value:				
Land and buildings	-	-	3,395,224,382	3,395,224,382
Motor vehicles	-	-	86,334,611	86,334,611
	-	-	3,481,558,993	3,481,558,993

31st March 2025	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets measured at fair value:				
Land and buildings	-	-	4,019,800,000	4,019,800,000
Motor vehicles	-	-	66,100,000	66,100,000
	-	-	4,085,900,000	4,085,900,000

Assets and liabilities measured at fair value - Recurring

	Significant unobservable inputs		
Property	Estimated price per perch	Estimated price per square foot	Correlation to fair value
Freehold land and building			
Dambulla	Rs. 600,000	Rs. 2,000 - Rs. 7,000	Positive
Ekala	Rs. 1,200,000	Rs. 2,500 - Rs. 25,000	Positive
Building on lease hold land			
Polonnaruwa	-	Rs. 7,000 - Rs. 10,000	Positive
Dehiyattakandiya	-	Rs. 3,300 - Rs. 8,000	Positive

Method of valuation

*Land - Market comparable method

*Building - Depreciated replacement method

*Motor vehicles - Market comparable method

		Significant unobservable inputs	
Property	Method of valuation	Estimated value per vehicle	Correlation to fair value
Motor vehicles			
Motor cars	- Market comparable method	Rs. 10,000,000 to Rs.21,000,000	Positive
Cab	- Market comparable method	Rs. 2,400,000	Positive
Van	- Market comparable method	Rs. 14,000,000	Positive

Market comparison technique : The valuation model considers market prices for similar items when they are available.

13.5 Sensivity analysis for market value changes impact on revalued property, plant and equipments in the group

For the fair values of revalued Property, Plant and Equipment, reasonably possible changes in key unobservable inputs at the reporting date, holding all other variables constant, would have resulted in the following impact on the revaluation surplus recognised in equity through Other Comprehensive Income (OCI):

			Other Comprehensive Income	
Property	Method of valuation	Change in input	Increase	Decrease
Land	Market comparable method	+5%	95,725,000	-
		-5%	-	(95,725,000)
Building	Depreciated replacement cost method	+5%	105,265,000	-
		-5%	-	(105,265,000)
Motor Vehicles	Market comparable method	+5%	3,305,000	-
		-5%	-	(3,305,000)

14 INVESTMENT PROPERTY

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
Balance at the beginning of the year	**270,000,000**	252,200,000	**545,010,000**	475,440,000
Reclassification from property plant and equipments	**552,000,000**	-	**451,900,000**	-
Change in fair value during the year	**33,000,000**	17,800,000	**41,580,000**	69,570,000
Balance at the end of the year	**855,000,000**	270,000,000	**1,038,490,000**	545,010,000

Details of investment properties - Company

	Land	Buildings	Total
Balance at the beginning of the year	**364,000,000**	**181,010,000**	**545,010,000**
Reclassification from property plant and equipment	**149,500,000**	**302,400,000**	**451,900,000**
Change in fair value during the year	**35,500,000**	**6,080,000**	**41,580,000**
Balance at the end of the year	**549,000,000**	**489,490,000**	**1,038,490,000**

Details of investment properties - Group

	Land	Buildings	Total
Balance at the beginning of the year	**220,000,000**	**50,000,000**	**270,000,000**
Reclassification from property plant and equipment	**173,500,000**	**378,500,000**	**552,000,000**
Change in fair value during the year	**30,500,000**	**2,500,000**	**33,000,000**
Balance at the end of the year	**424,000,000**	**431,000,000**	**855,000,000**

The Company has rented out part of the land and building at Ekala respectively to other companies in the Group for operation purposes and reclassified to property, plant and equipment in the Group. The Borrella and Anuradhapura property have classified under investment property in the company and group. The income generated from these investment properties are disclosed under Note no 7 as 'Rent income' and there are no any direct operating expenses identified related to generating rental income.

14.1 Measurement of fair value

a) Fair value measurement hierarchy - Company

31st March 2026	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets measured at fair value:				
Land and buildings	**-**	**-**	**1,038,490,000**	**1,038,490,000**
	-	**-**	**1,038,490,000**	**1,038,490,000**

Fair value measurement hierarchy - Group

31st March 2026	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Assets measured at fair value:				
Land and buildings	-	-	855,000,000	855,000,000
	-	-	855,000,000	855,000,000

b) Valuation technique and significant unobservable inputs

	Significant unobservable inputs		
Property	Estimated price per perch	Estimated price per square foot	Correlation to fair value
Bawa Place, Borrella	Rs.13,600,000	Rs. 12,200	Positive
Ekala	Rs. 1,250,000	Rs. 2,800 - Rs. 27,500	Positive
Anuradhapura	Rs. 350,000	Rs. 4,500 - Rs. 10,500	Positive

Method of valuation : Market comparable method/ Depreciated replacement cost method

Market comparison technique : The valuation model considers market prices for similar items when they are available.

14.2 Sensivity analyse for market value changes on impact on fair value of investment properties in the group

For the fair values investment property, reasonably possible changes in key unobservable inputs at the reporting date, holding all other variables constant, would have resulted in the following impact on the fair value recognised in Profit and Loss (P&L):

			Profit and Loss	
Property	Method of valuation	Change in input	Increase	Decrease
Land	- Market comparable method	+5%	21,200,000	-
		-5%	-	(21,200,000)
Building	- Depreciated replacement cost method	+5%	21,550,000	-
		-5%	-	(21,550,000)

15 LEASE ARRANGEMENTS

15.1 Right of use assets

As at 31st March,	Group 2026	Group 2025	Company 2026	Company 2025
Land and buildings - cost/revaluation				
Balance at the beginning of the year	**51,500,000**	47,999,080	**21,000,000**	87,178,476
Revaluation Surplus	**-**	13,161,993	**-**	319,329
Adjustment of re-measurement	**556,538**	-	**556,538**	-
Adjustment on revaluation	**-**	(9,661,073)	**-**	(66,497,805)
Balance as at end of the year	**52,056,538**	51,500,000	**21,556,538**	21,000,000
Accumulated amortisation				
Balance at the beginning of the year	**-**	8,040,413	**-**	65,724,695
Amortisation recognised in the statement of profit or loss	**2,269,845**	1,620,660	**805,851**	773,107
Adjustment on revaluation	**-**	(9,661,073)	**-**	(66,497,805)
Balance as at end of the year	**2,269,845**	-	**805,851**	-
Carrying amount	**49,786,693**	51,500,000	**20,750,687**	21,000,000

Details of revalued right of use lands - Company & Group

Entity name	Location	Land extent	Carrying value	Revalued date
AgStar PLC	Polonnaruwa	320 perch	21,000,000	31st March 2025
Mahaweli Agro Trading (Pvt) Ltd	Dehiattakandiya	174 perch	30,500,000	31st March 2025

15.2 Lease liabilities

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Balance at the beginning of the year	**6,952,132**	6,882,864	**2,103,291**	2,083,150
Interest amortised recognised in the statement of profit or loss	**703,103**	652,025	**343,910**	295,766
Adjustment of re-measurement	**556,538**	-	**556,538**	-
Payment recognised in the statement of cash flows	**(930,518)**	(582,825)	**(561,875)**	(275,625)
Balance as at end of the year	**7,281,255**	6,952,132	**2,441,864**	2,103,291
Maturity analysis of lease liabilities - contractual undiscounted cashflows				
Less than one year	**709,890**	644,265	**341,250**	275,625
One to five years	**3,713,969**	3,364,648	**1,723,313**	1,447,720
Morethan five year	**15,602,445**	15,791,942	**7,799,076**	7,546,205
	20,026,304	19,800,855	**9,863,639**	9,269,550
Lease liabilities included in the statement of financial position				
Current	**15,188**	72,120	**5,032**	23,061
Non-current	**7,266,067**	6,880,012	**2,436,832**	2,080,230
	7,281,255	6,952,132	**2,441,864**	2,103,291

15.3 Amortization of right-of use assets

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Interest expense on lease liabilities	**703,103**	652,025	**343,910**	295,766
Depreciation of right of use asset	**2,269,845**	1,620,660	**805,851**	773,107
	2,972,948	2,272,685	**1,149,761**	1,068,873

16 INTANGIBLE ASSETS

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Gross Value				
Balance at the beginning of the year	**150,777,186**	114,525,186	**23,199,194**	6,099,194
Additions	**-**	36,252,000	**-**	17,100,000
Balance at the end of the year	**150,777,186**	150,777,186	**23,199,194**	23,199,194
Amortisation				
Balance at the beginning of the year	**9,954,526**	7,179,979	**6,757,527**	5,179,979
Amortisation	**9,128,000**	2,774,547	**4,340,001**	1,577,548
Balance at the end of the year	**19,082,526**	9,954,526	**11,097,528**	6,757,527
Carrying Value	**131,694,660**	140,822,660	**12,101,666**	16,441,667

Summary of intangible assets - Group	Software and Website	Exclusive Dealership - Tohoku Seed	Goodwill	Total
Gross Value				
Balance at the beginning of the year	**44,351,194**	**50,000,000**	**56,425,992**	**150,777,186**
Balance at the end of the year	**44,351,194**	**50,000,000**	**56,425,992**	**150,777,186**
Amortisation				
Balance at the beginning of the year	**9,954,526**	**-**	**-**	**9,954,526**
Amortisation during the year	**9,128,000**	**-**	**-**	**9,128,000**
Balance at the end of the year	**19,082,526**	**-**	**-**	**19,082,526**
Carrying Value	**25,268,668**	**50,000,000**	**56,425,992**	**131,694,660**

(a) Software and website

Software includes ERP system, application and the websites developed for AgStar PLC.

(b) Exclusive Dealership - Tohoku Seed

The AgStar Seeds (Pvt) Ltd, acquired the exclusive dealership of Tohoku Seed in Sri Lanka and thereby the rights to import, distribute and sell the varieties of hybrid vegetable seeds, supplied by Tohoku, to Sri Lanka and rights to do all other activities ancillary and/or consequential thereto, including trials, demonstrations, communications, promotions, marketing, collections, use of Intellectual Property and other material. The management is of the opinion that the aforementioned dealership has an indefinite useful life as their associated brand awareness and recognition and the company intends to utilise the Tohoku dealership for the foreseeable future. There are no legal, regulatory, contractual, competitive, economic or other factors that may limit its useful life and accordingly, the carrying amount of this exclusive dealership is determined after testing for impairment annually.

Recoverable values estimated with reference to the value in use

The recoverable value of Exclusive Dealership - Tohoku Seed were assessed based on value in use. Value in use was determined by discounting future cash flows from the investment.

The key assumptions used in the estimation of the value in use were as follows.

	2026	2025
Annual sales growth for next five years	**10%**	9%
Gross margin	**43% - 50%**	40% - 50%
Discount rate	**16% - 18%**	13% - 15%
Terminal growth rate	**2.5%**	4.0%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Rs.7.6Mn. (2025: Rs.22.4Mn). Management has identified that a reasonably possible changes in below key assupmtions could cause the carrying amount to exceed the recoverable amount.

Sensitivity analysis

The following present sensitivity analysis to assess the impact of possible changes in key assumptions used in the value in use calculation.

Key Assumption	2026	2025
Discount rate		
1% increase	**(3,468,000)**	(6,348,343)
1% decrease	**4,001,000**	10,804,129
Terminal growth rate		
1% increase	**2,735,000**	6,601,688
1% decrease	**(2,399,000)**	(5,301,183)

In percent	Change required for carrying amount to equal recoverable amount
	2026
Discount rate	**22.5%**
Budgeted EBITDA growth rate	**-5.2%**

(c) Goodwill on acquisition (Unimpaired)

Goodwill has arisen from the acquisition of Prith Seeds (Private) Limited.

The recoverable amount of CGU is determined based on value-in-use calculations. This calculation use discounted cash flow projections based on financial budgets approved by management covering five year periods. A long-term growth rate into perpetuity is applied immediately at the end of the five year forecast period and is based on the lower of the nominal GDP growth rate forecasts for the country of operations and the long-term compound annual EBITDA growth rate estimated by management.

Recoverable values estimated with reference to the value in use

The recoverable value of Prith Seeds (Private) Limited were assessed based on value in use. Value in use was determined by discounting future cash flows from the investment.

The key assumptions used in the estimation of the value in use were as follows.

	2026	2025
Annual sales growth for next five years	**5%**	5%
Gross margin	**49%**	40% - 50%
Discount rate	**12.7% - 15.1%**	13% - 15%
Terminal growth rate	**4.0%**	4.0%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately Rs.28.3 Mn. (2025: Rs.78.5Mn). Management has identified that a reasonably possible changes in below key assupmtions could cause the carrying amount to exceed the recoverable amount.

Sensitivity anlysis

The following present sensitivity analysis to assess the impact of possible changes in key assumptions used in the value in use calculation.

Key Assumption	2026	2025
Discount rate		
1% increase	**(14,060,324)**	(52,686,330)
1% decrease	**16,391,951**	71,816,096
Terminal growth rate		
1% increase	**10,733,289**	56,229,121
1% decrease	**(9,198,750)**	(41,218,567)

The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

In percent	Change required for carrying amount to equal recoverable amount
	2026
Discount rate	**15.2%**
Budgeted EBITDA growth rate	**-2.8%**

17 INVESTMENTS IN SUBSIDIARIES

	Company/ Group holding		No of shares		Cost as at 31st March	
As at 31st March,	2026	2025	2026	2025	2026	2025
AgStar Cropcare (Pvt) Ltd	**100%**	100%	**5,000,000**	5,000,000	**37,999,990**	37,999,990
AgStar Seeds (Pvt) Ltd	**100%**	100%	**5,000,000**	5,000,000	**500,000**	500,000
AgStar Grains (Pvt) Ltd	**100%**	100%	**34,000,000**	34,000,000	**340,000,000**	340,000,000
Mahaweli Agro Trading (Pvt) Ltd	**100%**	100%	**19,550,000**	19,550,000	**172,700,000**	172,700,000
AgStar Exports (Pvt) Ltd	**0%**	100%	**-**	4,500,000	**-**	45,000,000
Prith Seeds (Pvt) Ltd	**100%**	100%	**10,000**	10,000	**80,229,098**	80,229,098
			63,560,000	68,060,000	**631,429,088**	676,429,088
Provision for fall in value of investments (Note 17.1)					**(426,345,097)**	(445,695,097)
Investments - Shares					**205,083,991**	230,733,991

17.1 The Company has made provisions against the investments in Mahaweli Agro Trading (Pvt) Limited and AgStar Grains (Pvt) Limited of Rs.86.35 million (2025 - Rs.86.35 million) and Rs.340 million (2025 - Rs.340 million) respectively as at 31st March 2026.

17.2 Disposal of Agstar Exports (Pvt) Ltd

On 14th August 2025, Agstar PLC has disposed the entire of its shareholding amounting to 100% of Agstar Export (Pvt) Ltd.

Disposal Gain Computation of Subsidiary		
Purchase Consideration		35,300,000
Investment of shares	45,000,000	
(-) Provision of impairment	(19,350,000)	
Net investment		25,650,000
Disposal Gain		9,650,000
The provisional fair values of the identifiable assets and liabilities of the disposed as at the date were		
Assets		
Property, plant and equipements		2,546,179
Deferred tax assets		417,456
Inventories		3,097,121
Trade and other receivables		10,777,206
Amounts due from related companies		12,783,388
Cash and cash equivalents		9,325,958
		38,947,308
Liabilities		
Trade and other payables		1,211,159
		1,211,159
Net Assets disposed		37,736,149

Fair value of identifiable net assets disposed	37,736,149

In the group, loss on disposal subsidiary have been presented under administration expenses.

18 INVENTORIES

		Group		Company	
As at 31st March,	Note	2026	2025	2026	2025
Raw materials and consumables		**3,017,138,374**	3,778,641,727	**2,599,815,466**	3,222,021,032
Finished goods		**520,341,988**	555,293,201	**301,126,482**	297,429,040
Spare parts		**24,961,128**	21,453,540	**24,961,128**	21,453,540
		3,562,441,490	4,355,388,468	**2,925,903,076**	3,540,903,612
Provision for impairment of inventories	18.1	**(70,380,883)**	(26,151,518)	**(1,206,983)**	(1,945,111)
		3,492,060,607	4,329,236,950	**2,924,696,093**	3,538,958,501

During the year ended 31st March 2026, inventories amounting to Rs.10,067,398,843 for the Group and Rs.9,148,603,249 for the Company (2025: Rs.7,646,347,946 for the Group and Rs.8,740,605,068 for the Company) were recognised as an expense and included under 'Cost of sales'.

18.1 Provision for impairment of inventories

	Group		Company	
As at 31st March,	2026	2025	2026	2025
Balance at the beginning of the year	**26,151,517**	5,783,200	**1,945,111**	1,139,669
Charge/ (Reversal) during the year	**44,229,366**	20,368,317	**(738,128)**	805,441
Balance at end of the year	**70,380,883**	26,151,517	**1,206,983**	1,945,111

19 TRADE AND OTHER RECEIVABLES

As at 31st March,	Note	Group 2026	Group 2025	Company 2026	Company 2025
Trade receivables		**2,151,187,886**	2,164,226,823	**1,575,182,525**	1,841,737,916
Tax recoverable	19.1	**374,664,745**	397,848,175	**374,450,170**	353,519,152
Other receivables		**124,790,822**	48,002	**124,790,822**	48,002
Deposits and prepayments	19.3	**138,730,490**	135,848,387	**101,422,904**	112,107,962
Prepayments to suppliers		**393,830,757**	5,295,551	**370,749,330**	-
Advances		**-**	3,245,179	**-**	-
Interest receivable		**13,658,236**	2,871,781	**13,658,236**	2,871,781
		3,196,862,936	2,709,383,898	**2,560,253,987**	2,310,284,813
Provision for impairment of trade receivables	19.2	**(256,996,984)**	(188,870,070)	**(159,551,017)**	(149,708,139)
Total of trade and other receivables		**2,939,865,952**	2,520,513,828	**2,400,702,970**	2,160,576,674

19.1 Tax recoverable

For the year ended 31st March,	Group 2026	Group 2025	Company 2026	Company 2025
Withholding tax recoverable	**19,223,498**	10,151,693	**19,008,923**	9,666,871
Value added tax recoverable	**355,441,247**	387,696,482	**355,441,247**	343,852,281
Total tax receivables	**374,664,745**	397,848,175	**374,450,170**	353,519,152

19.2 Provision for impairment of trade receivables

	Group 2026	Group 2025	Company 2026	Company 2025
Balance at the beginning of the year	**188,870,070**	51,641,469	**149,708,139**	30,945,815
Provision during the year	**68,126,914**	137,228,601	**9,842,878**	118,762,324
Balance at end of the year	**256,996,984**	188,870,070	**159,551,017**	149,708,139

19.3 Deposits and prepayments

Deposits and Prepayment consist of loan stock fertilizer receivable, prepayments and refundable deposits.

20 SUBSIDY RECEIVABLE

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
Balance at the beginning of the year	**389,513,396**	389,513,396	**351,939,808**	351,939,808
Balance at end of the year	**389,513,396**	389,513,396	**351,939,808**	351,939,808

21 RELATED PARTY RECEIVABLES AND PAYABLES

21.1 Amounts due from related companies

	Group		Company	
For the year ended 31st March,	2026	2025	2026	2025
AgStar Cropcare (Pvt) Ltd	**-**	-	**270,080,708**	117,482,260
AgStar Seeds (Pvt) Ltd	**-**	-	**68,206,875**	47,798,419
AgStar Grains (Pvt) Ltd	**-**	-	**111,178,942**	241,814,028
Prith Seeds (Pvt) Ltd	**-**	-	**16,022,678**	21,517,698
Sifang Lanka (Pvt) Ltd	**300,000,000**	-	**300,000,000**	-
LOLC Holdings PLC	**2,208,614,015**	-	**2,208,614,015**	-
	2,508,614,015	-	**2,974,103,218**	428,612,405
Provision for receivable from AgStar Grains (Pvt) Ltd	**-**	-	**(88,273,000)**	(88,273,000)
	2,508,614,015	-	**2,885,830,218**	340,339,405

21.2 Amounts due to related companies

AgStar Exports (Pvt) Ltd	**-**	-	**-**	12,783,303
Mahaweli Agro Trading (Pvt) Ltd	**-**	-	**6,554,574**	161,481,275
Brown & Company PLC	**44,308,999**	17,623,254	**44,183,999**	17,623,254
Brown Agri Solutions (Pvt) Ltd	**1,331,988**	-	**-**	-
Balance at end of the year	**45,640,987**	17,623,254	**50,738,573**	191,887,832

22 CASH AND CASH EQUIVALENTS

As at 31st March,	Note	Group 2026	Group 2025	Company 2026	Company 2025
Short term deposits	22.1	**502,571,609**	463,014,022	**502,571,609**	463,014,022
Cash in hand		**2,340,727**	2,077,804	**1,514,150**	905,892
Cash at Bank		**861,775,734**	1,648,431,487	**818,096,018**	1,611,800,020
Cash and cash equivalents in the statements of financial position		**1,366,688,070**	2,113,523,313	**1,322,181,777**	2,075,719,934
Bank overdraft for cash management purposes		**-**	(9,257,363)	**-**	-
Cash and cash equivalents classified as held for sale -net		**-**	2,949,584	**-**	-
Cash and cash equivalents for the purpose of cash flow statements		**1,366,688,070**	2,107,215,534	**1,322,181,777**	2,075,719,934

22.1 Short term deposits

	Group 2026	Group 2025	Company 2026	Company 2025
Fixed deposits - People's Bank	**25,892,861**	24,052,820	**25,892,861**	24,052,820
Commercial Papers	**476,678,748**	438,961,202	**476,678,748**	438,961,202
	502,571,609	463,014,022	**502,571,609**	463,014,022

Security details on bank overdraft facilities

Bank	Currency	Facility Value	Facility Period	Nature of assets pledge
Commercial Bank of Ceylon PLC	LKR	25m	1 Year	General terms and no assets pledged
DFCC Bank	LKR	25m	1 Year	General terms and no assets pledged

23 STATED CAPITAL

As at 31st March,	Group / Company 2026	Group / Company 2025
Stated Capital (Rs.)	**2,007,856,833**	2,007,856,833
No of Ordinary shares	**487,500,000**	487,500,000

24 EMPLOYEE BENEFITS

24.1 Movement in net defined benefit obligation

	Group		Company	
As at 31st March,	2026	2025	2026	2025
Balance at the beginning of the year	**46,507,393**	49,525,712	**46,507,393**	49,368,044
Include in profit or loss				
Current service cost	**3,385,471**	4,095,516	**3,385,471**	4,095,516
Interest cost	**4,102,813**	6,417,846	**4,102,813**	6,417,846
	7,488,284	10,513,362	**7,488,284**	10,513,362
Include in other comprehensive income				
Actuarial loss/(gain)	**(3,906,012)**	(3,164,314)	**(3,906,012)**	(3,164,314)
	50,089,665	56,874,760	**50,089,665**	56,717,092
Other				
Benefits paid	**(24,634,562)**	(10,367,367)	**(24,634,562)**	(10,209,699)
Balance at end of the year	**25,455,103**	46,507,393	**25,455,103**	46,507,393

The provision for retirement benefit obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, Messrs. Units Actuaries & Consultants (Pvt) Ltd, as at 31st March 2026. The actuarial present value of the promised retirement benefit as at 31st March 2026 amounted to Rs.25,455,103/- (2025-Rs.46,507,393/-) for the Group. The liability is not externally funded.

24.2 Defined benefit obligation - The following were the principal actuarial assumptions at the reporting date.

	2026	2025
Actuarial assumptions		
Discount rate	**9.5%**	12%
Future salary growth	**8.0%**	11.0%
Retirement age	**60 years**	60 years
Mortality	A 1967/70 mortality table issued by the Institute of Actuaries, London.	

It is also assumed that the Company will continue in business as a going concern.

The weighted average duration of the Retirement Benefit Obligation at the end of the reporting period is 3.4 years. (2025 - 3.9 years)

“LKAS 19 requires the risk discount rate to be based on the market yield of high quality corporate bonds (AA and above) of similar duration to the liability. Assumptions regarding valuation of the retirement benefits based on published statistics. The discount rate has been changed compared to previous year, in order to reflect the current market conditions.

24 EMPLOYEE BENEFITS CONTD.

24.3 Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible changes at the reporting date in the key assumptions employed with all other variables held constant in the employment benefit liability measurement. The sensitivity of the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the employment benefit obligation for the year.

	Group		Company	
	2026	2025	2026	2025
Discount Rate				
1% increase	**(776,527)**	(1,593,748)	**(776,527)**	(1,593,748)
1% decrease	**820,932**	1,682,723	**820,932**	1,682,723
Future Salary Growth Rate				
1% increase	**951,199**	1,858,626	**951,199**	1,858,626
1% decrease	**(913,427)**	(1,787,266)	**(913,427)**	(1,787,266)

Although the analysis does not take accounts of the distribution of full cash flows expected under the plan, it does provide approximation of sensitivity of the assumption given.

24.4 Maturity Analysis of the payment

The folloing payments are expected on employee benefit liabilities in future years

	Group		Company	
	2026	2025	2026	2025
Less than one year	**4,402,155**	6,266,950	**4,402,155**	6,266,950
Between 1-2 years	**6,653,348**	4,417,364	**6,653,348**	4,417,364
Between 3-5 years	**12,454,023**	27,802,036	**12,454,023**	27,802,036
Beyond 5 years	**1,945,577**	8,021,043	**1,945,577**	8,021,043
Total expected payments	**25,455,103**	46,507,393	**25,455,103**	46,507,393
Weighted average duration (years) of define benefit obligation	**3.4**	3.9	**3.4**	3.9

25 DEFERRED TAX (ASSETS)/LIABILITIES

25.1 Deferred tax assets

	Group		Company	
As at 31st March,	2026	2025	2026	2025
Movement in deferred tax assets				
Balance at the beginning of the year	**13,556,720**	14,252,167	**-**	-
Origination/(reversal) of temporary differences				
Recognised in statement of profit or loss				
Continuing operations	**20,396,854**	(695,447)	**-**	-
Origination/(reversal) of temporary differences				
Recognised in other comprehensive income				
Balance at the end of the year	**33,953,574**	13,556,720	**-**	-
Composition of deferred tax assets				
Property, plant and equipment	**(3,231,909)**	(2,830,503)	**-**	-
Right-of-use assets	**(756,398)**	-	**-**	-
	(3,988,307)	(2,830,503)	**-**	-
Lease liabilities	**780,586**	-	**-**	-
Impairment of Inventories	**20,621,775**	6,907,490	**-**	-
Impairment of trade receivables	**16,539,520**	9,479,733	**-**	-
	37,941,881	16,387,223	**-**	-
	33,953,574	13,556,720	**-**	-

25 DEFERRED TAX (ASSETS)/LIABILITIES CONTD.

25.2 Deferred tax liabilities

	Group		Company	
As at 31st March,	2026	2025	2026	2025
Movement in deferred tax liabilities				
Balance at the beginning of the year	**1,006,183,806**	604,269,277	**942,391,790**	556,534,443
Origination/(reversal) of temporary differences				
Recognised in statement of profit or loss				
Continuing operations	**(43,496,290)**	(11,299,504)	**9,759,674**	(13,786,140)
Origination/(reversal) of temporary differences				
Recognised in other comprehensive income				
Deferred tax on revaluation surplus	**-**	412,264,739	**-**	398,694,193
Deferred tax on actuarial gain	**1,171,804**	949,294	**1,171,804**	949,294
Disposal	**417,456**	-	**-**	-
Balance at the end of the year	**964,276,776**	1,006,183,806	**953,323,268**	942,391,790
Composition of deferred tax liabilities				
Property, plant and equipment	**777,624,214**	891,257,526	**692,147,552**	832,667,970
Investment property	**256,500,000**	163,503,000	**311,547,000**	163,503,000
Right-of-use assets	**14,936,006**	15,450,000	**6,225,206**	6,300,000
	1,049,060,220	1,070,210,526	**1,009,919,758**	1,002,470,970
Retirement benefit obligation	**(7,636,531)**	(13,952,218)	**(7,636,531)**	(13,952,218)
Lease liabilities	**(2,184,377)**	(2,085,639)	**(732,559)**	(630,987)
Tax losses carried forward	**(25,265,747)**	-	**-**	-
Impairment of Inventories	**(362,095)**	(807,571)	**(362,095)**	(583,533)
Impairment of trade receivables	**(49,334,694)**	(47,181,292)	**(47,865,305)**	(44,912,442)
	(84,783,444)	(64,026,720)	**(56,596,490)**	(60,079,180)
	964,276,776	1,006,183,806	**953,323,268**	942,391,790

Based on the provision in the new Inland Revenue Act No.24 of 2017 and new amendments, the Company and the Group have recognized deferred tax. Deferred tax asset on tax losses have been recognized to the extent of taxable temporary differences available against when the tax losses can be utilized.

The applicable deferred tax rate for the year 2025/26 is 30%, in line with the standard corporate income tax rate.

25.3 Unrecognized deferred tax assets of the Company

Deferred tax assets have not been recognized in company respect of the temporary differences arising from tax losses.

	Temporary differences		Deferred tax asset	
	2026	2025	2026	2025
Agstar PLC	**20,882,161**	275,008,767	**6,264,648**	82,502,630

25.4 Unrecognized deferred tax assets of the Group

Deferred tax assets have not been recognized in group respect of the temporary differences arising from tax losses of the following subsidiaries as it is not probable that sufficient future taxable profit will be available against which the Group can use the benefits there from.

	Temporary differences		Deferred tax asset	
	2026	2025	2026	2025
Agstar PLC	**20,882,161**	275,008,767	**6,264,648**	82,502,630
AgStar Exports (Pvt) Ltd	**-**	9,212,007	**-**	2,763,602
Crop Care (Pvt) Ltd	**18,615,119**	15,335,947	**5,584,536**	4,600,784
Mahaweli Agro Trading (Pvt) Ltd	**-**	10,594,383	**-**	3,178,315
Agstar Seeds (Pvt) Ltd	**23,704,001**	54,548,158	**7,111,200**	16,364,447
Agstar Grains (Pvt) Ltd	**10,630,376**	143,372,683	**-**	-
	73,831,657	508,071,945	**18,960,384**	109,409,778

26 TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2026	2025	2026	2025
Trade payables		**92,289,583**	435,181,872	**89,015,027**	193,941,790
Other payables	26.1	**230,798,522**	212,069,922	**191,127,084**	157,611,745
Total of trade and other payables		**323,088,105**	647,251,794	**280,142,111**	351,553,535

26.1 Other Payable

Other payables includes sundry creditors and accrued expenses.

27 LOANS AND BORROWINGS

		Group		Company	
	Note	2026	2025	2026	2025
Current liabilites					
Short term loans	27.1	**5,931,832,845**	4,520,690,607	**5,820,028,138**	4,471,849,927
		5,931,832,845	4,520,690,607	**5,820,028,138**	4,471,849,927

27.1 Short term loan movement during the year

	Group		Company	
	2026	2025	2026	2025
Balance at the beginning of the year	**4,520,690,607**	643,659,654	**4,471,849,927**	643,659,654
Obtained during the year	**12,335,972,416**	9,517,531,119	**11,798,066,319**	9,111,795,327
Repayment during the year	**(10,924,830,178)**	(5,640,500,166)	**(10,449,888,105)**	(5,283,605,054)
Balance at the end of the year	**5,931,832,845**	4,520,690,607	**5,820,028,141**	4,471,849,927

Loan - Un discounted contractual cash flows

As at the reporting date, the Company has outstanding short-term loans that are repayable on demand. Given the nature of these borrowings, the carrying amount of these loans approximates their undiscounted contractual cash flows, as repayment could be required at any time and no interest or significant additional costs are expected to accrue beyond the reporting date.

The terms and conditions of outstanding loans are follows,

				Group		Company	
Bank	Currency	Interest Rate	Term	2026	2025	2026	2025
Hatton National Bank PLC	LKR	AWPLR+1%	On demand	**-**	309,588,650	**-**	309,588,650
Commercial Bank of Ceylon PLC	LKR	AWPLR+0.5%	On demand	**1,418,225,501**	1,038,815,419	**1,389,390,365**	1,038,815,419
DFCC Bank	LKR	AWPLR+0.5%	On demand	**1,467,203,258**	2,151,806,559	**1,467,203,258**	2,151,806,559
Bank of Ceylon	LKR	AWPLR+1%	On demand	**2,144,220,864**	1,020,479,979	**2,061,251,296**	971,639,299
People's Bank	LKR	AWPLR+0.5%	On demand	**267,780,863**	-	**267,780,863**	-
Sampath Bank	LKR	AWPLR+1%	On demand	**60,550,567**	-	**60,550,567**	-
NDB Bank	LKR	AWPLR+1%	On demand	**573,851,792**	-	**573,851,792**	-
				5,931,832,845	4,520,690,607	**5,820,028,141**	4,471,849,927

All bank facility securities under con-current mortgage bond.

28 INCOME TAX (PAYABLE) /RECEIVABLE

	Group		Company	
	2026	2025	2026	2025
Balance at the beginning of the year	**(508,117)**	329,811,873	**-**	315,279,698
Taxation on profits for the year	**11,473,025**	1,192,590	**-**	-
Under provision in respect of previous year	**307,343**	6,638,555	**-**	11,502,143
ESC Set-Off	**-**	(183,916)	**-**	-
WHT credit set-off	**(116,340)**	(4,605,530)	**-**	(4,605,530)
Tax paid during the year	**(1,440,765)**	(333,361,689)	**-**	(322,176,311)
Balance at the end of the year	**9,715,146**	(508,117)	**-**	-

29 Related party disclosures

(a) Identification of related parties

The Company has a related party relationship with its subsidiaries and other group Companies and with its Directors.

(b) Transactions with key management personnel

Key management personnel comprise all the members of the Board of Directors of the Company having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

(c) Loans to directors

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

(d) Key management personnel compensation

No compensation was paid to directors during the period under review, other than what is mentioned in Note 09

(e) Related party transactions

The following transactions were carried out with related parties during the year ended 31st March 2026.

29 RELATED PARTY DISCLOSURES CONTD.

29.1 Recurrent related party transactions

The Group entered into the recurrent related party transactions for the year 2025/26 as follows::

Transactions with subsidiaries and other related parties

Company	Relationship	Nature of transaction	Transactions during the year	Balance due (to)/ from as at 31/3/2026	Balance due (to)/ from as at 31/3/2025
AgStar Cropcare (Pvt) Ltd	Subsidiaries	Settlements of related party receivable	5,450,014		
		Rent expense	7,620,000		
		Expenses incurred by parent	65,120,732		
		Salaries and allowance	53,501,643		
		Set off against customer deposits	387,440		
		Subsidiary interest expense	20,518,619	**270,080,708**	117,482,260
AgStar Grains (Pvt) Ltd	Subsidiaries	Solar Power Income	10,751,932		
		Funds transfered	(147,266,523)		
		Expenses incurred by parent	5,879,505	**111,178,942**	241,814,028
		Provision made	-	**(88,273,000)**	(88,273,000)
AgStar Seeds (Pvt) Ltd	Subsidiaries	Settlements of related party receivable	(14,294,386)		
		Rent Expense	5,790,960		
		Expenses incurred by parent	11,694,218		
		Subsidiary interest expense	8,089,688		
		Salaries and allowance	9,127,976	**68,206,875**	47,798,419
Mahaweli Agro Trading (Pvt) Ltd	Subsidiaries	Expenses incurred by parent	156,639,776		
		Funds transferred	(10,000,000)		
		Solar power income	8,286,925	**(6,554,574)**	(161,481,275)
Prith Seeds (Pvt) Ltd	Subsidiaries	Salaries and allowance	13,802,156		
		Rent expense	2,664,360		
		Funds transfered	(37,364,164)		
		Subsidiary interest expense	1,900,767		
		Expenses incurred by parent	13,501,861	**16,022,678**	21,517,698
Agstar Exports (Pvt) Ltd	Subsidiaries up to disposal date	Salaries and allowance	1,816,458		
		Settlements of related party payable	10,962,995		
		Expenses incurred by parent	3,850	**-**	(12,783,303)
Brown & Company PLC	Immediate Parent	Expenses incurred by parent	(26,560,745)	**(44,183,999)**	(17,623,254)

Transactions with subsidiaries and other related parties - Group

Company	Relationship	Nature of transaction	Transactions during the year	Balance due (to)/ from as at 31/3/2026	Balance due (to)/ from as at 31/3/2025
Brown & Company PLC	Immediate Parent	Expenses incurred by parent	(26,560,745)	**(44,183,999)**	(17,623,254)
Sifang Lanka (PVT) Ltd	Follow Subsidiary	Loan disbursement	300,000,000	**300,000,000**	-
LOLC Holdings PLC	Ultimate Parent	Loan disbursement	2,000,000,000	**2,208,614,015**	-
		Interest income	214,678,904		
		Expenses incurred by ultimate parent	(6,064,889)		

(f) The receivables from related companies and payables to related companies on sale, purchase of goods and services are unsecured, interest free and have no fixed repayment terms. Other expenses are charged at cost.

(g) The subsidiary companies utilise certain facilities of the Company free of charge and part of the accounting and administrative functions of the subsidiary companies are also performed by the Company for which no charges are made.

(h) Terms and Conditions for recurrent transactions with related parties

All related party transactions are carried out in the ordinary course of business. 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.

29.2 Non-recurrent related party transactions

The Company has not entered into any non-recurrent related party transactions during the year, which exceeds 10% of the equity or 5% of the total assets, whichever is lower, as per the Colombo Stock Exchange Section Listing rule 9.3.2.

30 COMMITMENTS

There are no material capital or financial commitments outstanding as at the date of the statement of financial position, which require adjustment to or disclosure in the financial statements.

31 CONTINGENT LIABILITIES

There were no any material contingent liabilities outstanding as at the reporting date that require adjustments in the financial statements.

31.1 Corporate guarantee issued by AgStar PLC

Name of the Company	Type of the facility	Name of the bank	Amount (Rs.)
AgStar Seeds (Pvt) Ltd	Overdraft	Commercial	19,000,000
	Short term loan facility	Commercial	60,000,000
AgStar Cropcare (Pvt) Ltd	LC/IDL	Commercial	60,000,000
	Overdraft	Commercial	19,000,000
	LC/IDL	Bank of Ceylon	500,000,000
	LC/IDL	People's Bank	250,000,000

31.2 Bank Guarantees

Name of the Company	Name of the bank	Amount (Rs.)
Lanka Phosphate Ltd	Commercial	11,000,000
State Fertilizer Co. Ltd	Commercial	33,159,888
Kurunagala Plantation Ltd	Commercial	480,000
Digital Mobility Solutions Lanka (Pvt) Ltd	Commercial	125,000
Pacific Beverages Lanka (Pvt) Ltd	Commercial	60,000
Rubber Development Department	Commercial	30,000

32 EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events occurred after the reporting date that require adjustments to, or disclosure in the financial statements.

33 FINANCIAL INSTRUMENTS

(a) The following tables shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

33. FINANCIAL INSTRUMENTS CONTD.

33.1 Accounting classification

Company	Note	Financial assets at amortised cost	Other financial liabilities	Total carrying amount
As at 31st March 2026				
Financial assets not measured at fair value				
Trade and other receivables *	**19**	**1,554,080,565**	**-**	**1,554,080,565**
Subsidy receivable	**20**	**351,939,808**	**-**	**351,939,808**
Amounts due from related companies	**21.1**	**2,885,830,218**	**-**	**2,885,830,218**
Cash and cash equivalents	**22**	**1,322,181,777**	**-**	**1,322,181,777**
		6,114,032,368	**-**	**6,114,032,368**
Financial liabilities not measured at fair value				
Trade and other payables	**26**	**-**	**280,142,111**	**280,142,111**
Loans and borrowings	**27**	**-**	**5,820,028,138**	**5,820,028,138**
Lease liability	**15.2**		**2,441,864**	**2,441,864**
Amounts due to related companies	**21.2**	**-**	**50,738,573**	**50,738,573**
		-	**6,153,350,686**	**6,153,350,686**
As at 31st March 2025				
Financial assets not measured at fair value				
Trade and other receivables *	19	1,694,949,560	-	1,694,949,560
Subsidy receivable	20	351,939,808	-	351,939,808
Amounts due from related companies	21.1	340,339,405	-	340,339,405
Cash and cash equivalents	22	2,075,719,934	-	2,075,719,934
		4,462,948,707	-	4,462,948,707
Financial liabilities not measured at fair value				
Trade and other payables	26	-	351,553,535	351,553,535
Loans and borrowings	27	-	4,471,849,927	4,471,849,927
Lease liability	15.2		2,103,291	2,103,291
Amounts due to related companies	21.2	-	191,887,832	191,887,832
		-	5,017,394,585	5,017,394,585

* Tax recoverable, non refundable deposits, prepayments, rent in advance and advances amounting to Rs.846,622,405 (2025- Rs. 465,627,114) have been excluded as they are not financial instruments.

33.2 Accounting classification

Trade and other receivables and trade and other payables classified as held for sales are not included in the table below. Their carrying amount is a reasonable approximation of fair value.

Group	Note	Financial assets at amortised cost	Other financial liabilities	Total carrying amount
As at 31st March 2026				
Financial assets not measured at fair value				
Trade and other receivables*	**19**	**2,032,639,960**	**-**	**2,032,639,960**
Subsidy receivable	**20**	**389,513,396**	**-**	**389,513,396**
Amounts due from related companies	**21.1**	**2,508,614,015**	**-**	**2,508,614,015**
Cash and cash equivalents	**22**	**1,366,688,070**	**-**	**1,366,688,070**
		6,297,455,441	**-**	**6,297,455,441**
Financial liabilities not measured at fair value				
Trade and other payables	**26**	**-**	**323,088,105**	**323,088,105**
Loans and borrowings	**27**	**-**	**5,931,832,845**	**5,931,832,845**
Lease liability	**15.2**	**-**	**7,281,255**	**7,281,255**
Amounts due from related companies	**21.2**	**-**	**45,640,987**	**45,640,987**
		-	**6,307,843,192**	**6,307,843,192**
As at 31st March 2025				
Financial assets not measured at fair value				
Trade and other receivables*	19	1,978,276,536	-	1,978,276,536
Subsidy receivable	20	389,513,396	-	389,513,396
Cash and cash equivalents	22	2,116,472,897	-	2,116,472,897
		4,484,262,829	-	4,484,262,829
Financial liabilities not measured at fair value				
Trade and other payables	26	-	647,251,794	647,251,794
Loans and borrowings	27	-	4,520,690,607	4,520,690,607
Amounts due from related companies	21.2	-	17,623,254	17,623,254
Lease liability	15.2	-	6,952,132	6,952,132
Bank overdraft	22	-	9,257,363	9,257,363
		-	5,201,775,150	5,201,775,150

* Tax recoverable, non refundable deposits, prepayments, rent in advance and advances amounting to Rs.907,225,992 (2025 - Rs. 542,237,290) have been excluded as they are not financial instruments.

33 FINANCIAL INSTRUMENTS CONTD

33.3 Fair value of financial instrument

The Group and the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in
making the measurements.

Level I : Quoted market price (unadjusted) in an active market for an identical instrument.

Level II : 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: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level III : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques include 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.

33.4 Financial instrument fair value

The carrying amounts of short-term financial assets and financial liabilities, including trade and other receivables, cash and cash equivalents, and trade and other payables, are considered to be a reasonable approximation of their fair values because of the short-term maturities of these instruments. Therefore, separate fair value disclosures have not been presented in accordance with paragraph 29(a) of SLFRS 7.

		COMPANY							
		Carrying Amount		Level I		Level II		Level III	
As at 31st March	Note	2026	2025	2026	2025	2026	2025	2026	2025
Financial Assets Measured at Amortised Cost									
Trade and other receivables *	19	**1,554,080,565**	1,694,949,560	**-**	-	**-**	-	**-**	-
Subsidy receivable	20	**351,939,808**	351,939,808	**-**	-	**-**	-	**-**	-
Amounts due from related companies	21.1	**2,885,830,218**	340,339,405	**-**	-	**-**	-	**-**	-
Cash and cash equivalents	22	**1,322,181,777**	2,075,719,934	**-**	-	**-**	-	**-**	-
Other Financial Liabilities									
Trade and other payables	26	**280,142,111**	351,553,535	**-**	-	**-**	-	**-**	-
Loans and borrowings	27	**5,820,028,138**	4,471,849,927	**-**	-	**-**	-	**5,820,028,138**	4,471,849,927
Lease liability	15.2	**2,441,864**	2,103,291	**-**	-	**-**	-	**-**	-
Amounts due to related companies	21.2	**50,738,573**	191,887,832	**-**	-	**-**	-	**-**	-
Total		**12,267,383,054**	9,480,343,292	**-**	-	**-**	-	**5,820,028,138**	4,471,849,927

* Tax recoverable, non refundable deposits, prepayments, rent in advance and advances amounting to Rs.846,622,405 (2025- Rs. 465,627,114) have been excluded as they are not financial instruments.

33. FINANCIAL INSTRUMENT CONTD

		GROUP							
		Carrying Amount		Level I		Level II		Level III	
As at 31st March	Note	2026	2025	2026	2025	2026	2025	2026	2025
Financial Assets Measured at Amortised Cost									
Trade and other receivables*	19	**2,032,639,960**	1,978,276,536	**-**	-	**-**	-	**-**	-
Subsidy receivable	20	**389,513,396**	389,513,396	**-**	-	**-**	-	**-**	-
Amounts due from related companies	21.1	**2,508,614,015**	-	**-**	-	**-**	-	**-**	-
Cash and cash equivalents	22	**1,366,688,070**	2,116,472,897	**-**	-	**-**	-	**-**	-
Other Financial Liabilities									
Trade and other payables	26	**323,088,105**	647,251,794	**-**	-	**-**	-	**-**	-
Loans and borrowings	27	**5,931,832,845**	4,520,690,607	**-**	-	**-**	-	**5,931,832,845**	4,520,690,607
Lease liability	15.2	**7,281,255**	6,952,132	**-**	-	**-**	-	**-**	-
Bank Overdrafts	22	**-**	9,257,363	**-**	-	**-**	-	**-**	-
Amounts due from related companies	21.2	**45,640,987**	17,623,254						
Total		**12,605,298,633**	9,686,037,979	**-**	-	**-**	-	**5,931,832,845**	4,520,690,607

* Tax recoverable, non refundable deposits, prepayments, rent in advance and advances amounting to Rs.907,225,992 (2025 - Rs. 542,237,290) have been excluded as they are not financial instruments.

34 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of Financial Instruments.

1. Credit Risk
2. Liquidity Risk
3. Market Risk (including currency risk and interest rate risk)

Risk management framework

This note represents qualitative and quantitative information about the Groups' exposure to each of the above risks, the Group's objectives, policies and procedure for measuring and managing risk.

Risk management framework

The Board of Directors has the overall responsibility for establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by enterprice risk management team. It's undertakes both regular and ad-hoc reviews of risk management controls and procedures, the findings of which are reported to the Audit Committee.

34.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group is closely monitoring the economic environment in the country and is taking necessary measures to limit its exposure to customers experiencing particular economic volatility.

The carrying amounts of financial assets represent the maximum credit exposure.

Maximum 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. Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group is closely monitoring the economic environment in the country and is taking necessary measures to limit its exposure to customers experiencing particular economic volatility.

The carrying amounts of financial assets represent the maximum credit exposure.

Maximum 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.

		Group		Company	
	Note	2026	2025	2026	2025
Trade and other receivables *	19	**2,032,639,960**	1,978,276,536	**1,554,080,565**	1,694,949,560
Subsidy receivable	20	**389,513,396**	389,513,396	**351,939,808**	351,939,808
Amounts due from related companies	21.1	**-**	-	**2,885,830,218**	340,339,405
Cash and cash equivalents	22	**1,366,688,070**	2,116,472,897	**1,322,181,777**	2,075,719,934
		3,788,841,432	4,484,262,829	**6,114,032,368**	4,462,948,707

* Tax recoverable, non refundable deposits, prepayments, rent in advance and advances of the Company and Group amounting to Rs.846,662,403 (2025 - Rs. 465,627,114) and Rs.907,225,992 (2025 - Rs.542,237,292) respectively have been excluded as they are not financial instruments.

Trade Receivables and Other Receivables

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for Group of similar assets in respect of losses that are expected to be incurred and not yet identified. The collective loss allowance is determined based on historical data of payment statistics of those receivables and the future macro economic conditions.

During the year ended 31 March 2026, the Company reassessed the forward-looking macro-economic assumptions and the probability weightings assigned to the base case, best case, and worst-case scenarios used in the Expected Credit Loss (ECL) assessment, based on the latest available economic information. Accordingly, Gross Domestic Product (GDP) growth was identified as the key quantitative macro-economic indicator incorporated into the ECL model.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.(a)

		Group		Company	
	Note	2026	2025	2026	2025
Balance at the beginning of the year		**188,870,070**	51,641,469	**149,708,139**	30,945,815
Provision during the year		**68,126,914**	137,228,601	**9,842,878**	118,762,324
Balance at end of the year	19.2	**256,996,984**	188,870,070	**159,551,017**	149,708,139

The following table provides information about the exposure to credit risk and ECL's for trade receivables.

		COMPANY			
		2026		2025	
	Note	Trade Receivables	Provision for Impairment	Trade Receivables	Provision for Impairment
Past due 1-60 days		**1,143,168,308**	1,082,780	**1,052,564,830**	996,963
Past due 61-120 days		**297,999,766**	831,604	**452,013,205**	523,455
Past due more than 120 days		**134,014,453**	157,636,635	**337,159,882**	148,187,721
Total	19/19.2	**1,575,182,527**	159,551,019	**1,841,737,917**	149,708,139

		GROUP			
		2026		2025	
	Note	Trade Receivables	Provision for Impairment	Trade Receivables	Provision for Impairment
Past due 1-60 days		**1,374,828,325**	1,418,103	**1,256,815,135**	1,296,376
Past due 61-120 days		**398,157,072**	1,199,979	**520,372,441**	746,462
Past due more than 120 days		**378,202,489**	254,378,904	**550,568,209**	186,827,232
Total	19/19.2	**2,151,187,886**	256,996,986	**2,327,755,785**	188,870,070

Cash and cash equivalents

The Group held cash and cash equivalents of Rs. 1,366 Mn at 31 March 2026 (2025 - Rs. 2,113 Mn) which represents its maximum credit exposure on these assets.

Details of the counter parties in which the Company has short term deposits are as follows,

Bank	Rating	Bank	Rating
People's Bank	AA-(lka)	Bank of Ceylon	AA-(lka)
Hatton National Bank PLC	AA-(lka)	DFCC Bank	A (lka)
LOLC Holdings PLC	A+ (lka)	Nations Trust Bank PLC	A (lka)
National Development Bank PLC	A- (lka)		
Sampath Bank PLC	AA-(lka)		
Commercial Bank of Ceylon PLC	AA-(lka)		
Seylan Bank PLC	A+ (lka)		

34.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with its financial liabilities that are to be settled by cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has focused on maintaining an acceptable retention policy and a balance between continuity of funding and flexibility through effective treasury function to forecast funding requirement. Furthermore, Group maintains a contingent funding plan and leverage the Group's strength as a listed entity to raise economical funding when required to mitigate possible liquidity risk.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Company	As at 31st March 2026					
	Carrying value	Less than 3 months	3 - 6 months	6 -12 months	More than 12 months	Total
Non-derivative financial liabilities						
Trade and other payables	**280,142,111**	**280,142,111**	**-**	**-**	**-**	**280,142,111**
Amounts due to related companies	**50,738,573**	**50,738,573**	**-**	**-**	**-**	**50,738,573**
Loans and borrowings	**5,820,028,138**	**5,820,028,138**	**-**	**-**	**-**	**5,820,028,138**
Lease liabilities	**2,441,864**	**-**	**-**	**341,250**	**9,522,389**	**9,863,639**
	6,153,350,686	**6,150,908,822**	**-**	**341,250**	**9,522,389**	**6,160,772,461**

Company	As at 31st March 2025					
	Carrying value	Less than 3 months	3 - 6 months	6 -12 months	More than 12 months	Total
Non-derivative financial liabilities						
Trade and other payables	351,553,535	351,553,535	-	-	-	351,553,535
Amounts due to related companies	191,887,832	191,887,832	-	-	-	191,887,832
Loans and borrowings	4,471,849,927	4,471,849,927	-	-	-	4,471,849,927
Lease liabilities	2,103,291		-	275,625	8,993,925	9,269,550
	5,017,394,585	5,015,291,294	-	275,625	8,993,925	5,024,560,844

Group	As at 31st March 2026					
	Carrying value	Less than 3 months	3 - 6 months	6 -12 months	More than 12 months	Total
Non-derivative financial liabilities						
Trade and other payables	**323,088,105**	**323,088,105**	**-**	**-**	**-**	**323,088,105**
Amounts due to related companies	**45,640,987**	**45,640,987**	**-**	**-**	**-**	**45,640,987**
Loans and borrowings	**5,931,832,845**	**5,931,832,845**	**-**	**-**	**-**	**5,931,832,845**
Lease liabilities	**7,281,255**	**-**	**-**	**709,890**	**19,316,414**	**20,026,304**
	6,307,843,192	**6,300,561,937**	**-**	**709,890**	**19,316,414**	**6,320,588,241**

Group	As at 31st March 2025					
	Carrying value	Less than 3 months	3 - 6 months	6 -12 months	More than 12 months	Total
Non-derivative financial liabilities						
Trade and other payables	647,251,794	647,251,794	-	-	-	647,251,794
Loans and borrowings	4,520,690,607	4,520,690,607	-	-	-	4,520,690,607
Amounts Due from related Companies	17,623,254	17,623,254	-	-	-	17,623,254
Lease liabilities	6,952,132	-	-	644,265	19,156,590	19,800,855
Bank overdraft	9,257,363	9,257,363	-	-	-	9,257,363
	5,201,775,150	5,194,823,018	-	644,265	19,156,590	5,214,623,873

34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates etc; which will affect the Group's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

(a) Currency risk

The Group is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency which is the Sri Lankan Rupee.

To mitigate the exposure to foreign currency risk, forward exchange contracts are entered into in accordance with its risk management policies. Forward exchange contracts are mainly entered into in respect of short term bills payable on imports.

Exposure to currency risk

The following significant exchange rates has been applied,

	Average Rate		Spot Rate	
	2026	2025	**2026**	2025
USD	304.40	297.73	315.19	296.34

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and financial assets.

At the reporting date, the Group's interest-bearing financial instruments were as follows:

	Group		Company	
	2026	2025	**2026**	2025
Variable rate instruments				
Import demand loans	**5,931,832,845**	4,520,690,607	**5,820,028,141**	4,471,849,927
Bank overdraft	-	9,257,363	-	-

Sensitivity analysis

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument fluctuates because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and financial assets.

At the reporting date, the Group's interest-bearing financial instruments were as follows:

	Increase/ decrease in base point	Group Effect on profit before tax	Company Effect on profit before tax
2026	**+100**	**(59,318,328)**	**(58,200,281)**
	-100	**59,318,328**	**58,200,281**
2025	**+100**	(45,206,906)	(44,718,499)
	-100	45,206,906	44,718,499

35 CAPITAL MANAGEMENT

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and sustain future development of the business. Capital consist of ordinary share capital, reserves, retained earnings and non-controlling interest of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary share holders.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher level of borrowing and the advantanges and security affored by a sound capital position.

As at 31st March	Group		Company	
	2026	2025	2026	2025
Total liabilities	**7,307,290,217**	6,254,790,918	**7,132,129,057**	6,006,293,768
Less: Cash and cash equivalents	**(1,366,688,070)**	(2,113,523,313)	**(1,322,181,777)**	(2,075,719,934)
Net debts	**5,940,602,147**	4,141,267,605	**5,809,947,286**	3,930,573,834
Total equity	**8,236,166,955**	8,036,423,659	**7,480,039,753**	7,208,150,164
Net debt to equity ratio	**0.72**	0.52	**0.78**	0.55

DECADE AT A GLANCE

For the year ended 31st March,

31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Rs.'000										
OPERATING RESULTS										
Group Revenue	**11,610,593**	9,522,313	7,666,127	7,458,205	5,992,282	3,611,145	1,734,841	2,478,165	3,317,020	2,784,899
Net Finance Expense	**(104,607)**	(159,889)	82,064	(620,096)	(830,717)	(34,880)	(54,327)	(6,307)	(34,790)	(38,460)
Profit/ (Loss) Before Tax	**147,031**	(368,222)	177,277	2,347,695	797,401	576,453	205,496	321,024	156,039	244,104
Tax Expense/ (Reversal)	**52,113**	2,586	(12,081)	(688,524)	(190,674)	(84,078)	(63,977)	(75,805)	(65,731)	(76,717)
Profit/ (Loss) After Tax (continuing Operations)	**199,143**	(365,636)	165,196	1,659,171	606,727	492,375	141,519	245,219	90,308	167,387
Gain /(loss) from discontinued operations, net of tax	**(2,134)**	(975)	(5,509)	(295)	136	(17,244)	(3,530)	(18,850)	(63,717)	(189,853)
Attributable To:										
Equity Holders of the parent	**197,009**	(366,611)	159,686	1,668,886	618,916	476,259	137,989	226,369	26,591	(22,466)
Non Controlling Interest	**-**	-	-	(10,011)	(12,053)	(1,128)	-	-	-	-
	197,009	(366,611)	159,686	1,658,875	606,863	475,131	137,989	226,369	26,591	(22,466)
FINANCIAL POSITION										
Stated Capital	**2,007,857**	2,007,857	2,007,857	2,007,857	2,007,857	1,204,094	1,204,094	1,204,094	1,204,094	1,204,094
Reserves	**6,228,310**	6,028,567	5,350,484	5,178,803	3,639,493	2,441,833	1,820,564	1,681,855	1,430,353	1,198,298
	8,236,167	8,036,424	7,358,341	7,186,660	5,647,350	3,645,927	3,024,658	2,885,949	2,634,447	2,402,392
Non Controlling Interest	**-**	-	-	20,634	30,645	42,698	-	-	-	-
Net Assets	**8,236,167**	8,036,424	7,358,341	7,186,660	5,647,350	3,645,927	3,024,658	2,885,949	2,634,447	2,402,392
Non Current Liabilities	**996,998**	1,059,571	660,600	813,665	764,714	448,483	379,366	286,998	191,621	66,436
	9,233,165	9,095,995	8,018,949	8,020,959	6,442,709	4,137,108	3,404,024	3,172,947	2,826,068	2,468,828
Represented By;										
Property Plant & Equipments	**3,776,280**	4,319,620	3,016,197	3,285,915	3,299,488	2,403,080	1,650,869	1,527,367	1,417,703	1,029,492
Non Current Assets (Excluding PPE)	**1,070,435**	475,879	413,756	1,031,639	190,851	126,952	79,595	56,626	57,205	212,451
- Current Assets	**10,696,742**	9,495,716	5,824,832	4,632,619	6,292,468	5,919,747	4,178,890	3,765,141	3,483,081	3,140,495
- Current Liabilities	**(6,310,292)**	(5,195,220)	(1,235,844)	(929,214)	(3,340,098)	(4,312,671)	(2,505,330)	(2,176,187)	(2,131,921)	(1,913,610)
Net Current Assets	**4,386,450**	4,300,496	4,588,987	3,703,405	2,952,370	1,607,076	1,673,560	1,588,954	1,351,160	1,226,884
	9,233,165	9,095,995	8,018,949	8,020,959	6,442,709	4,137,108	3,404,024	3,172,947	2,826,068	2,468,828
KEY INDICATORS										
Annual Revenue growth (%)	**21.93**	24.21	2.79	24.46	65.94	108.15	(29.99)	(25.29)	19.11	61.10
Basic earning per share (Rs.)	**0.40**	(0.75)	0.33	4.10	1.52	1.47	0.42	0.70	0.08	(0.07)
Net Profit to net revenue (%)	**1.72**	(3.84)	2.08	22.25	10.13	13.16	7.95	9.13	0.80	(0.81)
Dividend per share - propsoed (Rs.)	**-**	-	-	-	-	0.20	-	0.20	0.10	-
Return on Equity (%)	**2.39**	(4.56)	2.17	23.22	10.96	13.06	4.56	7.84	0.95	(0.94)
Net Assets per share (Rs.)	**16.89**	16.48	15.09	14.74	11.58	11.22	9.31	8.88	8.59	7.39
Debt to Equity Ratio (%)	**0.72**	0.56	0.08	0.02	6.89	21.67	49.81	34.69	0.61	16.71
Current ratio(Times)	**1.70**	1.83	4.71	4.99	1.88	1.37	1.67	1.73	1.63	1.64

OTHER DIRECTORSHIPS OF BOARD MEMBERS

DIRECTORS' DISCLOSURES IN TERMS OF SECTION 9.10.4 (E)

Name of Director	Nature of Directorship	Name of Company
M. Gunawardena	Non-Executive Director	L O L C Advanced Technologies (Pvt) Ltd
	Non-Executive Director	Ceylon Graphene Technologies (Pvt) Ltd
	Non-Executive Director	Associated Battery Manufacturers (Ceylon) Ltd
	Non-Executive Director	Browns Pharma Ltd
	Chairman	Browns Agri Solutions (Pvt) Ltd
	Non-Executive Director	B I Commodities and Logistics (Pvt) Ltd
	Non-Executive Director	Fortigrains Lanka (Private) Limited
	Non-Executive Director	L O L C Geo Technologies (Private) Limited
	Non-Executive Director	L O L C Eco Technologies (Pvt) Ltd
	Non-Executive Director	Tropical Island Commodities (Private) Limited
	Non-Executive Director	Sri Spice (Private) Limited
	Non-Executive Director	Hapugastenne Plantations PLC
	Non-Executive Director	Udapussellawa Plantations PLC
	Non-Executive Director	Ceylon Nano Diagnostics (Pvt) Ltd
	Non-Executive Director	LOLC Advanced Technologies Australia Pty Ltd
	Non-Executive Director	Pussellawa Plantations Limited
	Executive Director	Maturata Plantations Ltd
	Director	Sri Lanka Institute of Nano Technology (SLINTEC)
	Director	Ceylon Estate Teas (Pvt) Ltd
	Director	F L M C Plantations (Pvt) Ltd
	Director	Melfort Green Teas (Pvt) Ltd
	Director	L O L C Advanced Technologies Industries LLC SPC
Mr.I. Gunawardena	Executive Deputy Chairman	Agstar PLC
	Director	Agstar Grains (Pvt) Limited
	Director	Agstar CropCare (Pvt) Limited
	Director	Agstar Seeds (Pvt) Ltd
	Director	Prith Seeds (Pvt) Ltd
	Director	Royal Seeds Company (Pvt) Ltd
	Director	Mahaweli Agro Trading (Pvt) Ltd

OTHER DIRECTORSHIPS OF BOARD MEMBERS

Name of Director	Nature of Directorship	Name of Company
Mr. T. Sanakan	Executive Director	Brown & Company PLC
	Non-Executive Director	Associated Battery Manufactures (Ceylon) Ltd
	Non-Executive Director	Browns Pharma Ltd
	Non-Executive Director	Klevenberg (Pvt) Ltd
	Non-Executive Director	Browns Group Industries (Pvt) Ltd
	Non-Executive Director	Sifang Lanka (Pvt) Ltd
	Non-Executive Director	Browns Group Industrial Park (Pvt) Ltd
	Non-Executive Director	Browns Thermal Engineering (Pvt) Ltd
	Non-Executive Director	S.F.L. Services (Pvt) Ltd
	Non-Executive Director	Browns Agri Solutions (Pvt) Ltd
	Non-Executive Director	Browns Industrial Park Ltd
	Non-Executive Director	Engineering Services (Pvt) Ltd
	Non-Executive Director	Masons Mixture Ltd
	Non-Executive Director	Agstar Seeds (Pvt) Ltd
	Non-Executive Director	Agstar Grains (Pvt) Ltd
	Non-Executive Director	Prith Seeds (Pvt) Ltd
	Non-Executive Director	Royal Seeds (Pvt) Ltd
	Non-Executive Director	Agstar Cropcare (Pvt) Ltd
	Non-Executive Director	Browns Sola Solutions (Pvt) Ltd
K Sivanesan	Senior Independent Director	Browns Investments PLC
	Independent Director	LOLC Holdings PLC
	Independent Director	LOLC Life Assurance Limited
	Director	Waharaka Energy (Pvt) Ltd
S. Jayasuriya	Senior Independent non Executive Director	CBC Finance PLC
	Independent Non-Executive Director	Sierra cables PLC

NOTICE OF ANNUAL GENERAL MEETING

AGSTAR PLC

REG NO. PV1618 PBPQ

NOTICE IS HEREBY GIVEN THAT THE 24TH ANNUAL GENERAL MEETING of the Company will be held on 10th September 2026 at 10.00 a.m as an on-line audio-visual meeting with arrangements for the on-line meeting platform made at LOLC Holdings PLC, No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya.

The business to be brought in before the meeting will be:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and Statement of Accounts of the Company for the Financial Year ended 31st March 2026 with the Auditors' Report thereon.
2. To elect Mr. A.M.S. N. Abeysinghe as a Director who retires by rotation in terms of Article 23(2) of the Articles of Association of the Company.
3. To elect Mr. N. C. S. K. Nishanka as a Director who retires by rotation in terms of Article 23(2) of the Articles of Association of the Company.
4. To re-elect Mr. R S I Gunawardena as a Director who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.
5. To re-elect Mr. T. Sanakan as a Director who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.
6. To re-appoint M/s. KPMG, Chartered Accountants as the auditors for the ensuing financial year at a remuneration to be fixed by the Directors.
7. 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 and until the next Annual General Meeting of the Company.

SPECIAL BUSINESS

8. To resolve by way of a Special Resolution amendments to the Articles of Association :

By deleting Article 34 (7) in its entirety and including Article 23(4) (i) to (vii) to reflect the requirements mandated under section 9.9 of the listing rules

(i) An Alternate Director shall only be appointed in exceptional circumstances by any Director giving notice in writing left at the Office of the Company and approved by the Board to be an Alternate Director of the Company to act in their place during their absence, subject to applicable laws, rules and regulations. Any such appointment shall not exceed a period of one year from the date of appointment and the following provisions of this Article shall apply to any person so appointed

(ii) A person appointed to be an Alternate Director shall not in respect of such appointment be entitled to receive any remuneration from the Company nor be required to hold any share qualification but the Board may repay the Alternate Director such reasonable expenses as they may incur in attending and returning from meetings of the Board which they are entitled to attend or as they may otherwise properly incur in or about the business of the Company or may pay such allowances as they may think proper in respect of these expenses.

(iii) An alternate Director shall (on them giving an address for such notices to be served) be entitled to receive notices of all meetings of the Board and to attend and vote as Director at any such meeting at which the Director appointing them is not personally present and generally to perform all the functions of their appointor as a Director in the absence of such appointor

(iv) An Alternate Director may be appointed for a specified period or until the happening of a specified event subject to subclause 23(4)(i) but they shall ipso facto cease to be an Alternate Director in any of the following events, that is to say:-

a) upon the return of their appointor including a return to Sri Lanka

b) if their appointor ceases for any reason to be a Director; provided that if any Director retires by rotation but is re-elected at the meeting at which such retirement took effect, any appointment made by them pursuant to this Article which was in force immediately prior to their retirement shall continue to operate after their re-election as if they had not so retired;

c) if the appointment of the Alternate Director is revoked by their appointor, by notice in writing left at the office

d) if the Board resolves that the appointment of the Alternate Director be terminated.

e) If they become prohibited by law from acting as alternate Director including ;

i. being convicted of any offense punishable by imprisonment; or

ii. convicted of any offense involving dishonest or fraudulent acts whether in Sri Lanka or elsewhere

iii. If they resign by writing under their hand left at the Office

iv. If they cease to hold office in terms of Section 207 of the Act

v. If they become disqualified from being a Director in terms of Section 202 of the Act.

(v) A Director shall not vote on the question of the approval of an Alternate Director to act for them or on the question of the termination of the appointment of such an Alternate Director under sub-paragraph (iv) of the foregoing sub-clause of this Article, and if they do so their vote shall not be counted; nor for the purpose of any resolution for either of these purposes shall they be counted in the quorum present at the meeting.

(vi) If an Alternate Director is appointed for a non-executive director, such alternate should not be an executive of the Company. Similarly, if an alternate director is appointed for an independent director, the person so appointed shall meet the criteria for independence under applicable laws, rules and regulations

(vii) The attendance of any Alternate Director at any meeting subject to article 23(4)(v) above, including Board committee meetings, shall be counted for the purpose of quorum

By order of the Board
AGSTAR PLC

L O L C Corporate Services (Private) Limited
Secretaries

13th August 2026

FORM OF PROXY

AGSTAR PLC
Reg No. PV1618PBPQ

I/ We .... of

....

being a member/members of the above named Company hereby appoint;

.... of

.... whom failing

M. S..Gunawardana	or failing him
R. S. I. Gunawardhana	or failing him
T. Sanakan	or failing him
S. Jayasuriya	or failing him
K. Sivanesan	or failing him
C.S.K.N. Nishankage	or failing him
A.M.S.N. Abeysinghe	or failing him

as my/our proxy to represent me/us and vote on my/our behalf at the Twenty Fourth (24th) Annual General Meeting of the Company to be held as an online meeting on 10th September 2026 at 10.00 a.m and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

		For	Against
1.	To elect Mr A.M. S. N. Abeysinghe as a Director who retires in terms of Article 23 (2) of the Articles of Association of the Company		
2.	To elect Mr N. C.S.K. Nishanka as a Director who retires in terms of Article 23(2) of the Articles of Association of the Company.		
3.	To re-elect Mr. R S I Gunawardena as a Director who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.		
4.	To re-elect Mr. T. Sanakan as a Director who retires by rotation in terms of Article 23(6) of the Articles of Association of the Company.		
5.	To re-appoint as auditors M/s KPMG, Chartered Accountants for the ensuing financial year at a remuneration to be fixed by the Directors.		
6.	To authorise Directors to make donations.		
7.	SPECIAL BUSINESS To resolve by way of a Special Resolution amendments to the Articles of Association by including Article 23(4)(i) to (vii) to reflect the requirements mandated under Section 9.9 of the Listing Rules on Alternate Directors.		

dated this .... day of............Two Thousand and Twenty-Six.

....

Signature of Shareholder

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 Form of 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 (Private) Limited, Secretaries to AgStar PLC, 4th Floor, No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 03 or scanned and emailed to corporateservices@lolc.com with the email subject titled "AGSTAR AGM PROXY" not less than 48 hours before the time appointed for the holding of the Meeting.

To: LOLC Corporate Services (Pvt) Ltd
Secretaries to Agstar PLC
4th Floor, No. 34, Sir Mohamed Macan Markar Mawatha,
Colombo 03

REGISTRATION FORM FOR AGSTAR AGM 2026 -

REGISTRATION OF SHAREHOLDER DETAILS FOR ONLINE PARTICIPATION

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/s	Land line (residence/work):	Mobile:
6. Email address/s (to which the on-line meeting link should be forwarded by the Company)		
In the event a Proxy Holder is appointed by the Shareholder		
7. Name of the Proxy holder		
8. Proxy holder's NIC/PP No.		
9. Proxy holder's 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 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

STAKEHOLDER FEEDBACK FORM

Agstar 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/Organization:..

WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

☐ Shareholder ☐ Employee ☐ Service Provider

☐ Customer ☐ Student ☐ Supplier

☐ Community ☐ Regulatory Body ☐ Special Interest Group

☐ Public Authority ☐ Journalist

GENERAL FEEDBACK

1. How would you rate your overall satisfaction with the Company's communication practices?

☐ Very Satisfied ☐ Dissatisfied

☐ Satisfied ☐ Very Dissatisfied

☐ Neutral

2. How often do you feel the Company provides timely and accurate information?

☐ Always ☐ Rarely

☐ Often ☐ Never

☐ Sometimes

3. How effective do you find the Company's use of its website and social media for communication?

☐ Very Effective ☐ Ineffective

☐ Effective ☐ Very Ineffective

☐ Neutral

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

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

STAKEHOLDER FEEDBACK FORM

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

4th Floor, No. 34, Sir Mohamed Macan Markar Mawatha, Colombo 03
Email: DulipS@lolc.com and SusaanB@lolc.com

CORPORATE INFORMATION

The Company AgStar PLC

Legal Form A Public Quoted Company incorporated in Sri Lanka on 25th June 2002

Company Registration No. PV1618 PB/PQ

Registered Office
AgStar PLC
No.93, Minuwangoda Road, Ekala,
Ja-Ela.
Tel: +94 11 4812424
Fax: +94 11 4810706
E-mail: info@agstaragri.com
Website: www.agstaragri.lk

Board of Directors
Mr. Manju Gunawardana
Chairman / Non-Executive Director
Mr. R. S. Indika Gunawardhana
Executive Deputy Chairman
Mr. T. Sanakan
Executive Director
Mr. C. S. K. Nishanka Nishankage
Non-Executive Director
Mr. A. M. S. N. Abeysinghe
Non-Executive Director
Mr. Sarath Jayasuriya
Independent Non-Executive Director
Mr. K. Sivanesan
Independent Non-Executive Director

Audit Committee
Mr. Sarath Jayasuriya (Chairman)
Mr. K. Sivanesan
Mr. Manju Gunawardena

Talent Development & Remuneration Committee
Mr. K. Sivanesan (Chairman)
Mr. Sarath Jayasuriya
Mr. Manju Gunawardena

Related Party Transactions Review Committee
Mr. Sarath Jayasuriya (Chairman)
Mr. K. Sivanesan
Mr. Manju Gunawardena

Nomination & Governance Committee
Mr.K Sivanesan(Chairman)
Mr.Sarath Jayasuriya
Mr.Manju Gunawardena

Designed & produced by
emagewise
Digital Plates & Printing by
Softwave Printing and Publishing (Pvt) Ltd

Subsidiaries
AgStar Cropcare (Pvt) Limited
AgStar Seeds (Pvt) Limited
Prith Seeds (Pvt) Limited
Mahaweli Agro Trading (Pvt) Limited
AgStar Grains (Pvt) Limited
Royal Seeds (Pvt) Limited

Secretaries
LOLC Corporate Services (Private) Ltd
100/1, Sri Jayawardenapura Mawatha,
Rajagiriya
Tel : +94 115 063 000
Fax : +94 112 865 602

Registrars
SSP Corporate Services (Private) Limited
101, Inner Flower Road, Colombo 03
Tel : +94 112 573 894
Fax : +94 112 573 609

Auditors
KPMG
P O Box 186
32A, Sir Mohamed Macan Markar
Mawatha, Colombo 03
Tel : +94 115 426 426
Fax : +94 112 445 872
+94 112 446 058

Bankers
Bank of Ceylon
Commercial Bank of Ceylon PLC
DFCC Vardhana Bank PLC
Hatton National Bank PLC
Nation Trust Bank PLC
NDB Bank PLC
Peoples' Bank
Sampath Bank PLC
Seylan Bank PLC

Legal Consultants
Paul Ratnayake Associates
59, Gregory's Road, Colombo 07
Sudath Perera Associates
5,9th Lane, Nawala Road, Nawala

AgStar